

Media release

AGL announces property purchases in Hunter

17 October 2011

AGL Energy has today confirmed the purchase of two properties in the Hunter as part of its Hunter Gas Project.

The properties are the Poole's Rock Vineyard located at 229 Wollombi Road, purchased from the Clarke family, and the Yellow Rock Estate located adjacent to Poole's Rock at 121 Wollombi Road, purchased from James Smiley.

AGL Group General Manager Upstream Gas Mike Moraza said the various agricultural activities currently carried out on these properties, including viticulture, cattle grazing and cropping, would be continued.

He said, "AGL believed that ownership of the properties would clearly allow us to demonstrate that the natural gas industry could co-exist with other agricultural and viticultural land uses and users.

"I know there has been considerable speculation about our intentions for the Poole's Rock property, I apologize for any concern this may have caused in the community, but until the purchases were finalised we were unable to talk about the transactions in any detail," Mr Moraza said.

"I also acknowledge that the late David Clarke, whose family has sold us the Poole's Rock property, expressed some concerns about the CSG industry in the Hunter. We spoke to David directly about his concerns late last year so we do understand his points of view."

AGL has a long term commitment to the development of the Hunter Gas Project.

The purchase of these properties now provides the Hunter Gas Project with more certainty, allowing us to continue to demonstrate coexistence of the natural gas industry with the communities in which we operate. We recognise that there has been concern in the community about the lack of information on our future plans and moving forward we will be able to address this.

"We have some very high expectations to meet and we expect and understand that our activities in the local area will be closely watched and questioned by the community," Mr Moraza said.

"But it is our belief that over time we will demonstrate to the community that our industry is low impact, it is safe, it is clean and that it can coexist alongside farming, wine-making and other agricultural industries.

"We have already shown at our existing properties at Windermere and Spring Mountain, where we operate a lucerne farm and vineyard alongside a number of exploration wells, that CSG can coexist with agriculture. We know the Hunter is a beautiful place and we promise to keep it that way."

Mr Moraza said that Australian Horticultural Management will continue to manage the Vineyard. AGL will strive to demonstrate how responsible companies like AGL operate in Australia's growing and important natural gas industry.



As part of the purchase of the Poole's Rock Vineyard, AGL committed to the Clarke family that:

- The property's 35 acre Chardonnay vineyard will be maintained and preserved as a working vineyard in a manner consistent with its original design; and
- The property's visitors will be informed of the Clarke family's important history and association with the development of the Vineyard.

As part of the purchase of the Yellow Rock Estate, AGL committed to James Smiley that:

- Any natural gas exploration or development on the Yellow Rock Estate will be done only after consultation with a landscape architect to ensure future operations do not interfere with the visual amenity of the local area;
- AGL will protect any buildings or items of heritage value including those significance to the life and work of the English artist Conrad Martens;
- The historic Picton family graveyard on the property will be preserved and maintained and accessible to the Picton family members;
- AGL will continue to provide the community with access to facilities on the Yellow Rock Estate for local scout groups, Landcare groups and other community activities.

Mr Moraza said AGL would keep the local community informed of its gas exploration and groundwater monitoring activities on these properties throughout the Hunter Gas Project area.

"We will continue to communicate with the local community through our staff, AGL's Singleton Information Centre, the Hunter Community Consultative Committee as well as through advertorials in local newspapers, updates on our project website, newsletters, media releases and advertisements."

For more information on AGL activities in the Hunter Gas Project area, go to www.agl.com.au/hunter.

A map indicating the locations of properties acquired by AGL in the Hunter Gas Project area is shown attached.

Further inquiries:

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About AGL

AGL is one of Australia's leading integrated renewable energy company 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 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 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.

