



ASX and Media release

AGL acquires interests in Cooper Basin permits from Innamincka Petroleum

20 January 2009

AGL Energy Limited (AGL) today announced the acquisition of permit interests from Innamincka Petroleum Limited (INP) in PEL 101 and PEL 103 in the Cooper Basin. The farm-in involves a cash payment of \$15m and funding a \$10m work program. The work program is primarily aimed at evaluating the recently identified CSG prospect known as the Innamincka Dome located in PEL 103. AGL and INP have also entered into a 10 year Gas Marketing Agreement under which AGL will have the exclusive rights to market, on behalf of some or all of the joint venture participants, all gas accumulated within the permit areas.

AGL expects to close this transaction during 1Q 2009. The acquisition will be funded from AGL's existing cash reserves.

AGL Managing Director Michael Fraser said, "This farm-in deal provides AGL with the opportunity to evaluate a new CSG prospect located in the Cooper Basin in close proximity to the soon to be commissioned QSN Link pipeline in which AGL holds substantial gas transportation capacity rights."

AGL will also look into the concept of aggregating gas for commercialisation from PEL 101 and PEL 103 and other recently discovered conventional gas fields in nearby permits.

PEL 101 includes the Ginko and Crocus gas fields. As well as the Innamincka Dome, PEL 103 includes the Juniper¹ and producing Flax¹ oil fields and the Yarrow gas field. Post farm-in, AGL's interest will be 37.5% in PEL 103 (which contains PRL 14 and PEL 103A) and 35% in PEL 101. AGL estimates its share of recoverable gas in PEL 101 and PEL 103 to be approximately 30Bcf.

A map of the permits acquired is set out in Attachment A.

1. AGL estimates its share of oil resources post farm-in: Flax 1.5 mmbbls; Juniper 2.6 mmbbls

Further enquiries:

Media

Andrew Scannell, Head of Media
Direct: + 61 3 8633 6167
Mobile: + 61 (0) 407 290 658
e-mail: ascannell@agl.com.au

Analysts & Investors

Graeme Thompson, Head of Investor Relations
Direct: + 61 2 9921 2789
Mobile: + 61 (0) 412 020 711
e-mail: gthompson@agl.com.au

Attachment A: Map of Interests Acquired in Cooper Basin

