

Energy in
action.®

ASX statement

21 May 2009

Attached is a presentation to be made today by Managing Director Michael Fraser at the UK Investor roadshow.



Paul McWilliams
Company Secretary



AGL Energy Limited

*Australia's Largest Integrated
Renewable Energy Company*

Michael Fraser
Managing Director & CEO

Jeff Dimery
Group General Manager, Merchant Energy

UK Investor Roadshow
May 2009



Disclaimer

The information in this presentation:

- › Is not an offer or recommendation to purchase or subscribe for securities in AGL Energy Limited or to retain any securities currently held.
- › Does not take into account the potential and current individual investment objectives or the financial situation of investors.
- › Was prepared with due care and attention and is current at the date of the presentation.
- › Actual results may materially vary from any forecasts (where applicable) in this presentation.
- › Before making or varying any investment in securities in AGL Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

Agenda

- › **About AGL Energy – Background & Strategy**
- › **Renewables & Carbon: Policies & Industry Impacts – An Update**
- › **AGL Renewables & Carbon: Positioning & Opportunities**
- › **AGL Upstream Gas Portfolio**
- › **Way Forward**
- › **Supplementary Information**

-
- › **UK Investor Roadshow**
 - › May 2009
 - › AGL External



About AGL Energy



About AGL Energy

Australia's largest integrated renewable energy company.

- › Australia's largest private owner, operator & developer of renewable generation
- › Australia's largest, diversified (geography, fuel & mix) generation portfolio
- › Australia's largest natural gas & electricity customer base
- › A world class, scalable customer management & billing system (Phoenix SAP solution)
- › Australia's largest contracted gas portfolio & emerging positions in new Coal Seam Gas (CSG) developments
- › Industry leading portfolio of renewable & thermal development projects
- › S&P/ASX50 stock with market capitalisation of ~A\$6.5 billion
- › BBB investment grade credit rating (Standard & Poor's)



-
- » **UK Investor Roadshow**
 - » May 2009
 - » AGL External



AGL Energy Today – Asset Profile

OPERATIONAL SNAPSHOT

Retail Customer Accounts

- 3.22 million accounts
 - 1.42 million gas
 - 1.8 million electricity
 - 1.19 million dual-fuel

Current Generation

- ~3,510 MW owned and / or operated
- ~350 MW renewable under construction

New Generation Developments

- ~2,000 MW identified renewables
- ~5,200 MW identified gas

Current Gas Reserves¹

- ~3,100 PJ contracted gas
- ~680 PJ equity gas

Energy Sales

- Electricity ~37 TWh p.a.
- Gas ~230 PJ p.a.

Other

- Generation – Renewables ~100MW (Australia-various)
- Cogen, landfill gas, photovoltaic and bagasse

Gas – Galilee Basin (Australia – QLD)

- Investment in CSG production pilot and exploration appraisal program in Galilee Basin
- 50% interest in exploration tenement ATP529P

Gas – Innamincka (Australia – SA)

- Farm-In to permits PEL101 & PEL103 and 10 year gas marketing agreement

Geothermal - Torrens Energy (Australia – SA)

- 9.9% investment in Geothermal developer with associated Geothermal development agreement

Retail - ActewAGL (Australia – ACT)

- 50/50 Joint Venture with Actew Corporation
- Australian Capital Territory's (ACT) leading multi utility offering electricity, natural gas, water, wastewater and telecommunication services

Gas – CSM Energy (Australia):

- 35% investment in coal mine methane extraction company

1. 1 PJ (Petajoule) = ~0.95 BCF (billion cubic feet)

QUEENSLAND

Customer Accounts

- 83,600 gas
- 363,100 electricity

Generation

- Yabulu – Gas – 121 MW (50% dispatch rights)
- Oakey – Gas – 282 MW (100% dispatch rights)
- Moranbah – Gas – 12 MW

Upstream Gas

- Moranbah Project – 416 PJ (50% equity)
- Spring Gully – 6 PJ (various % equity)
- Bowen / Surat Basin – 1,164 PJ (contract)
- North QLD – 240 PJ (contract)



NEW SOUTH WALES

Customer Accounts

- 764,300 gas
- 318,100 electricity

Generation

- Hydro – 62.2 MW

Upstream Gas

- Gloucester Basin (100% equity) – 175 PJ
- Sydney Basin (100% equity) – 82 PJ

ACT (ActewAGL) 50/50 JV

Customer Accounts

- 112,200 gas
- 155,700 electricity

VICTORIA

Customer Accounts

- 492,100 gas
- 659,900 electricity

Generation

- Hydro – 583.3 MW
- Bogong / McKay Expansion – 150 MW (construction)
- Somerton – Gas – 150 MW
- Loy Yang A – Coal – 689 MW (32.5% equity)

Upstream Gas

- Gippsland Basin – 931 PJ (contract)
- Otway Basin – 270 PJ (contract)

SOUTH AUSTRALIA

Customer Accounts

- 78,500 gas
- 463,700 electricity

Generation

- Torrens Island – Gas – 1,280 MW
- Hallett 1 wind farm – 94.5 MW (off take)
- Hallett 2 wind farm – 71.4 MW (construction)
- Hallett 4 wind farm – 132 MW (construction)
- Wattle Point wind Farm – 90.8 MW (off-take)
- Angaston – Diesel – 49 MW (off take)

Upstream Gas

- Cooper Basin – 414 PJ (contract)

» UK Investor Roadshow

» May 2009

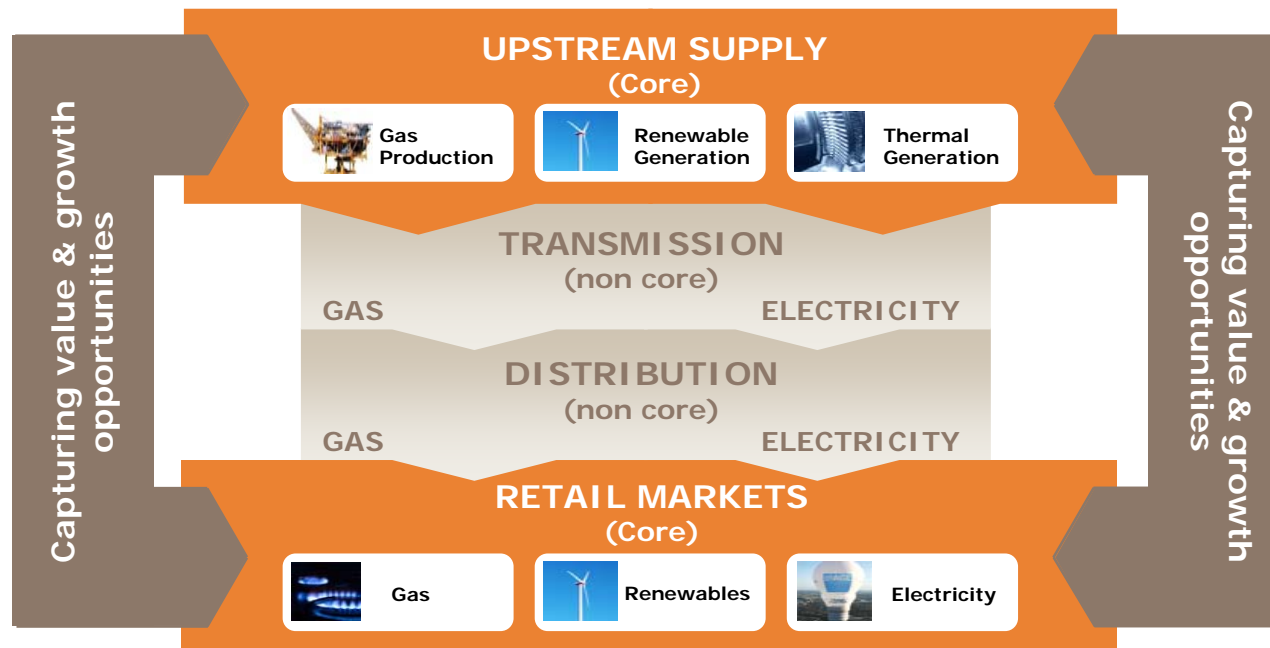
» AGL External

The Integrated Strategy

Balancing risk between upstream supply, retail markets & providing access to multiple profit pools.

Upstream Gas:

- › Direct ownership of ~2,000 PJ (2P) over the medium term
- › Essentially CSG strategy
- › Disciplined decision around trade-off between acquiring gas and EPS impacts
- › Will continue to contract if achieves superior outcome



Generation:

- › Currently ~3,510 MW of capacity owned and/or operated (plus ~350MW under construction)
- › Medium term target of ~6,000 MW
- › Achieve 60-70% of load (capacity) internally covered to deliver desired portfolio outcomes

Market Leadership:

- › Ultimate focus on managing and growing margin, not specific customer number targets
- › Customer base / channel to market important in leveraging upstream strategy & achieving retail economies of scale
- › Potential base of 4 to 5 million customers given any participation in NSW privatisation

- › UK Investor Roadshow
- › May 2009
- › AGL External



Renewables & Carbon:
Policies & Industry
Impacts – An Update



Proposed Legislative Changes

Federal Government proposing two schemes – Expanded Renewable Energy Target (RET) & Carbon Pollution Reduction Scheme (CPRS).

