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16 July 2013

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

ashurst

AGL APG Holdings Pty Limited ACN 081 834 826 and AGL Energy Limited ACN 115 061 375 – Form 603 Notice of Initial Substantial Holder in relation to Australian Power and Gas Company Limited (ASX: APK)

We act for AGL APG Holdings Pty Limited ACN 081 834 826 (**AGL APG**) and AGL Energy Limited ACN 115 061 375 (**AGL**).

On behalf of AGL APG and AGL, we **enclose** a Form 603 Notice of Initial Substantial Holder in relation to Australian Power and Gas Company Limited ABN 96 077 206 583.

Yours faithfully

Ashurst Australia

Ashurst Australia

AUSTRALIA BELGIUM CHINA FRANCE GERMANY HONG KONG SAR INDONESIA (ASSOCIATED OFFICE) ITALY JAPAN
PAPUA NEW GUINEA SINGAPORE SPAIN SWEDEN UNITED ARAB EMIRATES UNITED KINGDOM UNITED STATES OF AMERICA

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Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Australian Power and Gas Company Limited (APK)

ACN/ARSN 077 206 583

1. Details of substantial holder (1)

Name AGL APG Holdings Pty Limited ACN 081 834 826 (AGL APG), AGL Energy Limited ACN 115 061 375 (AGL) and each of its controlled entities named in the list of 3 pages annexed to this notice and marked "Annexure A" (AGL Group).

ACN/ARSN (if applicable)

The holder became a substantial holder on 15/07/2013

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| Ordinary shares | 38,113,795 | 38,113,795 | 19.9% |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|------------------------------|---|---------------------------------------|
| AGL APG | Relevant interest in APK ordinary shares under sections 608(1)(c) and 608(8) of the <i>Corporations Act 2001</i> (Cth) (Act) pursuant to a Share Purchase Agreement dated 15 July 2013 between AGL APG and Nippon Gas Co., Ltd, attached to this notice as Annexure B | 10,000,000 fully paid ordinary shares |
| AGL APG | Relevant interest in APK ordinary shares under sections 608(1)(c) and 608(8) of the Act pursuant to a Share Purchase Agreement dated 15 July 2013 between AGL APG and The Cobra Group Pty Ltd, attached to this notice as Annexure C | 10,000,000 fully paid ordinary shares |
| AGL APG | Relevant interest in APK ordinary shares under sections 608(1)(c) and 608(8) of the Act pursuant to a Share Purchase Agreement dated 15 July 2013 between AGL APG and Fontelina Pty Limited, attached to this notice as Annexure D | 18,113,795 fully paid ordinary shares |
| AGL | Taken under section 608(3)(b) of the Act to have a relevant interest by reason of having control of AGL APG | 38,113,795 fully paid ordinary shares |
| Each member of the AGL Group | Taken under section 608(3)(a) of the Act to have a relevant interest by reason of having voting power (through the relevant interests of its associate, AGL) above 20% in AGL APG | 38,113,795 fully paid ordinary shares |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|--|---------------------------------|--|---------------------------------------|
| AGL APG, AGL and each member of the AGL Group | Nippon Gas Co., Ltd | AGL APG | 10,000,000 fully paid ordinary shares |
| AGL APG, AGL Energy Limited and each member of the AGL Group | The Cobra Group Pty Ltd | AGL APG | 10,000,000 fully paid ordinary shares |
| AGL APG, AGL and each member of the AGL Group | Arthur Phillip Nominees Pty Ltd | AGL APG | 18,113,795 fully paid ordinary shares |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | | Class and number of securities |
|---|---------------------|---|----------|---------------------------------------|
| | | Cash | Non-cash | |
| AGL APG, AGL and each member of the AGL Group | 15/07/2013 | \$5,200,000 (at \$0.52 per share) pursuant to the Share Purchase Agreement attached as Annexure B | | 10,000,000 fully paid ordinary shares |
| AGL APG, AGL and each member of the AGL Group | 15/07/2013 | \$5,200,000 (at \$0.52 per share) pursuant to the Share Purchase Agreement attached as Annexure C | | 10,000,000 fully paid ordinary shares |
| AGL APG, AGL and each member of the AGL Group | 15/07/2013 | \$9,419,173.4 (at \$0.52 per share) pursuant to the Share Purchase Agreement attached as Annexure D | | 18,113,795 fully paid ordinary shares |

