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ASX release

AGL launches A$650 million Notes offer to be listed on ASX

28 February 2012

AGL Energy Limited (AGL) has today launched an offer of AGL Energy Subordinated Notes (Notes) to raise A$650m with the ability to raise more or less (Offer).

The Offer forms part of AGL's ongoing capital management strategy. AGL intends to use the proceeds to increase its ownership interest in the Loy Yang A power station, and adjacent coal mine, from 32.54 per cent to 100 per cent and for general corporate purposes.

Key features of the Notes are as follows:

- The Notes are dated, subordinated, cumulative and unsecured and will mature on 8 June 2039 unless redeemed before that date
- The Notes entitle Holders to receive floating rate, cumulative interest payments, payable quarterly in arrears unless deferred
- Interest will be calculated quarterly based on the sum of the 3 month Bank Bill Rate plus a Margin (expected to be within the range of 3.40% to 3.60% per annum), to be determined following a bookbuild process
- AGL may redeem the Notes on 8 June 2019 (the First Optional Redemption Date) or on any Interest Payment Date thereafter, and in certain other circumstances. If the Notes are not redeemed on the First Optional Redemption Date, the Margin will increase by 25 basis points (i.e. 0.25%) per annum
- The Notes are expected to be ascribed a High Equity Content classification by Standard and Poor's in its quantitative assessment of the credit profile of AGL
- The Notes are proposed to be quoted on ASX and are expected to trade under the code "AGKHA"
- The Notes are not convertible into ordinary shares or other securities
- The minimum investment is $5,000 (50 Notes)

AGL intends to reserve approximately A$50 million out of the A$650 million for Allocations under the Shareholder Offer and the Customer Offer.

AGL's Chief Financial Officer, Stephen Mikkelsen said, "As AGL continues its successful organic growth strategy in New South Wales and increases its ownership of Loy Yang A power station, the Offer provides Australian shareholders, customers and other investors the opportunity to invest in a security paying a fixed margin over a benchmark interest rate."

The Offer comprises:

- a Broker Firm Offer – an offer to retail clients of Syndicate Brokers;
- a Shareholder Offer - an offer to Eligible Shareholders who have an address in Australia;
- a Customer Offer - an offer to Eligible Customers who have an address in Australia; and
- an Institutional Offer - an offer to Institutional Investors who have been invited to participate in the Bookbuild by the Joint Lead Managers.

The key dates for the Offer are:

Lodgement of the Prospectus with ASIC	28 February 2012
Bookbuild to determine the Margin	6 March 2012
Announcement of Margin and lodgement of the Replacement Prospectus with ASIC	7 March 2012
Opening Date of the Offer	7 March 2012
Closing Date for the Shareholder Offer and Customer Offer	30 March 2012
Closing Date for the Broker Firm Offer	3 April 2012
Issue of the Notes	4 April 2012
The Notes are expected to commence trading on ASX on a deferred settlement basis	5 April 2012
Holding Statements dispatched	11 April 2012
The Notes are expected to commence trading on ASX on a normal basis	12 April 2012

The key dates and times for the Offer are indicative only and may change without notice.

Deutsche Bank has been appointed Arranger and Joint Lead Manager for the Offer. ANZ Securities, Commonwealth Bank and National Australia Bank have also been appointed as Joint Lead Managers in relation to the Offer.

The Offer is being made under a prospectus lodged today with the Australian Securities and Investments Commission (ASIC). A copy of the prospectus has also been lodged with ASX. Investors should read the prospectus in full before deciding whether to invest in the Notes. A Replacement Prospectus containing the Margin will be made available when the Offer opens, which is expected to be on 7 March 2012. The prospectus is available for download within Australia at www.agl.com.au or by calling the AGL Energy Subordinated Notes Offer Information line on 1800 824 513 (within Australia) or +61 2 8280 7115 (outside Australia) (Monday to Friday – 8:30am to 5:30pm AEST). Anyone wishing to apply for Notes will need to complete the application form that will be in, or will accompany, the Replacement Prospectus, available when the Offer opens.

Capitalised terms in this release have the meaning given to them in the prospectus.

Attached is a copy of the Investor Presentation in relation to the Notes.

For further information please contact:

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The offering of securities in this release is open only to investors that are in Australia, and accordingly, this release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933).

About AGL
AGL is one of Australia's leading integrated renewable 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 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 Subordinated Notes

28 February 2012

Arranger

Deutsche Bank

Joint Lead Managers

ANZ

CommonwealthBank

Deutsche Bank

National Australia Bank

AGL

Disclaimer

This presentation has been prepared by AGL Energy Limited ("AGL") in relation to the offer of AGL Energy Subordinated Notes ("Notes") (the "Offer"). The Offer will be made in or accompanied by a copy of the Prospectus ("Prospectus"). AGL intends to lodge a replacement Prospectus which will include the margin determined after the bookbuild to be held on or about 6 March 2012.

The information provided in this presentation is not financial product advice and has been prepared without taking into account your particular objectives, financial situation or needs as an investor. You should carefully read the whole of the Prospectus and seek advice from your financial adviser or other professional adviser before deciding to invest in the Offer. Any decision by a person to apply for the Colonial Group Subordinated Notes should be made on the basis of information contained in the Prospectus and independent assessment as to whether to invest, and not in reliance on any information contained in this presentation. Any investor wishing to acquire Notes will need to complete the application form in or accompanying the Prospectus during the Offer period. To obtain a Prospectus, interested investors should contact their broker or visit www.agl.com.au.