Expanded RET

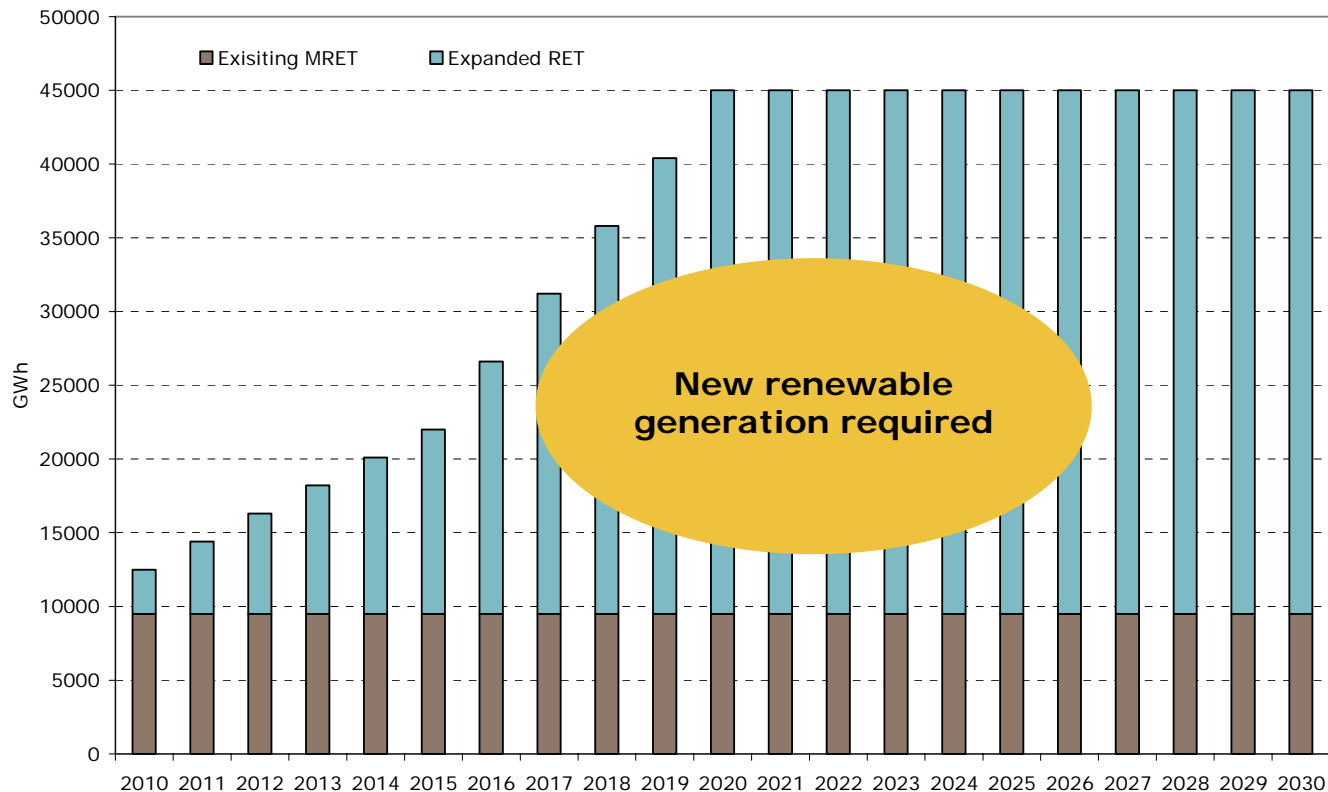
- › Draft legislation released – to be introduced mid 2009
- › Commences 1 January 2010 – Council Of Australian Governments (COAG) agreement 30 April 2009
- › Key value driver of renewable industry – remains on track

CPRS

- › Government proposing delayed start to 1 July 2011
- › Additional assistance for Emissions Intensive Trade Exposed Industries
- › Fixed price of \$10 per tonne CO₂ in first year
- › Details of CPRS must be resolved to provide investment and market certainty

Expanded RET drives Growth

AGL renewable portfolio to deliver material upside.



Source: AGL Greenhouse modelling

- > Additional 35,500 GWh pa of renewable energy required to meet expanded target of 45,000GWh pa
- > COAG Agreement last week to:
 - » Extend full target of 45,000 GWh pa out to 2030
 - » Increase RET penalty to \$65 (\$93 pre-tax)
 - » Increase assistance to large energy intensive trade exposed industries
- > AGL renewable portfolio to benefit from rising REC & electricity prices

- » UK Investor Roadshow
- » May 2009
- » AGL External

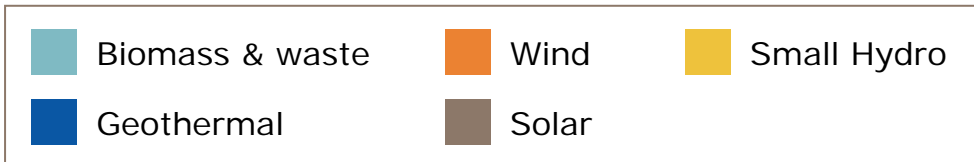


Growth - Wind Compared To Other Renewables

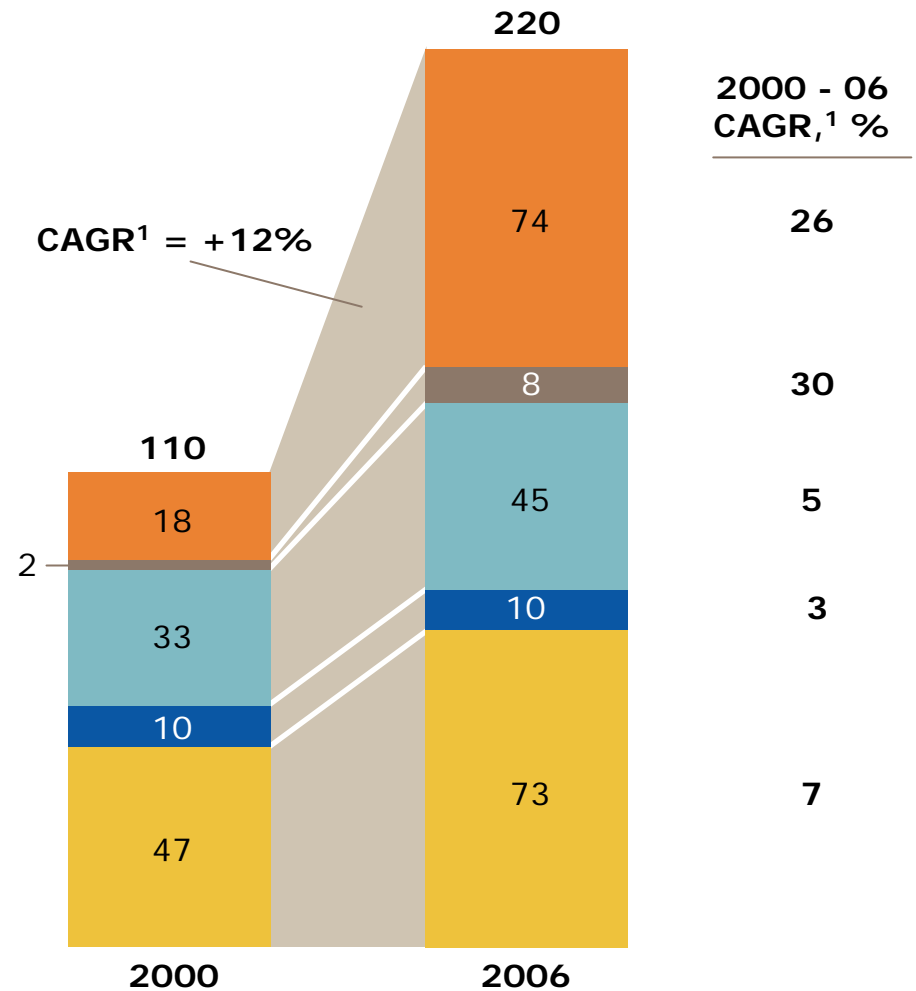
Global installed base, gigawatts (GW)

Ongoing global renewables growth

- > ~\$100 billion investment in Renewables in 2008
- > ~30% of all new capacity addition is renewable power



¹ Compound Annual Growth Rate



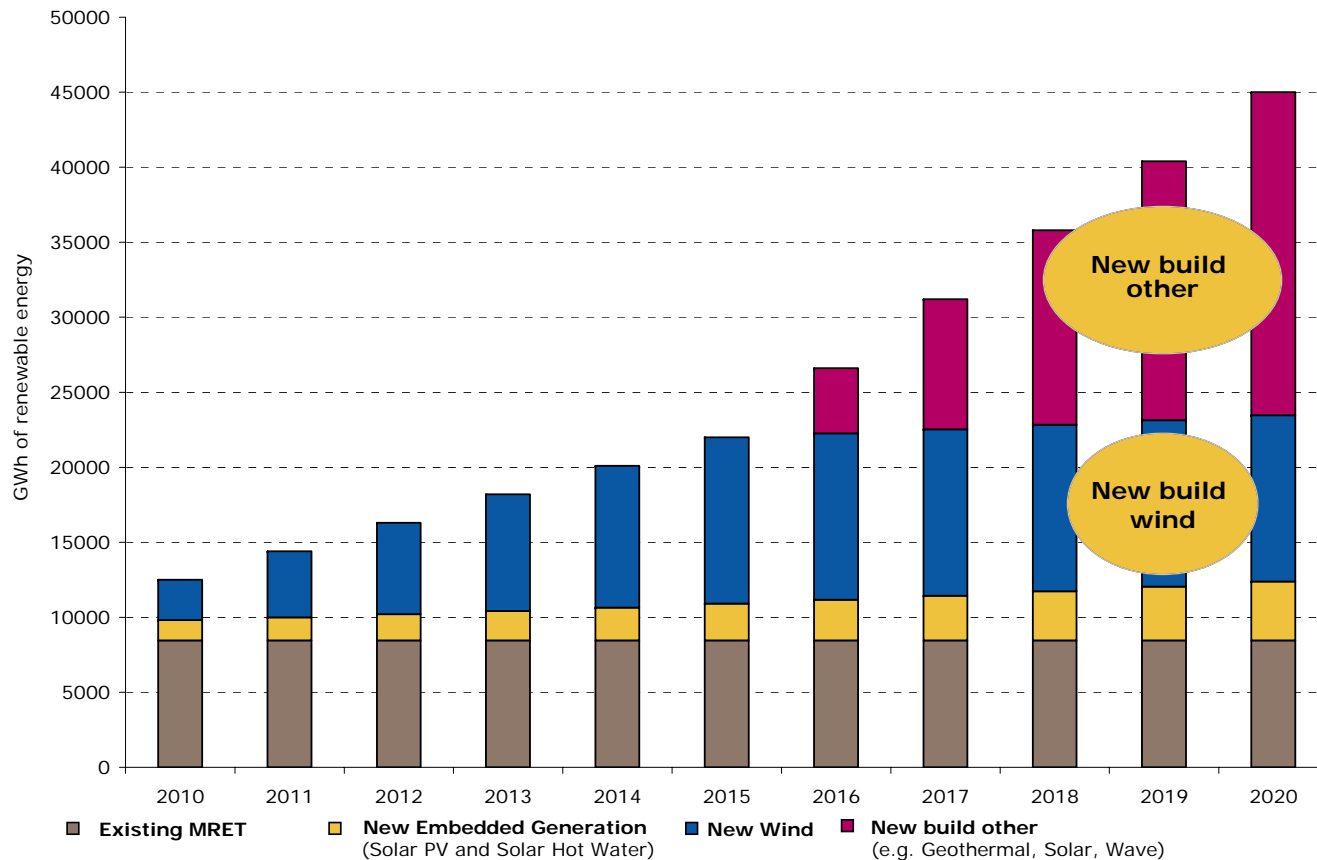
Source: McKinsey on Electric Power & Natural Gas: Number 1, Winter 2008

- » UK Investor Roadshow
- » May 2009
- » AGL External



Required Renewables Growth

Wind will dominate early build - geothermal & other technologies anticipated to play increasing role in out years.



