



ASX & Media Release

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ACCC releases draft Undertaking re Macquarie Generation

AGL Energy Limited advises that it has provided the Australian Competition & Consumer Commission (**ACCC**) with a draft Undertaking in support of its application for clearance of the proposed acquisition of Macquarie Generation (**Macgen**). The ACCC has today released the draft Undertaking for public consultation.

If accepted by the ACCC, the proposed Undertaking would require AGL to make available to competitors in the NSW market 500 MW of competitively priced hedge products¹. The obligation would apply to every trading interval for a period of 4½ years, commencing six months after AGL completes the acquisition of MacGen.

The draft undertaking has been provided by AGL in response to concerns expressed by the ACCC in the Statement of Issues released on 6 February 2014 about the availability of hedge contracts for small and new entrant retailers in the NSW market.

AGL's obligation under the draft Undertaking - to make available 500 MW of competitively priced hedge products to competitors in NSW - is consistent with the assumptions used in its investment case for MacGen.

The ACCC has advised that the draft Undertaking will be open for public consultation until 25 February 2014.

¹ The availability of hedge cover would be subject to competitors satisfying AGL's objective counterparty and credit support requirements.

Further inquiries:

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About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on 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 Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.