



ASX and media release

AGL to construct 132MW Hallett 4 wind farm in South Australia

31 March 2009

AGL Energy Limited (AGL) today announced it had entered into agreements for the construction of the 132MW Hallett 4 wind farm at North Brown Hill in South Australia.

The Hallett 4 wind farm will consist of 63 x 2.1MW S88 V3 turbines to be purchased from Suzlon Energy Australia Pty Ltd (Suzlon).

The Hallett 4 site is located 220km north of Adelaide and immediately north of the Hallett 1 wind farm that was commissioned in June 2008 (refer map below). The long-term average wind speed at Hallett 4 is estimated to be greater than 8.5 m/s, similar to the wind conditions prevailing at Hallett 1 and at the Hallett 2 wind farm currently under construction.

AGL has entered into a turnkey engineering, procurement and construction contract and supply agreement with Suzlon. AGL has further options with Suzlon to construct either the Hallett 3 or Oaklands Hill wind farms at average turbine prices similar to those for Hallett 4. If AGL commits to the construction of both Hallett 3 and Oaklands Hill wind farms a further volume discount will be available from Suzlon.

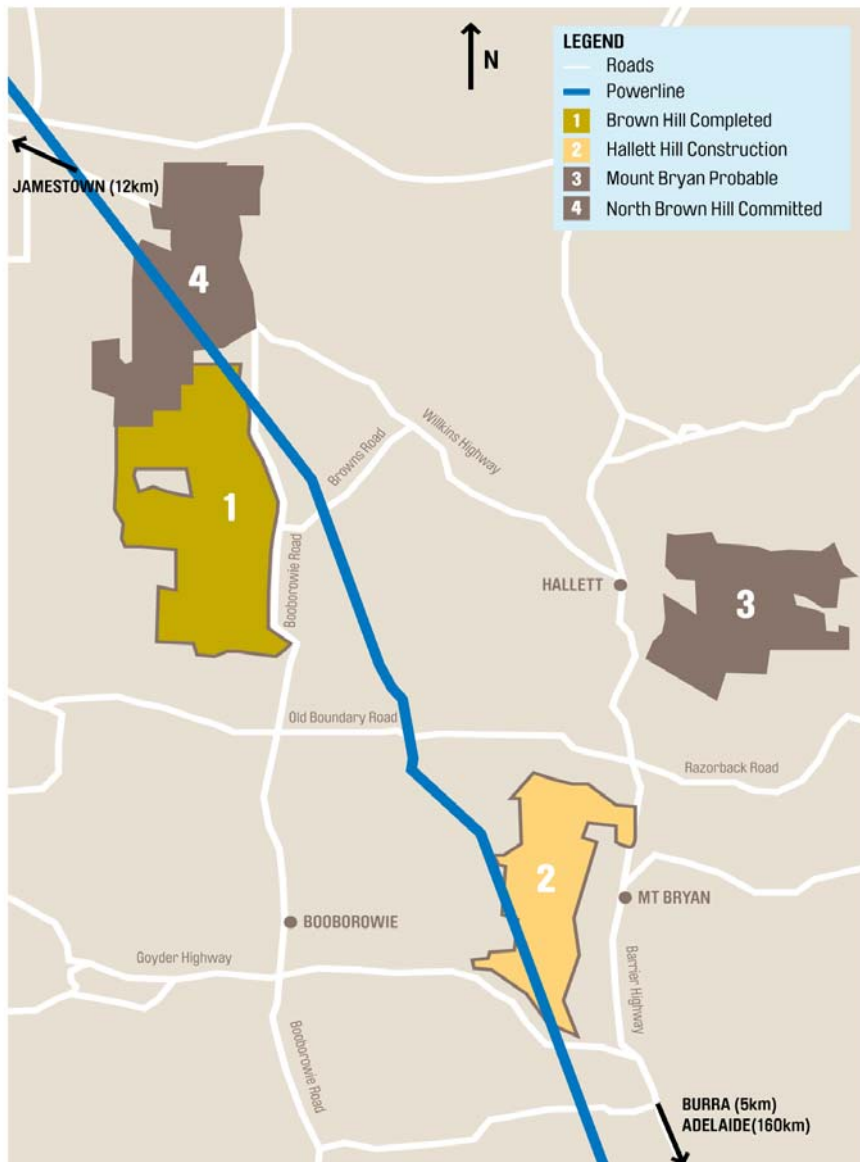
AGL Managing Director, Michael Fraser, said: "AGL is Australia's largest private owner, operator and developer of renewable energy assets. When the wind farms at Hallett 2 and Hallett 4 are completed we will control the operation of almost 1,300MW of renewable energy capacity in Australia."

"AGL has the financial strength, technical expertise, and pipeline of identified projects to continue leading the development of new renewable energy capacity required to meet Australia's needs under the Federal Government's expanded Renewable Energy Target," Mr Fraser said.

Hallett 4 is forecast to have a total development cost of approximately A\$341 million over 24 months of which approximately A\$140 million is forecast to be incurred over the remainder of FY2009. AGL will have the flexibility of retaining the assets on its balance sheet or, alternatively, structuring a sale similar to that undertaken for the Hallett 1 and Hallett 2 wind farms. In either circumstance, AGL will retain all electricity output and green credits as well as full operational and management responsibility for the wind farm. A final decision on long-term ownership structure is anticipated during calendar year 2009.

Construction of the Hallett 4 wind farm will create approximately 120 jobs with a further 10 permanent roles created for the post-construction operation of the site.

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About AGL

AGL is Australia's largest integrated renewable energy company 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.