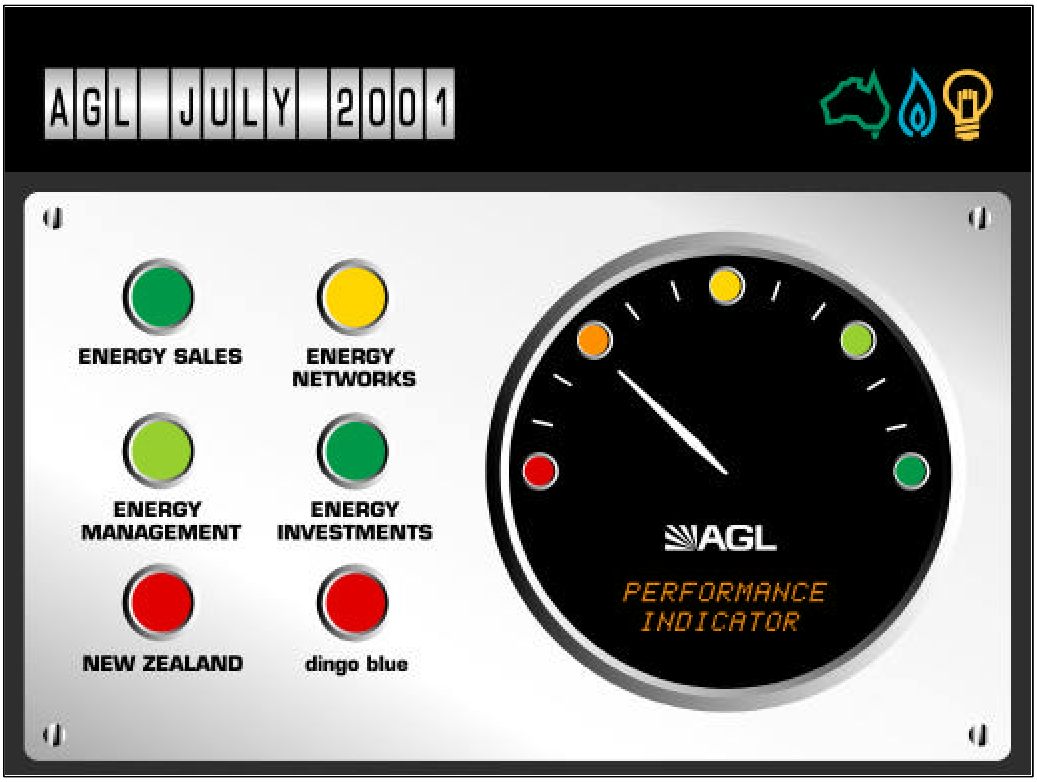
Agenda:

- Review developments July to December 2001.
- Go through the results.
- Touch on the future.

Key Messages:

- Focussed on building a more profitable Australasian energy business.
- Problems in our New Zealand and telecommunications businesses - resolved.
- Underlying businesses performing to expectations - a well planned growth strategy in place.
- No more surprises.
- Focus on Australia and New Zealand energy markets.
- Strong underlying businesses.



July 2001:

- Energy Sales, Energy Infrastructure management and Energy Investments all performing to expectations.

New Zealand retail electricity crisis:

- Exposed to unacceptable pool prices - no forward hedges.
- Caught in a supply demand squeeze.

Managing Risk:

- Some concerns about both operational and regulatory risks.

Telecommunications:

- Three telco investments, dingo blue, COMindico and TransACT.
- dingo blue wasn't delivering to expectations.

Energy Networks:

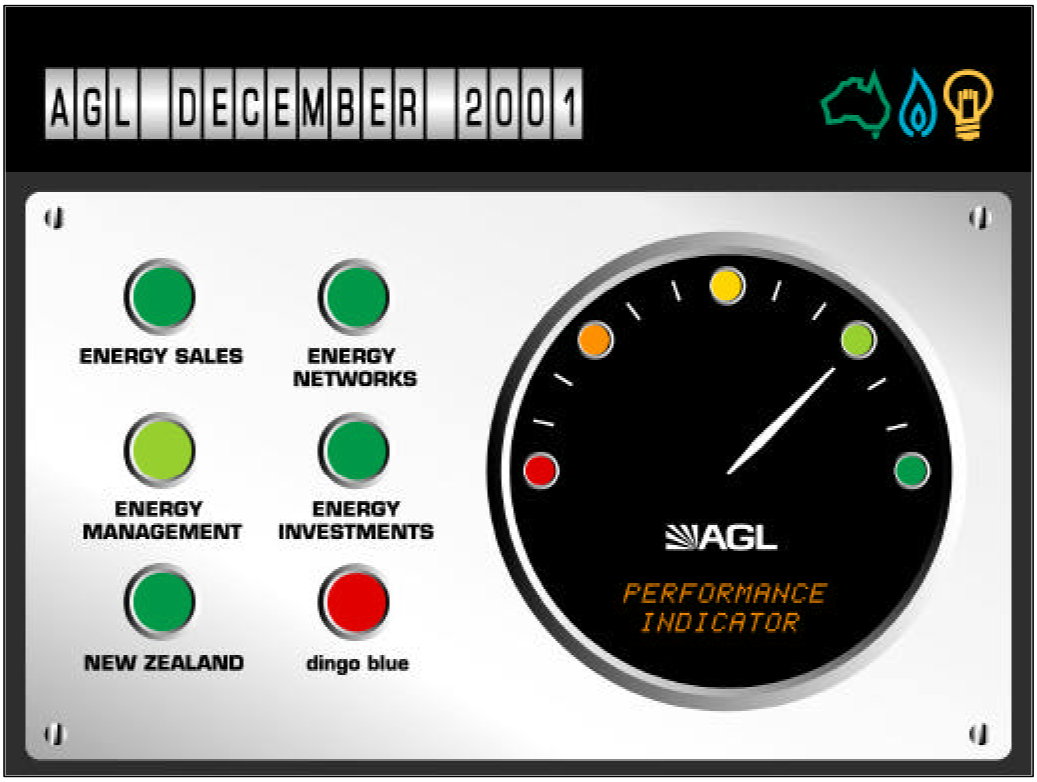
- Energy policy framework uncertain - leading to a deferral at that time on restructuring.
- Didn't have simple consistent regulatory framework.

Credit Rating under review:

- Negative watch credit rating.

Future Direction:

- Strategic direction under review.



Big change by end of year - only one ‘red light’ glowing.

Strong core businesses:

- Core energy businesses performing to expectations.

Diversity benefits of portfolio:

- Result shows the benefits of planned diversity within energy portfolio.
- **New Zealand electricity retailing problem resolved:**
- NGC had recovered very quickly and value had been restored.

