

ASX & Media Release

AGL given green light on Macquarie Generation

25 June 2014

AGL Energy Limited (AGL) welcomes today's decision by the Australian Competition Tribunal (Tribunal) which effectively overturns the ACCC's decision to oppose AGL's acquisition of the assets of Macquarie Generation (MacGen).

AGL's Managing Director, Michael Fraser, said: "We have consistently argued the acquisition of MacGen by AGL would not lead to a substantial lessening of competition and would bring public benefits to the people of NSW. Today's decision vindicates that view."

The Tribunal reached the view that the proposed acquisition is not likely to result in a significant detriment to the ability of retailers, including small retailers, to compete in the NSW electricity market. In addition, the Tribunal conclude that the acquisition of MacGen by AGL would "produce a vigorous competitive market".

"We commend the Tribunal's prompt decision in this matter as it sends a clear message to corporate Australia that it will deal with cases like this expeditiously. The Tribunal could have elected to delay its decision for a further three months," said Mr Fraser.

The ACCC has limited grounds for appealing the decision and a maximum period of 28 days in which to do so.

MacGen is the lowest cost, large-scale baseload generator in NSW with a total capacity of approximately 4,600 MW. NSW is AGL's largest electricity market with over 800,000 customers. AGL does not currently own any scheduled generation assets in NSW.

AGL's full year results for the year ended 30 June 2014 are due for release on 20 August 2014.

Further inquiries:

Investors

John Hobson, Head of Capital Markets
Direct: +61 2 9921 2789
Mobile: +61 (0) 488 002 460
email: john.hobson@agl.com.au

Media

Karen Winsbury, Head of Corporate Communications
Direct: +61 3 8633 6388
Mobile: +61 (0) 408 465 479
e-mail: kwinsbury@agl.com.au

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 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.

About MacGen

MacGen is the largest producer of electricity in New South Wales. The assets include the Bayswater (2,640 MW) and Liddell (2,000 MW) black coal fired power stations, Hunter Valley Gas Turbines (50 MW), Bayswater B and Tomago development sites, Liddell solar farm, extensive coal handling infrastructure comprising rail unloaders and conveyor systems, 110 million tonnes of contracted coal and approximately 3.5 million tonne coal stockpile. MacGen employs approximately 660 people (full time equivalent).

