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## ASX and Media release

### **AGL declares Sydney Gas Offer unconditional**

27 January 2009

AGL Energy Limited (AGL) today announced that the two major shareholders of Sydney Gas Limited (SGL), A J Lucas Group and Babcock & Brown, have sold their entire shareholdings in SGL to AGL through on-market transactions. Consequently, AGL now has voting power in SGL of 77.54%.

AGL has today declared its Offer free from defeating conditions and advises that it will dispatch cheques to shareholders who accept AGL's Offer no later than 3 business days after its receipt of their valid acceptance.

SGL's Target's Statement was released to ASX on 19 January 2009. In it the SGL Directors state that they unanimously recommend that SGL shareholders accept AGL's Offer in the absence of a superior proposal and set out the reasons for that recommendation. The SGL Directors also state in the Target's Statement that they intend to accept AGL's Offer in respect of the SGL shares they own or control personally, in the absence of a superior proposal.

AGL's Offer represents a 55% premium to the closing price of SGL shares on 22 December 2008, the last trading day before the Offer was announced and a 117% premium to the VWAP of SGL shares over the 30 trading days prior to that day.

The Offer is unconditional and provides a certain return for SGL shareholders.

AGL's Offer is scheduled to close on 13 February 2009.

#### **Further enquiries:**

##### **Media**

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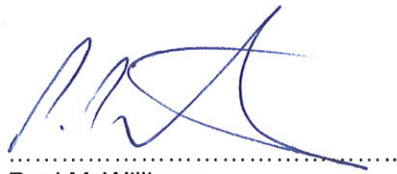
**AGL Energy Limited ABN 74 115 061 375**  
**Off Market Bid for Sydney Gas Limited ABN 93 003 324 310**  
**Notice Freeing Off Market Bid from Defeating Conditions**

**To:** Sydney Gas Limited ABN 93 003 324 310  
Australian Securities Exchange Limited

In accordance with section 650F of the Corporations Act 2001 (Cth) AGL Energy Limited (**AGL**) gives notice declaring that:

- 1 its off market takeover offers dated 12 January 2009 for all the ordinary shares in Sydney Gas Limited (**Offers**) are free from the defeating conditions specified in clause 9.8 of the Offers; and
- 2 AGL's voting power in Sydney Gas Limited is 77.54%.

Dated: 27 January 2009



Paul McWilliams  
Company Secretary

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