

ASX & Media Release

Issue of shares under the institutional component of the Entitlement Offer

2 September 2014

AGL Energy Limited (**AGL**) has successfully completed the initial issue of fully paid ordinary shares following the Entitlement Offer announced on Wednesday, 20 August 2014.

AGL has issued 46,901,978 new ordinary shares under the institutional component of the Entitlement Offer, raising gross proceeds of approximately \$515.9 million. These shares commence trading today.

The number of AGL shares on issue following the issue of shares referred to above is 606,621,724.

The retail component of the entitlement offer opened on Tuesday, 26 August 2014 and will close at 5.00pm (Sydney time) on Monday, 15 September 2014. The despatch of the retail offer booklet to eligible retail shareholders occurred on Friday, 29 August 2014. 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 the ASX until Monday, 8 September 2014.

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 1800 824 513 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or go to our website www.agl.com.au.

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 energy companies and largest ASX listed owner, operator and developer of renewable energy generation in the country. 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 taking action toward creating a sustainable energy future for our investors, communities and customers.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

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.