

ASX & Media Release

AGL Annual Reserves Assessment

12 August 2015

AGL Energy Limited (AGL) today announced that its total proved plus probable (2P) gas reserves entitlement as at 30 June 2015 has decreased to 1,817 petajoules (PJ), a reduction of 74 PJ (3.9%) over the past 12 months. The revision is due to re-assessment of the Gloucester Gas Project and adjustments for gas produced from the Camden, Moranbah and Surat projects. This decrease is net of gas sales over the intervening period.

Further details are included in Appendices A and B.

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About AGL

AGL is one of Australia's leading integrated energy companies. It is taking action to responsibly reduce its greenhouse gas emissions while providing secure and affordable energy to its customers. Drawing on over 175 years of experience, AGL serves its customers throughout eastern Australia with meeting their energy requirements, including gas, electricity, solar PV and related products and services. 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, solar, landfill gas and biomass.

Appendix A

The summary tabulations below show breakdowns of AGL's interests in gas reserves and contingent resources as at 30 June 2015. All data represents AGL's net equity interest.

Gas reserves and resources are reported net of lease fuel, i.e. net of estimated own use fuel consumption upstream of the point of sale.

AGL gas reserves and resources (PJ)	1P	2P	3P	2C
Total as at 30 June 2014	233	1,891	3,526	3,024
– FY15 net sales ¹	(10)	(10)	(10)	-
± Acquisitions and divestments	0	0	0	(123)
± Discoveries, extensions and revisions ²	(12)	(64)	(18)	13
Total as at 30 June 2015	211	1,817	3,498	2,914
New South Wales				
Gloucester (100%)	98	462	632	16
Camden (100%)	37	41	41	0
Hunter (100%)	0	0	0	0
Queensland				
Moranbah (50%)	68	279	475	234
ATP 1103 (50%) ³	0	968	2,191	2,540
Silver Springs (various)	1	57	148	120
Spring Gully (various)	7	10	11	4
Galilee (50%)	0	0	0	0

AGL 2P gas reserves (PJ)	Reserves as at 30 June 2014	Net sales ¹	Changes ²	Reserves as at 30 June 2015
Gloucester (100%)	527	0	(65)	462
Camden (100%)	45	(4)	0	41
Moranbah (50%)	285	(6)	0	279
Silver Springs (various)	57	0	0	57
Spring Gully (various)	9	0	1	10
Sub-Total	923	(10)	(64)	849
ATP 1103 rights (50%) ³	968	0	0	968
Total	1,891	(10)	(64)	1,817

¹ Net of lease fuel; excludes AGL's share of gas stored in petroleum reservoirs and not sold.

² Includes acquisitions, divestments, discoveries, extensions and revisions; and balancing items due to rounding.

³ Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 1103 as these were assigned to Arrow Energy. However, AGL is entitled to participate up to a 50% interest in any commercial development by contributing its share of past costs.

Appendix B

Information about this assessment

The estimates of gas reserves and resources shown in this annual assessment were prepared in accordance with the definitions and guidelines set out in the Petroleum Resources Management System approved by the Society of Petroleum Engineers and endorsed by the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, and the Society of Exploration Geophysicists (SPE-PRMS).

AGL engages independent experts SRK Consulting Australia (SRK) to evaluate gas reserves and contingent resources for the Gloucester, Camden, Hunter, Silver Springs and Galilee projects. Dr Bruce McConachie is a full-time employee of SRK and has the necessary qualifications and relevant experience to act as a qualified person to report reserves and resources under the SPE-PRMS in accordance with ASX Listing Rule 5.42 and has consented to the form and context in which this statement appears. SRK used deterministic methods for the Gloucester, Camden, Hunter and Galilee projects and probabilistic methods for the Silver Springs Project to evaluate reserves and resources.

An independent reserves assessment of the Gloucester Gas Project was undertaken by SRK as at 30 June 2015. Gloucester 2P reserves decreased by 65 PJ (12.3%), due to revision of accessible seams in the shallow section, lateral extent of various reservoirs and changes in costs and prices.

Independent reserves and resources assessments of the Camden and Hunter Gas Projects were last undertaken by SRK as at 30 June 2013. There have been no reassessments since then. The change in Camden reserves was wholly due to gas sales over the past year. All the Hunter exploration licences were surrendered in July 2015.

An independent reserves and resources assessment of the Silver Springs Project was last undertaken by SRK as at 30 June 2012. There has been no reassessment since then.

Gas reserves and resources assessments of AGL's Bowen Basin assets are undertaken by independent reserves and resources evaluation company Netherland Sewell & Associates, Inc and provided by the operator, Arrow Energy. Assessments of the Moranbah Gas Project (MGP) and ATP 1103 were last undertaken as at 31 December 2012 and 31 August 2013 respectively. There have been no reassessments since then. The change in MGP reserves was wholly due to gas sales over the past year.

Gas reserves and resources assessments of AGL's Spring Gully assets are undertaken by independent reserves and resources evaluation company Netherland Sewell & Associates, Inc and provided by the operator, APLNG. Assessments of the Spring Gully project were last undertaken as at 30 June 2014. There have been no reassessments since then. The change in Spring Gully reserves was wholly due to gas sales over the past year AGL's joint venture share of gas reserves, using information provided by the operator, APLNG.

AGL divested the Galilee gas project effective 01 June 2015 and retains no interest in the project.

The information in this annual assessment has been compiled by Mr James Crowley, Head of Exploration, and a full-time employee of AGL.

Definitions

Reserves: Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates.

Contingent resources: Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent resources are further categorised in accordance with the level of certainty associated with the estimates.

1P: Proved reserves. Low estimate scenario of petroleum reserves.

2P: Proved plus probable reserves. The best estimate scenario of petroleum reserves.

3P: Proved plus probable plus possible reserves. The high estimate scenario of petroleum reserves.

2C: Best estimate scenario of contingent resources.