Telecommunications:

- Decision taken to exit retail telecommunications completely.
- Infrastructure businesses - COMindico and TransACT are both performing to expectations and expected to deliver full value.

Standard & Poors “A” credit rating:

- S & P rating reset to A / Moody’s rating equivalent with negative credit watch remaining.

Strategy:

- Strategy direction determined and implementation commenced.

STRATEGIC DIRECTION

- **Gas and electricity focus**
- **Australasian market**
- **Key drivers**
  - focus on core business
  - operational efficiency
  - comprehensive risk management
  - capital management & corporate structure

Strategic review completed:

- Not covering this in detail today.
- Holding a working session on March 21.
- Energy Networks restructuring deferred indefinitely.

Gas and electricity focus:

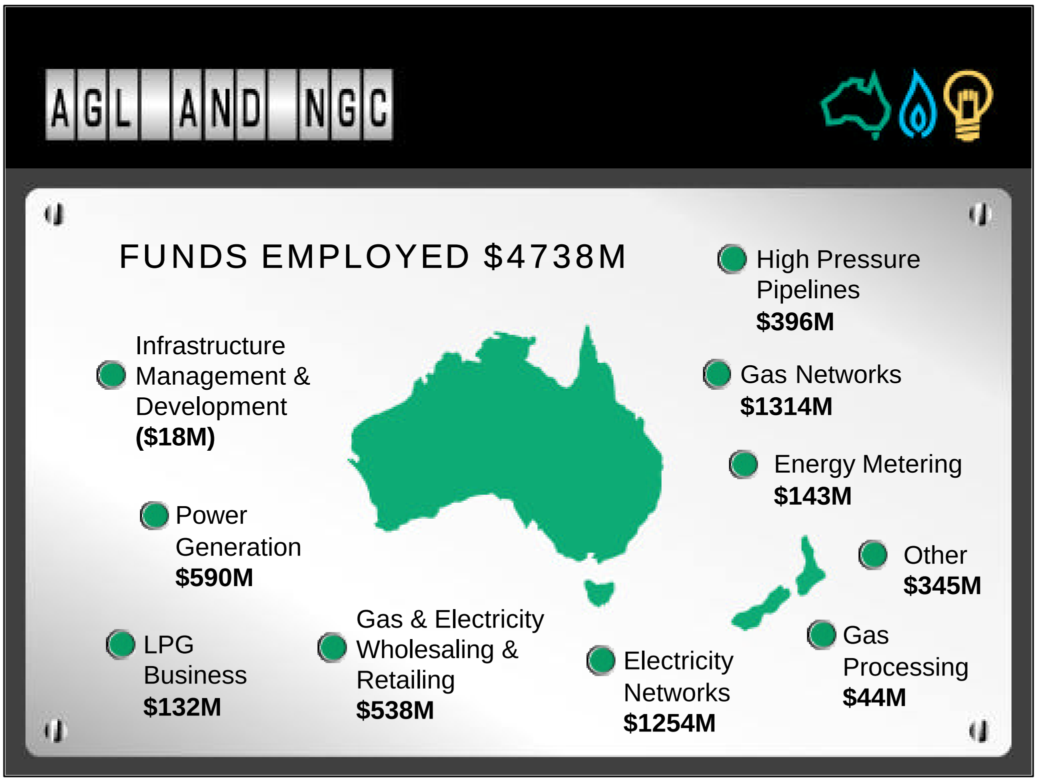
- Focus on opportunities in the gas and electricity markets.

Australasian market:

- Primary markets Australia and New Zealand.

Key Drivers for our future:

- **Core businesses**: i.e. owning and managing energy infrastructure, developing new energy projects and marketing energy products and services.
- **Operational efficiency**: business improvement program in place since second half of 2001 already generating savings.
- **Comprehensive risk management**: risk management processes reviewed and enhanced during the period.
- **Develop capital management and corporate structure** to maximise value.



- Includes 100% of funds employed in both AGL and NGC.
- All assets at historical cost except New Zealand regulated infrastructure assets valued at ODV.

AGL Energy Interests:

Infrastructure Management	:	Australia (Agility) New Zealand
Power Generation	:	New Zealand, Victoria, South Australia, Western Australia
LPG	:	Elgas, HCE and Liquigas (NZ)
Gas & Electricity Retailing	:	AGL, ActewAGL and NGC
Electricity Networks	:	AGL (Victoria), ActewAGL
Gas Processing	:	New Zealand
Other	:	Corporate, Property, Information Technology
Energy Metering	:	New Zealand
Gas Networks	:	AGL (NSW), Gas Valpo, ActewAGL, NGC
High Pressure Pipelines	:	NGC, APT

SIGNIFICANT ITEMS JUL-DEC 2001

After tax		$M
	2000	
	Property	**$2.3**
	Sale to ActewAGL	**$54.3**
	Tax benefit	**$11.4**
		$68.0
	2001	
	New Zealand	**($35.9)**
	Telecommunications	**($45.0)**
	Tax benefit	**$11.9**
		($69.0)

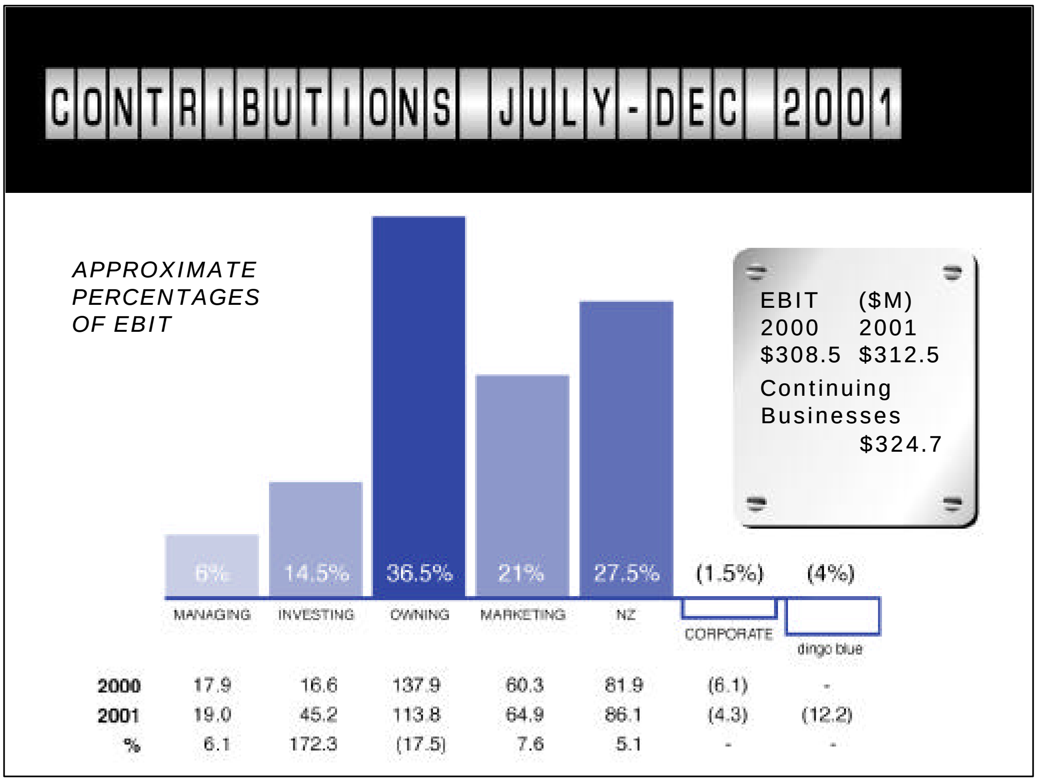
- Significant items (after tax) affecting both 2000 and 2001 results.

