

ASX & Media Release

AGL voluntarily suspends Waukivory Pilot Project

27 January 2015

AGL Energy Limited (AGL) advises that it has today voluntarily suspended pilot production testing at its Waukivory Pilot Project. The decision was made in response to the detection of BTEX¹ in samples of flowback water taken from two of the four wells and from an aboveground water storage tank.

In all, AGL has taken a total of five samples from three different locations. Four of the samples found BTEX concentrations in the range 12 – 70 parts per billion. The fifth sample found a BTEX concentration of 555 parts per billion. The integrity of this sample is being reviewed along with the other sample results. As published on AGL's website, BTEX has previously been found in baseline groundwater tests carried out before the commencement of the Waukivory Pilot Project at levels of approximately 30 – 60 parts per billion in the Gloucester Basin.

AGL can categorically state that none of the hydraulic fracturing fluids used at Waukivory contained any of the BTEX components. The BTEX detected in the samples is most likely to be naturally occurring, from within coal seams located at an average depth of approximately 600 metres and brought to the surface as part of the flowback of water from the hydraulic fracturing process. All flowback water from the pilot wells is captured within a fully contained system, and deposited in an above ground storage tank before treatment at licensed water treatment facilities and lawful disposal.

AGL's monitoring of groundwater and surface water has shown no evidence of changes in water quality since the commencement of the Waukivory Pilot Program.

Managing Director, Michael Fraser, said: "Because of the community's concern about any detection of BTEX and in the interests of acting prudently, AGL has voluntarily suspended the Waukivory Pilot Project until a full review of the sample results has been completed."

AGL has also reported the sample results to the Environment Protection Authority, the Office of Coal Seam Gas, and the NSW Office of Water.

¹ Benzene, toluene, ethylbenzene and xylene.

Further inquiries:

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About AGL

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable energy generation in the country. Drawing on over 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is taking action toward creating a sustainable energy future for our investors, communities and customers.