Source: AGL Greenhouse modelling

- › AGL has a leading portfolio of development options across all major renewable technology groups
- › Largest privately owned hydro portfolio in Australia
- › Significant portfolio of wind development opportunities provides immediate access to lowest cost commercial deployable technology today
- › Longer term, technologies such as geothermal are likely to play a key role in renewable base load generation
- › Economics of a number of geothermal prospects impacted significantly by transmission costs

- › UK Investor Roadshow
- › May 2009
- › AGL External



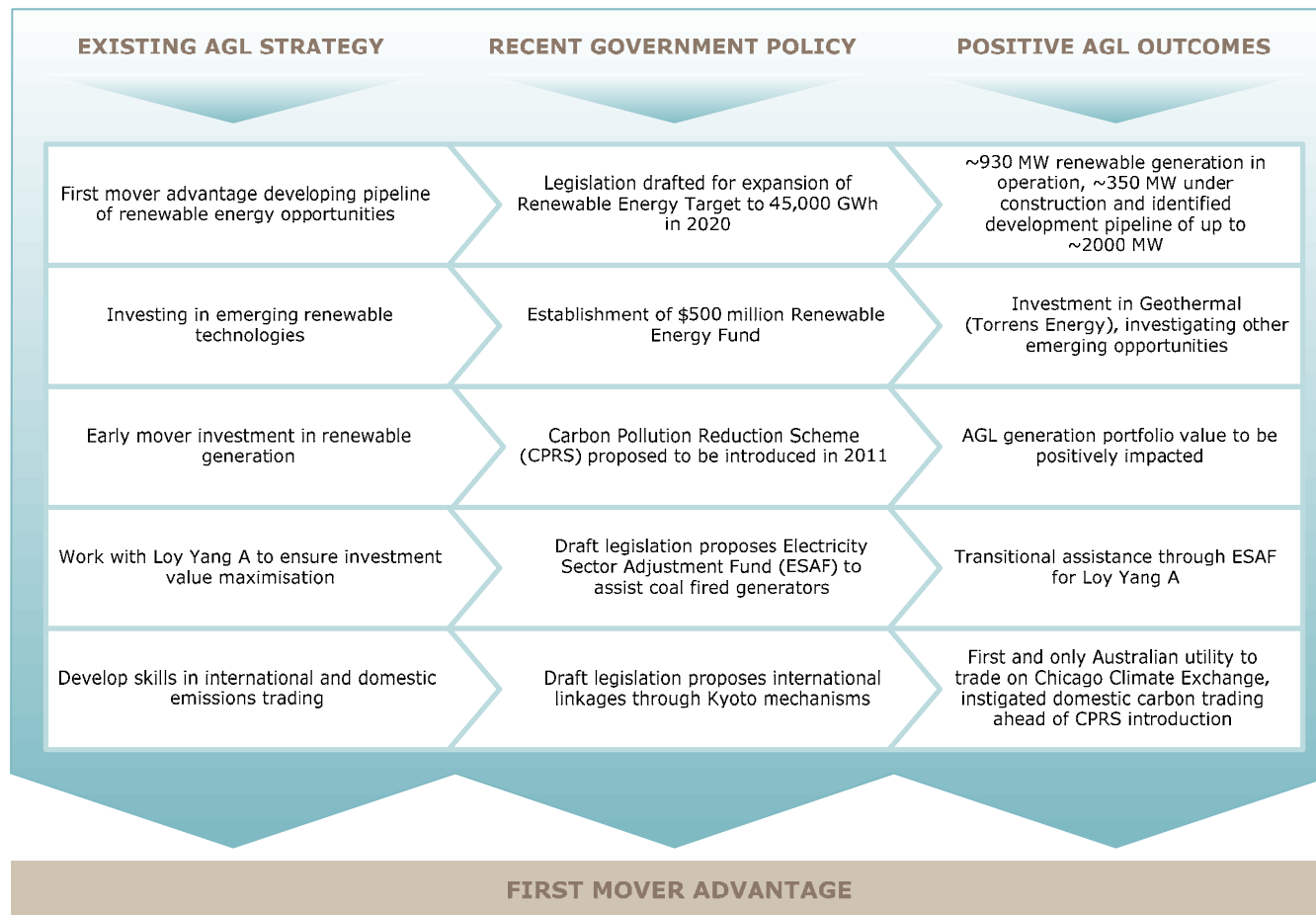
AGL Renewables &
Carbon:

Positioning &
Opportunities



Renewables & Carbon: First Mover Advantage

AGL's strategy benefits from recent Government announcements.



- » UK Investor Roadshow
- » May 2009
- » AGL External



AGL – Wind Growth Pipeline

Developing a portfolio with strategic depth and optionality.

	PROJECT	NOMINAL CAPACITY (MW)	LOCATION	TYPE	PROJECT STATUS	DEFINITION
RENEWABLE GENERATION	Hallett 2	71	SA - Hallett	Wind	Under Construction	Committed
	Hallett 4	132	SA - Hallett	Wind	Under Construction	Committed
	Hallett 3	80	SA - Hallett	Wind	In Development	Probable
	Oaklands Hill	63	VIC - West	Wind	In Development	Probable
	Hallett 5	50	SA - Hallett	Wind	Permitted	Possible
	Macarthur	330	VIC - West	Wind	JV with Meridian	Possible
	Coopers Gap	300	QLD - Kingaroy	Wind	Landowner Agreements in place	Possible
	Crows Nest	150	QLD - Toowoomba	Wind	Permitted	Possible
	Worlds End	180	SA - Burra	Wind	Permitted	Possible
	Ben Lomond	150	NSW - Armidale	Wind	Landowner Agreements in place	Possible
	Other	4 Projects totalling up to ~720	Various	Various	Under Review	Possible

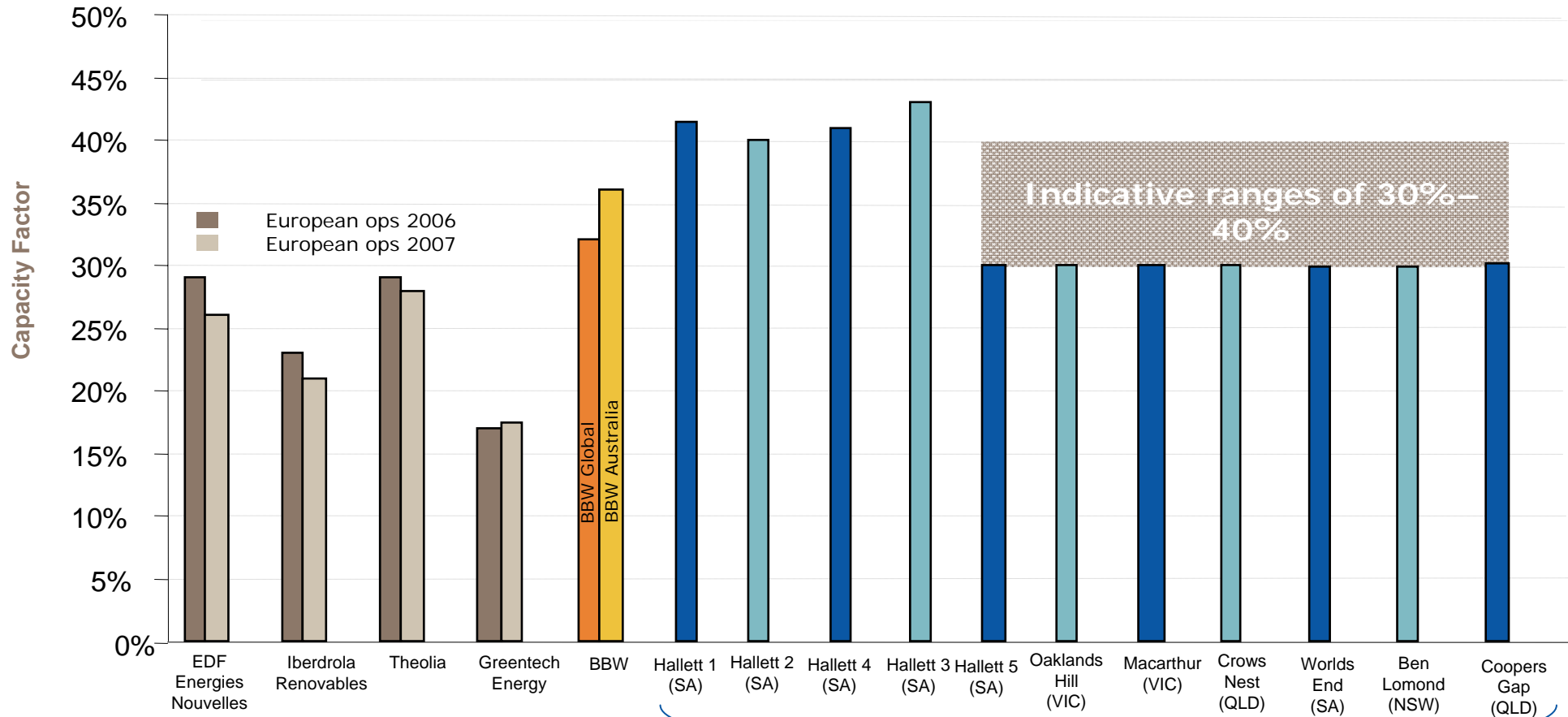
- › **Probable Projects:** Projects which are under development with an approved budget and pending final investment decision
- › **Possible Projects:** Projects where AGL holds rights to the sites and/or where the final investment decision is expected to be in excess of 12 months
- › **CAPEX:** Current AGL indicative installed capex for wind is approximately \$2.7m to \$2.9m / MW

- » UK Investor Roadshow
- » May 2009
- » AGL External



Wind Capacity Factors - Global

AGL portfolio has world class wind resource.