- In 2000 - Overall Positive

  - $68 million of one offs in property and the sale of assets into the ActewAGL JV.
  - Tax benefit (previously unrecognised; capital losses now recognised).

- 2001 - Overall Negative

  - New Zealand loss in sale of retail electricity (July 2001).
  - Gain relating to NGC gas contract settlement.
  - Exit from dingo blue.

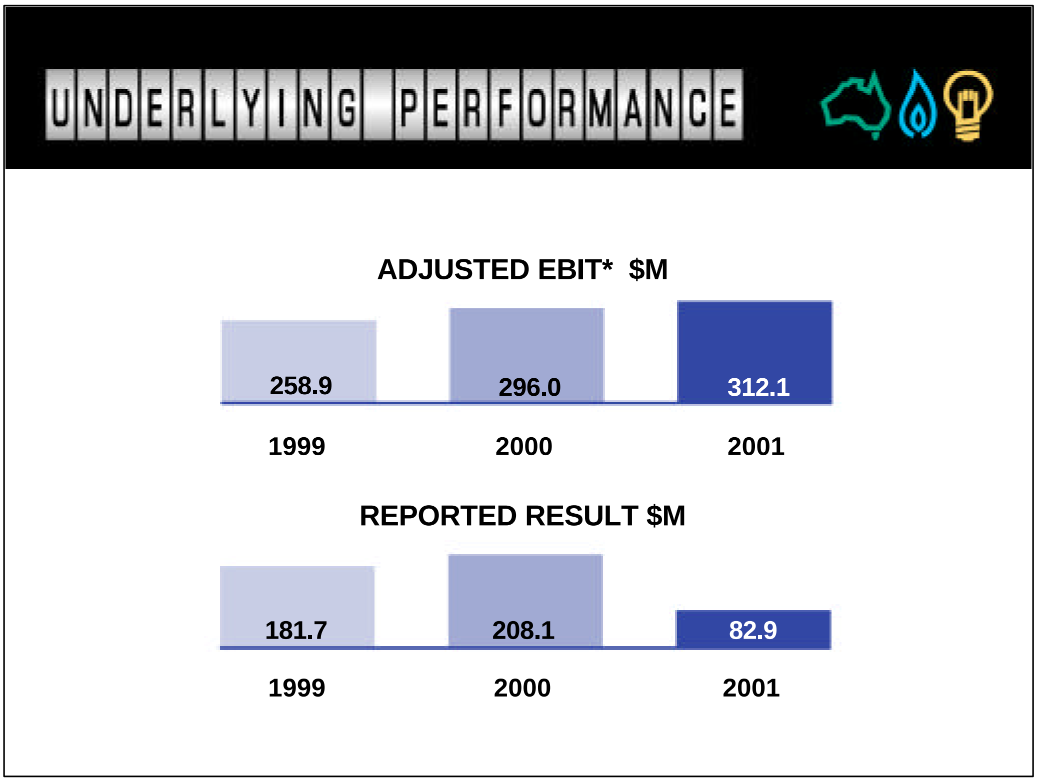


- EBIT contributions reflect diversity and balance of businesses between regulated, unregulated and market locations.
- Ownership of energy infrastructure - largest contributor.
- One quarter of earnings from New Zealand.
- Most relevant comparison is continuing business $308.5 million vs. $324.7 million.

Where the businesses fit:

Managing	-	Agility
Investing	-	APT; ActewAGL; Austream; HCE
Owning	-	Electricity and Gas Networks
Marketing	-	Sales and Marketing
Corporate	-	Gas Valpo
dingo blue	-	dingo blue

60% Regulated / 40% market based



- Adjusted figures have removed one off items and also the use of reserve funds from the Gas Customers Reserve Account (now depleted, except for a small amount relating to regulatory costs.
- Adjusted EBIT up 5.4% vs Report Net Profit down 60%.

2001 FINANCIALS

	2000 $M	2001 $M	CHANGE %
EBITDA	407.5	426.9	4.8
EBIT	308.5	312.5	1.3
Borrowing costs	(89.8)	(91.4)	(1.8)
Tax	(68.7)	(64.6)	(6.0)
Significant items	68.0	(69.0)	-
Outside equity interest	(9.9)	(4.6)	-
Net profit	208.1	82.9	(60.2)
"Underlying net profit"	140.1	143.7	2.6

- EBIT and EBITDA lines - modest improvements for the half.
- Underlying profit grew by 2.6% in a year we expected to be tough.
- Borrowing costs same level as the previous period.
- Warm winter - cool summer.
- Regulatory resets.
- Discontinued business.

