

Energy in
action.®

ASX statement

24 September 2009

AGL Energy Limited is about to commence dispatch of a letter that is going to the shareholders who have not elected to receive the Annual Report. A copy of that letter is attached.



Paul McWilliams

Company Secretary



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24 September 2009

Dear Shareholder,

Please find enclosed your Notice of Meeting and associated material, setting out business to be considered at the AGL 2009 Annual General Meeting to be held:

**10.30am on Thursday, 29 October 2009 at
Melbourne Convention Centre, 1 Convention Centre Place, South Wharf,
Melbourne.**

If you do not wish to attend, your Board of Directors encourages you to participate by voting via Proxy. Full details, together with your personalised Proxy Form, are enclosed.

2009 Annual Report

AGL's 2009 Annual Report has now been released and is available on our website at: www.agl.com.au.

The register of Shareholders indicates you have not registered to receive a printed copy of the Annual Report. If you would prefer to receive direct electronic notification of when the Annual Report is available online or alternatively wish to receive a printed copy, please either access your Shareholder election details online at the Link Market Services website (www.linkmarketservices.com.au) or complete the enclosed Shareholder communication election form and return (together with your Proxy voting form should you be voting by this method) in the reply paid envelope provided.

2009 Financial Results

For the 2009 financial year, AGL delivered an underlying net profit after tax of \$378.8 million, an increase of 11.1% on the previous year. An overview of AGL's key achievements for the year is included overleaf. The final dividend for 2009 is 28 cents per share, fully franked, taking the total 2009 annual dividend to 54 cents per share. This is an increase of one cent per share on the total 2008 annual dividend. Your final dividend (28 cents per share) will be paid on 30 September 2009.

On behalf of the AGL Board, I thank you for your ongoing support of AGL.

Yours sincerely,

Mark Johnson
Chairman

2009 Financial Year Overview

FINANCIAL

- › Statutory Net Profit After Tax (NPAT) \$1,596m, up 597%
- › Underlying NPAT \$378.8m, up 11.1% on previous year
- › Final dividend 28 cps, fully franked, taking full-year dividend to 54 cps
- › \$800m debt refinancing successfully completed, no maturities until 2011/2012
- › Net debt reduced from \$2,038m to \$497m, down 77%
- › Reinstatement of stable outlook of BBB credit rating

OPERATIONAL

Retail:

- › Dual fuel account growth (+60,000)
- › Increased gross margin per customer

Merchant:

- › Strong performance in dynamic market conditions
- › Combined physical and financial portfolio maximises optionality
- › All parts of portfolio – gas, electricity and eco-markets – contributed to 32.5% EBIT increase

Upstream Gas:

- › Substantial upgrades of gas reserves (total 2P reserves up 56% in six months; total 3P reserves up 23%)
- › Portfolio flexibility allows timely development of gas production projects

STRATEGIC

- › Improved safety performance and employee engagement
- › Non-core asset sales program completed: PNG, QGC, Elgas, NQ Pipeline
- › Continued growth in market-leading renewable portfolio
- › Hallett 2 Wind Farm and Bogong Hydroelectric Power Station at commissioning stage; Hallett 4 Wind Farm under construction
- › QSN and Berwyndale to Wallumbilla gas pipelines to commercialise Queensland gas completed
- › **Post balance date:** Secured renewable energy supply contract for Victoria's desalination plant and for South Australia's desalination plant; committed to build Oaklands Hill Wind Farm; planning approval granted for Leafs Gully gas peaker power station