

Media Release

AGL and NSW Farmers Agree on New Principles of Land Access

28 March 2014

AGL Energy has today agreed to new landholder access principles with farmers and the NSW Government to provide further assurance that farmers' wishes will be respected in the conduct of its gas operations.

AGL Managing Director Michael Fraser said the new principles formalised the respectful and collaborative approach AGL has always taken with farmers.

"Today we promise that we will continue to respect farmers who say yes or no to our operations. While the arbitration rights will remain in law, AGL has never exercised these rights and expect we never will," Mr Fraser said.

"This is an important step in facilitating the development of the State's natural gas resources for the benefit of the whole community.

"These principles reflect the vital role farmers play on the land and what AGL has always done – listened with respect. The success of coal seam gas in NSW rests entirely on the trust we have developed with the farmers who host us on their land.

"AGL is proud of our close relationships with farmers and signing the new agreed principles reflects that we will continue to respect their wishes.

"We have more than 200 access agreements with farmers across the State - these relationships are very important to us and AGL has never needed to exercise the arbitration rights available under law.

"It's about having respectful conversations, being clear about what's involved and the benefits for the landholder."

Mr Fraser said all of AGL's wells at Camden had been developed with the agreement of landholders.

"In many cases we don't own the land on which we operate – so our success depends on good relationships with farmers."

"Our track record speaks for itself, we've been working side by side farmers for many years.

"We are encouraged that these new principles also condemn any bullying of farmers who exercise their right to say yes."

Mr Fraser said farmers reported many benefits from hosting coal seam gas operations on their land, including the extra income it can provide the family household and improvements we often carry out like roads and fencing.

"We've had feedback that coal seam gas provides a vital income stream to farming families, especially during drought, which pays for essentials like school fees."

Note: The principles do not apply to critical infrastructure such as gas and water pipelines which are essential to supply.

Further inquiries:

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About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. 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 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.

Agreed Principles of Land Access

Introduction

These principles have been agreed between landholders and gas companies based on values of respect, integrity and trust.

They have been facilitated between representatives of agricultural landholders and gas companies.

Application

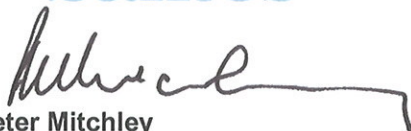
The principles agreed in this document relate to coal seam gas projects in New South Wales and specifically cover access to private agricultural landholder's property (**Landholders**) for coal seam gas drilling operations for exploration and production purposes (**Operations**).

Principles

All parties to this document have agreed the following principles:

1. Any Landholder must be allowed to freely express their views on the type of Operations that should or should not take place on their land without criticism, pressure, harassment or intimidation. A Landholder is at liberty to say "yes" or "no" to the conduct of Operations on their land;
2. Gas companies confirm that they will respect the Landholder's wishes and not enter onto a Landholder's property to conduct Operations where that Landholder has clearly expressed the view that Operations on their property would be unwelcome: and
3. The Parties will uphold the Landholder's decision to allow access for Operations and do not support attempts by third party groups to interfere with any agreed Operations. The Parties condemn bullying, harassment and intimidation by third party groups and individuals in relation to the agreed Operations.

On this day, Friday the 28th of March 2014, we the undersigned parties hereby agree to abide by the principles in this document.



Peter Mitchley
General Manager - Energy New South Wales
Santos Ltd.



Michael Fraser
Managing Director & Chief Executive Officer
AGL Energy Ltd.



Matt Brand
Chief Executive Officer
NSW Farmers Association



Leah Ross
obo Lyndon Mulligan
Chairman
Cotton Australia Ltd.



NSW IRRIGATORS' COUNCIL

Stefanie Schulte
obo Richard Stott
Chairman
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