Source: Macquarie Research Equities – Report Wind farmers
(Europe) May 2008, BBW 2008 Annual Report, AGL live data & estimates

AGL Portfolio

- » UK Investor Roadshow
- » May 2009
- » AGL External



Wind Farm Development Process (off balance sheet option)

AGL maintains 'off' and 'on' balance sheet development optionality.

Development Process	<ol style="list-style-type: none"> 1. Site assessment <ul style="list-style-type: none"> - wind resource - grid proximity - landholder exclusivity agreements 2. Wind farm optimisation <ul style="list-style-type: none"> - site layout - equipment / turbine requirements 3. Regulatory <ul style="list-style-type: none"> - Development approval and EPBC (Environmental, Protection, Biodiversity & Conservation Act). 4. Contractual <ul style="list-style-type: none"> - Construction contracting (EPC), transmission connection and site leases 	Key Value Drivers			
	Financial Process		<ol style="list-style-type: none"> 5. Formulate 25 year capacity offtake agreement for RECs and electricity produced <ul style="list-style-type: none"> - Based upon current market pricing - Upside to future REC / electricity price appreciation retained by AGL 6. Formulate 25 year asset management agreement 	Key Value Drivers	
			<ol style="list-style-type: none"> 7. Project sold with offtake and asset management agreement to annuity investor <ul style="list-style-type: none"> - Annuity investor (owner) funds remaining capex / construction from date of sale - AGL maintains construction risk until construction completion - AGL takes operating risk from end of construction 		Key Value Drivers
			<ol style="list-style-type: none"> 8. Sale price as bid by annuity owner (valuation based on cash flows of 5. & 6.) / less AGL total project forecast construction costs = Development Profits <ul style="list-style-type: none"> - Development profits booked on percentage of completion basis in AGL accounts - Paid in cash - Construction process typically 18 to 24 months, depending on size 		

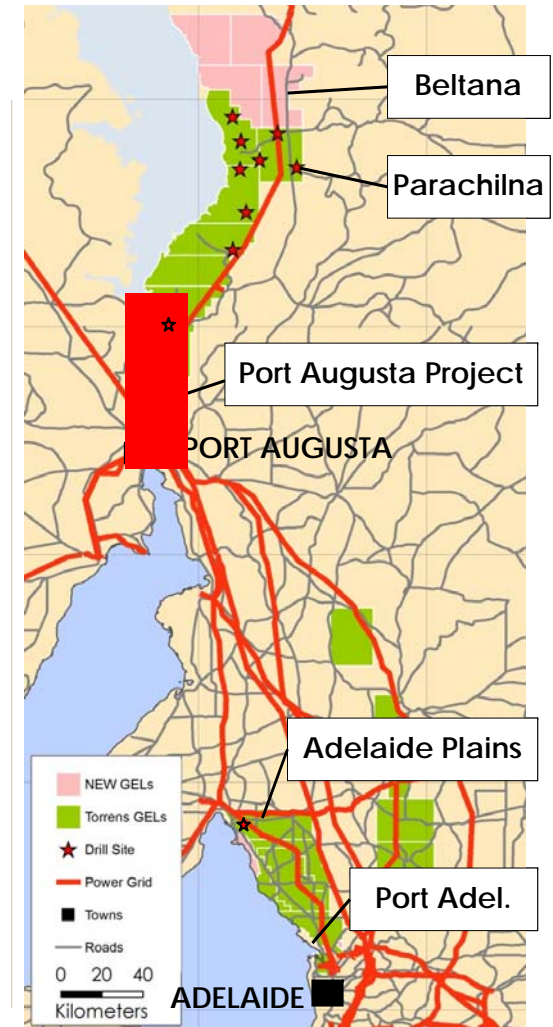
- » UK Investor Roadshow
- » May 2009
- » AGL External



Renewable Generation - Geothermal

Potential to deliver meaningful base load.

- › AGL holds 9.9% equity interest in ASX listed Torrens Energy (TEY)
- › AGL and TEY have 50/50 Geothermal Alliance Agreement to commercialise base load projects
- › TEY permits all adjacent to transmission grid
- › Recent heat flow rates promising
- › TEY responsible for exploration activities providing AGL option to farm-in at permit & project level
- › TEY sole fund upfront exploration & geothermal assessment of first deep well (Confirmation Well)
- › AGL may elect to sole fund drilling the Confirmation Well to earn a 50% interest in project and Geothermal Exploration Licence (GEL)
- › AGL will have right to purchase all geothermal energy



- › UK Investor Roadshow
- › May 2009
- › AGL External

Renewable Generation - Hydro

Bogong & McKay Creek (peaking plant) expansion.

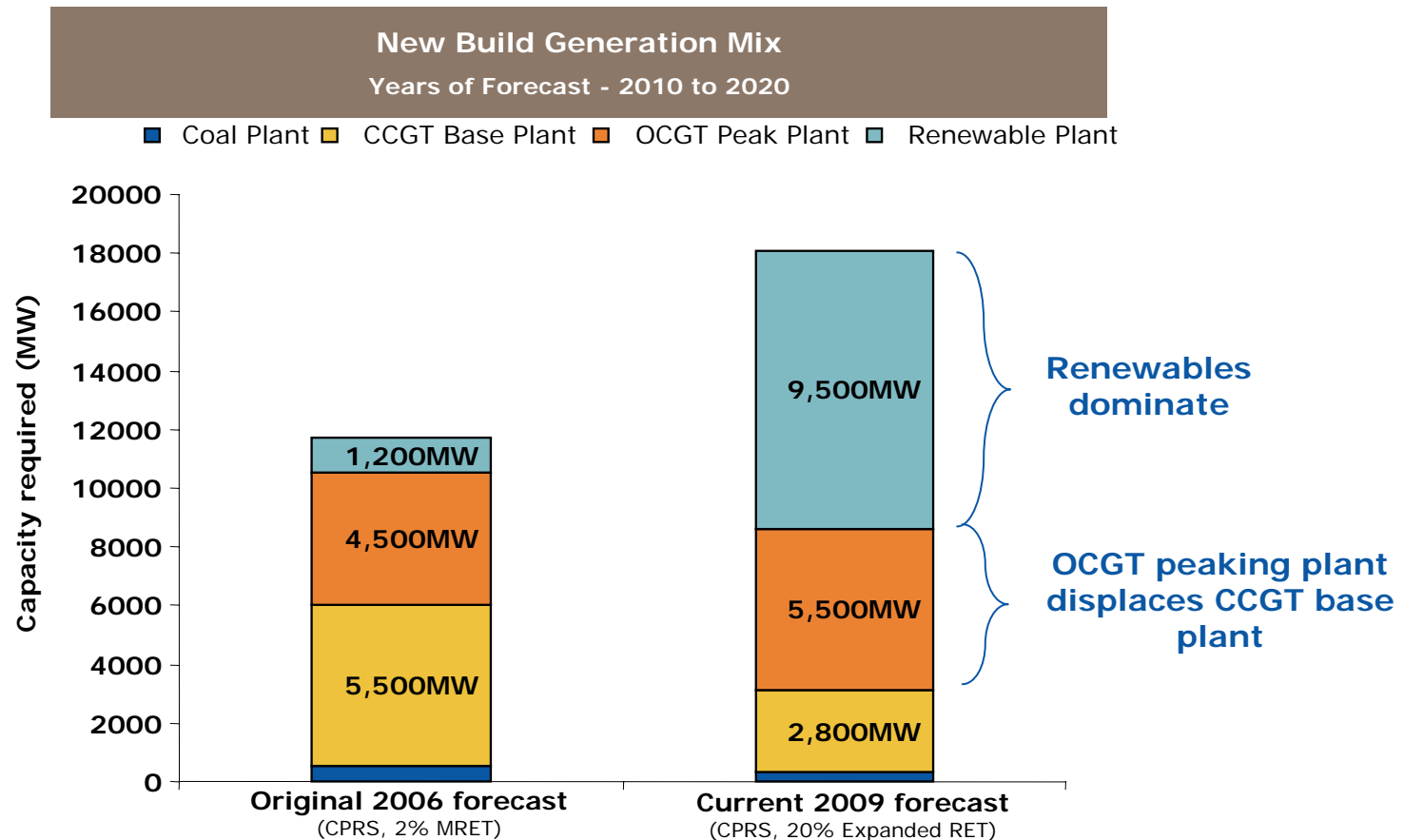
- › Australia's last, large scale hydro opportunity
- › A\$240m, Bogong 140MW peaking plant in Kiewa Valley, Victorian Alpine region
 - › minimises environmental impacts with 6.5 kilometre underground tunnel
 - › also results in 10MW McKay Creek upgrade
- › Forms part of Kiewa Scheme
- › On schedule for completion November 2009
- › Once complete, Kiewa Scheme will represent approximately 50% (390MW) of total AGL hydro capacity (790MW)
 - › fully discretionary
 - › drought resilient – inflows during current drought still result in full water replenishment 2 to 3 times annually



- › **UK Investor Roadshow**
- › May 2009
- › AGL External

Impact of Renewable Policy Settings

Fundamental changes required to generation mix.



Source: AGL Greenhouse modeling

- » UK Investor Roadshow
- » May 2009
- » AGL External



Gas Generation – Growth Pipeline

Developing a portfolio with strategic depth and optionality.