CASH FLOW

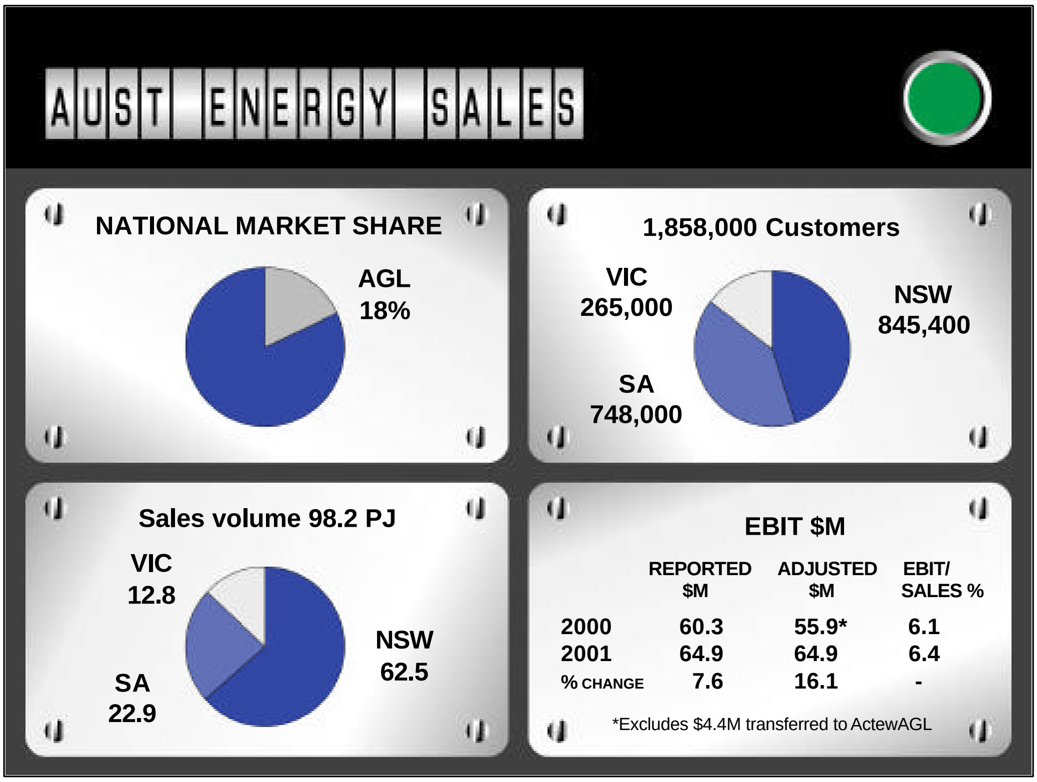
	2000 $M	2001 $M
Operating cash flow	133.5	159.4
Less capex	88.8	25.1
Less Investments	364.9	31.2
Net dividends paid	(61.4)	0.3
TOTAL	(258.8)	102.8

- Improved operating cash flow.
- Lower net capex, no significant new investments have resulted in a significant turn around from a $258 million negative cash flow to $102 million positive cash flow across the two periods.
- Investments in 2000 include TransAlta New Zealand.
- Conserved capital by matching asset sales to capital expenditure.
- Net dividends includes DRP in 2001 half year.

KEY FINANCIAL RATIOS

	2000	2001
EPS (Before significant items) (c)	40.2	39.4
EPS (After significant items) (c)	59.7	22.7
DPS (c)	25.0	25.0
OCF/S (c)	38.3	43.7
Gearing (%)	50.0	52.8
Coverage (x)	3.5	3.5
NTA / Share ($)	2.22	2.99

- Underlying EPS essentially unchanged from previous year.
- Dividend remains same as previous year, comfortably covered by reserves.
- DRP will be continued with 2.5% discount.
- Continued improvement in operating cash flow per share.
- Debt position acceptable for current shape of business.
- Balance sheet is clean - no off balance sheet investments.



- Pleasing result -underlying EBIT + 16.1% and margins up to 6.4%.
- Primarily driven by success in Victoria and NSW contestable electricity markets.
- In NSW an additional 7PJ's of natural gas was supplied in the December half by Bass Strait producers. However, total natural gas sales were up by 1PJ reflecting new sales into Victorian and South Australian markets.
- In electricity, South Australia contestable sales were down but more than compensated by NSW electricity sales up 98.5% (607GWhs); Victorian electricity sales up 14% (300GWhs).
- Relatively quiet start to mass market contestability.
- Issues with "systems readiness" of various market participants for mass market contestability.
- Victorian Government electricity pricing decision unsatisfactory.
- Warm winters deflate gas sales / Cool summers deflate electricity sales.

PEAKING POWER STATIONS

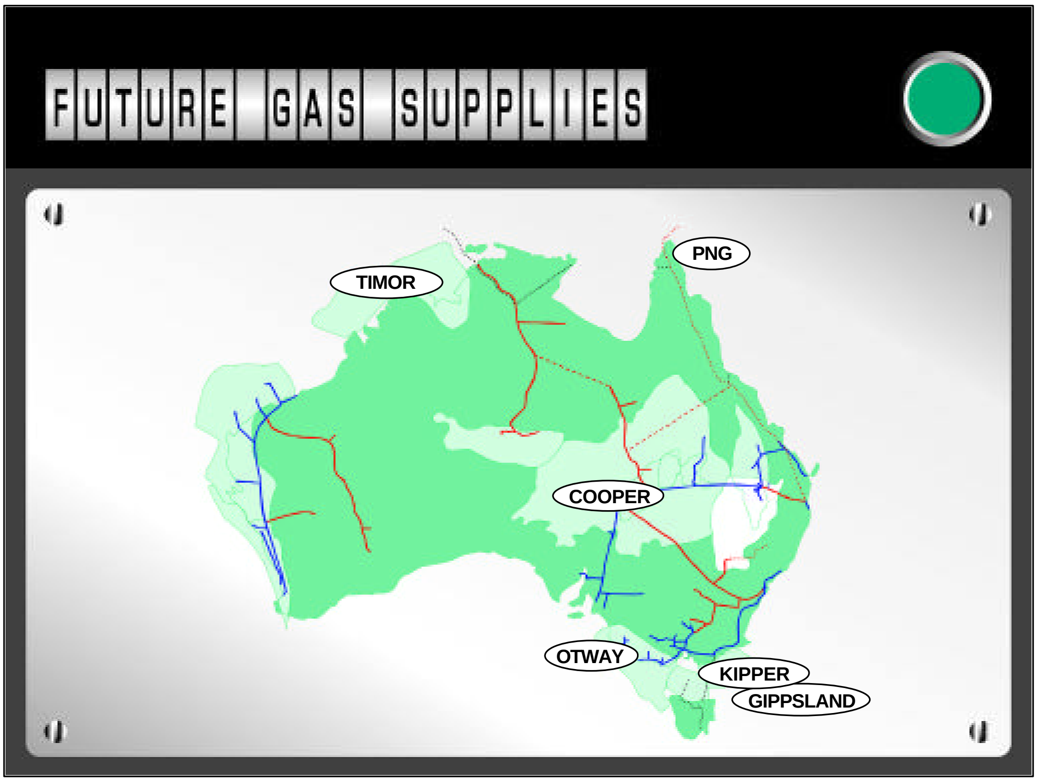
- **Hallett**
- **Somerton**
- **Low capital costs compared to new plant**
- **Current technology**
- **Meets all environmental requirements**
- **Physical hedge against peak demand**
- **Optimisation of electricity trading portfolio**