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|--------------------------------------|---|
| AGL and each member of the AGL Group | AGL APG is a related body corporate and hence an associate of AGL and each member of the AGL Group. |

7. Addresses

The addresses of persons named in this form are as follows:


| Name | Address |
|---|--|
| AGL APG, AGL and each member of the AGL Group | Level 22, 101 Miller Street, North Sydney NSW 2060 |

Signature

print name Paul McWilliams

capacity Company Secretary

sign here



date 16 July 2013

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:

- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 3 pages referred to the accompanying Form 603 ("Notice of initial substantial Holder")



Paul McWilliams
Company Secretary
Date: 16 July 2013

AGL Group

| Company Name | ABN |
|---|-------------------|
| AGL Limited | N/A (New Zealand) |
| AGL ACT Retail Investments Pty Limited | 53 093 631 586 |
| AGL Cooper Basin Pty Ltd | 15 008 151 219 |
| AGL Corporate Services Pty Limited | 98 093 015 724 |
| AGL DPS Pty Limited | 29 152 844 098 |
| AGL Electricity (VIC) Pty Limited | 62 070 182 099 |
| AGL Energy Limited | N/A (New Zealand) |
| AGL Energy Sales & Marketing Limited | 18 076 092 067 |
| AGL Energy Services Pty Limited | 57 074 821 720 |
| AGL Gas Developments (Hunter) Pty Limited | 32 073 928 631 |
| AGL Gas Developments (PNG) Pty Limited | 37 001 389 939 |
| AGL Gas Developments (Sydney) Pty Limited | 64 086 013 505 |
| AGL Gas Storage Pty Ltd | 27 009 203 463 |
| AGL Generation Holdco Pty Ltd | 46 155 768 291 |
| AGL Generation Proprietary Limited | 17 155 344 077 |
| AGL Gloucester MG Pty Ltd | 53 075 137 218 |
| AGL HP1 Pty Limited | 86 080 429 901 |
| AGL HP2 Pty Limited | 75 080 810 546 |
| AGL HP3 Pty Limited | 22 080 735 815 |
| AGL Hydro Partnership | 86 076 691 481 |
| AGL Loy Yang Pty Ltd | 62 077 985 758 |
| AGL Loy Yang Marketing Pty Ltd | 19 105 758 316 |
| AGL Loy Yang Partnership | 80 716 340 603 |
| AGL Loy Yang Projects Pty Ltd | 66 077 985 776 |
| AGL LYP 1 Pty Ltd | 36 078 121 187 |
| AGL LYP 2 Pty Ltd | 26 078 377 572 |
| AGL LYP 3 Pty Ltd | 16 078 377 527 |
| AGL LYP 4 B.V. | 55 073 074 530 |

| Company Name | ABN |
|---|----------------|
| AGL Power Generation Pty Limited | 45 086 586 192 |
| AGL Power Generation (Wind) Pty Limited | 13 120 355 213 |
| AGL PV Solar Developments Pty Limited | 15 158 008 158 |
| AGL PV Solar Holdings Pty Limited | 88 158 007 660 |
| AGL Retail Energy Limited | 21 074 839 464 |
| AGL SA Generation Pty Limited | 84 081 074 204 |
| AGL Sales Pty Limited | 88 090 538 337 |
| AGL Sales (Queensland) Pty Limited | 85 121 177 740 |
| AGL Sales (Queensland Electricity) Pty Limited | 66 078 875 902 |
| AGL (SG) Operations Pty Limited | 57 079 838 136 |
| AGL (SG) (Camden) Operations Pty Limited | 99 100 684 419 |
| AGL (SG) (Hunter) Operations Pty Limited | 90 100 714 716 |
| AGL Share Plan Pty Limited | 78 080 609 749 |
| AGL South Australia Pty Limited | 49 091 105 092 |
| AGL Southern Hydro (NSW) Pty Limited | 73 056 452 601 |
| AGL Torres Island Pty Limited | 67 081 074 197 |
| AGL Torrens Island Holdings Pty Limited | 96 071 611 017 |
| AGL Upstream Gas (Mos) Pty Limited | 56 003 329 084 |
| AGL Upstream Infrastructure Investments Pty Limited | 96 092 684 010 |
| AGL Upstream Investments Pty Limited | 58 115 063 744 |
| AGL Wholesale Gas Limited | 26 072 948 504 |
| AGL Wholesale Gas (SA) Pty Limited | 13 094 384 291 |
| Australia Plains Wind Farm Pty Ltd | 99 116 978 039 |
| Barn Hill Wind Farm Pty Ltd | 76 131 487 833 |
| Ben Lomond Wind Farm Pty Ltd | 23 105 363 853 |
| Box Hill Wind Farm Pty Limited | 18 110 666 021 |
| Coopers Gap Wind Farm Pty Ltd | 95 126 594 714 |
| Crows Nest Wind Farm Pty Ltd | 75 105 363 255 |
| Dual Fuel Systems Pty. Limited | 58 001 499 314 |
| Energy Infrastructure Management Pty Ltd | 75 100 946 389 |
| GEAC Operations Pty Limited | 92 105 367 888 |
| Geogen Victoria Pty Ltd | 57 121 810 160 |
| Great Energy Alliance Corporation Pty Limited | 69 105 266 028 |
| H C Extractions Pty Limited | 70 002 945 655 |
| Highfields Wind Farm Pty Limited | 85 109 821 114 |