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This presentation contains certain "forward looking statements" that involve risks and uncertainties. These forward looking statements are based on the beliefs of AGL's management as well as assumptions made by, and information currently available to, AGL's management, and speak only as of the date of this presentation. AGL can give no assurance that the forward looking statements in this presentation will not materially differ from actual results, and the inclusion of forward looking statements in this presentation should not be regarded as a representation by AGL or any other person that they will be achieved.

Contents

Summary of AGL Energy Subordinated Notes

Offer summary

Issuer	> AGL Energy Limited » S&P/ASX 50 company with a market capitalisation of $6.4 billion[1] » One of Australia's leading integrated energy utility companies
Security	> AGL Energy Subordinated Notes ("Notes") > Dated, unsecured, subordinated, cumulative notes
Offer size	> $650 million with the ability to raise more or less > AGL intends to reserve approximately $50 million out of the $650 million for Allocations under the Shareholder Offer and the Customer Offer
Use of proceeds	> Increase in AGL's ownership interest in the Loy Yang A power station and adjacent coal mine (LYA), from 32.54% to 100% and for general corporate purposes
Equity credit	> AGL expects the Notes to be ascribed a High Equity Content classification for quantitative purposes from the Rating Agency until 8 June 2019 (approximately seven years after the Issue Date)
Offer structure	> Broker Firm Offer, Shareholder Offer, Customer Offer and Institutional Offer
Bookbuild date	> Expected to take place on 6 March 2012
Joint Lead Managers	> Deutsche Bank, ANZ Securities, Commonwealth Bank and National Australia Bank
Listing	> Expected to be listed on ASX under the code 'AGKHA'

(1) As at close of trading on ASX on 24 February 2012

Notes summary

Issuer	> AGL Energy Limited
Security	> AGL Energy Subordinated Notes ("Notes")
Issue price	> $100 per Note
Maturity date	> 8 June 2039 (approximately 27 years after the Issue Date), unless redeemed earlier
Issuer call dates	> 8 June 2019 (approximately seven years after the Issue Date) and any Interest Payment Date thereafter
Interest payments	> Floating rate, unfranked cash payments > Payable quarterly in arrears, subject to mandatory deferral conditions > Any deferred interest payments are cumulative and compounding
Margin	> Expected range of 3.40% to 3.60% pa, to be determined under the Bookbuild > Equates to an initial yield of approximately 7.82% to 8.02% pa[1]
Interest deferral	> Mandatory Deferral Condition tested by reference to two financial ratios
Change of control	> AGL redemption right, holder put
Ranking	> Notes are subordinated debt obligations, ranking in priority only to AGL's ordinary shares

(1) Based on an illustrative 3 month Bank Bill Rate of 4.42% pa as at 24 February 2012

About AGL Energy

AGL highlights

Leading Australian energy company	> Australia's largest private owner, operator and developer of renewable energy assets and second largest energy retailer > Drawing on over 170 years of experience > Retails electricity, gas and energy-related products and services to 3.4 million customer accounts > Large, flexible and diversified generation portfolio across multiple fuel sources and geographic regions
Largest private owner, operator and developer of renewable generation assets	> Leading player in hydro and wind with ongoing developments in other renewable energy > Construction currently progressing on the Macarthur wind farm (420 MW), the Hallett 5 wind farm (52 MW) and the Oaklands Hill wind farm (67 MW)
Strong competitive position underpinned by increasing vertical integration	> Increasing control and capacity in electricity generation and gas reserves to increase self-supply capability > Access to multiple profit pools and balances risk between upstream supply of energy and consumer demand
Strong balance sheet and stable, defensive earnings	> Stable earnings profile, underpinned by large and diversified retail customer base and vertical integration > Conservative gearing levels as at 31 December 2011
Attractive growth pipeline and prospects	> Growth prospects include acquiring full ownership of Loy Yang A power station and adjacent coal mine as well as the construction of Dalton power station and Newcastle gas storage facility > Organic growth strategy drives additional upstream expansion opportunities
Experienced management team	> Senior management team with extensive energy industry experience > Continue to drive returns through demonstrated disciplined approach, prudent capital management and investment return hurdles

AGL's Integrated Strategy

Acquisition of Loy Yang A is a significant step in AGL's growth.

- AGL's integrated strategy provides access to multiple profit pools and balances risk between upstream supply of energy and our customers' demand for energy
- Ownership of Loy Yang A will significantly increase AGL's supply portfolio and provide a substantial reduction in its risk profile

