

ASX & Media Release

AGL negotiates new commercial agreement with Alcoa

20 January 2017

AGL Energy Limited (AGL) today announced that it has finalised a new four year agreement to supply electricity to the Portland Smelter Joint Venture Participants' (Alcoa) aluminium smelter in Portland, Victoria. The agreement takes effect from August 2017 when the existing supply contract ends.

AGL Executive General Manager Energy Markets, Stephen Mikkelsen, said: "AGL is very pleased, as one of Victoria's electricity suppliers, it can play a part in helping to secure the future of the Portland Smelter and the community that it supports."

The agreement represents a mutually beneficial outcome on commercial terms and is the result of over five months' negotiation. The contract is for a volume of 510MW, which is approximately the equivalent of 10 percent of Victoria's total electricity load. The contract will provide AGL with additional flexibility including rights in relation to the curtailment of the smelter at times of high electricity spot price. AGL also obtains the certainty of Alcoa's commitment to the four year contract.

"All parties involved have worked exceptionally hard to achieve this outcome. AGL notes the key role that Victorian Premier Andrews and Treasurer Pallas performed in facilitating the negotiation. We also acknowledge the contribution of the Federal Government through Minister Hunt and local Federal MP Minister Tehan," said Mr Mikkelsen.

AGL's diverse portfolio of energy generation means this contract will be supplied by a mix of both thermal and renewable generation.

Further inquiries:

Investors

Nicole Rizgalla, Investor Relations Manager
Direct: +61 2 9921 2691
Mobile: +61 400 488 836
email: nrizgalla@agl.com.au

Media

Kathryn Lamond, Senior Media Manager
Direct: +61 2 9921 2170
Mobile: +61 424 465 464
e-mail: klamond@agl.com.au

About AGL

AGL is one of Australia's leading integrated energy companies. It is taking action to responsibly reduce its greenhouse gas emissions while providing secure and affordable energy to its customers. Drawing on over 175 years of experience, AGL serves its customers throughout eastern Australia with meeting their energy requirements, including gas, electricity, solar PV and related products and services. 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, solar, landfill gas and biomass.