| Company Name | ABN |
|--|-------------------|
| Loy Yang Marketing Holdings Pty Limited | 75 105 643 963 |
| Macarthur Wind Farm Pty Ltd | 19 106 134 507 |
| Mosaic Oil NZ Limited | N/A (New Zealand) |
| Powerdirect Pty Ltd | 28 067 609 803 |
| Silverton Wind Farm Developments Pty Limited | 24 128 766 405 |
| Silverton Wind Farm Holdings Pty Limited | 13 128 766 361 |
| Silverton Wind Farm Transmission Pty Ltd | 67 139 624 632 |
| The Australian Gas Light Company | 16 145 094 711 |
| Victorian Energy Pty Limited | 97 069 892 379 |
| Worlds End Wind Farm Pty Ltd | 98 100 729 780 |

Annexure B

This is Annexure B of 3 pages referred to the accompanying Form 603 ("Notice of initial substantial Holder")



Paul McWilliams
Company Secretary
Date: 16 July 2013

SHARE PURCHASE AGREEMENT

Attn: Mr Kunhiko Kashiwaya
Nippon Gas Co., Ltd
2-10-7, Hatchobori, Chuo-ku
Tokyo 104-8540 Japan


14 July 2013

We record our agreement as follows:

1. AGL Energy Limited ACN 115 061 375 ("**AGL**") has agreed with Australian Power and Gas Company Limited ACN 077 206 583 ("**Company**") that AGL (or a wholly owned subsidiary of AGL) will make an off-market takeover offer under Chapter 6 of the Corporations Act 2001 (Cth) to acquire all of the ordinary shares in the Company at an offer price of \$0.52 per share ("**Bid**").
2. As a result of the Bid, we, Nippon Gas Co., Ltd of 2-10-7, Hatchobori, Chuo-ku, Tokyo 104-8540 Japan, agree to sell to AGL Utility Services Pty Limited ACN 081 834 826 (**AGLUS**), and AGLUS agrees to purchase from us, 10,000,000 fully paid ordinary shares in the Company (the "**Sale Shares**") for a price of \$0.52 per share (the "**Purchase Price**").
3. Following execution of this agreement:
 - (a) we will provide AGLUS with a validly executed transfer for the Sale Shares, our shareholder reference number and any other documents or assistance reasonably required by AGLUS to effect the transfer of the Sale Shares;
 - (b) AGLUS will pay us the total Purchase Price for the Sale Shares by direct funds transfer into a bank account nominated by us; and
 - (c) settlement of the Sale Shares will take place on a T+3 basis in accordance with the ASX Settlement Rules and the ASX Market Rules (**Settlement**).
4. We warrant that:
 - (a) we are the legal and full beneficial owner of the Sale Shares free of any kind of encumbrance and with all rights now attaching to them (including the right to all dividends or distributions declared, made or paid), with full power and authority to enter into this agreement and carry out all of our obligations pursuant to it; and
 - (b) we are not aware of any information in relation to the Company or its shares that could reasonably be expected to have a material effect on the price or value of the Sale Shares that has not been disclosed to the Australian Securities Exchange or is not otherwise generally available, other than the Bid and the transactions contemplated by this agreement.
5. Until Settlement:
 - (a) we will not dispose of, pledge, grant any option, right or interest in, or otherwise deal with the Sale Shares or any interest in them otherwise than as expressly contemplated by this agreement;
 - (b) we agree to exercise any voting rights attached to the Sale Shares, and otherwise exercise all rights attaching to the Sale Shares, as directed by AGLUS;