Energy Production

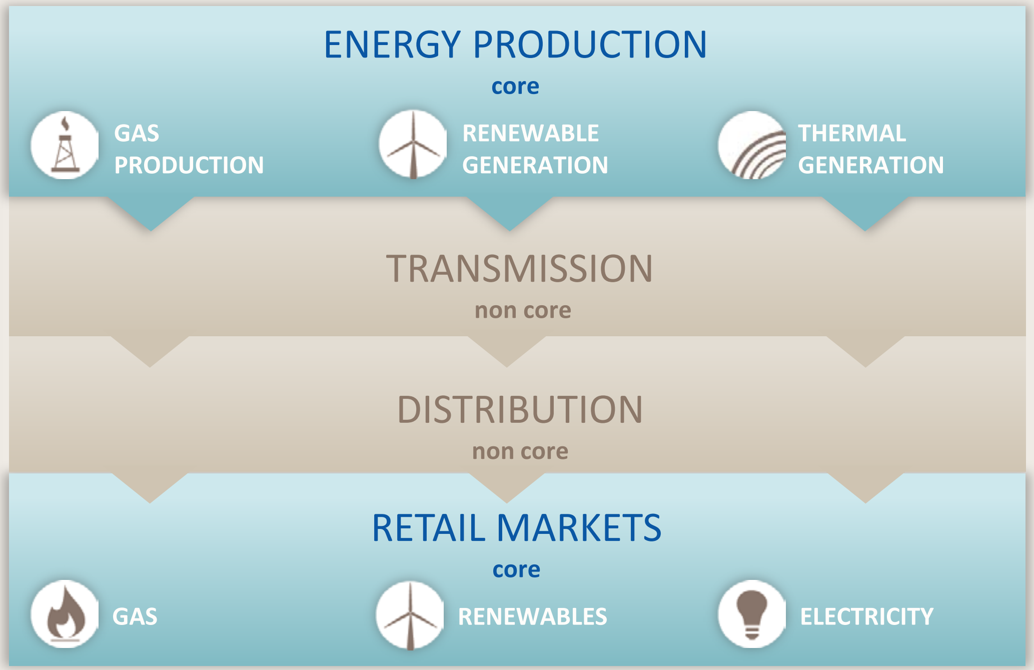
Strategic Objectives

Own or control energy production:

- Renewable generation 60%-80% of mandated requirement
- Cost competitive base-load
- Gas reserves 2,000PJ + (2P)
- Gas production of 40%-50% customer demand

Own or control capacity:

- Peak / intermediate generation of 80%-120% of flexible demand
- Gas storage withdrawal capacity of 250TJ/day



Retail Markets

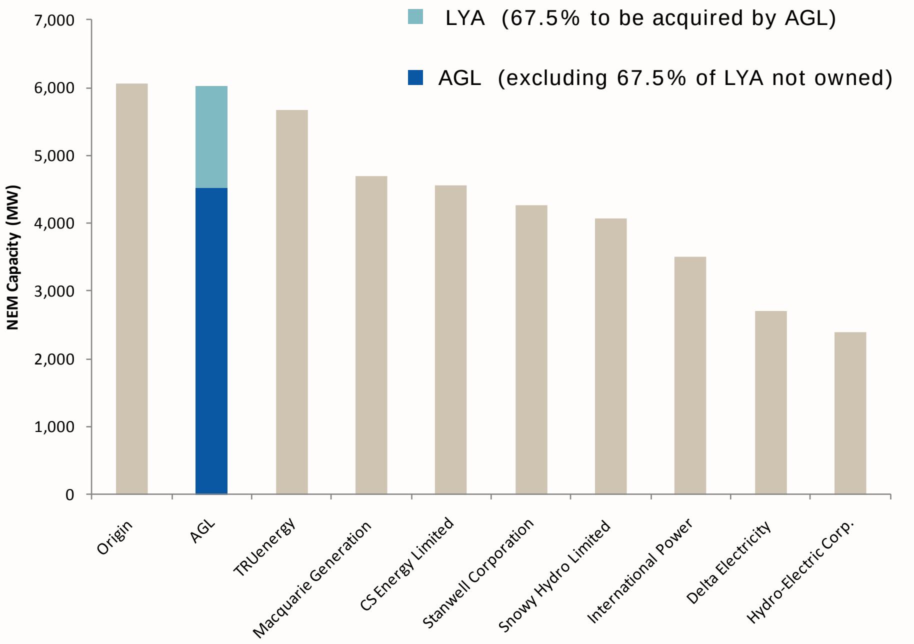
Strategic Objectives

- Grow NSW electricity customer accounts to 800,000 to 900,000, creating national base of 3.6 to 3.7 million in medium term
- Maintain market share outside NSW focusing on high-value segments
- Improve margins and reduce costs ratios
- Develop additional products and services to leverage customer base

