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asx and media release

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AGL enters agreement with Wind Prospect to develop fourth South Australian wind farm

AGL Energy Limited (AGL) today announced it has entered into a development agreement with Wind Prospect Pty Ltd to acquire the rights to develop and, subject to gaining the necessary approvals, construct a fourth wind farm in the mid-north of South Australia.

The Hallett 4 wind farm development, located at North Brown Hill, is approximately 23km from the township of Hallett and 185km north of Adelaide.

AGL Managing Director, Michael Fraser, said that if the Hallett 4 wind farm proceeds it will include around 63 turbines with a capacity of up to 189MW – making it the largest wind farm in the Hallett group.

"If it proceeds, the Hallett 4 wind farm would see the company operating over 232 wind turbines in South Australia with a combined capacity of over 460MW by 2011. These assets will play an important part in meeting future renewable energy needs arising from the federal government's 20 per cent renewable energy target," Mr Fraser said.

"AGL already has 166MW of wind capacity in construction in this area and will now have a further 206-306MW in development. Combined, these wind farms confirm mid-north South Australia as the hub of mainland wind farm investment in Australia."

"AGL anticipates that, when fully operational, the Hallett 4 wind farm will generate enough renewable energy to power approximately 67,000 average Australian households and avoid up to 346,000 tonnes of CO₂ emissions per year."

Under the terms of the development agreement, Wind Prospect will secure the planning approvals and land arrangements needed to construct the wind farm. These arrangements are similar to previous arrangements between AGL and Wind Prospect for the Hallett 1 and Hallett 2 wind farms.

"AGL recently announced it was developing a third South Australian wind farm - Hallett 3 - which would have a capacity of up to 117MW. AGL's Brown Hill wind farm (Hallett 1 – 95MW) is nearing completion and the nearby Hallett 2 wind farm (71MW) is under construction.

"The development of the Hallett 4 wind farm at North Brown Hill would add further to our considerable portfolio of renewable generation assets, which is the largest privately held renewable generation portfolio in Australia."

AGL anticipates that it will be in a position to make a final investment decision on the Hallett 4 wind farm by late FY 2009 with expected commercial operation in FY2011. If the wind farm proceeds AGL will retain the flexibility to either fund the development on balance sheet or pursue a structured sale similar to that undertaken for the original Hallett 1 wind farm.

Further enquiries:**Media**

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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.

About Wind Prospect

Wind Prospect is a leading independent wind energy developer, constructor and operator, working in Australia, UK, Ireland, China (Mainland and Hong Kong), New Zealand, Canada, the USA and France. In Australia, Wind Prospect Pty Ltd is headquartered in South Australia with offices in New South Wales and Queensland. It has over 700MW of consented wind energy developments, and 380MW of these developments are either under construction or already operational.

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