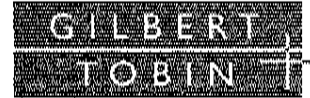


Partner Philip Breden  
 Contact Grant Lawler  
 T +61 2 9263 4055  
 grlawler@gtlaw.com.au  
 Our ref PXB:GRL:1006228



LAWYERS

25 February 2009

By fax 3 pages

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 Company Announcements Office  
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 Sydney NSW 2000  
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Dear Sir/Madam

**Takeover Offer by AGL Energy Limited for Sydney Gas Limited**

We act for AGL Energy Limited (ABN 74 115 061 375) (AGL).

On behalf of AGL and pursuant to section 661B(1)(d) of the *Corporations Act 2001* (Cth), please find enclosed a Form 6021 – Notice of compulsory acquisition following takeover bid (the **Notice**), together with a letter to be sent to holders of Sydney Gas Limited (**SGL**) securities who failed to accept AGL's offer which closed yesterday.

The Notice has today been lodged with ASIC and will be dispatched to SGL shareholders.

Yours sincerely  
**Gilbert + Tobin**

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ASIC registered agent number \_\_\_\_\_  
lodging party or agent name Gilbert + Tobin  
office, level, building name or PO Box no Level 37  
street number & name 2 Park Street  
suburb/city Sydney state/territory NSW postcode 2000  
telephone \_\_\_\_\_  
facsimile \_\_\_\_\_  
OX number \_\_\_\_\_ suburb/city \_\_\_\_\_  
Ref \_\_\_\_\_


ASS.  REQ-A   
CASH.  REQ-P   
PROC

Australian Securities &amp; Investments Commission

form **6021**

Notice of  
**compulsory acquisition  
following takeover bid**

Corporations Act 2001  
661B(1)(a)

To  
MR JOHN SAMPLE

Securities of Sydney Gas Limited ABN 93 003 324 310 ("the Company")

1. Under an Off Market Bid, offers were made by AGL Energy Limited ABN 74 115 061 375 ("the Bidder") in respect of the acquisition of fully paid ordinary shares in the Company. The offers closed at 7.00pm (AEDT) on 24 February 2009.
2. You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.
3. The Bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ("the Act") that the Bidder has become entitled pursuant to subsection 661A(1) of the Act to compulsorily acquire your securities and desires to acquire those securities.
4. Under section 661D of the Act, you have the right, by notice in writing given to the Bidder within one month after this notice is lodged with ASIC, to ask the Bidder for a written statement of the names and addresses of everyone else the Bidder has given this notice to.
5. Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The Bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before the end of the offer period.
7. Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 5 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the Bidder must comply with paragraph 6 of this notice.

  
Signature

print name Paul McWilliams capacity Company Secretary

date 25 / 02 / 2009

For personal use only

AGL Energy Limited  
ABN: 74 115 061 375

Locked Bag 1837  
St Leonards NSW 2065  
AUSTRALIA

Level 22, 101 Miller St  
North Sydney NSW 2060  
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F: +61 2 9921 2552  
www.agl.com.au

Energy in  
action.®

25 February 2009

000001  
000  
SAM  
MR JOHN SAMPLE  
FLAT 123  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN VIC 3030



Dear SGL Shareholder

**AGL Energy Limited's Takeover Bid for Sydney Gas Limited - Notice of Compulsory Acquisition**

As you may be aware, AGL Energy Limited (AGL) has announced an unconditional off-market takeover offer (the Offer) for all the ordinary shares in Sydney Gas Limited (SGL) at a price of 42.5 cents per SGL share. The Offer has now closed.

Our records indicate that you have not accepted the Offer. If you have already accepted the Offer, please ignore this letter.

On 9 February 2009, AGL announced that it had acquired a relevant interest in more than 90% of SGL shares. AGL will now exercise its right to acquire all the remaining SGL shares under the compulsory acquisition provisions of the *Corporations Act 2001* (Cth) (the Act) (including SGL shares issued in the 6 week period after the date of this letter on the exercise of options over SGL shares). Please find attached a Form 6021 – Notice of compulsory acquisition following takeover bid.

Under the compulsory acquisition provisions you are entitled to receive the Offer consideration on the same terms as the Offer for each SGL share you are the registered holder of (i.e. cash consideration of 42.5 cents per ordinary SGL share).

On completion of the compulsory acquisition procedure, AGL will pay the consideration for your shares to SGL. You will then be entitled to claim the consideration from SGL. Subject to the provisions of the Act, this is likely to occur in late March 2009 at the earliest. Please note that you do not need to sign or return the enclosed Notice. In due course SGL will send you a letter which will set out details for the method to claim payment of the cash consideration payable to you upon compulsory acquisition of your SGL shares.

Yours sincerely

A handwritten signature in black ink that reads 'Mark Johnson'.

Mark Johnson  
Chairman

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