



AGL increases its offer for QGC shares

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AGL Energy Limited (AGL) has, this morning, reached agreement with Queensland Gas Company (QGC) to increase the offer price for its cornerstone 27.5 per cent investment in the company from \$1.44 per share to \$1.60 per share, an increase of 11 per cent. This will increase AGL's initial investment to approximately \$327 million.

AGL Managing Director Mr Paul Anthony said; "Our decision to increase the offer price for QGC shares comes after the company's announcement yesterday that it had upgraded its share of 2P reserves by 27.5 per cent. What's more, the transaction remains a perfect fit with our recent acquisitions of Sun Gas and Powerdirect in Queensland."

Other mutually beneficial aspects of the transaction are unchanged, including;

- Entering into a 20-year gas sale agreement with QGC for the purchase of up to 740 petajoules;
- Entering into a three-year gas market development services agreement with QGC for a fee of \$22.5 million; and
- Appointing three out of nine directors to the QGC board.

Mr Anthony added; "AGL continues to see outstanding benefits for shareholders of both AGL and QGC in consummating this transaction and entering into a true partnership. QGC's independence as a major gas producer in Queensland is maintained and the commercialisation of the company's current and future gas reserves is ably assisted by AGL's pre-eminent channel to market."

This new offer will be put to QGC shareholders at its general meeting scheduled to start at 10.00 this morning (Brisbane time).

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