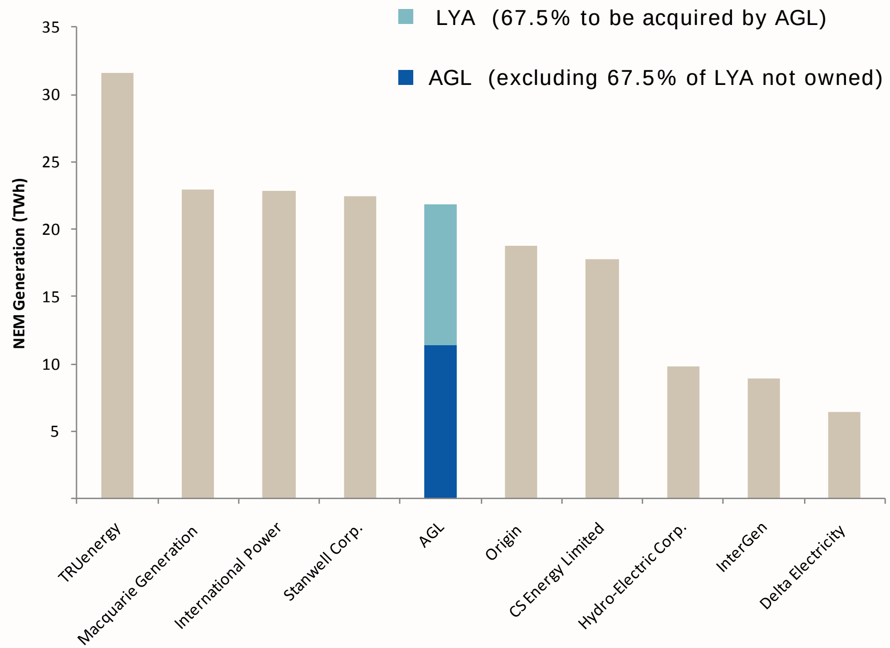
AGL Generation Portfolio

Loy Yang A acquisition will increase existing AGL generation capacity by 33% to ~6,000 MW providing scale and flexibility to AGL's portfolio.

NEM Capacity by Participant[1]



NEM Generation Output by Participant[1]



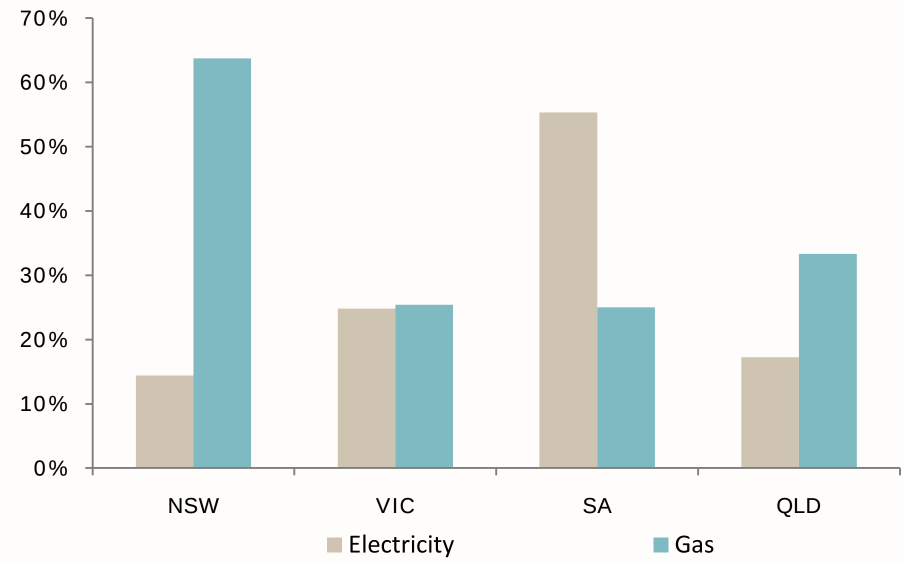
Source: AEMO: Generators and Scheduled Loads, January 2012
(1) AGL includes ~560 MW of generation under construction including the Macarthur and Hallett 5 wind farms

Retail Energy

AGL has a large and growing customer base.

- AGL has developed strong market shares in each State and currently has 3.4 million customer accounts
- AGL has 25% electricity and gas customer market share in Victoria
- NSW electricity customer base currently growing at annualised rate of more than 30%
- Loy Yang A acquisition improves AGL's competitive capability and improves risk management by further vertical integration
- Significantly improves coverage of retail load with owned and controlled generation

AGL gas and electricity market share by state (June 2011)

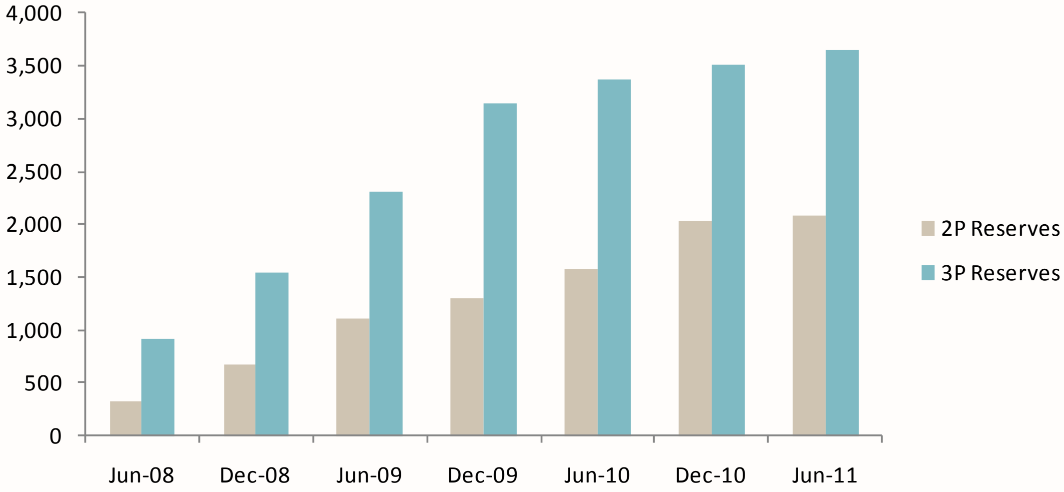


Source: UBS Report, Australian Utilities Structure 2011, June 2011

Upstream Gas

Significant value creation with rising gas prices.

