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ASX release



29 May 2012

AGL completes the institutional component of its 1 for 6 pro rata Renounceable Entitlement Offer

AGL Energy Limited (AGL) today announced the completion of the institutional component of its fully underwritten 1 for 6 pro rata renounceable entitlement offer (Institutional Entitlement Offer) raising gross proceeds of approximately \$361 million.

Summary of the Institutional Entitlement Offer

- Institutional Entitlement Offer completed raising gross proceeds of approximately \$361 million
- Over 95% take-up by eligible institutions
- Entitlements not taken up and entitlements of ineligible institutional shareholders cleared in bookbuild at \$2.85 per entitlement

The Institutional Entitlement Offer attracted strong demand from AGL's institutional shareholders, who took up more than 95% of the New Shares available to them under the Institutional Entitlement Offer.

Approximately 1.4 million entitlements were available in the institutional shortfall bookbuild, which was completed on Monday, 28 May 2012. The bookbuild was well supported by shareholders and new investors with a clearing price of \$2.85 per entitlement. Accordingly, the total amount to be paid by successful participants in the institutional shortfall bookbuild is \$14.45 per New Share (being the offer price of \$11.60 per New Share plus \$2.85 per entitlement). This is equal to the theoretical ex-rights price (TERP)¹. Eligible institutional shareholders who elected not to take up their entitlements, and ineligible institutional shareholders, will receive \$2.85 for each entitlement not taken up and sold into the bookbuild.

New Shares taken up under the Institutional Entitlement Offer and following the institutional shortfall bookbuild are expected to be issued on Wednesday, 6 June 2012 and commence trading on ASX on the same day.

¹ The theoretical ex-rights price is the theoretical price at which AGL shares should trade immediately after the ex-date for the Entitlement Offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which AGL shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the theoretical ex-rights price.



Completion of the Institutional Entitlement Offer represents the first stage of AGL's approximately \$900 million equity raising, announced on Thursday, 24 May 2012.

Retail Entitlement Offer

The retail component of the entitlement offer (Retail Entitlement Offer) is expected to raise approximately \$543 million. The Retail Entitlement Offer will open on Wednesday, 30 May 2012 and close at 5.00pm (Sydney time) on Tuesday, 19 June 2012.

Eligible retail shareholders will be able to subscribe for 1 New Share for every 6 AGL ordinary shares held on the record date of 7.00pm (Sydney time) Tuesday, 29 May 2012 (Entitlement), at the same Offer Price of \$11.60 per New Share as the Institutional Entitlement Offer.

Eligible retail shareholders who do not wish to take up all or part of their Entitlement may sell all or part of their Entitlement on ASX from Tuesday, 29 May 2012 to Monday, 4 June 2012 on a deferred settlement basis and from Tuesday, 5 June 2012 to Tuesday, 12 June 2012 on a normal settlement basis.

Retail Entitlements which are not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through the retail shortfall bookbuild on Friday, 22 June 2012. Any proceeds from the sale of Entitlements under the retail shortfall bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that the highest price will be accepted or that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and an accompanying personalised entitlement and acceptance form which are expected to be despatched on Monday, 4 June 2012. Copies of the retail offer booklet will be available on the ASX website and our website at www.agl.com.au from Wednesday, 30 May 2012.

The Entitlements may only be exercised by eligible retail shareholders, persons with a registered address in Australia or New Zealand and certain categories of investors in Canada, France, Germany, Hong Kong, Ireland, Italy, Japan, the Netherlands, Norway, Singapore, Sweden, Switzerland, United Arab Emirates and the United Kingdom. In addition, Entitlements may only be purchased by persons meeting certain eligibility criteria that are set out in the Appendix to the investor presentation which AGL filed with ASX on Thursday, 24 May 2012. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase Entitlements on the ASX or exercise Entitlements purchased on the ASX or transferred directly from another person.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise of Entitlements. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, those Entitlements will be sold into the retail shortfall bookbuild and holders may receive no value for them.

AGL ordinary shares are expected to resume trading on ASX from market open today on an ex-entitlement basis.

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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 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. 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.

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Indicative Timetable

Event	Date
Trading halt, Institutional Entitlement Offer opens	Thursday, 24 May 2012
Institutional Entitlement Offer closes	Friday, 25 May 2012
Institutional shortfall bookbuild	Monday, 28 May 2012
Existing shares recommence trading on ASX	Tuesday, 29 May 2012
Retail Entitlements commence trading on ASX on a deferred settlement basis	Tuesday, 29 May 2012
Record Date for eligibility in the Entitlement Offer (7.00pm Sydney time)	Tuesday, 29 May 2012
Retail Entitlement Offer opens	Wednesday, 30 May 2012
Retail offer booklet despatched and Retail Entitlements allotted	Monday, 4 June 2012
Retail Entitlements commence trading on ASX on a normal settlement basis	Tuesday, 5 June 2012
Settlement of the Institutional Entitlement Offer	Tuesday, 5 June 2012
Issue and quotation of new shares under the Institutional Entitlement Offer	Wednesday, 6 June 2012
Retail Entitlements trading on ASX ends	Tuesday, 12 June 2012
New Shares under the Retail Entitlement Offer commence trading on ASX on a deferred settlement basis	Wednesday, 13 June 2012
Retail Entitlement Offer closes (5.00pm Sydney time)	Tuesday, 19 June 2012
Retail shortfall bookbuild	Friday, 22 June 2012
Settlement of the Retail Entitlement Offer	Thursday, 28 June 2012
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Friday, 29 June 2012
Issue of New Shares under the Retail Entitlement Offer	Friday, 29 June 2012
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Monday, 2 July 2012
Retail Premium (if any) despatched	Tuesday, 3 July 2012

The above timetable is indicative only and subject to change. All times represent Sydney time. AGL reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, AGL reserves the right to extend the closing date, to accept late applications either generally or in particular cases, and to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares and trading in retail Entitlements is subject to confirmation from the ASX.

Shareholder Enquiries

Eligible retail shareholders have been sent further details about the Entitlement Offer via a shareholder letter despatched on Friday, 25 May 2012 and a retail offer booklet to be lodged with ASX on Wednesday, 30 May 2012 and despatched on or around Monday, 4 June 2012.

Retail shareholders who have questions relating to the Entitlement Offer should call the AGL Offer Information line on 1800 824 513 (within Australia) or +61 2 8280 7115 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or go to our website www.agl.com.au.

Further information in relation to the Entitlement Offer described in this announcement is set out in an investor presentation which AGL filed with the ASX on Thursday, 24 May 2012. The investor presentation contains important information including key risks, key assumptions relating to certain forward looking information in this announcement and foreign selling restrictions with respect to the Entitlement Offer.

Important Information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly the Entitlements and the New Shares may not be offered or sold in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the offer of Entitlements or New Shares may be sent or distributed to persons in the United States.

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AGL, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to AGL as of the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules) AGL undertake no obligation to update these forward-looking statements.