

A few  
words.



**13 January 2009**

**By Hand**

ASX Limited  
Company Announcements Office  
Exchange Centre  
Level 6, 20 Bridge Street  
Sydney NSW 2000

Dear Sirs

**Takeover Offer by AGL Energy Limited for Sydney Gas Limited**

In accordance with section 647(3)(b) of the *Corporations Act* 2001 (Cth), we enclose a copy of AGL's First Supplementary Bidder's Statement dated 13 January 2009 in relation to AGL's off-market bid to acquire all of the ordinary shares in Sydney Gas Limited (ABN 93 003 324 310) (**SGL**).

The First Supplementary Bidder's Statement has today been lodged with the Australian Securities and Investments Commission and served on SGL.

Yours faithfully  
AGL Energy Limited

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

P McWilliams  
Company Secretary

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# **First Supplementary Bidder's Statement**

**In relation to the Offer by**

**AGL ENERGY LIMITED**  
ABN 74 115 061 375

**to acquire all of the fully paid ordinary shares in**

**SYDNEY GAS LIMITED**  
ABN 93 003 324 310

This is an important document and requires your immediate attention  
If you are in any doubt as to how to deal with this document, you should consult your  
broker or your legal, financial or other professional advisor as soon as possible

## FIRST SUPPLEMENTARY BIDDER'S STATEMENT

This document is a supplementary bidder's statement under section 643 of the Corporations Act 2001 (Cth). It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by AGL Energy Limited ABN 74 115 061 375 (**AGL**) to the bidder's statement dated 24 December 2008 issued by AGL as dispatched to SGL Shareholders and lodged with ASIC and ASX on 12 January 2009 (**Original Bidder's Statement**) in relation to its off-market takeover bid for all of the ordinary shares in Sydney Gas Limited ABN 93 003 324 310 (**SGL**).

This First Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement. This document will prevail in the event of any inconsistency with the Original Bidder's Statement. Unless the context requires otherwise, terms defined in the Original Bidder's Statement have the same meaning where used in this document.

A copy of this document was lodged with ASIC on and is dated 13 January 2009. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

### Changes to the Original Bidder's Statement

AGL has made a number of changes to the Original Bidder's Statement. Some of these changes have been made to update or clarify certain disclosures in the Original Bidder's Statement. Other changes have been made to correct typographical errors.

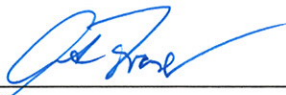
The changes are contained in Schedule 1 to this First Supplementary Bidder's Statement.

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This First Supplementary Bidder's Statement has been approved by a resolution passed by the directors of AGL Energy Limited ABN 74 115 061 375.

Dated 13 January 2009

Signed for and on behalf of AGL Energy Limited by:



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Michael Fraser  
Managing Director

## SCHEDULE 1

AGL has made Offers to acquire all of the SGL Shares for 42.5 cents cash for each SGL Share. The Original Bidder's Statement should be read as though it were amended as follows:

### **1 Chairman's letter**

Include the following additional sentence at the end of the fifth paragraph of the Chairman's Letter:

"The total number of SGL Shares owned or controlled by Directors of SGL is 1,000,000 which represents approximately 0.24% of SGL Shares".

### **2 How to accept the Offer (Section 1.2)**

Delete from section 1.2(b)(iii) "before 7.00pm on the second last day of the Offer Period" and replace it with "by AGL in time for AGL to give instructions to your Controlling Participant and your Controlling Participant to carry out those instructions, before the end of the Offer Period".

### **3 Intentions generally (Section 4.5)**

Include the following additional words after "Subject to the above" in the first sentence of section 4.5:

", and in particular to the disclosure in Section 4.2 concerning likely redundancies for some SGL employees,".

### **4 Capital structure (Section 5.1)**

Include the following additional words after "as at the date of this Bidder's Statement":

"and the date of the Offer".

### **5 SGL Options (Section 5.2)**

- (a) Delete from under the heading titled "AJ Lucas Options" the reference to "below" in the first sentence of the last paragraph of this section and replace it with "higher than".
- (b) Delete from under the heading titled "Other Options" the reference to "below" in the first sentence of the second paragraph of this section and replace it with "higher than".

### **6 Details of relevant interests in SGL securities and voting power (Section 5.4)**

Delete "As at 6 January 2009:

- AGL has a relevant interest in 224,906,756 SGL Shares; and
- AGL has voting power in SGL of 55.9%.

The number of SGL Shares that AGL has a relevant interest in immediately before the first Offer is sent to SGL Shareholders and AGL's voting power in SGL at that time will be disclosed in the most recent notice of change of interests of substantial shareholder lodged with SGL and ASX before the first Offer is sent."

and replace it with:

"As at 12 January 2009:

- AGL has a relevant interest in 249,346,725 SGL Shares; and

- AGL has voting power in SGL of 61.9%.”

## **7 Consideration provided for SGL securities during previous four months (Section 5.5)**

Include the following additional paragraph after the second paragraph in section 5.5:

“Between 24 December 2008 and 12 January 2009 AGL acquired 169,776,202 SGL Shares on ASX pursuant to on-market transactions (as defined in the Corporations Act) for a consideration of 42.5 cents per SGL Share. Details of these acquisitions have been disclosed in notices of change of interests of substantial holder lodged by AGL with SGL and ASX.”

## **8 Glossary (Section 10)**

Delete each reference to “at 9.00am” and “from 9.00am” in the definition of “**Your SGL Shares**”.