

ASX & Media Release

Changes to AGL's leadership structure to meet future industry challenges

16 April 2015

AGL Energy Limited (AGL) Managing Director & CEO, Andy Vesey, today announced plans to restructure the company's Executive Team, effective from 1 May 2015.

"The industry is rapidly changing and faces significant challenges. I am making a number of changes to our leadership structure to capitalise on the opportunities that this dynamic environment will present in the years ahead. These changes position AGL to deliver on our strategy, to provide improved products and services for our customers and to drive world-class productivity and capability across the organisation," said Mr Vesey.

The structure will result in the establishment of seven core business units and functions to form the Executive Team: Energy Market Operations, New Energy, Stakeholder Relations, Group Operations, Organisational Transformation, People & Culture, and Finance and Technology. A separate role will be established comprising the Company Secretariat, but will not sit on the Executive Team.

As previously announced on 18 February 2015, a comprehensive review of the company's Upstream Gas business is currently underway. Until the findings and recommendations from the review have been delivered, due for completion by the end of May 2015, the Upstream Gas business will remain a stand-alone business unit.

Selection processes for the new Executive roles will commence immediately, and current Executive Team members have been invited to consider available roles in the new structure. While most appointments are expected to be confirmed by 1 May, others involving an external search are expected to be in place by 1 July 2015.

As a result of the announcement Owen Coppage, Chief Information Officer and Paul Simshauser, Chief Economist & Group Head of Corporate Affairs will be leaving AGL, with timing to be agreed. Both will lead the smooth transition of their current teams to the new model.

The restructure results in changes in the reporting lines for a number of functions. These changes will also take effect from 1 May 2015. "While the restructuring process will deliver cost savings and involve some modest headcount reductions, a large proportion of our operational employees will not be affected," Mr Vesey said.

The new organisation chart can be found in Appendix 1.

Further inquiries:**Investors**

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About AGL

AGL is one of Australia's leading integrated energy companies and is the 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 investors, communities and customers.

Appendix 1 – AGL Organisation Structure (effective 1 May 2015)

