



asx & media release

22 October 2007

AGL appoints new CEO

AGL Energy Limited (AGL) today announced that long term group senior executive, Michael Fraser, has been appointed Managing Director and Chief Executive Officer, effective immediately, following Paul Anthony's cessation of employment with the Company.

Michael Fraser is a highly experienced and respected energy industry executive, who has worked with AGL in a number of key roles since he joined the Company in 1984, most recently as Group General Manager, Merchant Energy.

AGL Chairman, Mark Johnson, said Michael Fraser's appointment reflects the Board's view that the Company would benefit from a new management approach to complete the execution of our strategy to build AGL into a world class integrated energy company.

"Paul Anthony has secured many achievements at AGL and has established a firm base on which to build our growth and integration strategy."

In discussions with Mr Johnson over the weekend, Mr Anthony agreed that having achieved much of what he was asked to do by the Board on his appointment, it was an appropriate time for a change in management.

Mr Anthony said "I am proud of what has been accomplished during my period as CEO of AGL. I accepted the role determined to achieve significant structural change and growth for the business. I wish the Company and its shareholders every future success."

Mr Johnson said "During his time as CEO, Paul Anthony played a leading role in advancing the Board's strategic objectives. He resolved the Alinta merger / de-merger process; increased the company's retail base with the acquisition of Powerdirect; increased generating capacity with the purchase of Torrens Island Power Station and increased AGL's interest in upstream gas reserves with the investment in Queensland Gas Company Limited.

"As a result, we have achieved substantial scale, improved balance between generation capacity and customer demand and a significant degree of integration earlier than originally envisaged.

"However, the circumstances leading up to and surrounding the revised earnings guidance announced last week and other factors, have contributed to the Directors' view that now is the right time for a new management approach, with strengthened focus on our core operations," Mr Johnson said.

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"The Board believes Michael Fraser is the right person to lead the company from this point. He has extensive energy industry experience; is highly respected by his peers; and has a deep operational working knowledge of the Company.

"Michael Fraser has been a significant contributor to the development of the Company's strategy and is committed to further developing AGL as a world class, customer focussed energy company.

"The Board also recognises the high level of integrity, talent and commitment across the whole AGL team of employees. Importantly, Michael is a strong team builder who has the qualities to galvanise the management team to build on our achievements from here," Mr Johnson said.

Mr Fraser said: "AGL has already come a long way but there are many opportunities ahead for us to grow.

"There is no doubt that AGL enjoys an excellent position in each of its markets today, with a skilled and professional management team and I look forward to working with my senior executive team and the rest of the AGL staff to maximise every opportunity before us.

"My immediate task is to lead and complete the business assumptions and operations review we announced last week and report on progress at the company's AGM on 8 November 2007," Mr Fraser said.

A biography of Michael Fraser is attached.

Further enquiries

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Conference Call

Please note the following arrangements today to discuss the contents of this release:

Analyst / Media Conference Call 10AM AEST

Dial-in numbers

Freecall Australia: 1800 701 269

International Metered Call: + 61 2 8823 6760

About AGL

AGL is Australia's leading integrated energy company. Drawing on 170 years of experience, it includes retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest retail energy and dual fuel customer base supplying around 4.1 million customer accounts. This includes customers supplied with gas and electricity through AGL's joint venture partnerships, ActewAGL and AlintaAGL. 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. One of Australia's largest renewable energy producers, AGL is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.



Michael Fraser

Managing Director & CEO AGL Energy Limited

Michael Fraser is Managing Director and Chief Executive Officer of AGL Energy Limited, Australia's largest integrated retail energy company, a role he assumed in October 2007.

Michael was previously Group General Manager Merchant Energy and, in this role, he led the rapid expansion of AGL's upstream energy interests. He had responsibility for AGL's power generation, wholesale gas and electricity trading portfolios and energy sales to major customers. In this role, Michael managed over 1,400MW of gas fired generation capacity in Victoria and South Australia and one of Australia's largest privately owned renewable generation portfolios, with over 700MW of installed capacity and 140MW under construction. In addition, he also managed AGL's upstream gas interests in PNG and coal seam methane projects and investments.

He has more than 20 years' energy industry experience in a number of areas, including having established AGL as the country's largest energy retailer and headed up its national sales, marketing and trading activities. He also has extensive experience in customer service, regulatory management, energy distribution and corporate services.

Prior to joining AGL, Michael's background was in taxation having worked for a chartered accounting firm and the Australian Taxation Office.

Michael is a Director of the ASX listed Queensland Gas Company Limited (QGC), Deputy Chairman of ActewAGL, a Director of Elgas Limited and a Director of the UnitingCare Ageing Board.

He holds a Bachelor of Commerce degree from the University of New South Wales, is a Certified Practising Accountant and a Fellow of the Taxation Institute of Australia.

Michael is 50 years old and is married with one son.