	PROJECT	NOMINAL CAPACITY (MW)	LOCATION	TYPE	PROJECT STATUS	DEFINITION
GAS GENERATION	Leafs Gully	360	NSW - Appin	Gas Peaker	In Development, Development Application being assessed	Probable
	Tarrone	500	VIC - West	Gas Peaker	In Development	Probable
	NQ Peaker	360	Nth QLD - Townsville	Gas Peaker	Site Acquired	Possible
	SEQ1	360	SE QLD - Ipswich	Gas Peaker	Site Secured	Possible
	SEQ2	350/800	SW QLD - Kogan	Gas Peaker / CCGT	Site Acquired	Possible
	ACT Peaker	500	ACT	Gas Peaker	Pre-Feasibility	Possible
	Other	4 Projects totalling up to 2,010	Various	Gas Peakers	Sites Secured	Possible

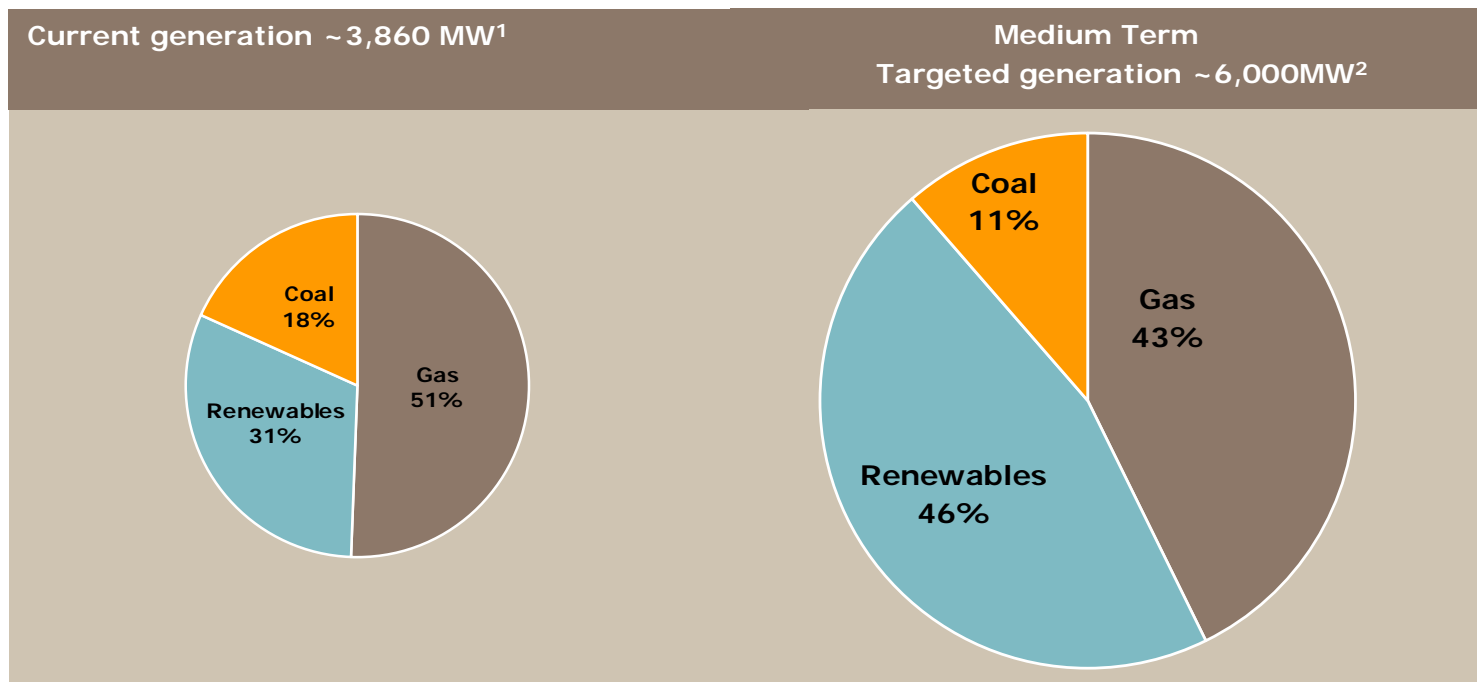
- › **Probable Projects:** Projects which are under development with an approved budget and pending final investment decision
- › **Possible Projects:** Projects where AGL holds rights to the sites and/or where the final investment decision is expected to be in excess of 12 months
- › **CAPEX:** Current AGL indicative installed capex for Open Cycle Gas Turbine (OCGT) plant (peaking) is approximately \$0.7m to \$0.9m / MW

- » **UK Investor Roadshow**
- » May 2009
- » AGL External



A Carbon Effective Generation Portfolio

Current & future AGL generation portfolios are well positioned in a carbon constrained environment.



- » **UK Investor Roadshow**
- » May 2009
- » AGL External

1 = Owned & / or operated including plant under construction (~350MW)
 2 = 1 + projects under consideration / development



AGL Upstream Gas Portfolio



Upstream Gas

Strategic acquisitions to deliver upside growth & optionality.

- » Recent transactions deliver access & control over additional certified 2P reserves with further, material upside potential & optionality:
 - » Investment in Galilee Basin CSG production pilot & exploration program
 - » Entered into option agreement with BG Group
 - » Acquisition of Tri-Star gas bank and minor Spring Gully interests
 - » Acquisition of Gloucester Basin reserves & development program
 - » Takeover of Sydney Gas
 - » Farm-in to Innamincka tenements
 - » Take up of Moranbah / Bowen Basin tenements¹

AGL Share of CSG reserves (PJ)	As at 31 Dec 08		As at 30 Jun 08	
	2P	3P	2P	3P
Moranbah (50%)	416	1,051	277	867
Camden (100% following Sydney Gas acquisition)	82	108	41 ²	54 ²
Gloucester (100%)	175	370	-	-
Spring Gully (various)	6	8	-	-
Total	679	1,537	318	921

1. Full back in rights to 50% of PL 223 & PL 224 for \$3.9m (representing 50% of past costs) - now responsible for 50% of future costs

2. AGL interest was 50% as at 30 Jun 08

- » **UK Investor Roadshow**
- » May 2009
- » AGL External



Upstream Gas – Growth Pipeline

Developing a portfolio with strategic depth, duration and optionality.

UPSTREAM GAS	North Queensland – Bowen Basin (AGL 50%)	Moranbah: Continuing development activities bolstered by reserves upgrade & AGL back-in two petroleum leases
		North Queensland Energy: Ongoing portfolio benefits of gas supply & electricity dispatch rights
	Sydney Basin (AGL 100%)	Camden: Development drilling set to maintain moderate production growth – working to consolidate Sydney Gas Limited (SGL) takeover & extract operational synergies
		Hunter: Exploring in areas of best prospectivity with the aim of achieving reserves certification by FY10
	Gloucester Basin (AGL 100%)	Working to consolidate acquisition and realise synergies through exploration and development concurrent with Hunter – updating reserves certification by end FY09
	Galilee Basin (AGL 50%)	Five-spot pilot test at Glenaras drilled & awaiting completion & construction of water handling facility – production testing to commence in 2009
	Innamincka – Cooper Basin (AGL 35% – 37.5% farming in)	Drilling to assess CSG prospect due to commence in 2009
	CSG technical / operational resources	Existing in-house technical team at Camden, North Sydney & Brisbane (40 people) has merged with an additional 14 people from Gloucester – AGL may also offer employment to some employees of SGL – staff levels are adequate to address the expanded & extended operations across Sydney / Gloucester Basins & elsewhere
CSG infrastructure resources	Resources for exploration & development drilling, as well as construction of processing, compression & pipeline facilities are in place or well advanced to deliver 100% of AGL's capex program over the forecast period	

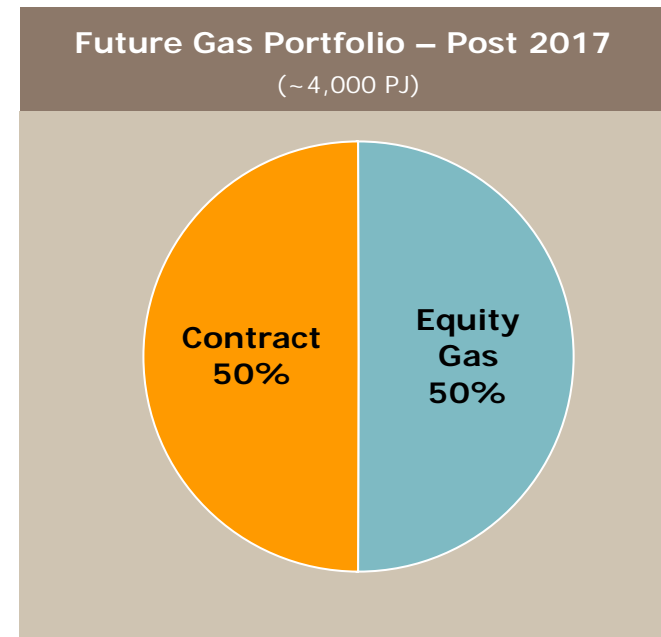
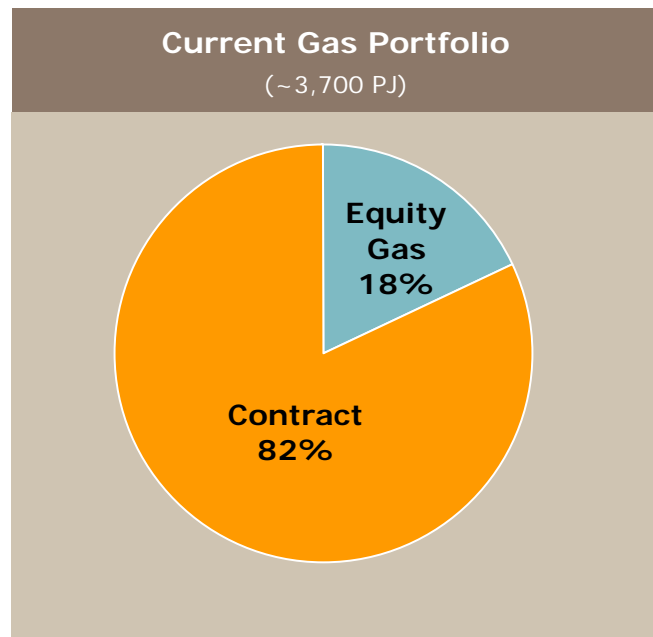
- » UK Investor Roadshow
- » May 2009
- » AGL External



Upstream Gas – Duration & Flexibility

Delivering on medium term strategic target of 2,000PJ equity gas.

- › Domestic gas strategy focus
- › Existing portfolio flexibility allows timely development of gas production projects
- › AGL will continue to be a significant contractor of wholesale gas
- › Anticipate existing investments & Gloucester, Sydney Basin/Hunter, Galilee & Innamincka interests together with ongoing wholesale contracting will satisfy long term supply requirements post 2017



Way Forward



NSW Privatisation

Disciplined approach to industry consolidation opportunity.

- › Support privatisation – awaiting final detail of structure
- › Support Gentrader model – risk allocation details key
- › Depending on final structure, AGL remains interested in retail and/or gentrader assets
- › AGL's SAP retail solution (Phoenix) completely scaleable for any combination of retail assets
- › AGL's NSW market position makes organic growth a viable alternative
- › Regulatory price settings a key valuation issue for retail businesses
 - » Recent IPART draft (electricity) decision 'directionally' correct



- » UK Investor Roadshow
- » May 2009
- » AGL External



Strategic Priorities

Ongoing, disciplined roll out of integrated strategy.

