



Last Thursday, I met with Hazelwood employees to deliver an extremely difficult announcement on the future of our brown coal and power generation business.

Following extensive deliberations, the ENGIE Board, the Mitsui Board and our Joint Shareholders' Australian Board last week made the very difficult decision to close all eight Hazelwood generating units by the end of March next year.

While I have had the opportunity to explain this decision to our employees, I believe it is important to outline the reasons to the Latrobe Valley community in which our people live and work.

Hazelwood is now more than 50 years old. It has been a wonderful contributor to the National Electricity Market but we have now reached the point where it is no longer economical to keep it operating.

ENGIE in Australia would need to invest many hundreds of millions of dollars to ensure Hazelwood remained viable and, most importantly, continued to operate safely. Given current and forecast market conditions, that level of investment cannot be justified.

Over the past few years, we have investigated a range of options for the business, including upgrading existing infrastructure, repowering with gas-fired gas turbines or biomass, or reducing the number of operating units. However, none of these options has proven economically viable.

At this time, our priority is to support our people as we prepare for closure. Departing ENGIE employees will receive all their entitlements, including a redundancy package. They will also have access to a range of support services.

In addition to our current employees and contractors, I know that many people in Morwell, and indeed across the broader Latrobe Valley, have a close affinity with the Hazelwood business, whether as a former employee, a supplier of goods and services or as a beneficiary of our Corporate Social Responsibility community funding.

While this decision will obviously have an impact on the local community, I assure you we will work with governments, regulators, unions and regional residents to ensure an orderly closure, including comprehensive rehabilitation of the mine and remediation of the power station site.

Our people have worked diligently in not only producing up to 25 per cent of Victoria's electricity needs, they have also made a significant contribution to the regional economy.

I thank and congratulate each and every Hazelwood employee, past and present, for their contribution.

Alex Keisser - Chief Executive, ENGIE in Australia

