



ASX & Media Release

AGL announces development of \$295 million power station in South Australia

7 June 2017

AGL Energy Limited (AGL) today announced it would invest \$295 million to develop a 210 MW reciprocating engine power station, to be known as the Barker Inlet Power Station, alongside the company's Torrens Island Power Station site near Adelaide, South Australia.

Construction of Barker Inlet Power Station is expected to begin in the third quarter of the 2017 calendar year, with full operation in the first quarter of the 2019 calendar year. The new power station will replace two of the four Torrens A turbines, which AGL will progressively mothball from 1 July 2019. The four Torrens B turbines will continue to operate as normal.

AGL Managing Director & Chief Executive Officer, Andy Vesey, said: "Our decision to move ahead with this development reflects our long-standing commitment to our South Australian customers and our contribution to creating a secure energy system as the market transitions.

"Torrens A is now 50 years old. Our decision in June 2016 to defer its previously planned mothballing reflected the importance of maintaining security of supply in South Australia following the withdrawal at short notice of other thermal power stations.

"We are delighted that we are now able to confirm that Barker Inlet Power Station will be developed, improving reliability and security of supply in South Australia using modern, responsive technology that is more fuel efficient and less carbon intensive than pre-existing plant.

"This reflects our readiness to invest to support our customers' needs as Australia's electricity market adapts to a carbon-constrained future. We will continue to monitor the needs of the market and anticipate deploying further investment as opportunities arise."

AGL Executive General Manager, Group Operations, Doug Jackson, said: "AGL has identified reciprocating engines as the most flexible, efficient and cost-effective synchronous generation capacity, well suited to the specific needs of the South Australian market.

"Barker Inlet Power Station will comprise 12 reciprocating engines capable of generating approximately 18 MW of output each and operating at high efficiency with a lower heat rate than other forms of fast-start plant currently available. These units are capable of operating at full capacity within five minutes of start, providing a rapid response to changes in renewable generation supply."

AGL Chief Financial Officer, Brett Redman said: "Our investment in South Australia is consistent with AGL's growth agenda, under which we anticipate continuing to use our strong balance sheet to invest in development opportunities as the energy market modernises and evolves.

"It follows our commitment in recent months, alongside our partners in the \$2-3 billion Powering Australian Renewables Fund, to develop the 200 MW Silverton Wind Farm in New South Wales and we hope the 460 MW Coopers Gap Wind Farm in Queensland will soon follow suit."

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