



ASX & Media Release

Final Investment Decision – Kwinana Gas Power Generation 2 Project

31 March 2026

AGL Energy Limited (AGL) advises that it has reached a Final Investment Decision (FID) to proceed with the Kwinana Gas Power Generation 2 (K2) Project, a 220 MW open-cycle, dual-fuel gas turbine power station to be co-located with the existing Kwinana Swift facility in Western Australia (WA).

This follows AGL's announcement on 31 October 2025 of the agreement to purchase four new gas turbines from Siemens AB for \$185 million, and the Australian Energy Market Operator (AEMO) assigning 176 MW of Peak Certified Reserve Capacity to the project commencing from 1 October 2027. Construction is expected to begin in mid-2026, with the commencement of operations targeted for Q4 of 2027, and an expected asset life of 25 years. A significant portion of revenues have been secured for 10 years at a price of \$360,700 per MW (escalating with CPI), through the assigned Peak Certified Reserve Capacity credits, with a targeted post tax, ungeared, project return of above 8% in line with AGL's previously stated target range of 7-11% for firming projects.

The total cost of this project is estimated to be approximately \$490 million¹, inclusive of the gas turbines. AGL has entered into a contract with Clough as the engineering, procurement and construction provider. The project will be funded using AGL's existing balance sheet capacity. AGL is well positioned for gas supply in WA with a flexible gas portfolio including short, medium and long term gas and storage contracts.

Approximately one-third of the total estimated project cost of \$490 million is expected to be spent in FY26, approximately half in FY27, with the remainder expected in FY28. Forecast growth capital spend for FY26 is now approximately \$750 million.

AGL's Managing Director and CEO, Damien Nicks, said: "the Final Investment Decision on the K2 Project, on the back of our recently signed 15-year PPA with Waddi Wind Farm for 105 MW, bolsters AGL's portfolio in Western Australia and provides further opportunity to continue to scale our Perth Energy business and further diversify our earnings outside the NEM. It marks another important milestone in AGL's strategy to develop new firming capacity to support the build out of renewables, and further expands the breadth and capacity of the company's flexible asset portfolio."

Authorised for release by AGL's Market Disclosure Committee.

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¹ Total estimated project cost of approximately \$490 million includes engineering, procurement and construction costs, project management costs, overheads, and contingency.



About AGL Energy

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move and work. Proudly Australian for more than 185 years, AGL supplies around 4.7 million^[1] energy, telecommunications and Netflix customer services. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, and batteries and other firming and storage technology. We are building on our history as one of Australia's leading private investors in renewable energy to be a leader the transition to a lower emissions and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other services to enhance the way Australians live, work and move.

For more information visit [agl.com.au](https://www.agl.com.au).

^[1] Services to customers number is as at 31 December 2025.