

Energy in
action™



1 April 2009

Company Announcement Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Fax: 1300 135 638

Dear Sir/Madam

AGL Energy Limited - compulsory acquisition of shares in Sydney Gas Limited completed

AGL Energy Limited ABN 74 115 061 375 (**AGL**) has now completed the compulsory acquisition of the remaining shares in Sydney Gas Limited ABN 93 003 324 310 (**SGL**) not already owned by it, pursuant to the Notice of Compulsory Acquisition lodged with the Australian Securities and Investments Commission on 25 February 2009.

We attach a copy of the written notice and covering letter which will be sent by SGL to each shareholder in accordance with section 666B(2)(c) of the *Corporations Act 2001 (Cth) (Act)*. The notice informs each shareholder that the consideration for the acquisition of their shares has been received and is being held by SGL in accordance with the Act pending their instructions as to how it is to be dealt with.

It is expected that the Australian Securities Exchange will remove SGL from the official list pursuant to listing rule 17.14 shortly.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P. McWilliams', written over a light blue horizontal line.

Paul McWilliams
Company Secretary

- > Being Australia's largest private owner and operator of renewable energy assets
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series

1 April 2009



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SAM
MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030

Dear SGL Shareholder

**Completion of compulsory acquisition of your shares in Sydney Gas Limited
– Instructions for payment**

We refer to the off-market takeover offer (**Offer**) by AGL Energy Limited ABN 74 115 061 375 (**AGL**) for all the shares in Sydney Gas Limited ABN 93 003 324 310 (**SGL**), which closed at 7.00pm (AEDT) on 24 February 2009.

On 25 February 2009, AGL announced that, in accordance with section 661A of the Corporations Act 2001 (Cth), it would compulsorily acquire those remaining SGL shares which it did not own at the end of the Offer period, and issued a Notice of Compulsory Acquisition Following Takeover Bid to compulsorily acquire your SGL shares for 42.5 cents per share (**Notice**).

In accordance with the Notice, AGL has now completed compulsory acquisition of your SGL shares. AGL has been registered as the holder of those shares and has provided to SGL the consideration payable for the shares, which you are now entitled to claim in respect of your holding.

SGL is now holding that consideration on trust for you, pending receipt of directions from you as to how to deal with it. A Claim Form for the purpose of claiming the total consideration payable to you is enclosed.

Please complete and sign the Claim Form and return it (with any accompanying documents that the Claim Form instructs you to provide) as soon as possible to Computershare Investor Services Pty Limited (**Computershare**) in accordance with the instructions provided on the Claim Form.

It should be noted that if you do not instruct SGL as to how it should deal with the money payable to you within applicable statutory timeframes, it is anticipated that the unclaimed consideration will be gazetted as unclaimed property and ultimately transferred to the Australian Securities and Investments Commission to be dealt with as unclaimed property in March 2011.

If you have any questions or require further information, please contact Computershare on 1300 850 505 (or + 61 3 9415 4000 for overseas shareholders).

Yours faithfully

Mike Moraza
Director

All correspondence to:
 Computershare Investor Services Pty Limited
 GPO Box 52 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 850 505
 (outside Australia) 61 3 9415 4000
 www.computershare.com

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 SAM
 MR JOHN SMITH 1
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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Use a black pen.
 Print in CAPITAL letters
 inside the grey areas.

A	B	C	1	2	3
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Claim Form for compulsory acquisition of Shares

This form relates to the consideration to which you are entitled as a result of the compulsory acquisition of your ordinary shares in Sydney Gas Limited (SGL) (SGL Shares) by AGL Energy Limited (AGL Energy). This is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or legal advisor immediately.

Use this form to claim the consideration for your SGL Shares

B Consideration

You are entitled to receive 42.5 cents for each of the SGL Shares formerly held by you that have been compulsorily acquired by AGL Energy.

Securityholder details

Subregister	12345678
Number of SGL Shares formerly held by you	12,345,678
Cash consideration to which you are entitled	\$XX.XX

C To be completed by Securityholder

I/We, the person(s) named above, refer to the letter from SGL dated 1 April 2009 and:

1. instruct SGL in accordance with section 666B(2)(c) of the *Corporations Act 2001* (Cth) to pay and transfer to me/us the consideration due to me/us for the compulsory acquisition of my/our SGL Shares by AGL Energy, by way of bank cheque;
2. confirm to SGL that the address to which my/our consideration is to be remitted is:
 - i. the same as in the SGL register immediately before the transfer of my/our SGL Shares to AGL Energy or
 - ii. as follows (only complete if your address has changed); and

Insert new address (if applicable):

Note: If you are claiming a new address you must provide certified copies of supporting documents, such as a driver's licence, council rates notices or utility statements that show your new address and your former address as recorded on the SGL register.

3. agree that the payment and/or transfer of the consideration set out above will be a complete release and discharge of all obligations of AGL Energy and SGL to me/us in respect of the consideration for the acquisition of my/our SGL Shares by AGL Energy and that SGL will not be responsible for any loss of documents in the ordinary course of post.

D Sign here - this section must be signed before we can process this form.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Individual or Securityholder 2

Director

Individual or Securityholder 3

Director/Company Secretary

The directors reserve the right to make amendments to this form where appropriate. Please refer to the lodgement instructions overleaf.

See back of form for completion guidelines

How to complete this Claim Form

A Registration Details

Your consideration will be issued in the name(s) as it appears on the SGL register and is printed on this form.

B Consideration

You are entitled to receive 42.5 cents per SGL Share.

C To be completed by Former Securityholder

If your address has changed from the address specified on this form, complete your new address details in the space provided in paragraph C2 on the front of this form.

If you are claiming a new address you must provide certified copies of supporting documents, such as a driver's licence, council rates notices or utility statements that show your new address and your former address as recorded on the SGL register.

You should allow sufficient time for processing and payment as SGL accepts no responsibility for any delays in this process.

D Signature(s)

You must sign the form as follows in the space provided:

(a) Joint Holders

All holders must sign this Claim Form.

(b) Corporations

This Claim Form must be signed by the authorised officers of the corporation and sealed (if required by, and in accordance with, the corporation's constitution), or must be signed by the corporation's duly appointed attorney.

(c) Power of Attorney and Deceased Estates

If this Claim Form is signed under power of attorney, or by the executors of a deceased estate, or by the administrators, the relevant power of attorney, probate or letters of administration, together with any other documents required by law, must be attached.

If this Claim Form is signed under power of attorney, the attorney declares that they have no notice of revocation of that power.

(d) Trust or Partnership

The signatory must produce the trust instrument, partnership agreement or other authority (or a certified copy of it) to act in that capacity acceptable to SGL.

Lodgement of Claim Form

This Claim Form must be sent by mail to:

Sydney Gas Limited
C/- Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001

Privacy Statement

Personal information is collected on this form by SGL, for the purpose of maintaining registers of dissenting securityholders, facilitating payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by SGL, or you would like to correct information that is inaccurate, incorrect or out of date, please contact SGL at the above address.

If you have any enquiries concerning this Claim Form please contact SGL at the above address.

SGL

Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia