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ASX & Media Release

AGL completes purchase of Loy Yang A power station and adjacent mine

AGL Energy Limited (AGL) advises that today it has completed the purchase of the remaining 67.46 % of shares and loan notes issued by Great Energy Alliance Corporation Pty Limited (GEAC) that it did not already own, for a value of $448 million.

AGL can also confirm that GEAC has received from the Federal Government a cash payment of $240.1 million as part of the carbon assistance arrangements.

This transaction makes AGL the owner of the 2,210 MW Loy Yang A power station and a brown coal mine which supplies all the coal required to meet the current and future operating requirements of the power station. It brings AGL's owned or controlled generation capacity to 6,000 MW.[1]

Managing Director and CEO, Michael Fraser, said: "Loy Yang gives AGL strategic benefits that will underpin the company's growth in the years ahead. The power station provides 30 per cent of Victoria's energy needs and is one of the lowest cost generators in the National Electricity Market.

"Loy Yang does not change AGL's commitment to a sustainable energy future. We will continue to invest in renewable energy generation projects to retain our leadership position in the renewable industry," said Mr Fraser.

In May the Federal Court of Australia ordered that the undertakings given in 2004 in connection with AGL's acquisition of its interests in GEAC be discharged with effect from 22 June 2012.

Further inquiries:

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[1] Includes generation under construction.

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.