- (c) we irrevocably appoint AGLUS and each of its directors from time to time severally as our attorney to sign all documents and exercise all powers and rights attaching to us as legal and full beneficial owner of the Sale Shares (excluding powers and rights arising under this agreement) as may be reasonably required to give effect to the provisions of this agreement and to vest good title in the Sale Shares to AGLUS.
6. The fact and terms of this agreement will be kept confidential until the earlier of:
- (a) the announcement of the Bid; and
 - (b) the lodgement of a substantial shareholder notice by a party.
- No substantial shareholder notice may be lodged before 4pm on the second business day after the date of this agreement, unless the Bid is announced before that date.
7. We consent to the inclusion of references to our name and the subject matter of this agreement in any public announcement by AGL or AGLUS in relation to the Bid or to any such references or statements required in a bidder's statement issued in connection with the Bid, and agree to promptly take any action and provide any formal consent as may be reasonably required by AGL or AGLUS to give effect to this provision.
8. Nothing in this agreement affects our right to sell, transfer or otherwise dispose of, or exercise voting rights in respect of, any shares in the Company that we hold which are in excess of the Sale Shares.
9. This agreement constitutes the entire agreement between the parties about its subject matter and supersedes any previous agreements, understandings and negotiations on that subject matter and each party acknowledges that in entering into this agreement it has not relied on any representations, warranties or undertakings about its subject matter except as expressly contained in this agreement.
10. A reference to a "business day" means a day which is not a Saturday, a Sunday or a public holiday in New South Wales.
11. This agreement is governed by the law in force in New South Wales. Each party submits to the non-exclusive jurisdiction of the courts of New South Wales.

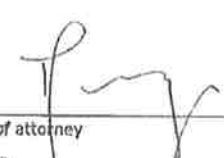
**SIGNED for AGL UTILITY SERVICES
PTY LIMITED** under power of attorney in
the presence of:



 Signature of witness

MEGAN MCGREGOR

 Name



 Signature of attorney

Paul Harrison

 Name

14/7/13

 Date of power of attorney

SIGNED on behalf of **NIPPON GAS CO., LTD**, a corporation incorporated in Japan, by (a person who, in accordance with the laws of that place is authorised to sign this document for that corporation) in the presence of:



Signature of witness

MARI KOMOTO

Name



Signature of authorised signatory

Kuniko Kashiwaga

Name of authorised signatory

Annexure C

This is Annexure C of 3 pages referred to the accompanying Form 603 ("Notice of initial substantial Holder")

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

Paul McWilliams
Company Secretary

Date: 16 July 2013

SHARE PURCHASE AGREEMENT

The Cobra Group Pty Limited
Level 6, 72-80 Cooper Street
Surry Hills, NSW, 2010

14 July 2013


We record our agreement as follows:

1. AGL Energy Limited ACN 115 061 375 ("**AGL**") has agreed with Australian Power and Gas Company Limited ACN 077 206 583 ("**Company**") that AGL (or a wholly owned subsidiary of AGL) will make an off-market takeover offer under Chapter 6 of the Corporations Act 2001 (Cth) to acquire all of the ordinary shares in the Company at an offer price of \$0.52 per share ("**Bid**").
2. As a result of the Bid, we, The Cobra Group Pty Limited of Level 6, 72-80 Cooper Street, Surry Hills, NSW, 2010, agree to sell to AGL Utility Services Pty Limited ACN 081 834 826 ("**AGLUS**"), and AGLUS agrees to purchase from us, 10,000,000 fully paid ordinary shares in the Company (the "**Sale Shares**") for a price of \$0.52 per share (the "**Purchase Price**").
3. Following execution of this agreement:
 - (a) we will provide AGLUS with a validly executed transfer for the Sale Shares, our shareholder reference number and any other documents or assistance reasonably required by AGLUS to effect the transfer of the Sale Shares;
 - (b) AGLUS will pay us the total Purchase Price for the Sale Shares by direct funds transfer into a bank account nominated by us; and
 - (c) Settlement of the Sale Shares will take place on a T+3 basis in accordance with the ASTC Settlement Rules and the ASX Market Rules ("**Settlement**").
4. We warrant that:
 - (a) we are the legal and full beneficial owner of the Sale Shares free of any kind of encumbrance and with all rights now attaching to them (including the right to all dividends or distributions declared, made or paid), with full power and authority to enter into this agreement and carry out all of our obligations pursuant to it; and
 - (b) we are not aware of any information in relation to the Company or its shares that could reasonably be expected to have a material effect on the price or value of the Sale Shares that has not been disclosed to the Australian Securities Exchange or is not otherwise generally available, other than the Bid and the transactions contemplated by this agreement.
5. Until Settlement:
 - (a) we will not dispose of, pledge, grant any option, right or interest in, or otherwise deal with the Sale Shares or any interest in them otherwise than as expressly contemplated by this agreement;
 - (b) we agree to exercise any voting rights attached to the Sale Shares, and otherwise exercise all rights attaching to the Sale Shares, as directed by AGLUS;

