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## asx & media release

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### **AGL sells GasValpo for \$US90 million**

AGL Energy Limited (AGL) today announced that it will sell its 100% owned Chilean gas distribution business (GasValpo) and associated assets and related (Chilean and non-Chilean) entities to a consortium of Australian superannuation funds for \$US90 million.

Under the terms of sale, the purchasers will refinance GasValpo's net bank debt of \$US26 million. The remaining sale proceeds of \$US64 million, together with approximately \$US10 million<sup>1</sup> of cash from pre-completion dividends and payments of interest on intra-group loans, will be applied to reduce AGL's bank debt.

AGL Managing Director Michael Fraser said "This transaction clearly demonstrates our absolute focus on capital management. It is the first in what should be a series of non-core asset divestments that will return our current credit rating of BBB to stable outlook and ultimately provide balance sheet flexibility to participate in the significant new opportunities, both organic and greenfield, which are emerging in Australian energy markets".

"GasValpo was always going to be the most challenging non-core asset for us to divest so it is particularly pleasing we have been able to start with the sale of this asset" Mr Fraser said.

The sale will be approximately EPS neutral and will not cause any change to AGL's revised 2008 earnings guidance of \$330 - \$360 million. AGL expects the sale will result in a small post-tax profit.<sup>2</sup>

Completion is scheduled to occur on 30 April 2008.

1. Net of Chilean withholding taxes.
2. Following the write-down at 31 December 2007, GasValpo has a book value of approximately A\$108 million. On a pre-tax basis, AGL will record a loss of approximately \$10 million from the sale, although the benefit of a tax capital loss will result in a small post-tax gain.

#### **Further enquiries:**

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#### **About AGL**

AGL is one of Australia's leading integrated energy companies. 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. This includes customers supplied with gas and electricity through AGL's joint venture partnership with ActewAGL. 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.

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