- Hallett - 200MW Summer 2003
  - Dual fired

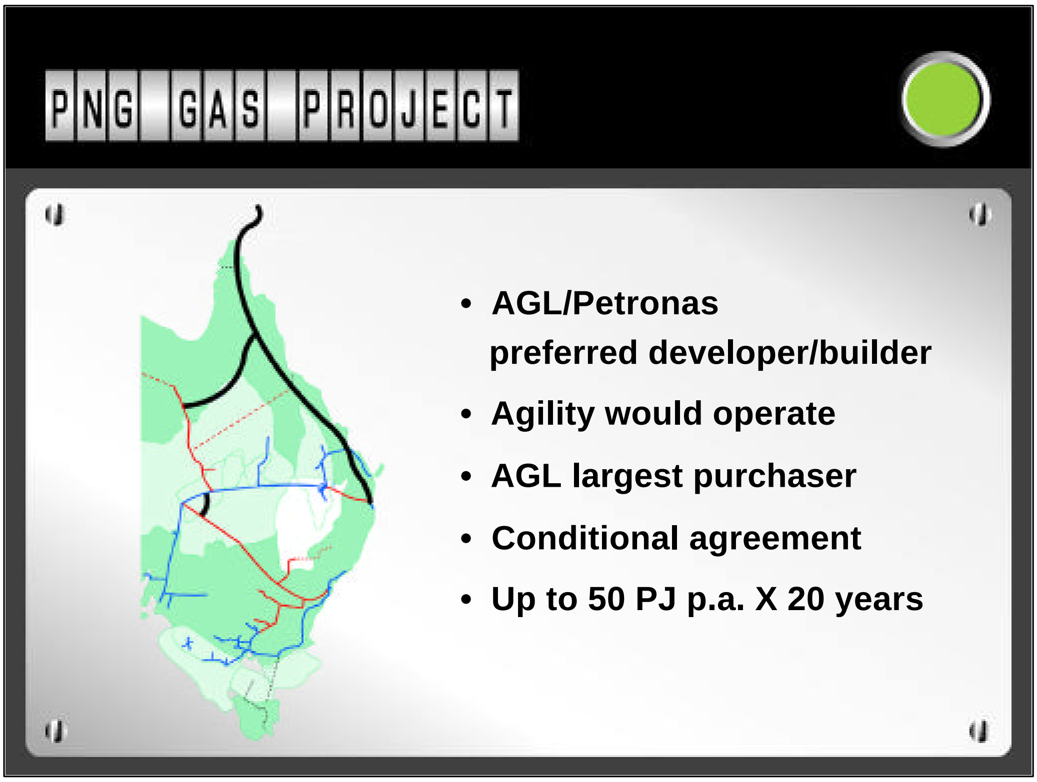
  Somerton - 150MW

- Total cost of both plants approximately $200 million.

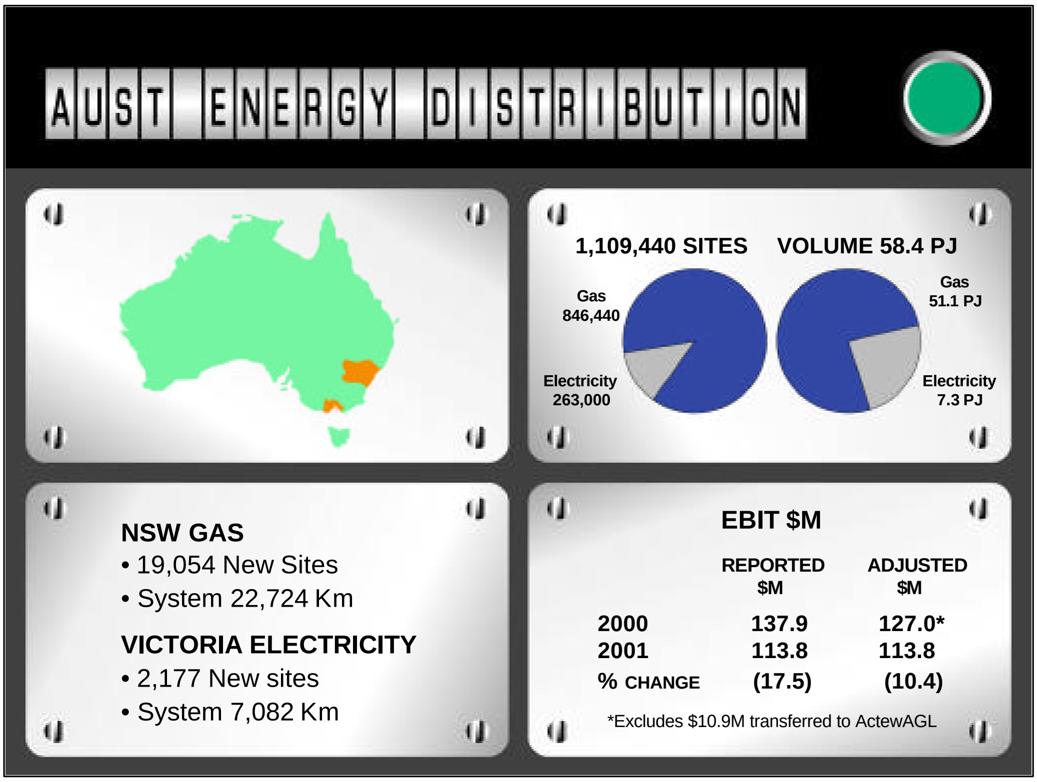
- Average capital cost per KWh of installation capacity approximately $570.