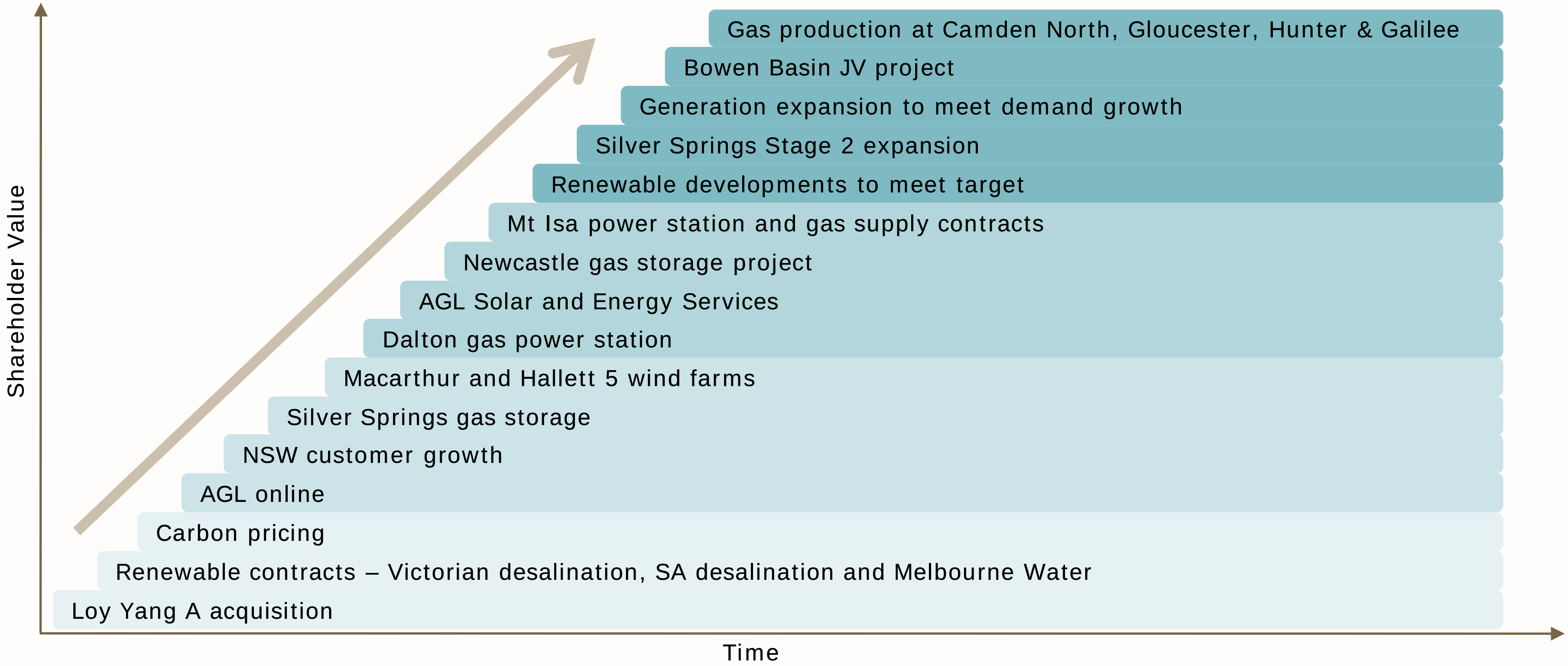
- Targeting >2,000 PJ of 2P reserves for domestic purposes
- Creating portfolio flexibility to supply customer demand and gas power generation portfolio



AGL Growth Pipelines

AGL's integrated strategy and focus on long term shareholder value has created significant growth pipelines.

Ability to access multiple profit pools to deliver increasing shareholder value



Financial information

Profit & Loss (excluding significant items & fair value movements)

Clean result and a 3% uplift in Underlying Profit.

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Revenue	**3,615.3**	3,488.0	3.6%
Operating EBITDA	**438.9**	416.0	5.5%
Operating EBIT			
Retail	**178.2**	158.4	12.5%
Merchant	**248.8**	224.0	11.1%
Upstream Gas	**1.0**	17.3	(94.2%)
Energy Investments	**12.4**	20.4	(39.2%)
Centrally managed expenses	**(85.8)**	(76.0)	12.9%
Total operating EBIT	**354.6**	344.1	3.1%
Less: Net finance costs	**(23.3)**	(22.1)	5.4%
Profit before tax	**331.3**	322.0	2.9%
Less: Income tax expense	**(98.4)**	(95.8)	2.7%
Underlying Profit	**232.9**	226.2	3.0%

Balance Sheet

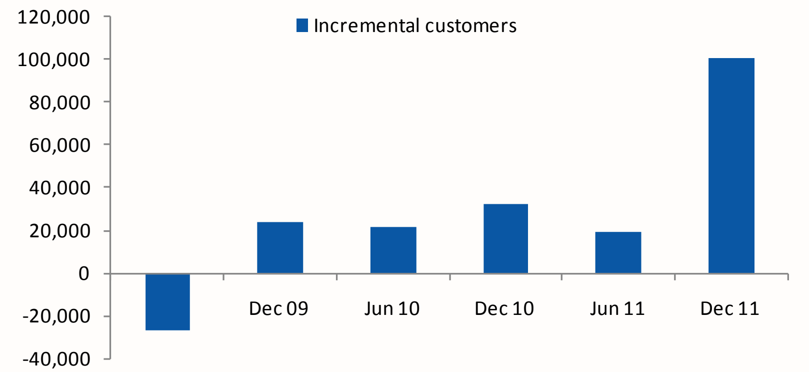
As at $m	31 Dec 2011	30 Jun 2011
Current assets	**2,259.2**	2,730.4
PPE, E&E and oil & gas assets	**3,652.6**	3,400.9
Other non current assets	**3,495.2**	3,564.4
Total Assets	**9,407.0**	9,695.7
Current debt	**-**	886.7
Other current liabilities	**1,294.2**	1,570.4
Non current debt	**1,135.7**	284.5
Other non current liabilities	**577.2**	612.6
Total Liabilities	**3,007.1**	3,354.2
Net Assets	**6,399.9**	6,341.5
Contributed equity	**4,291.4**	4,244.6
Reserves	**(14.8)**	(97.1)
Retained earnings	**2,123.3**	2,194.0
Total Equity	**6,399.9**	6,341.5

