



ASX & Media Release

AGL successfully reaches over 90 per cent ownership of Australian Power and Gas Company Limited

19 September 2013

AGL Energy Limited (**AGL**) today announced that it has acquired relevant interests in more than 90% of both the issued shares and options in Australian Power and Gas Company Limited (**APK**). This follows acceptances of its separate takeover offers for the issued shares (**Share Offer**) and options (**Option Offer**) in APK¹. Accordingly, AGL intends to immediately proceed with compulsory acquisition of both classes of securities.

AGL will therefore not extend the Share Offer or the Option Offer and declares each Offer to be final. Each Offer will close as scheduled at **7.00pm AEST on 11 October 2013**.

Payment to APK shareholders and optionholders who accept the Offers before the closing date will be dispatched no later than five business days after receipt of a valid acceptance. Shareholders or optionholders whose shares or options are acquired under the compulsory acquisition process will not receive payment for at least one month. Copies of documents to be sent to shareholders and optionholders to implement compulsory acquisition are attached.

APK shareholders and optionholders who have not already accepted the Offers are encouraged to do so before the close of the Offer Periods to receive payment more quickly than through the compulsory acquisition process.

Shareholders or optionholders requiring additional assistance or who have any questions in relation to the Offers should call the AGL Offer Information Line on 1800 426 150 (toll-free for calls made within Australia) or +61 1800 426 150 (for calls made from outside Australia) from Monday to Friday between 8:30 am and 5:30pm (AEST).

Further inquiries:

Investors

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Media

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¹ The Share Offer and the Option Offer (together the **Offers**) are made by AGL APG Holdings Pty Limited, a wholly owned subsidiary of AGL.



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.



Recipient

Street

Suburb State Postcode

20 September 2013

Dear Shareholder,

AGL's Bid for Australian Power and Gas Company Limited – Notice of Compulsory Acquisition

As you may be aware, AGL Energy Limited (**AGL**) has announced an off-market takeover offer for all of the ordinary shares (**Offer**) in Australian Power and Gas Company Limited (**APK**) for \$0.52 cash per APK share¹. The Offer is scheduled to close at 7:00pm (AEST) on 11 October 2013.

Our records indicate that you have not accepted the Offer. If you have already accepted the Offer, please ignore this letter.

On 19 September 2013, AGL announced it had acquired a relevant interest in more than 90% of APK shares. AGL will now exercise its rights to acquire all the remaining APK shares under the compulsory acquisition provisions of the Corporations Act 2001 (Cth) (the **Act**). Please find enclosed a Form 6021 – Notice of compulsory acquisition following takeover bid (**Notice**).

Under the compulsory acquisition provisions you are entitled to receive the same consideration for each APK share you are the registered holder of as you otherwise would have received if you had accepted the Offer (ie cash consideration of \$0.52 per ordinary APK share).

On completion of the compulsory acquisition procedure, AGL will pay the consideration for your shares to APK. You will then be entitled to claim the consideration from APK. Subject to the provisions of the Act, this is likely to occur in late October at the earliest. Please note that you do not need to sign or return the enclosed Notice. In due course APK will send you a letter which will set out details for the method to claim payment of the cash consideration payable to you upon compulsory acquisition of your APK shares.

Alternatively, there is still time available to accept the Offer which is scheduled to close on 11 October 2013. AGL is currently offering APK shareholders that accept the Offer accelerated payment terms by dispatching cheques no later than 5 business days after receipt of a valid acceptance. This means that you will be paid for your APK shares more quickly if you accept the Offer compared to having your APK shares compulsorily acquired.

¹ The Offer is made by AGL APG Holdings Pty Limited, a wholly owned subsidiary of AGL.



I encourage you, on behalf of the AGL Board, to accept the Offer to enable you to receive prompt payment for your APK shares.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Maycock', is written over a thin horizontal line.

Jeremy Maycock
Chairman

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series



Recipient

Street

Suburb State Postcode

20 September 2013

Dear Optionholder,

AGL's Bid for Australian Power and Gas Company Limited – Notice of Compulsory Acquisition

As you may be aware, AGL Energy Limited (**AGL**) has announced an off-market takeover offer for all of the options in Australian Power and Gas Company Limited (**APK**) for the consideration set out in the Offer dated 4 September 2013 (**Offer**)¹. The details of the Offer are set out in AGL's Bidder's Statement dated 27 August 2013 which was sent to you on 4 September 2013 and is also available on the ASX website. The Offer is scheduled to close at 7:00pm (AEST) on 11 October 2013.