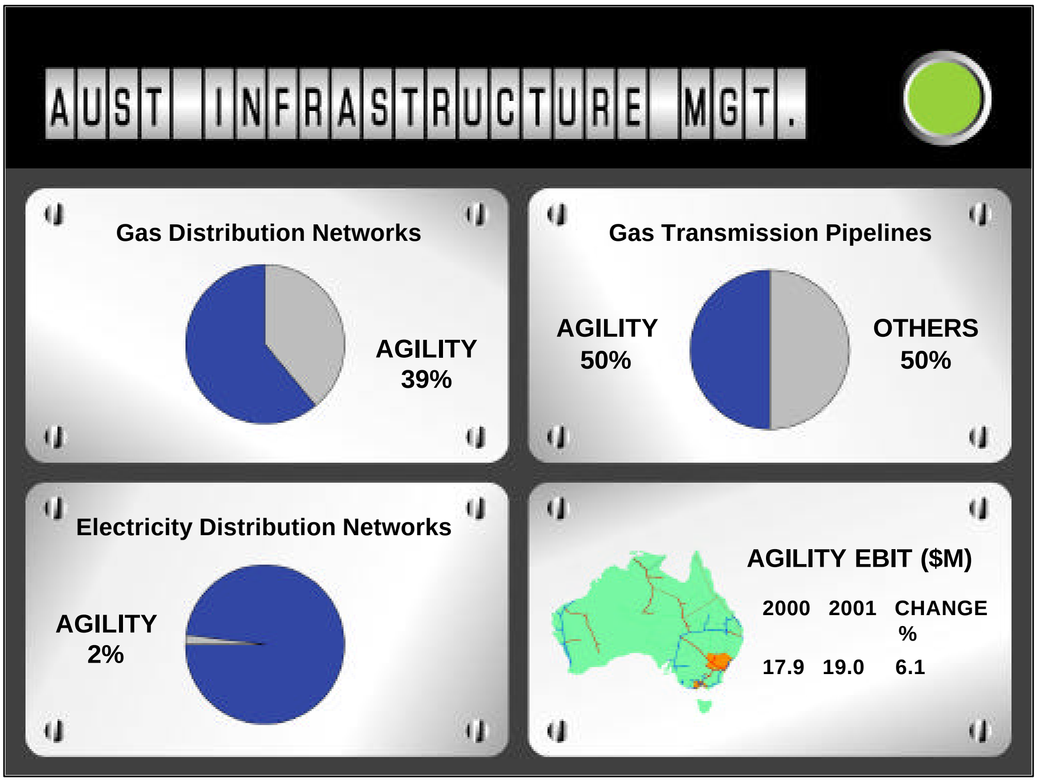
- AGL now ready to buy more gas.
- New opportunities emerging for future gas supplies.
- Projects provide promise of increasing liquidity and supply diversity and security from non-traditional bases.
- Ongoing negotiations with other suppliers.



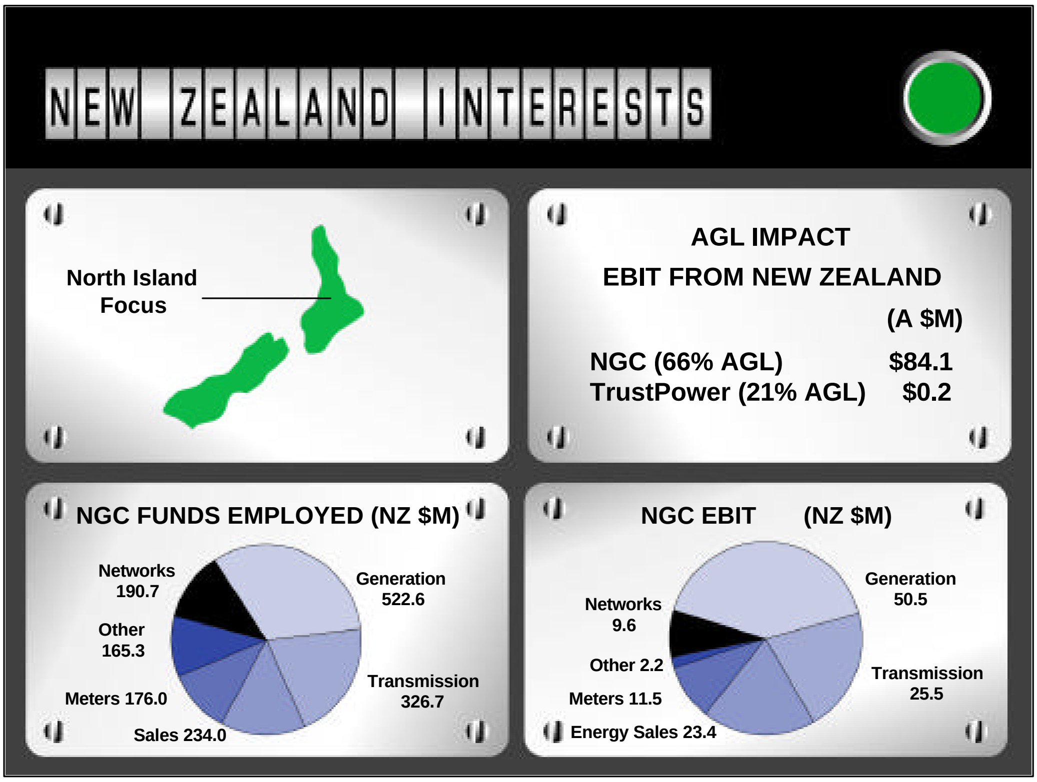
- Major new source of gas for South Eastern Australia.
- Completion targeted for 2006.
- Moomba to become major hub for supply of gas to NSW and South Australia.
- Heads of agreement signed between Producers and PNG Government.



- Sites delivered to and the volume transported both up.
- Delivering energy to 21,426 new sites in NSW and Victoria.
- Distribution EBIT down $24.1 million due to regulatory resets and weather conditions - result balanced by other earnings and transfer of customers to ActewAGL.
- Cross subsidies eliminated.
- Focus on reducing capex and debt management.
- Improved network reliability compared to same period last year.
- 2001/2002 regulatory periods are at the low point of the cycle, next reset 2004/2005.
- Regulatory revenue forecasts indicate consistent growth for both gas and electricity networks.



- Agility: 8% share of the national energy infrastructure management market.
- Contracted to manage AGL network assets (NSW & Vic) as well as other contracts with ActewAGL and Country Energy.
- Manages pipelines for APT in Queensland, NSW, WA and the Northern Territory.
- Improved performance despite down turn in energy infrastructure construction.
- Proportion of profit evenly spread, Construction 22%, Management 39%, Services 39%.
- Growing proportion from external sources:
    - External 7%, Inter-AGL 62%, Controlled and associated 31% (ActewAGL 4%, APT 28%).
- Sustained and steady growth.
- Completion of significant projects, CS Energy, TransAct, Somerton, Roma-Brisbane Stages 4 & 5.



Generation:

- High prices of last winter on a hedging contracts entered around high price period in June and July last year benefited generation.

Gas:

- EBIT from gas trading doubled to $28.3 million.

Infrastructure business:

- Increased EBIT by $7.1 million, or 17%, to $48.9 million.

Energy product sales volumes:

- Generated electricity sales increased by 12.7%, natural gas sales increased by 22%,higher LPG sales in the South Island residential market.

Retail energy product sales:

- Modest volume in gas sales to industrial and residential customers.
- Seat on the TrustPower board was relinquished (removes any possible conflict of interest).

Wholesale Electricity:

- Generates about 10% of New Zealand's electricity.

LPG Business:

- LPG business continues to grow - under single brand On Gas.

