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ASX and Media release

AGL acquires more than 90 per cent of SGL Extension of offer period to 24 February 2009

9 February 2009

AGL Energy Limited (**AGL**) announces that it has now acquired a relevant interest in more than 90 per cent of Sydney Gas Limited (**SGL**) shares following the announcement of its unconditional off-market takeover offer for SGL (**Offer**).

AGL intends to compulsorily acquire the remaining SGL shares and will commence this process following the close of the offer period. To give those SGL shareholders who have not yet accepted AGL's Offer more time in which to do so, AGL also announces that it will extend the closing date of the Offer to 7:00pm (AEDT) on Tuesday, 24 February 2009. A formal Notice of Variation, which is to be lodged with the Australian Securities & Investments Commission and given to SGL and remaining SGL shareholders, is attached.

SGL shareholders should be aware that if their SGL shares are compulsorily acquired, they will have to wait until at least one month after the close of the offer period to be paid under that process. AGL encourages SGL shareholders to either sell their shares on-market to AGL or accept AGL's Offer prior to the close of the Offer period to ensure they receive payment within 3 business days.

AGL also announces that it is proposing that Mr Mike Moraza, AGL's Group General Manager Upstream Gas, be appointed to the SGL board of directors with effect from 11 February 2009.

SGL shareholders can contact AGL's Offer Information Line on 1300 546 284 (or +61 3 9946 4459 for overseas shareholders) if they have any questions in relation to the Offer.

Further enquiries:

Media

Andrew Scannell, Head of Media
Direct: + 61 3 8633 6167
Mobile: + 61 (0) 407 290 658
e-mail: ascannell@agl.com.au

Analysts & Investors

Graeme Thompson, Head of Investor Relations
Direct: + 61 2 9921 2789
Mobile: + 61 (0) 412 020 711
e-mail: gthompson@agl.com.au

About AGL

AGL is one of Australia's leading integrated energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on over 170 years of experience, AGL operates 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. 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. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.

**AGL ENERGY LIMITED
(ABN 74 115 061 375)**

OFF MARKET BID FOR SYDNEY GAS LIMITED ABN 93 003 324 310

NOTICE OF VARIATION EXTENDING OFFER PERIOD

TO: Sydney Gas Limited (ABN 93 003 324 310)

AND TO: Each person to whom AGL Energy Limited ABN 74 115 061 375 has dispatched an off market takeover offer dated 12 January 2009, other than those persons who have already accepted the offer

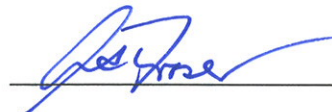
AGL Energy Limited ABN 74 115 061 375 (**AGL**) gives notice under section 650D of the *Corporations Act 2001* (Cth) that it varies its off market offer for shares in Sydney Gas Limited ABN 93 003 324 310 (**SGL**) dated 12 January 2009 (**Offer**) contained in AGL's bidder's statement dated 24 December 2008 (**Bidder's Statement**) by:

- (a) extending the end of the Offer period from 7.00pm (AEDT) on 13 February 2009 to 7.00pm (AEDT) on 24 February 2009; and
- (b) substituting "24 February 2009" for "13 February 2009" where it appears in the Bidder's Statement.

This Notice of Variation has been approved by a resolution passed at a meeting of the directors of AGL.

This Notice of Variation is dated 9 February 2009.

Signed for and on behalf of AGL Energy Limited



Michael Fraser
Director

A copy of this Notice of Variation was lodged with the Australian Securities and Investments Commission (**ASIC**) on 9 February 2009. ASIC takes no responsibility for the contents of this Notice of Variation.

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