



Media Release

Victorian Energy and Resources Minister opens energy efficient co-generation plant in Altona

24 May 2013

The Hon Nicholas Kotsiras MP, Victorian Energy and Resources Minister, today officially opened AGL Energy Limited's (AGL) \$45 million co-generation facility in Altona, which will provide an energy efficient supply of electricity and steam for Qenos Pty Limited (Qenos), Australia's sole polyethylene manufacturer.

Built, owned and operated by AGL's Energy Services business unit, a team focused on improving the energy productivity of its commercial and industrial customer base, the plant will cut carbon dioxide emissions by 100,000 tonnes per annum, equivalent to taking 25,000 cars off the road.

The embedded plant has a nominal capacity of 21 MW and will produce 171 GWh annually, which is enough electricity to power more than 30,000 households. This, coupled with a heat recovery steam generator, produces up to 88 tonnes of steam per hour¹.

Michael Fraser, AGL Managing Director and CEO, said the facility was the largest investment in industrial or manufacturing co-generation in more than 10 years.

"This project has taken advantage of AGL's strong position in the gas industry. It has also utilised the skills of our dedicated team of 65 plus engineers and technicians in AGL Energy Services, who are devoted to our industrial and commercial customers' energy efficiency," Mr Fraser said.

"AGL is well placed to assist the manufacturing industry, through its Energy Services business, to develop co-generation plants. These provide the biggest potential for manufacturers to reduce greenhouse gases and improve energy efficiency."

Jonathan Clancy, Chief Executive Officer, Qenos said: "This project is a further demonstration of the cooperation achieved between industry, government, employees and the community to provide a secure and long term energy source, and improve the economics associated with the production of polyethylene. This is an investment in real sustainability."

In 2012, AGL and Qenos were jointly awarded the "Best Co-Generation Project" at the Energy Efficiency Council industry awards.



Project Background

- AGL announced plans to construct a state-of-the-art co-generation facility for Qenos Pty Limited at its Altona plant in Victoria on 9 March 2011.
- The first sod of soil was turned on site on 27 September 2011, with practical project completion achieved on 27 February 2013.
- The project was officially opened by Victorian Energy and Resources Minister Nicholas Kotsiras on 24 May 2013.
- The co-generation facility, operated and maintained by AGL Energy Services, includes a Solar Titan 250 gas turbine package, with the latest combustion technology and heat recovery steam generator.
- The steam generator produces steam by recovering the exhaust heat generated by the gas turbine. The facility has the capacity to produce 21 MW of electricity, improving the customer's carbon footprint and providing greater certainty of electricity supply, and generates up to 88 tonnes of steam per hour.
- The facility supplies up to 171 GWh of electricity to the site annually with the excess electricity being exported to the grid. All steam generation is used by the plant.
- The facility generates electricity at a lower greenhouse gas emissions intensity than the average emissions intensity of generators in the National Electricity Market. Further savings are achieved because all waste heat from the gas turbine is used to produce the steam required by Qenos, saving the need to install separate gas fired boilers. With the facility supplying most of Qenos's electricity needs, it is estimated that overall greenhouse gas emissions will be reduced by approximately 100,000 tonnes per annum.
- AGL and Qenos have entered into an Operating and Maintenance Agreement for the next 15 years, with options to extend to 25 years. AGL will also become the sole supplier of natural gas to the site to operate the gas turbine and balance of plant. The co-generation plant and balance of plant is estimated to consume approximately 4.5 petajoules of natural gas per annum.

Media inquiries:

Gerald May
Corporate Communications
AGL Energy
Mobile: + 61 418 341 992
Email: gmay@loyyangpower.com.au

Damian Toohey
Corporate Affairs
Qenos Pty Ltd
Mobile: +61 417 356 493
Email: damian.toohey@qenos.com

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 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.

About Qenos

Qenos is an Australian leader in the manufacture, distribution and trading of polymers and is a vital link in the nation's manufacturing chain. The manufacturing operations in Altona and Botany employ approximately 730 people and focus on supplying Australia's growing polymer market. The world class quality of Qenos products reflects the skills and expertise of our people, our efforts in technology development, and our focus on sustainability, efficiency and innovation. Qenos adds significant value

to natural resources, creating high value products. Every day in our homes, factories and farms, Australians rely on products made from the polymers and chemicals produced by Qenos. From juice and milk bottles to mobile garbage bins, water tanks and pipes to packaging of cleaning products and food wrapping, Qenos polymers are everywhere. We bring on the ground technical expertise to assist our customers to produce their best and work hard to build strong relationships with all of our stakeholders – our customers, employees, shareholders, financiers, suppliers, unions, regulators, governments and local communities – relationships that are critical to future growth and prosperity. Qenos make products that contribute to conserve Australia’s resources and energy. Qenos is a subsidiary of China National Bluestar (Group) Co. Ltd, a joint venture between China National Chemical Corporation (“ChemChina”), a global Fortune 500 company with revenue exceeding US\$30 billion, and The Blackstone Group.



ⁱ Assumption: Households in Victoria use about 5MWh/year, meaning 171,000MWh powers 34,000 households.