Strategic priorities

- › Expansion of industry leading renewables portfolio
- › Exploration and development of gas acreage and reserves
- › Development of gas generation portfolio
- › Delivering benefits of Phoenix Business Transformation Program
- › Integrated strategy delivers:
 - » Ongoing growth opportunities / optionality; and
 - » Sustainable returns in dynamic economic conditions and market cycles

Further Information / Contacts

A range of information on AGL Energy Limited including ASX & Media Releases, Presentations, Financial Results, Annual Reports and Sustainability Reports is available from our website:
www.agl.com.au

alternatively, contact:

Graeme Thompson

Head of Investor Relations

AGL Energy Limited

phone: +61 2 9921 2789

mobile: +61 (0) 412 020 711

e-mail: gthompson@agl.com.au

-
- » **UK Investor Roadshow**
 - » May 2009
 - » AGL External



Supplementary Information



1H09 Result Highlights

Delivering on strategy, creating value & long term growth.

FINANCIAL	> Revenue:	\$2,977.7m,	↑ 5.1%
	> Operating EBIT from continuing operations:	\$322.7m,	↑ 10.2%
	> Statutory NPAT:	\$1,654.8m	
	> Underlying NPAT:	\$192.5m,	↑ 5.3%
	> Interim dividend 26 cps, fully franked – DRP in operation		
OPERATIONAL	> Maintaining retail margins (+0.1%), customer accounts (+1,900) & dual fuel (+10,000)		✓
	> Final core SAP (Phoenix) customer migration completed		✓
	> Hedge book continues to perform well, generation plant reliability & performance solid		✓
	> Strong wholesale gas portfolio performance		✓
	> Generation development projects on time and budget		✓
STRATEGIC	> Non core asset sales deliver \$1.5 billion after tax		✓
	> Balance sheet strength – reinstated BBB stable outlook, further growth capacity		✓
	> Deep portfolio of renewable and gas generation development projects		✓
	> Upstream gas acquisitions to deliver long term value and growth		✓
	> Phoenix focus now turns to Business Transformation Program and benefit realisation		✓

- » UK Investor Roadshow
- » May 2009
- » AGL External



1H09 Profit & Loss (excluding significant items & fair value movements)

Result in line with full year guidance.

6 months to \$m	31 Dec 2008	31 Dec 2007	Change
Revenue	2,977.7	2,833.8	5.1%
Operating EBITDA	443.9	471.4	(5.8%)
Operating EBIT			
Retail	145.7	134.8	8.1%
Merchant	211.9	156.9	35.1%
Gas & Power Development (incl pro forma adjustment)	34.5	82.0	(57.9%)
Energy Investments	30.5	50.6	(39.7%)
Centrally managed expenses	(63.5)	(51.4)	23.5%
Total operating EBIT	359.1	372.9	(3.7%)
Less: Net finance costs	(60.9)	(94.4)	(35.5%)
Profit before tax	298.2	278.5	7.1%
Less: Income tax expense	(105.7)	(95.7)	-
Underlying NPAT	192.5	182.8	5.3%

- » UK Investor Roadshow
- » May 2009
- » AGL External



Disciplined Capital Management

Well positioned for future growth opportunities.

- › October 09 maturities covered by cash reserves
- › Immediate debt capacity of ~A\$1.2b to A\$1.8b
- › Reinstated BBB stable credit rating

Facilities @ 20 Feb 2009 \$m	Limit	Usage	Available	Maturity
Current				
Revolving credit facility	500.0	-	500.0	Oct 09
Term facilities Tranche B	633.3	633.3	-	Oct 09
Non Current				
Term facilities Tranche A	222.5	222.5	-	Oct 10
Revolving credit facility	327.5	-	327.5	Oct 10
Term facilities Tranche C	886.7	886.7	-	Oct 11
Total debt facilities	2,570.0	1,742.5	827.5	
Cash	-	1,555.0	-	
Net Debt	-	187.5	-	

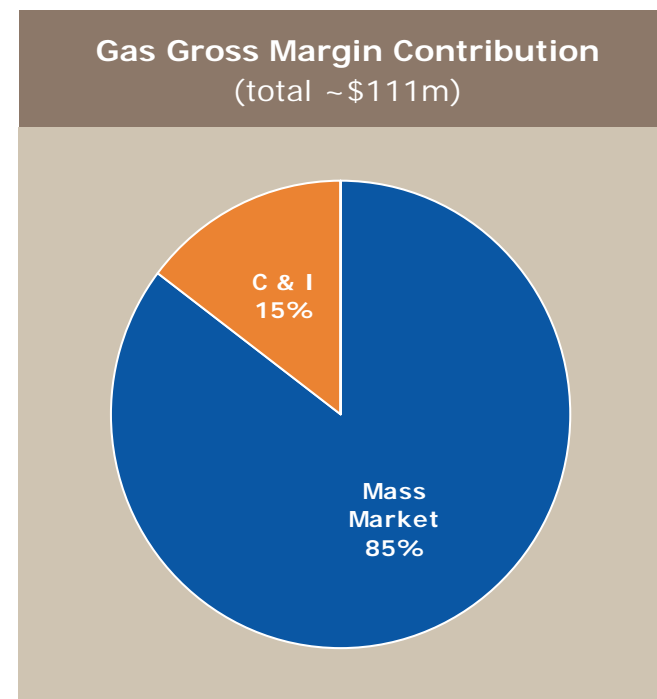
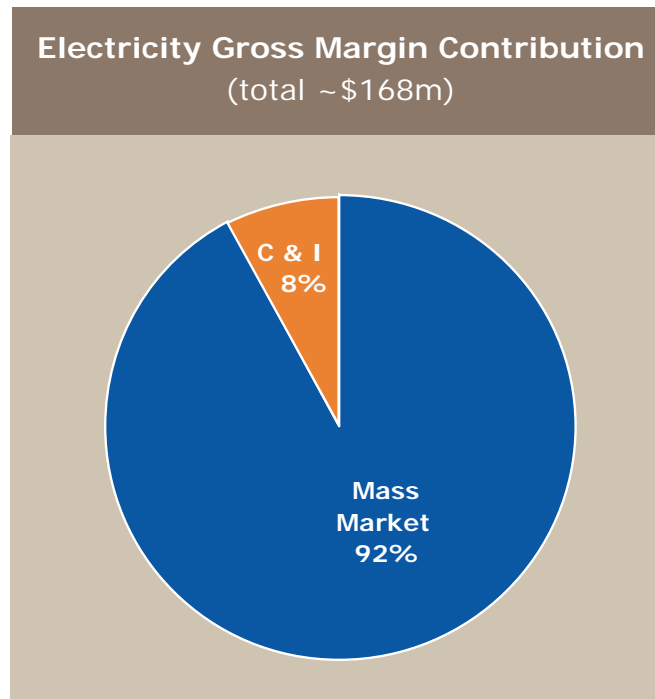
- › UK Investor Roadshow
- › May 2009
- › AGL External



Defensive Earnings Profile

Robust earnings during deteriorating economic conditions.

- › Majority of electricity & gas gross margin is derived from mass market customer base which historically has had limited volume impacts during economic downturns

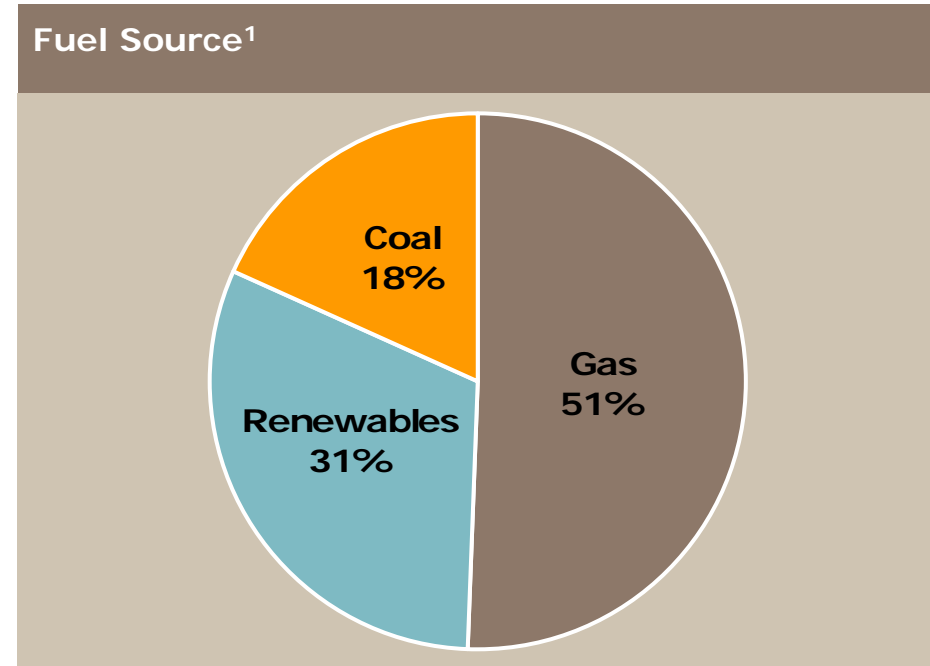
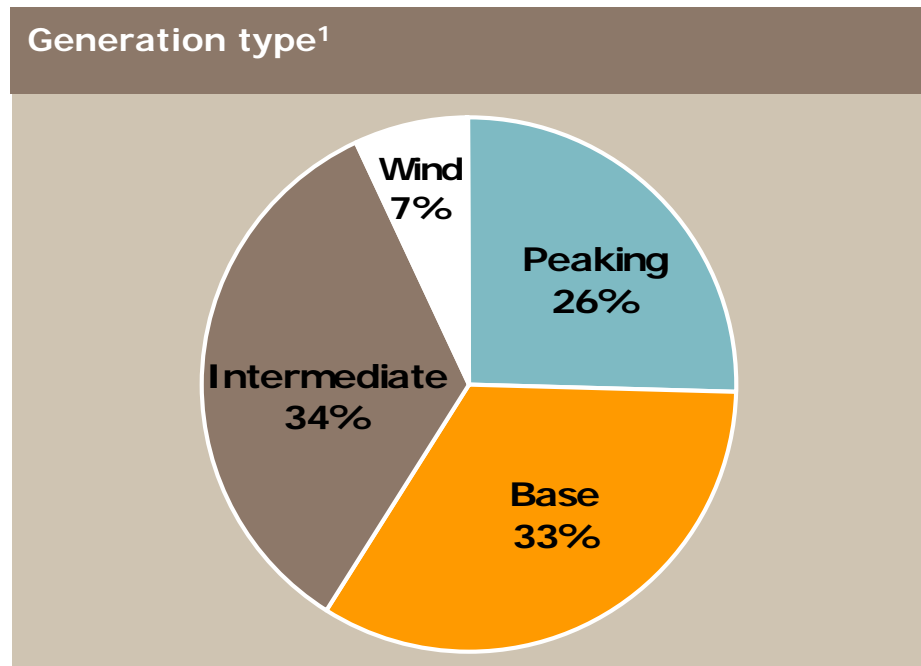


- › UK Investor Roadshow
- › May 2009
- › AGL External

Generation – Building a Balanced Portfolio

Diversity mitigates market risks & benefits from a carbon constrained future.

