



## **AGL receives ACCC clearance to acquire Torrens Island Power Station**

05 April 2007

AGL Energy Limited (AGL) today welcomed the ACCC's decision to give clearance to acquire the 1280MW gas fired Torrens Island Power Station (TIPS) from TRUenergy. The transaction is due to complete on 1 July 2007.

AGL Managing Director Paul Anthony said, "This acquisition is strategically important for AGL. It provides valuable base, intermediate and much needed peaking capacity as well as the potential to further develop the site for a new combined cycle gas-fired power station.

"TIPS will meaningfully contribute to our strategy as an integrated energy company. It provides deeper access to wholesale generation profit pools; mitigates the risk of commodity price traps from our extensive retail customer base; and provides portfolio optionality across fuel generation sources.

"Our engineering consultants consider these assets to be in excellent operating condition with a remaining useful average life in excess of 25 years.

"The TIPS acquisition is the latest step in the implementation of AGL's integrated energy company strategy. We are rapidly building our gas and electricity customer base in key markets across Australia.

"Our generation capacity now stands at 3300MW either in current operation, or under construction, a threefold increase in less than twelve months. More than 75% of this capacity comes from clean burn gas, hydro or renewable sources with planned development projects set to increase this to more than 85%.

"Growing a low-carbon emission base of generation is a key element of AGL's strategy and the TIPS acquisition highlights AGL's ability to acquire these assets at market leading prices. In closing Mr Anthony said "We are positioning AGL to be at the forefront of the pending industry consolidation. I am confident we will continue to deliver ongoing, competitive and sustainable returns for our customers, shareholders and the environment".

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