Electricity Generation Operations:

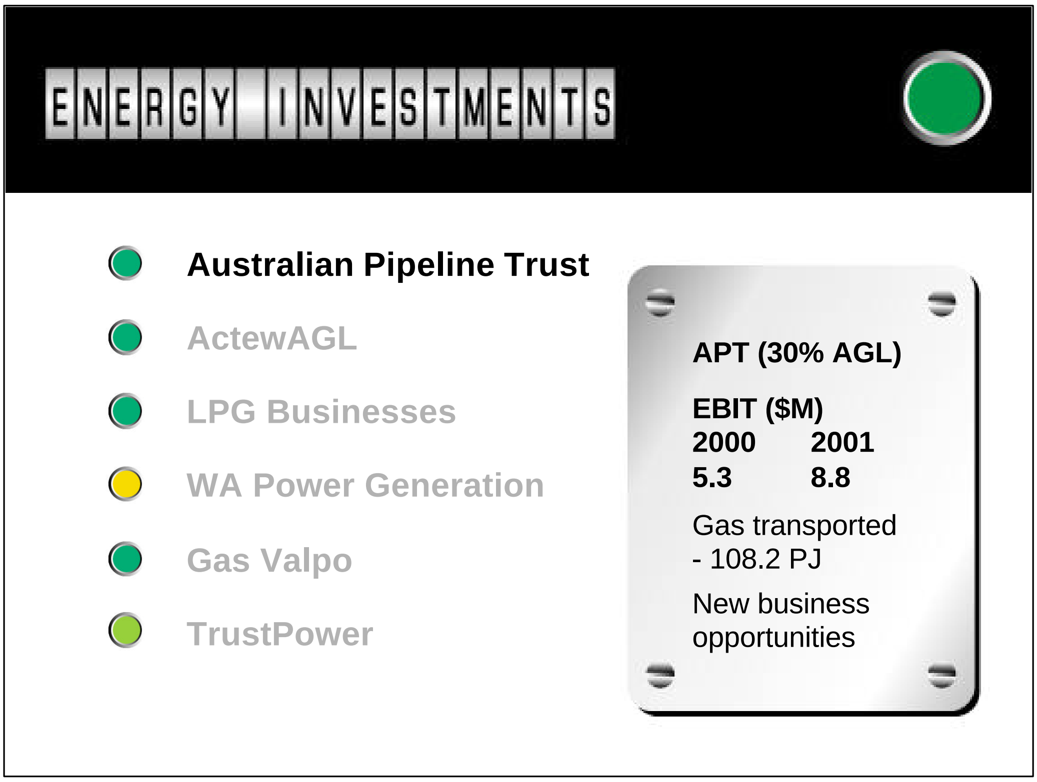
- Gas-fired power stations, TCC and Southdown, highly productive.

NGC's transmission & distribution:

- Transmission volumes increased by 10 petajoules, or 19%, to 62.8 petajoules, and networks flows were 12% higher at 4.7 petajoules.

Energy Metering Operations:

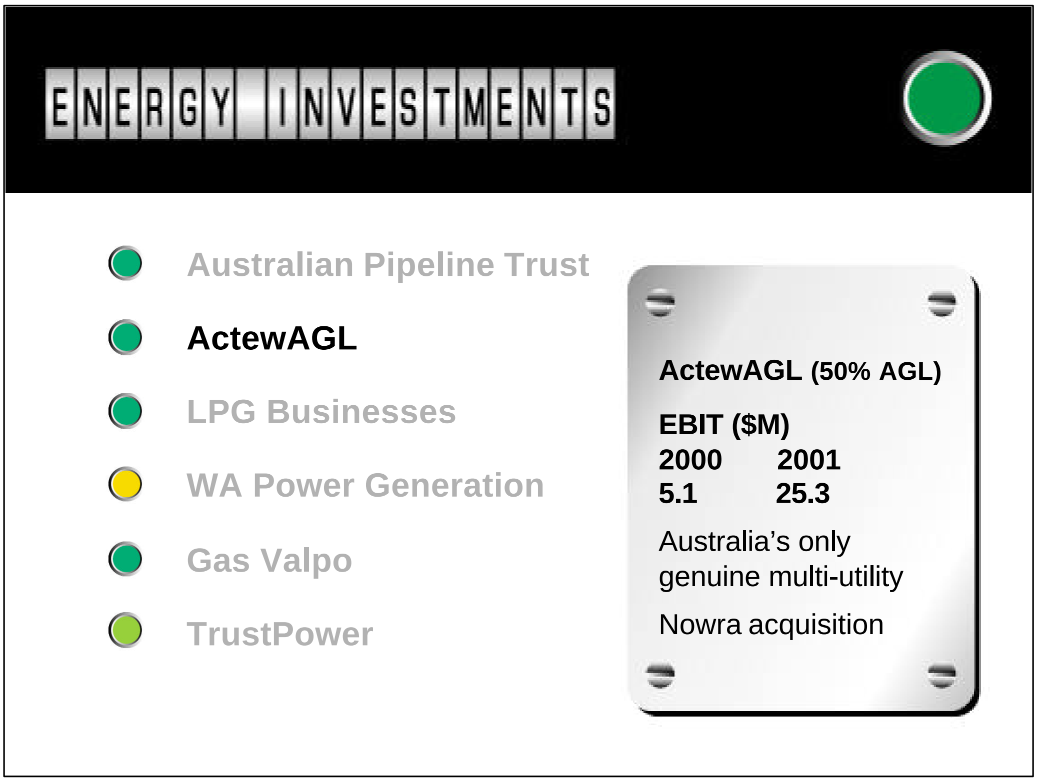
- Metering business expansion now 41% market share, 800,000 installations, assets NZ$186 million.



- Companies in the investment portfolio - all performing to or above expectation.