- › Diversity of fuel type - renewables, gas & coal
- › Diversity of generation type – base, intermediate & peak
- › Diversity of geography – across all NEM states/nodes

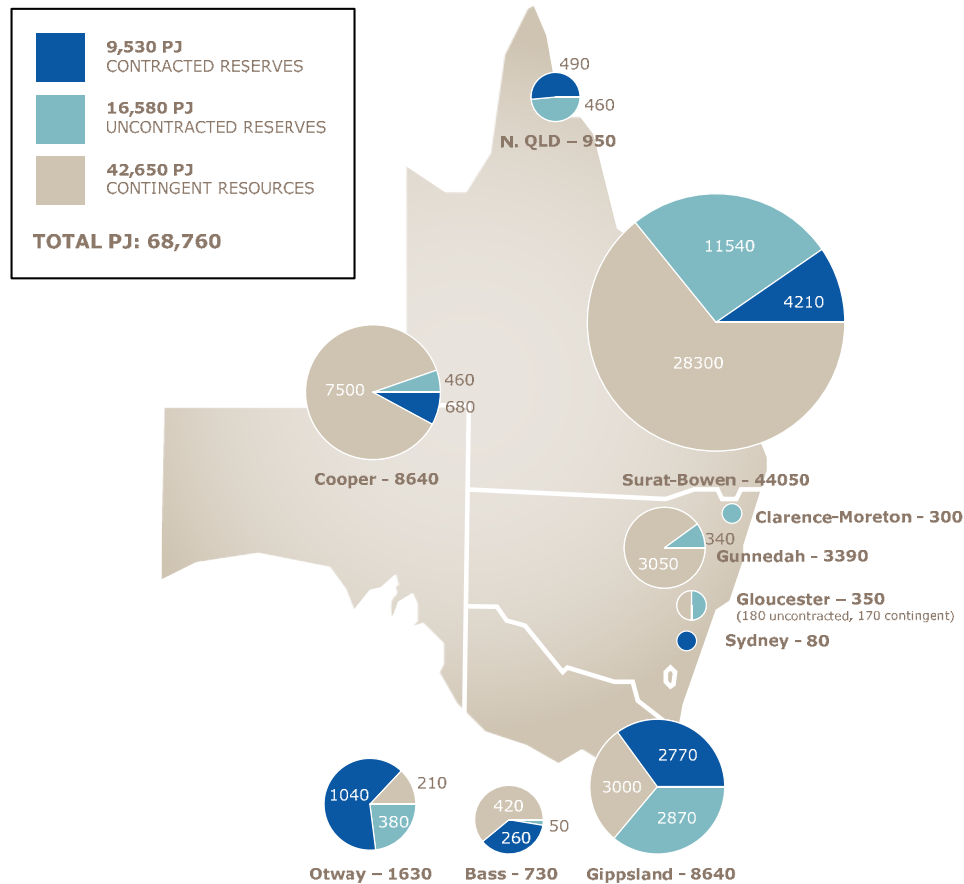


- › UK Investor Roadshow
- › May 2009
- › AGL External

1 = Owned & / or operated including plant under construction

East Coast Gas - Substantial Reserves & Duration

Security of supply given quantum of ongoing Eastern Australia gas reserves.



Eastern Australia 2P gas reserves and contingent resources almost 70,000 PJ, of which only ~14% are contracted:

- > Further increases are likely, particularly CSG reserves and resources
- > Supply covers current domestic gas sales (~640 PJ pa) for over 100 years
- > Could cover potential domestic gas sales and LNG exports¹ of ~1,300 PJ pa for well over 40 years

SOURCE: EnergyQuest (March: 08), AGL estimates

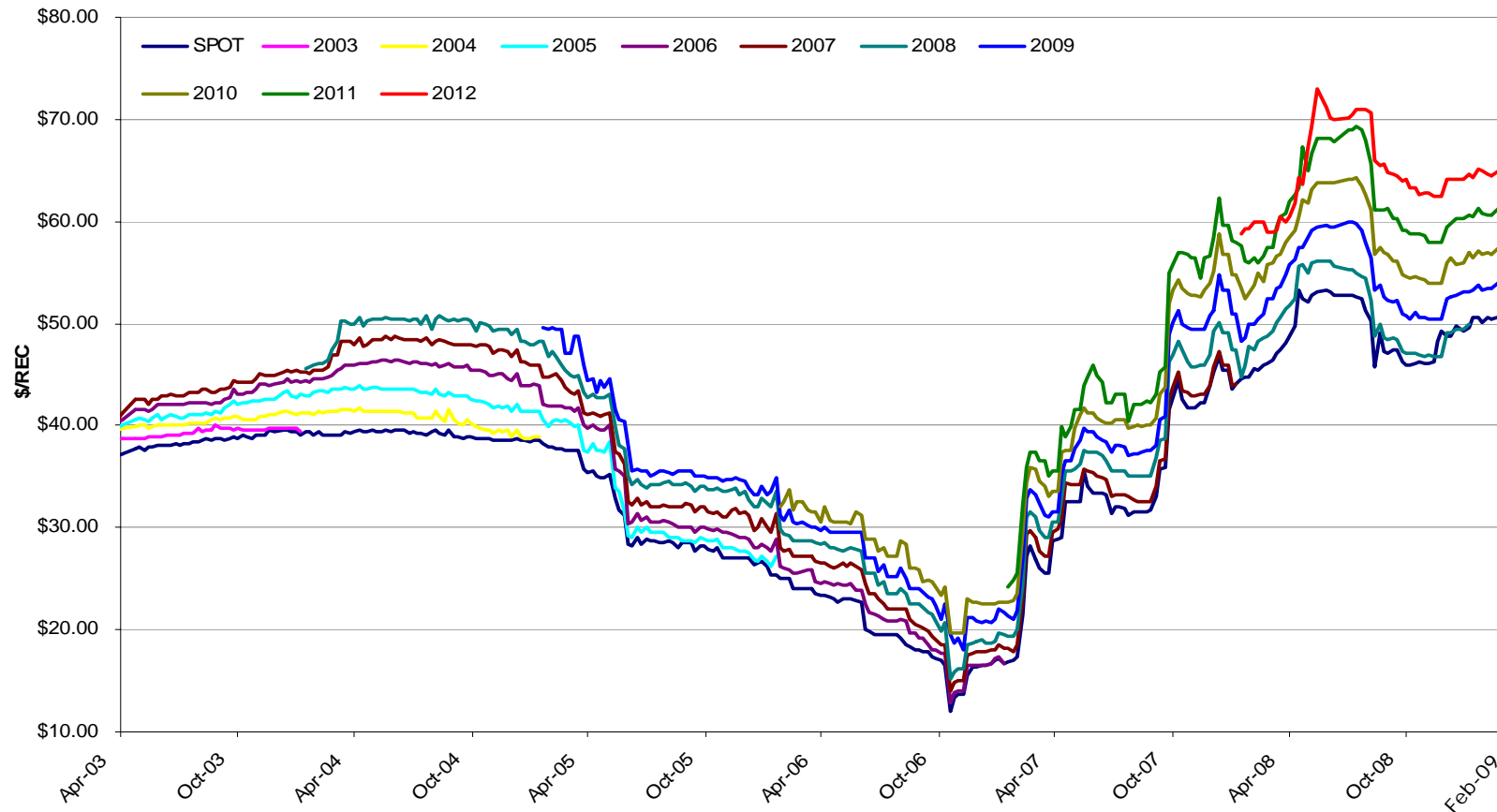
1. Based on three LNG trains.

- » UK Investor Roadshow
- » May 2009
- » AGL External



Renewable Energy Certificates (RECs)

