

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AGL Energy Limited

ABN

74 115 061 375

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | AGL has issued 111,981,107 ordinary shares (New Shares) pursuant to the terms of the fully underwritten pro-rata accelerated renounceable entitlement offer announced to ASX on 20 August 2014.
This Appendix 3B updates the approximately number of ordinary shares to be issued under the entitlement offer specified in the Appendix 3B issued on 20 August 2014. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p>	<p>Yes, the New Shares will rank equally in all respects with existing fully paid ordinary shares in AGL from the date of allotment.</p>
<p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
<p>5 Issue price or consideration</p>	<p>\$11.00 per New Share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>AGL intends to use the proceeds of the entitlement offer to fund part of the \$1,505 million purchase price for the acquisition of the Macquarie Generation assets from the New South Wales Government, as announced to ASX on 12 February 2014 and subsequently authorised by the Australian Competition Tribunal on 25 June 2014.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	

+ See chapter 19 for defined terms.

6d Number of +securities issued with security holder approval under rule 7.1A

6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)

6f Number of +securities issued under an exception in rule 7.2

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

7 +Issue dates
Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.
 Cross reference: item 33 of Appendix 3B.
2 September 2014 for the institutional component of the offer.
25 September 2014 for the retail component of the offer.

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		671,700,853	Ordinary shares
		6,500,000	Notes

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	N/A
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same dividend entitlements as apply to existing ordinary shares.

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	The entitlement is 1 New Shares for every 5 existing ordinary shares in AGL held at the record date.
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	7.00pm (Sydney time) 25 August 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number of New Shares.
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	For the institutional component, all countries other than Australia, Canada (Ontario and Quebec), Denmark, France, Germany, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, United Kingdom, and any other jurisdictions agreed by AGL and the joint lead managers. For the retail component, all countries other than Australia and New Zealand.

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	The institutional entitlement offer closed on 21 August 2014. The retail entitlement offer closed at 5.00pm (Sydney time) on 15 September 2014
20	Names of any underwriters	Citigroup Global Markets Australia Pty Ltd, Deutsche Bank AG Sydney branch, and Merrill Lynch Equities (Australia) Limited
21	Amount of any underwriting fee or commission	An underwriting fee of 1.2% and a management and arranging fee of 0.3% (excluding GST).
22	Names of any brokers to the issue	Bell Potter Securities Limited (ABN 25 006 390 772), Ord Minnett Limited (ABN 86 002 733 048) and Morgans Financial Limited (ABN 49 010 669 726)
23	Fee or commission payable to the broker to the issue	Fixed fee of \$50,000 (inclusive of GST) payable to each broker to the issue.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	0.75% of the application monies (inclusive of GST) paid in respect of each valid application from an eligible retail shareholder, submitted by the broker and bearing the broker's stamp, subject to a minimum of \$50 and a maximum of \$250 per valid application.
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus or product disclosure statement is being prepared. A Retail Entitlement Offer Booklet and Entitlement and Acceptance Form was sent on 29 August 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	No longer applicable
29	Date rights trading will end (if applicable)	No longer applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	No longer applicable

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|----|---|--|
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | No longer applicable |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | No longer applicable |
| 33 | +Issue date | 2 September 2014 for the institutional component of the offer.
25 September 2014 for the retail component of the offer. |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) +Securities described in Part 1
- (b) All other +securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 N/ A If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 N/ A If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 N/ A A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought N/A

39 +Class of +securities for which quotation is sought N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now N/A

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
(Company secretary)

Date: 25 September 2014

Print name: Paul McWilliams

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+ See chapter 19 for defined terms.