Our records indicate that you have not accepted the Offer. If you have already accepted the Offer, please ignore this letter.

On 19 September 2013, AGL announced it had acquired an interest in more than 90% of APK options. AGL will now exercise its rights to acquire all the remaining APK options under the compulsory acquisition provisions of the Corporations Act 2001 (Cth) (the **Act**). Please find enclosed a Form 6021 – Notice of compulsory acquisition following takeover bid (**Notice**).

Under the compulsory acquisition provisions you are entitled to receive the same consideration for each option you are the registered holder of as you otherwise would have received if you had accepted the Offer. Further details of the Offer consideration are set out in AGL's Bidder's Statement dated 27 August 2013.

On completion of the compulsory acquisition procedure, AGL will pay the consideration for your options to APK. You will then be entitled to claim the consideration from APK. Subject to the provisions of the Act, this is likely to occur in late October at the earliest. Please note that you do not need to sign or return the enclosed Notice. In due course APK will send you a letter which will set out details for the method to claim payment of the cash consideration payable to you upon compulsory acquisition of your APK options.

Alternatively, there is still time available to accept the Offer which is scheduled to close on 11 October 2013. AGL is currently offering APK optionholders that accept the Offer accelerated payment terms by dispatching cheques no later than 5 business days after

¹ The Offer is made by AGL APG Holdings Pty Limited, a wholly owned subsidiary of AGL.



receipt of a valid acceptance. This means that you will be paid for your APK options more quickly if you accept the Offer compared to having your APK options compulsorily acquired.

I encourage you, on behalf of the AGL Board, to accept the Offer to enable you to receive prompt payment for your APK options.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Maycock', is written over a horizontal line.

Jeremy Maycock
Chairman

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series

Notice of compulsory acquisition following takeover bid

Notice

To each holder of:

Description of class of securities to which the bid relates

ORDINARY SHARES

('Bid Class Securities')

in

Name of target company or body

Name ('the Company')

AUSTRALIAN POWER AND GAS COMPANY LIMITED

ACN/ARBN/ARSN

077 206 583

Tick applicable box(es)

- and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

Name of bidder

1. Under a takeover bid offers were made by

AGL APG HOLDINGS PTY LTD ACN 081 834 826

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

- closed
- are scheduled to close

Date offers closed or are scheduled to close

on

Date

1 1 1 0 1 3
[D] [D] [M] [M] [Y] [Y]

Tick applicable box(es).
(see subsection 661A(4) and (4A))

2. You are, as at the date of this notice, the holder of one or more of the following

- securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- securities to which the bid related issued after the end of the offer period and before the date of this notice
- securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

Description of securities

Description of securities

the following securities in the bid class in which the bidder has a relevant interest

Tick one box

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

- 661A(1)
- 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

Date of lodgement

This notice was lodged with ASIC on

Date

1	9	/	0	9	/	1	3
[D	D]		[M	M]		[Y	Y]

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.

6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before

Tick one box

this notice was given.

the end of the offer period.

7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.

8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

Name of person signing

John Fitzgerald

Capacity

Company Secretary

Signature



Date signed

1	9	/	0	9	/	1	3
[D	D]		[M	M]		[Y	Y]

Notice of compulsory acquisition following takeover bid

Notice

To each holder of:

Description of class of securities to which the bid relates

OPTIONS

('Bid Class Securities')

Name of target company or body

in

Name ('the Company')

AUSTRALIAN POWER AND GAS COMPANY LIMITED

ACN/ARBN/ARSN

077 206 583

Tick applicable box(es)

- and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

Name of bidder

1. Under a takeover bid offers were made by

AGL APG HOLDINGS PTY LTD ACN 081 834 826

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

- closed
- are scheduled to close

Date offers closed or are scheduled to close

on

Date

1 / 1 / 1 0 / 1 3
[D] [D] [M] [M] [Y] [Y]

Tick applicable box(es).
(see subsection 661A(4) and (4A))

2. You are, as at the date of this notice, the holder of one or more of the following

- securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- securities to which the bid related issued after the end of the offer period and before the date of this notice
- securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being
- the following securities in the bid class in which the bidder has a relevant interest

Description of securities

Description of securities

Tick one box

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

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1	9	/	0	9	/	1	3
[D	D]		[M	M]		[Y	Y]

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- this notice was given.
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7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.

8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

Name of person signing

John Fitzgerald

Capacity

Company Secretary

Signature



Date signed

1	9	/	0	9	/	1	3
[D	D]		[M	M]		[Y	Y]