



ASX and Media release

AGL announces 43% increase in 2P reserves over 12 months to June 2010

26 August 2010

AGL Energy Limited ("AGL") today announced that it has upgraded its proved plus probable (2P) gas reserves entitlement as at 30 June 2010 to 1,578 petajoules (PJ), an increase of 270 PJ (21%) since 31 December 2009. Over the 12 months to 30 June 2010, this reserves upgrade represents an increase of 471 PJ (43%).

These increases are net of production over the intervening periods.

Further details are included in Appendix A.

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About AGL

AGL is one of Australia's leading integrated energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on over 170 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest retail energy and dual fuel customer base. 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 Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.

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Appendix A

The summary tabulations below shows a breakdown of AGL's interests in gas reserves as at 30 June 2010. All data is AGL's net equity interest.

AGL gas reserves (PJ)	2P	3P
Reserves as at 30 June 2009	1,107	2,304
– FY2010 production	-15	-15
± Acquisitions and divestments	-	-
± Discoveries, extensions and revisions ¹	486	1,083
Reserves as at 30 June 2010	1,578	3,372

AGL 2P gas reserves (PJ)	Reserves as at 30 June 2009	Production	Discoveries, extensions & revisions ¹	Reserves as at 30 June 2010
Moranbah (50%)	497	-9	13	501
Gloucester (100%)	423	-	246	669
Camden (100%)	129	-6	31	154
Spring Gully (various)	7	-	1	8
Sub-Total	1,056	-15	291	1,332
ATP 364P rights (50%) ²	51	-	195	246
Total	1,107	-15	486	1,578

¹ Includes balancing items due to rounding.

² Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 364P as these were assigned to Arrow Energy Limited. However, AGL is entitled to participate up to a 50% interest in any commercial development by contributing its share of past costs. Past costs are anticipated to be less than \$0.05/GJ.

Information about this report

The estimates of reserves shown in this report were prepared in accordance with the definitions and guidelines set out in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers.

The reserves associated with AGL's 100% owned and operated Gloucester and Camden gas projects were estimated by SRK Consulting (SRK). SRK is an independent international consulting practice that has been operating since 1974 and currently employs over 900 professionals worldwide. Staff from SRK's Brisbane office worked closely with AGL staff to validate detailed resource databases that formed the basis for 3D geological models. Evidence of commercial production flows in combination with these models formed the basis for the reserve estimates.

AGL's joint venture share of reserves associated with the Moranbah Gas Project and exploration permit ATP 364P were calculated using information provided by the operator. Note that the operator did not undertake a new reserves assessment as at 30 June 2010,



but did so as at 31 December 2009. Netherland, Sewell & Associates, Inc and MHA Petroleum Consultants LLC prepared the reserves reports at that time.

AGL's joint venture share of reserves associated with the Spring Gully project was calculated using information provided by the operator.

This report does not include information on AGL's joint venture share of oil reserves in its Cooper Basin (Innamincka) project as these are not considered material for AGL.

The information in this report has been compiled by Andrew Falkner, a full-time employee of AGL. Andrew Falkner is qualified in accordance with ASX Listing Rule 5.11 and has consented to the form and context in which this statement appears.