Customer growth - 100,000 customers in six months

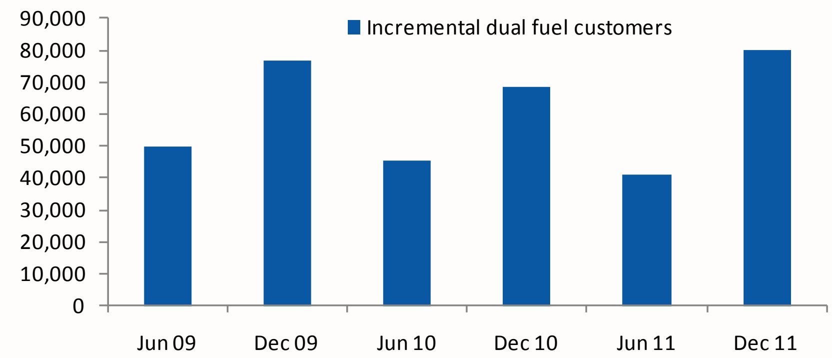
NSW leads growth in AGL customer base.

- 100,419 net customer growth across all states
  - 80,166 new dual fuel customers
- AGL increases gap in national churn from 3.8ppts to 4.7ppts below industry average (16.1% vs. 20.8%)
- Strong net growth in NSW electricity customers
  - Up 89,002 (117% versus 1HFY11)
  - Reflecting effective conversion of lead sales
- Increased sales volumes driven by:
  - New channels
  - Expansion of existing capacity
  - Integrated marketing campaigns
- Other states performing well despite high levels of competition

Incremental Customer Numbers - National



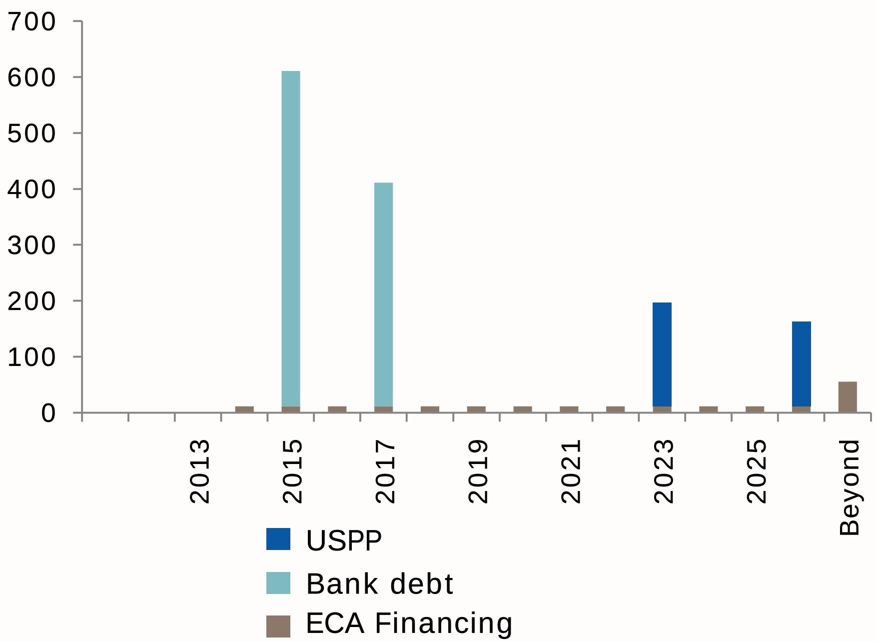
Dual Fuel Accounts - National



Debt position

- Focus on diversifying funding sources and lengthening maturity profiles
- ECA financing to be drawn throughout calendar year 2012 to align with the construction costs for the Macarthur wind farm. Amortisation of the facility will begin in December 2013

Current Debt Maturity Profile



Facilities as at 31 December 2011

Non Current Debt	**Limit $m**	**Usage $m**
Term facility	600.0	600.0
Revolving credit facility	400.0	150.0
US Private Placement	337.8	337.8
Export credit agency financing	200.0	50.0
Total debt facilities	**1,537.8**	**1,137.8**
Cash		**200.3**
Net debt*		**937.5**

*Adjusted net debt in the Prospectus includes finance lease liabilities of $12.5m and the deferred borrowing costs of ($7.8m)

Loy Yang A Transaction Funding

Additional equity requirement is less than one-third of the enterprise value.

