

ASX & Media Release

No harm to the environment found in BTEX investigations

19 May 2015

AGL Energy Limited (**AGL**) today received confirmation from the NSW Government that there is no evidence of harm to the environment or pollution of local waterways resulting from the discovery of BTEX at the Gloucester Gas Project's Waukivory Pilot.

AGL voluntarily suspended the project in late January in response to the detection of BTEX in samples of flowback water taken from two of the four Waukivory Pilot wells and an above ground storage tank.

Both the NSW Division of Resources and Energy (DRE) and the Environment Protection Authority (EPA) undertook a comprehensive three-month investigation and found no evidence of harm to the environment and no water pollution. The DRE has stated that there were "no adverse findings" and that "AGL is entitled to resume operations" at the Waukivory Pilot site, south of Gloucester.

The EPA and DRE found that the BTEX discovered was "naturally occurring" from deep coal seams more than 600 metres below ground. The DRE investigation also found "there was no evidence of BTEX being detected in aquifers close to the surface".

Both the EPA and DRE have confirmed that no BTEX was used in any fracture stimulation fluid during the hydraulic fracturing process, which is consistent with public statements made previously by AGL.

The EPA also investigated the detection of chemicals MEB (a thickening agent) and THPS (an algaecide) in flowback water and found the levels were "low and unlikely to pose any risk to human health or the environment". They also found these "occur naturally and it is unlikely that these detections were a result of hydraulic fracturing activities".

Scott Thomas, acting Group General Manager Upstream Gas, welcomed the findings from both the DRE and EPA's investigations.

"We are pleased the process is complete and for the thoroughness of these investigations which show we have not caused harm to the environment during the Waukivory Pilot," Mr Thomas said.

"Our people have worked tirelessly to maintain the highest standards of safety and environmental protection throughout the Pilot and it's a great testament to their diligence that there have been no adverse findings against AGL.

"AGL will now determine appropriate next steps to resume the Pilot. However, it is very encouraging that we can move on with the project which has the potential to provide a reliable source of gas to more than one million users in NSW."



Further inquiries:

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About AGL

AGL is one of Australia's leading integrated energy companies and is the 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 investors, communities and customers.