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Chicago Climate Exchange® Welcomes Australia's AGL Energy

March 19, 2007 – The Chicago Climate Exchange and AGL Energy Limited (AGL) today announced AGL had formally committed to join the Chicago Climate Exchange (CCX®), the world's first voluntary and legally binding greenhouse gas emissions reduction, registry and trading program.

The Chicago Climate Exchange is the largest such exchange in the world and traded in excess of 10.5 million tonnes of abatement in 2006, and in the region of 5.9 million tonnes already in 2007. AGL joins global companies such as Sony, Ford, Motorola, IBM, Bayer Corporation and American Electric Power as a member.

"We welcome AGL to CCX as the first utility member in Australia, and indeed the first utility outside North America. This is a historic event, which concretely links Australia and the U.S. and highlights the importance of global connections in carbon markets," said Dr. Richard Sandor, Chairman and Chief Executive Officer of CCX. "As a financial institution with economic, environmental and social objectives, CCX is proud of the contribution AGL will make and we applaud their foresight and leadership on this issue."

"Australia's largest integrated energy company, AGL now commands a pre-eminent positioning in preparation for a future carbon constrained world. In little over 12 months AGL has committed to invest more than \$2 billion in renewable generation and has under construction a number of wind and new hydro facilities. It also has a portfolio of equity and controlled conventional generation assets with improving emissions intensities.

AGL's managing director Paul Anthony said "AGL is rapidly cementing its position as Australia's leading integrated energy company, a company with a truly global outlook."

"By becoming a member of the CCX we will be able to take advantage of its portfolio of highly efficient generation and trade allowances with other companies around the globe seeking to reduce their own carbon footprint. Further by joining the CCX AGL is able to access the global buyers for its many carbon offset projects.

"AGL has been rapidly growing its renewable generation base. This will soon include a total of 185MW of wind generation, 645MW of hydro (with a further 140MW under construction) and an additional 400MW of wind generation permitted and under investment consideration making AGL the largest owner and developer of renewable generation in Australia.

"It is inevitable that those who invest now in physical assets of this type will reap the rewards in a carbon constrained environment. The alternative of simply contracting for the renewable output will deliver vastly sub-optimal outcomes.

"AGL will not only gain a physical means of mitigating the cost of any carbon constraint it will also position itself, in joining the CCX, as a global player in emission reduction activities and have the opportunity to derive an income stream from selling carbon credits in world markets.

"Investing and owning such assets not only gives AGL the ability to mitigate the cost of a carbon constrained environment but also an ability to trade carbon credits in the world carbon exchanges adding a new dimension to its growing revenue streams.

In closing Mr Anthony said "We are very pleased to be the first major Australian company and first electricity generation and retail business outside North America to join the CCX. AGL is well positioned to further engage with the growing body of ethical funds which are increasingly focussing on energy companies."

About CCX

CCX began greenhouse gas emissions allowance trading in 2003 and is the world's first and North America's only legally binding rules-based greenhouse gas emissions allowance trading system, as well as the world's only global system for emissions trading based on all six greenhouse gases. CCX members are leaders in greenhouse gas management and represent all sectors of the global economy, as well as public sector innovators. CCX Members commit to reduce their greenhouse emissions a minimum of 4% below annual average of 1998-2001 by 2006 and 6% by 2010, depending on membership Phase. Reductions achieved through CCX are the only reductions in North America being achieved through a legally binding compliance regime, with price transparency and independent third party verification provided by NASD. The Chairman and CEO of CCX is economist and financial innovator Dr. Richard L. Sandor, who was named a Hero of the Planet by Time magazine for his work in founding CCX. For a full list of CCX members, daily prices and other program information, see www.chicagoclimateexchange.com. CCX is a wholly owned subsidiary of Climate Exchange Plc, a public stock company listed on the AIM Market of the London Stock Exchange. Climate Exchange Plc also owns the European Climate Exchange, Europe's leading CO2 emissions exchange.

About AGL

AGL is one of Australia's leading integrated energy companies. Drawing on 169 years of experience, it includes retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest retail energy and dual fuel customer base supplying around 4.1 million customer accounts. This includes customers supplied with gas and electricity through AGL's joint venture partnerships, ActewAGL and AlintaAGL. 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 biogas. One of Australia's largest renewable energy producers, AGL is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.

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