- AGL will fund the transaction to maintain a prudent capital structure and balance sheet in line with AGL Board-approved policy
- Loy Yang A requires $1.5 billion funding:
  - $650 million high equity credit hybrid
  - $850 million equity

Transaction Funding	$ million
Enterprise value	3,126
Plus: Transaction costs	100
Less: Existing AGL share	(150)
Cash transitional carbon assistance	(240)
Net funding required	**2,836**
Hybrid	650
Equity	850
Retained and restructured debt	1,336
Total funding sources	**2,836**

Key features of Notes and risks

Key features of Notes

Interest payments	> Unfranked cash payments, subject to mandatory deferral conditions (cumulative, compounding) > Floating rate, payable quarterly in arrears, based on 3 month Bank Bill Rate + Margin > Margin will be determined under the Bookbuild (expected range of 3.40% to 3.60% pa) > Equates to an initial yield of approximately 7.82% to 8.02% pa[1]
Issuer call dates	> AGL may redeem Notes on 8 June 2019 (approximately seven years after the Issue Date) and any Interest Payment Date thereafter
Maturity date	> 8 June 2039 (approximately 27 years after the Issue Date), unless redeemed earlier
Change of control	> If a change of control event occurs, AGL may redeem all Notes > Holders may also request redemption
Ranking	> Notes are subordinated debt obligations, ranking in priority only to AGL's ordinary shares
Listing	> Notes are expected to be listed on ASX under the code 'AGKHA'

(1) Based on an illustrative 3 month Bank Bill Rate of 4.42% as at 24 February 2012

Interest deferral

Overview	> AGL may not defer an interest payment at its discretion > However, AGL must defer an interest payment if a Mandatory Deferral Condition exists > In any event, deferred interest payments must be paid no later than five years from the date of initial deferral, even if a Mandatory Deferral Condition is continuing > Any deferred coupons are cumulative and compounding
Mandatory Deferral Condition	> A Mandatory Deferral Condition starts to exist if either: > AGL's Leverage Ratio is above 4.0x in relation to any two consecutive Testing Dates $\frac{\text{Relevant Net Debt}}{\text{Operating EBITDA}}$ is above 4.0x > AGL's Interest Cover Ratio is below 3.0x in relation to any Testing Date $\frac{\text{Operating EBITDA}}{\text{Relevant Net Interest Paid}}$ is below 3.0x
AGL's capital management strategy	> If AGL's credit profile deteriorates materially such that it risks having an Interest Cover Ratio below the Minimum Level or a Leverage Ratio above the Maximum Level, AGL intends, to the extent it can at the relevant time, to take one or more measures to support these financial ratios and restore its credit profile > These measures may include asset sales, equity issuance, discontinuation of certain businesses, suspension of ordinary dividends and/or other changes to AGL's financial policies

Leverage Ratio analysis

Ratio calculation	Leverage Ratio – six months ended	31 Dec 2011	Pro forma 31 Dec 2011[1]
	Operating EBITDA	$438.9 million	$603.5 million
	Relevant Net Debt	$942.2 million	$2,466.0 million
	Relevant Net Debt (divided by two)	$471.1 million	$1,233 million
	Leverage Ratio	**1.1x**	**2.0x**
	Maximum Level for Notes	**4.0x**	**4.0x**

(1) Pro forma reflects increase in ownership interest in the Loy Yang A power station, and adjacent coal mine, from 32.54 per cent to 100 per cent

Interest Cover Ratio analysis

	Interest Cover Ratio – six months ended	31 Dec 2011	Pro forma 31 Dec 2011[1]
Ratio calculation	Operating EBITDA	$438.9 million	$603.5 million
	Relevant Net Interest Paid	$28.2 million	$92.5 million
	Interest Cover Ratio	**15.6x**	**6.5x**
	Minimum Level for Notes	**3.0x**	**3.0x**

Pro forma notes

> The Pro forma Interest Cover Ratio is based on an assumed weighted average interest rate of 7.10%[2]

> The assumed weighted average interest rate would need to increase to 16.9% for the Pro forma Interest Cover Ratio to fall to 3.0 times

(1) Pro forma reflects increase in ownership interest in the Loy Yang A power station, and adjacent coal mine, from 32.54 per cent to 100 per cent
(2) AGL's weighted average interest rate for the six months ending 31 December 2011, as disclosed in Appendix 4D for the six months ended 31 December 2011

Comparison of Notes with recent note issues

	AGL Energy Subordinated Notes	Woolworths Notes II[1]	Origin Energy Subordinated Notes[1]	Tabcorp Subordinated Notes[1]
Market capitalisation[2]	> $6.4 billion	> $30.9 billion	> $15.2 billion	> $2.0 billion
Maturity date	> 27 years (2039)	> 25 years (2036)	> 60 years (2071)	> 25 years (2037)
Issuer call dates	> Year 7 and any interest payment date thereafter	> Year 5 and any interest payment date thereafter	> Year 5 and any interest payment date thereafter	> Year 5 and any interest payment date thereafter
Interest payments	> Unfranked, floating rate, quarterly cash payments in arrears	> Unfranked, floating rate, quarterly cash payments in arrears	> Unfranked, floating rate, quarterly cash payments in arrears	> Unfranked, floating rate, quarterly cash payments in arrears
Initial margin	> Expected range of 3.40% to 3.60%	> 3.25%	> 4.00%	> 4.00%
Interest step-up	> 0.25% at year 7	> 1.00% at year 5	> 1.00% at year 25	> 0.25% at year 5
Optional interest deferral	> No	> Yes	> Yes	> No
Mandatory interest deferral	> Yes	> No	> Yes	> Yes
Change of Control	> Issuer call, holder put	> Issuer call, holder put linked to rating	> Issuer call, 500bps coupon step-up linked to other listed securities	> Issuer call, holder put