- (c) we irrevocably appoint AGLUS and each of its directors from time to time severally as our attorney to sign all documents and exercise all powers and rights attaching to us as legal and full beneficial owner of the Sale Shares (excluding powers and rights arising under this agreement) as may be reasonably required to give effect to the provisions of this agreement and to vest good title in the Sale Shares to AGLUS.
6. The fact and terms of this agreement will be kept confidential until the earlier of:
 - (a) the announcement of the Bid; and
 - (b) the lodgement of a substantial shareholder notice by a party.

No substantial shareholder notice may be lodged before 4pm on the second business day after the date of this agreement, unless the Bid is announced before that date.
 7. We consent to the inclusion of references to our name and the subject matter of this agreement in any public announcement by AGL or AGLUS in relation to the Bid or to any such references or statements required in a bidder's statement issued in connection with the Bid, and agree to promptly take any action and provide any formal consent as may be reasonably required by AGL or AGLUS to give effect to this provision.
 8. Nothing in this agreement affects our right to sell, transfer or otherwise dispose of, or exercise voting rights in respect of, any shares in the Company that we hold which are in excess of the Sale Shares.
 9. This agreement constitutes the entire agreement between the parties about its subject matter and supersedes any previous agreements, understandings and negotiations on that subject matter and each party acknowledges that in entering into this agreement it has not relied on any representations, warranties or undertakings about its subject matter except as expressly contained in this agreement.
 10. A reference to a "business day" means a day which is not a Saturday, a Sunday or a public holiday in New South Wales.
 11. This agreement is governed by the law in force in New South Wales. Each party submits to the non-exclusive jurisdiction of the courts of New South Wales.

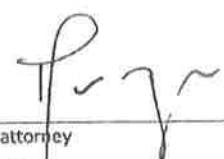
SIGNED for AGL UTILITY SERVICES PTY LIMITED under power of attorney in the presence of:



 Signature of witness

MEGAN MCGREGOR

 Name



 Signature of attorney

Paul Brennan

 Name

12/7/13

 Date of power of attorney


SIGNED by THE COBRA GROUP PTY LIMITED:



Signature of director

MARTIN GAENNY

Name



Signature of Director/secretary

KRISTY CAMPBELL

Name

Annexure D

This is Annexure D of 3 pages referred to the accompanying Form 603 ("Notice of initial substantial Holder")

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

Paul McWilliams
Company Secretary
Date: 16 July 2013

SHARE PURCHASE AGREEMENT

Mr Richard Poole
Fontelina Pty Limited
Colonial Centre, Level 33
52Martin Place
Sydney, NSW, 2000

14 July 2013

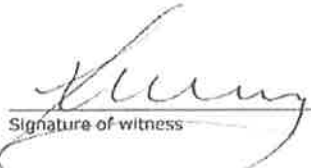
We record our agreement as follows:

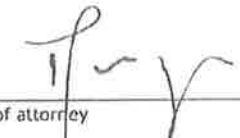
1. AGL Energy Limited ACN 115 061 375 ("**AGL**") has agreed with Australian Power and Gas Company Limited ACN 077 206 583 ("**Company**") that AGL (or a wholly owned subsidiary of AGL) will make an off-market takeover offer under Chapter 6 of the Corporations Act 2001 (Cth) to acquire all of the ordinary shares in the Company at an offer price of \$0.52 per share ("**Bid**").
2. As a result of the Bid, we, Fontelina Pty Limited of Colonial Centre, Level 33, 52Martin Place, Sydney, NSW, 2000, agree to sell to AGL Utility Services Pty Limited ACN 081 834 826 ("**AGLUS**"), and AGLUS agrees to purchase from us, 18,113,795 fully paid ordinary shares in the Company (the "**Sale Shares**") for a price of \$0.52 per share (the "**Purchase Price**").
3. Arthur Phillip Nominees Pty Limited ABN 83 111 862 358 ("**Nominee**") is the registered holder of the Sale Shares in the capacity of nominee and we are the beneficial owner of all of the Sale Shares.
4. Following execution of this agreement:
 - (a) we will provide AGLUS with a validly executed transfer for the Sale Shares duly executed by the Nominee, the shareholder reference number for the Sale Shares and any other documents or assistance reasonably required by AGLUS to effect the transfer of the Sale Shares;
 - (b) AGLUS will pay us the total Purchase Price for the Sale Shares by direct funds transfer into a bank account nominated by us; and
 - (c) settlement of the Sale Shares will take place on a T+3 basis in accordance with the ASX Settlement Rules and the ASX Market Rules ("**Settlement**").
5. We warrant that:
 - (a) we are the full beneficial owner of the Sale Shares and the Nominee is the registered holder of the Sale Shares, free of any kind of encumbrance and with all rights now attaching to them (including the right to all dividends or distributions declared, made or paid), with full power and authority to enter into this agreement and carry out all of our obligations pursuant to it; and
 - (b) we are not aware of any information in relation to the Company or its shares that could reasonably be expected to have a material effect on the price or value of the Sale Shares that has not been disclosed to the Australian Securities Exchange or is not otherwise generally available, other than the Bid and the transactions contemplated by this agreement.

6. Until Settlement:
 - (a) we will not, and we will ensure that the Nominee does not, dispose of, pledge, grant any option, right or interest in, or otherwise deal with the Sale Shares or any interest in them otherwise than as expressly contemplated by this agreement;
 - (b) we agree to exercise, and to procure that the Nominee exercises, any voting rights attached to the Sale Shares, and otherwise exercise all rights attaching to the Sale Shares, as directed by AGLUS;
 - (c) we irrevocably appoint AGLUS and each of its directors from time to time severally as our attorney to sign all documents and exercise all powers and rights attaching to us as legal and full beneficial owner of the Sale Shares (excluding powers and rights arising under this agreement) as may be reasonably required to give effect to the provisions of this agreement and to vest good title in the Sale Shares to AGLUS.
7. We agree to procure the transfer of the Sale Shares from the Nominee to AGLUS and ensure that the Nominee does all things necessary to be done by it to give effect to this agreement.
8. The fact and terms of this agreement will be kept confidential until the earlier of:
 - (a) the announcement of the Bid; and
 - (b) the lodgement of a substantial shareholder notice by a party.


No substantial shareholder notice may be lodged before 4pm on the second business day after the date of this agreement, unless the Bid is announced before that date.
9. We consent to the inclusion of references to our name and the subject matter of this agreement in any public announcement by AGL or AGLUS in relation to the Bid or to any such references or statements required in a bidder's statement issued in connection with the Bid, and agree to promptly take any action and provide any formal consent as may be reasonably required by AGL or AGLUS to give effect to this provision.
10. Nothing in this agreement affects our right to sell, transfer or otherwise dispose of, or exercise voting rights in respect of, any shares in the Company that we hold which are in excess of the Sale Shares.
11. This agreement constitutes the entire agreement between the parties about its subject matter and supersedes any previous agreements, understandings and negotiations on that subject matter and each party acknowledges that in entering into this agreement it has not relied on any representations, warranties or undertakings about its subject matter except as expressly contained in this agreement.
12. A reference to a "business day" means a day which is not a Saturday, a Sunday or a public holiday in New South Wales.
13. This agreement is governed by the law in force in New South Wales. Each party submits to the non-exclusive jurisdiction of the courts of New South Wales.


**SIGNED for AGL UTILITY SERVICES
PTY LIMITED** under power of attorney in
the presence of:


Signature of witness
MEGAN MCGREGOR
Name


Signature of attorney
Paul Brazier
Name
12/7/13
Date of power of attorney

SIGNED by FONTELINA PTY LIMITED
by:


Signature of director (SOLE)
RICHARD ROLE
Name


Signature of ~~director/secretary~~ WITNESS
JOANNE TSENG
Name