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Energy in action.®

ASX release

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AGL ENERGY LIMITED – ISSUE OF SHARES UNDER THE INSTITUTIONAL COMPONENT OF THE ENTITLEMENT OFFER

AGL Energy Limited (AGL) has successfully completed the initial issue of fully paid ordinary shares following the Entitlement Offer announced on 24 May 2012.

AGL has issued 31,286,362 new shares under the institutional component of the Entitlement Offer, raising net proceeds of approximately $356.1 million. These shares commence trading today.

The number of AGL shares on issue following the issue of the shares referred to above is 499,103,303.

The Retail Offer opened on Wednesday, 30 May 2012 and will close at 5.00 pm (Sydney time) on Tuesday, 19 June 2012. The despatch of the retail offer booklet to eligible retail shareholders occurred on Monday, 4 June 2012. Eligible retail shareholders who do not wish to take up all or part of their entitlement may sell all or part of their entitlement on ASX until Tuesday, 12 June 2012.

Shareholder enquiries

Retail shareholders who have questions relating to the Entitlement Offer should call the AGL Offer Information line on 1800 824 513 (within Australia) or +61 2 8280 7115 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday or go to our website www.agl.com.au.

For further information please contact:

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements and the New Shares may not be offered or sold in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the offer of Entitlements or New Shares may be sent or distributed to persons in the United States.

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 over 170 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest dual fuel customer base. 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.