(1) Information regarding Tabcorp Subordinated Notes, Origin Energy Subordinated Notes and Woolworths Notes II sourced from documents published by Tabcorp Holdings Limited, Origin Energy Limited and Woolworths Limited. AGL takes no responsibility for that information and investors should read those documents for information regarding those securities

(2) Market capitalisation as at close of trading on ASX on 24 February 2012

Key risks associated with Notes

These and other risks associated with Notes, the market and AGL are discussed in more detail in Section 6 of the Prospectus. All potential investors should review the risks outlined in the Prospectus and not rely on this presentation.

Changes in Interest Rate
The Interest Rate is calculated by reference to the Bank Bill Rate, which is influenced by a number of factors and may fluctuate over time. The Interest Rate may become less attractive compared to rates of return available on other securities.

Risks related to the market generally
The market price of the Notes may fluctuate and trade below the Issue Price. The market for the Notes is likely to be less liquid than the market for AGL's Ordinary Shares. The Notes may not have an established or liquid trading market when issued and one may never develop. Holders who wish to sell their Notes may be unable to do so at an acceptable price, or at all.

The Notes are subordinated obligations
In a winding-up the Notes will rank ahead of AGL's Ordinary Shares but (subject to very limited exceptions) behind all other claims on AGL. There may be a shortfall of funds to pay all amounts ranking senior to or equally with the Notes in the event of a winding-up of AGL. This would result in Holders not receiving any payment if claims ranking senior to the Notes were not satisfied in full, or otherwise not receiving a full repayment of principal and interest that may be due but unpaid at that time.

Interest payments may be deferred
There are circumstances in which interest payments must be deferred for up to five years and accordingly, it is possible that interest payments will not be paid when scheduled. Deferral of interest payments, if it occurs, will occur mandatorily and can be expected to have an adverse effect on the market price of the Notes. AGL will not be subject to dividend or other restrictions if this occurs. If AGL's credit profile deteriorates materially, this may increase the expectation that interest payments will be deferred which may have an adverse effect on the market price of the Notes.

The Notes are long-dated and might not be redeemed until 8 June 2039
The Notes will mature on 8 June 2039 (the Maturity Date). Although AGL may redeem the Notes from 8 June 2019, and in certain circumstances prior to such date, AGL is under no obligation to do so except in very limited circumstances.

AGL may redeem the Notes early under certain circumstances
AGL may redeem the Notes from 8 June 2019 and in certain circumstances prior to such date. The Redemption Amount may be less than the current market value of the Notes at the time of redemption. Timing of redemption of the Notes may not accord with a Holder's preferences in light of its individual financial circumstances or tax position.

No restrictive covenants
AGL may enter into arrangements in the future, such as borrowing or issuing senior or equal ranking securities, changing its capital structure or entering into significant new transactions, which may adversely affect the ranking of the Notes in a winding-up of AGL or otherwise adversely affect the risk profile of the Notes.

Key risks associated with AGL

These and other risks associated with Notes, the market and AGL are discussed in more detail in Section 6 of the Prospectus. All potential investors should review the risks outlined in the Prospectus and not rely on this presentation.

Electricity market
Risk of significant financial loss arising from exposure to volatility and variability in the wholesale electricity market.

Gas market
Risk of significant financial loss arising from exposure to physical wholesale gas markets (including risks of failure to receive and/or failure to supply) as well as exposure to market prices.

Environmental markets
Risk of significant financial loss arising from exposure to volatility and variability in existing and emerging environmental markets or from not meeting mandatory liabilities.

Regulatory environment
Risks of fines or loss of licences due to failure to comply with regulatory requirements, and of loss arising from exposure to regulated pricing.

Energy policy
Changes in law or regulatory policy could adversely affect one or more of AGL's businesses and could require AGL to incur substantial costs to ensure compliance.

Operating in a competitive environment
AGL operates in a highly competitive environment and is exposed to the risk of loss of customers if it fails to maintain competitive products and services.

Authorisation and permits
Risk of failure to procure the necessary authorisation for ongoing gas and power development projects.

Risks associated with the increased ownership of Loy Yang A and adjacent coal mine
Failure to complete the GEAC acquisition ,or of GEAC to perform in line with acquisition assumptions. Key risks are detailed more fully in Section 6.3 of the Prospectus

Offer process

Indicative timetable

Key dates for the Offer[1]	
Lodgement of the Prospectus with ASIC	28 February 2012
Bookbuild to determine the Margin	6 March 2012
Announcement of Margin and lodgement of the Replacement Prospectus	7 March 2012
Opening Date of the Offer	7 March 2012
Closing Date for Shareholder Offer and Customer Offer (5:00pm AEST)	30 March 2012
Closing Date for Broker Firm Offer (10:00am AEST)	3 April 2012
Issue of the Notes	4 April 2012
The Notes commence trading on ASX (on a deferred settlement basis)	5 April 2012
Holding Statements dispatched	11 April 2012
The Notes commence trading on ASX (on a normal settlement basis)	12 April 2012

(1) The key dates and times for the Offer are indicative only and may change without notice

Key contacts

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Further information

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