

10 January 2012

Name
Position
Address
Address

Dear X

I am writing to you on behalf of the Hunter Valley Protection Alliance (HVPA) in your capacity as (Non-Executive Director/Chairman/MD) of AGL.

I have enclosed for your reference a brochure which was distributed last week to all members of NSW Parliament; key local, metropolitan and national print, broadcast and online media; members of the Hunter Valley Wine Industry Association; and members of the HVPA. The brochure is also available for download from the HVPA's website (www.huntervalleyprotectionalliance.com.au) and facebook page, as well as for review by visitors to the Hunter Valley at various local tourist attractions and cellar doors.

The brochure clearly outlines the Hunter Valley community's core concerns about AGL's coal seam gas (CSG) exploration and mining activities in its iconic vineyard areas– the level of opposition to which you may not be fully aware of in your at-arms-length position on the Board.

This opposition has been further fortified by what are perceived as AGL's 'by stealth' purchases of the former Pooles Rock Vineyard and the Yellow Rock property in Broke, and the suggestion these properties may now be used to horizontally drill under the Pokolbin State Forest.

With AGL's significant Petroleum Exploration Licences, PEL 267 (which is up for renewal on 19 January 2012) and PEL 4, already covering most of the Hunter region and beyond - including large tracts of sparsely settled land - the local community cannot comprehend why AGL is so aggressively pursuing exploration and mining right in the heart of the district's iconic vineyard areas.

The most densely populated areas in the Hunter Valley including Broke Fordwich, Pokolbin and Lovedale - where near all of its key winery and tourism businesses are located - are now facing the very real threats of CSG mining including irreversible, long term damage to underground water aquifers; stockpiles of damaging saline waste; fugitive methane emissions; a devaluation in property prices; as well as alternation to the unique 'terrior' of district, which has helped make its wines world famous.

While many at AGL may remain publicly dismissive of the mounting environmental evidence against CSG mining, one issue which cannot be argued is the aesthetic destruction CSG exploration and mining will have on the region's natural landscape and burgeoning wine and tourism industries – which currently provide more than 50,000 direct and indirect jobs, and inject more than \$1.8 billion into the NSW economy each year.

Attractive vineyards, quaint restaurants, historic cellar doors and boutique accommodation will all be under threat from dwindling visitor numbers if rendered unappealing by being situated adjacent to unsightly gas wells. The tranquil appeal of the rural landscape will be lost to a checkerboard of drilling sites and access roads, and the sounds of native birdlife will be drowned out by transport carriers and high machinery.

Despite these threats to both the local community and industry, AGL has to date remained determined to move forward with its exploration in the heart of the Hunter Valley. The purpose of this letter is to bring to your attention exactly what is at risk in Australia's oldest and most visited wine region, highlight the level of community fear and angst over AGL's operations, and implore you to stand by assurances given in 2006 by the then CEO of Sydney Gas Ltd., that "without community support, there is no project."

In the meantime we will continue to make extensive representations to the State Government to have the Hunter Valley vineyard areas excluded from all PELs and protected from CSG mining and other inappropriate development, in line with moves by the South Australian and Western Australian Governments to 'ring fence' their high yielding winery tourism regions including the Barossa Valley, MacLaren Vale and Margaret River.

If protected in a similar way, the Hunter Valley can continue to deliver strong returns for the NSW Government and provide enjoyment for many future generations of Australians. Compare this to the coal seam gas sector,

which may not only cause irreversible devastation to the landscape - both environmentally and aesthetically – but has a life expectancy of only ten to fifteen years.

On 8 November 2011, iconic winemaker Bruce Tyrrell delivered an 11,000 strong petition to NSW Parliament, saying 'NO to CSG in the Hunter Valley'. This petition was supported by a raft of legendary Australian winemakers whose vineyards lie within the region (please find list attached).

On behalf of the HVPA, I implore you to join these wine legends and use your position as a member of the Board of AGL to call for the cancellation of any further CSG exploration or mining in the heart of the Hunter Valley's iconic vineyard areas.

Thank you in advance for taking the time to consider this issue.

Yours sincerely,

Name
Hunter Valley Protection Alliance