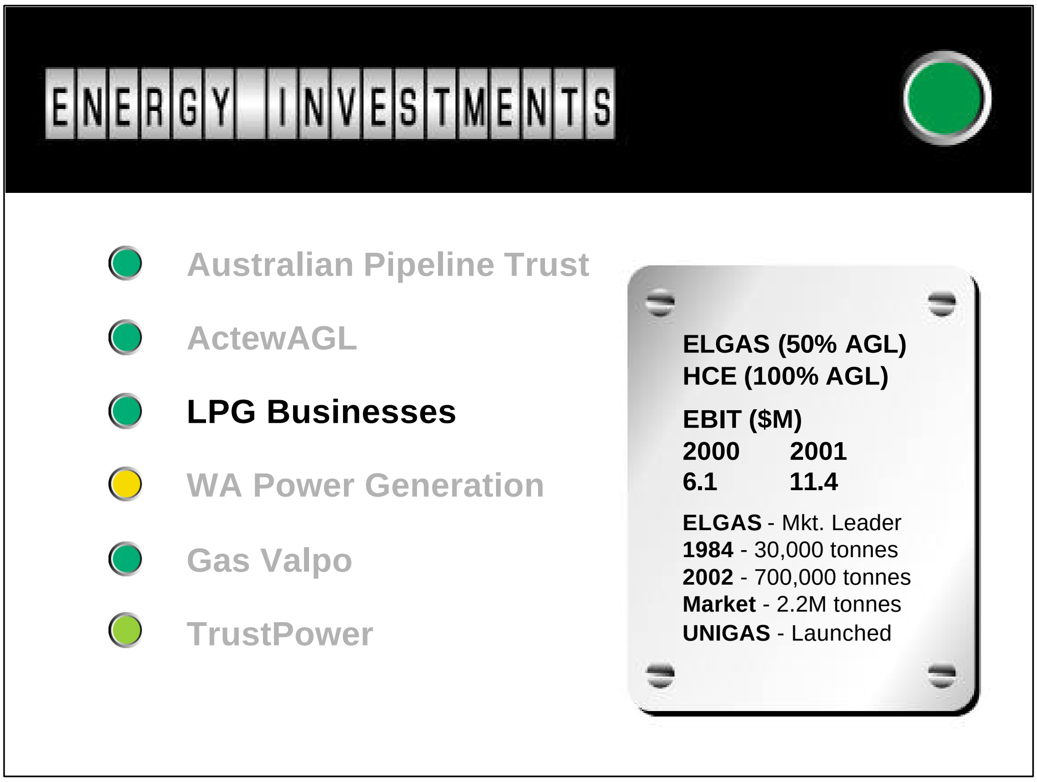
APT

- EBIT - trust revenue distribution only.
- Outperforming prospectus forecasts.
- Future business opportunities promising.



ActewAGL

- 2000 EBIT for 3 months only.
- Public / Private sector joint venture in operation.
- Outlook is bright.
- Agility operating the Nowra Network - longer term arrangements being negotiated.



Elgas - Australian leader

- Elgas volume grown 25 times over its 17 year life.
- Now clear market leader in Australian LPG markets.
- Unigas is Elgas/Westfarmers auto-LPG joint venture commenced 1 July 2001.

EBIT $m	2000	2001
Elgas	1.2	5.6
HCE	4.9	5.8

ENERGY INVESTMENTS

- Australian Pipeline Trust
- ActewAGL
- LPG Businesses
- **WA Power Generation**
- **Gas Valpo**
- **TrustPower**

OTHER BUSINESSES

EBIT ($M)

	2000	2001
W.A. Power	1.0	1.9
GasValpo	(0.6)	1.4
TrustPower	3.0	0.2

- WA power generation businesses remain small and niche focussed, ear marked for sale.
- Gas Valpo profitable but small. Recently won major contract to supply El Teniente copper smelter (2.4PJ).

- AGL has cleaned up the non performing parts of the company.
- Efficiency gains will deliver benefits to all businesses.
- Continuing businesses are on track.
- Focussed on building a more profitable Australasian energy business.
- Problems in our New Zealand and telecommunications businesses - resolved.
- Underlying businesses performing to expectations - a well planned growth strategy in place.

FUTURE STEPS

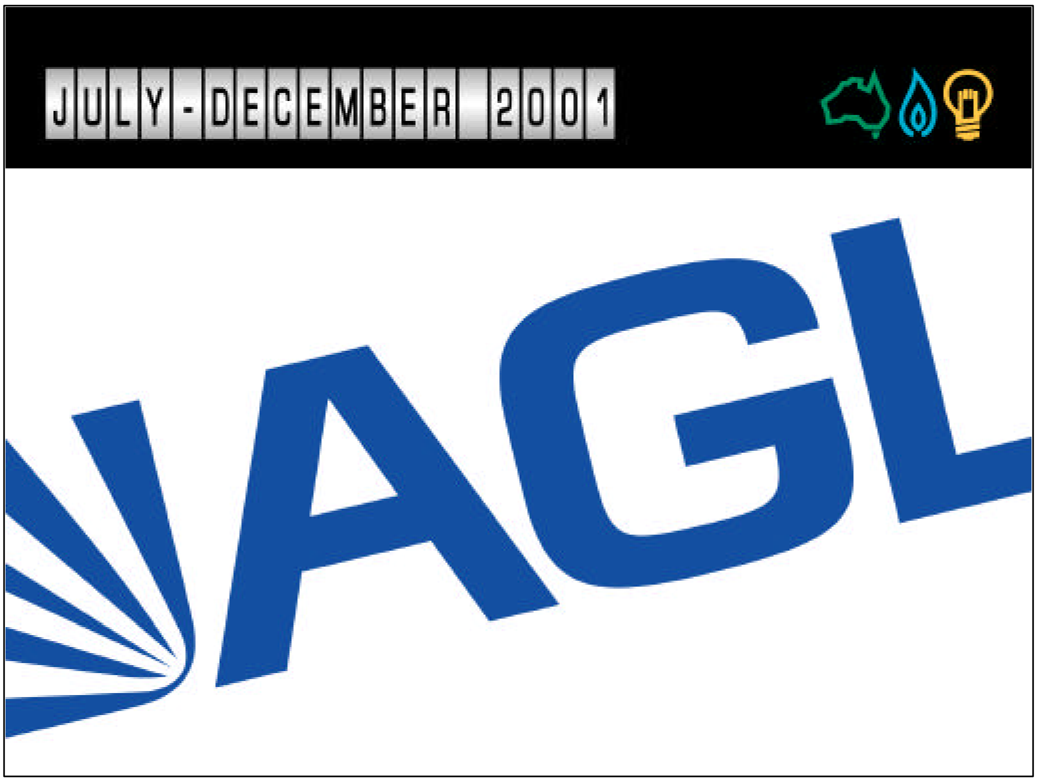
- 5% Shareholding limit
- Corporate conversion

WORKING SESSION - 21 MARCH 2002

- Rationalisation and reconfiguration
- Completing platforms
  - Greenfields & Brownfields projects
  - Mergers & acquisitions
  - New market arrangements
- Realising full value
- Enablement

Corporate Conversion

- Program is progressing well - co-operation from NSW and Commonwealth Governments.
- Program includes legislation to convert into modern company with a new constitution in accord with National Corporations Law.
- Shareholding limitation is removed as part of this process.
- Target date remains 1 July 2002.
- Legislation timetable is a matter for Government.
- Shareholders meeting likely before the end of the financial year.



End of Presentation