Expanded RET to put upward pressure on pricing



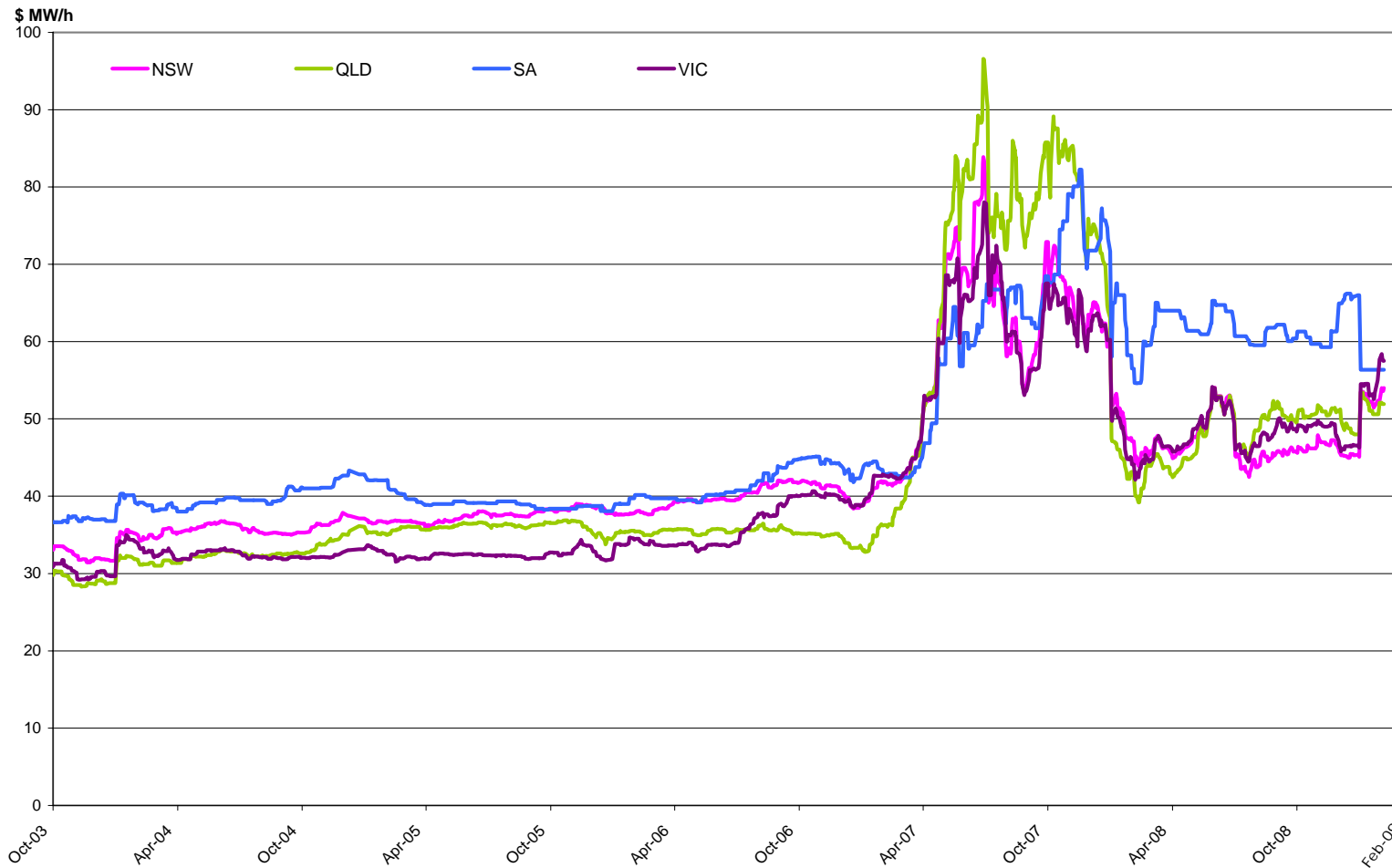
- » UK Investor Roadshow
- » May 2009
- » AGL External

Source: AFMA price chart



Electricity Flat Forward Price Curve (Calendar year contract)

Carbon, coal pricing and electricity demand growth to drive pricing.



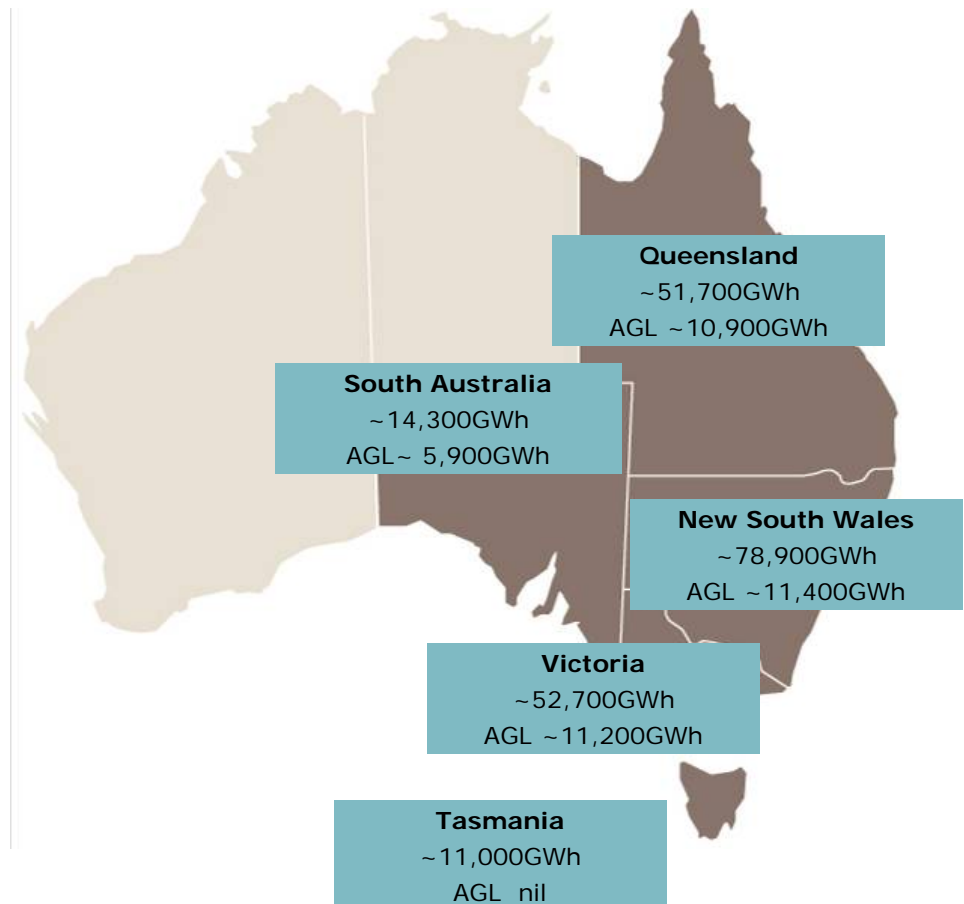
- » UK Investor Roadshow
- » May 2009
- » AGL External

Source: ICAP



Australia's National Electricity Market (NEM)

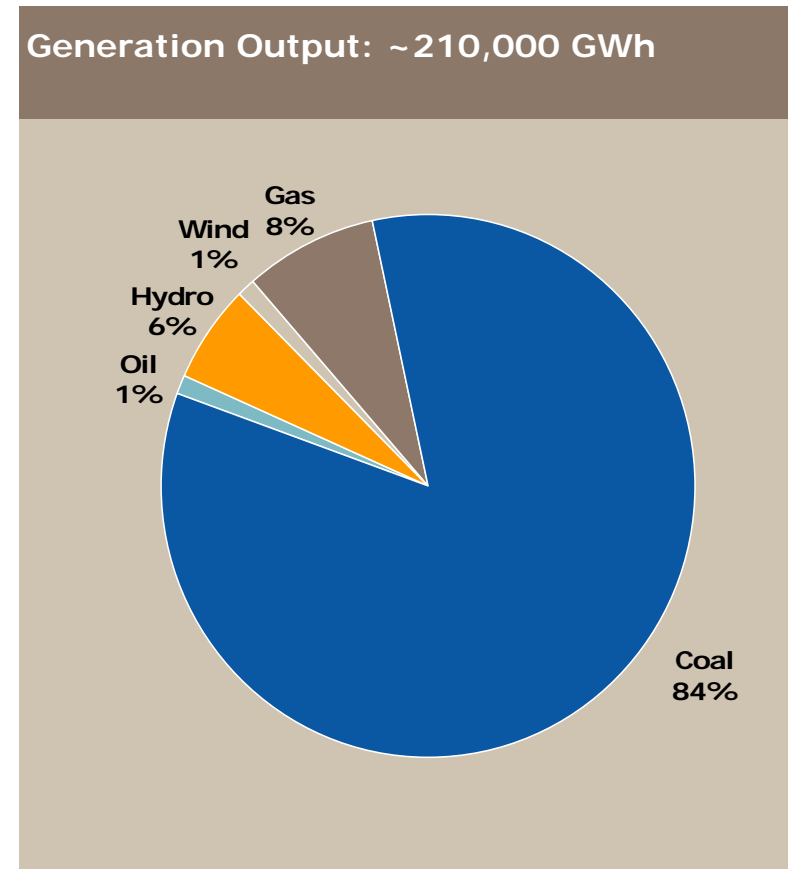
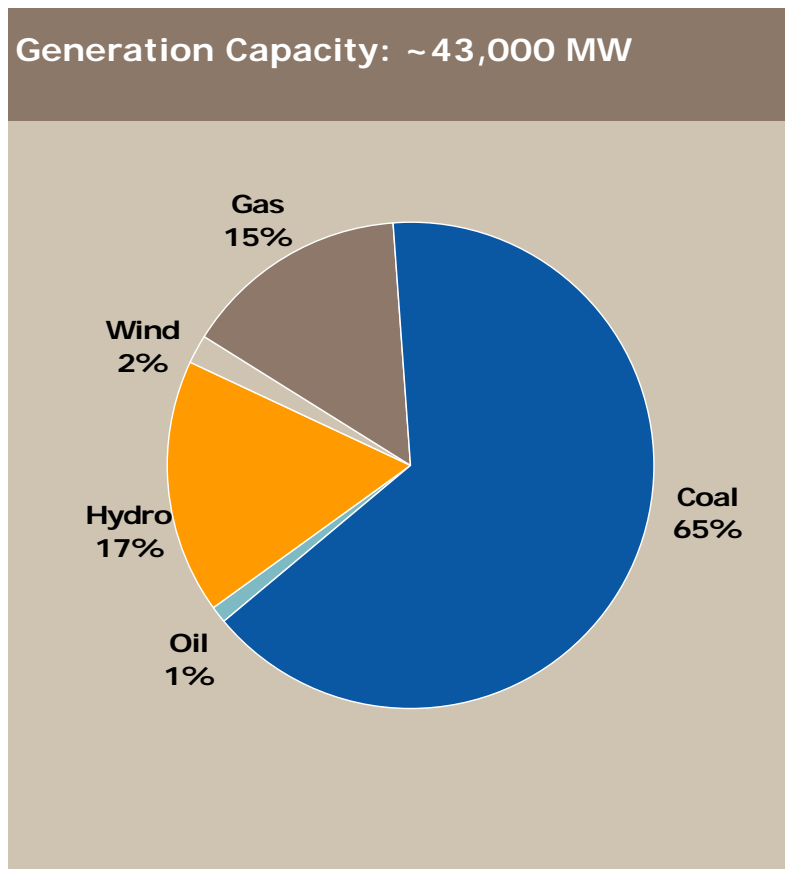
- › National Electricity Market (NEM) began operating as a wholesale market for supply of electricity to retailers and end-users in 1998
- › World's longest interconnected power system – 4,000 km (2,500 miles)
- › Exchange between electricity producers & electricity consumers facilitated through pool - output from all generators aggregated & scheduled to meet demand.
- › Market operates with a price cap of \$10,000 per MWh (VoLL = Value of Lost Load)
 - » Dispatch price every 5 mins, 6 dispatch prices every 30 mins to determine spot price for each trading interval for each NEM region



- » UK Investor Roadshow
- » May 2009
- » AGL External

Australian NEM Generation Mix

Coal dominates the current Australian landscape.



- » UK Investor Roadshow
- » May 2009
- » AGL External