

ASX Circular

Date: 28 May 2012

Key topics

1. AGL Energy Limited
2. ASX Code: AGK
3. Pro-rata Accelerated Institutional Tradeable Retail Renounceable Entitlement Offer, which includes Entitlements trading for the Retail Entitlement Offer component only.

Reading List

Client Advisers
Compliance Managers
Corporate Advisory
DTR Operators
Issuers
Institutions
ASX Settlement Participants
Office Managers
Operations Managers (back office)
Research Analysts
ASX Clear Participants
Market Participants

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No responsibility is accepted for any inaccuracies contained in the matter published.

AGL ENERGY LIMITED – PRO-RATA ACCELERATED INSTITUTIONAL TRADEABLE RETAIL RENOUNCEABLE ENTITLEMENT OFFER TO RAISE APPROXIMATELY \$900 MILLION.

Participating Organisations are advised that AGL Energy Limited (the “Company”) has announced a 1 for 6 pro rata accelerated institutional tradeable retail renounceable entitlement offer (the “Entitlement Offer”), at an offer price of \$11.60 per new ordinary share to raise approximately \$900 million.

The Entitlement Offer has two components:

- An institutional entitlement offer, where offers have been made to qualifying institutional security holders for them to apply for their pro-rata entitlement (the “Institutional Entitlement Offer”).
- A retail entitlement offer, where an offer will be made to qualifying retail security holders for them to apply for their pro-rata entitlement (the “Retail Entitlement Offer”).

The Entitlement Offer is fully underwritten.

Rights trading for the Retail Entitlement Offer only is expected to commence on Tuesday, 29 May 2012 and end on Tuesday, 12 June 2012.

The Record Date for the Entitlement Offer is Tuesday, 29 May 2012.

The Retail Entitlement Offer is expected to close on Tuesday, 19 June 2012.

New ordinary shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

The indicative timetable in relation to the Entitlement Offer is as follows:

No:

Indicative Dates	Event
Thursday, 24 May 2012	Trading Halt commences Institutional Entitlement Offer opens
Friday, 25 May 2012	Institutional Entitlement Offer closes
Monday, 28 May 2012	Institutional Shortfall Bookbuild
Tuesday, 29 May 2012	Results of Institutional Offer and Institutional Bookbuild announced Trading Halt lifted Ordinary shares recommence trading (ASX code: AGK) Rights trading for Retail Entitlements <u>only</u> commences on a deferred settlement basis (ASX code: AGKR) Record Date for eligibility in the Entitlement Offer
Wednesday, 30 May 2012	Retail Entitlement Offer opens
Monday, 4 June 2012	Offer Booklet despatched to retail shareholders and Retail Entitlements allotted
Tuesday, 5 June 2012	Settlement of Institutional Entitlement Offer and Institutional Bookbuild Retail Entitlements commence trading on a normal (T+3) basis (ASX Code: AGKR)
Wednesday, 6 June 2012	Issue under Institutional Entitlement Offer and Institutional Bookbuild New shares issued under Institutional Entitlement Offer and Institutional Bookbuild commence trading on a normal (T+3) basis (ASX code: AGK)
Tuesday, 12 June 2012	Rights trading for Retail Entitlements ends (ASX code: AGKR)
Wednesday, 13 June 2012	Deferred settlement trading commences for new shares issued under Retail Entitlement Offer (ASX code: AGKN)
Tuesday, 19 June 2012	Retail Entitlement Offer closes
Friday, 22 June 2012	Retail Shortfall Bookbuild Results of Retail Entitlement Offer and Retail Bookbuild announced to ASX
Thursday, 28 June 2012	Settlement of Retail Entitlement Offer and Retail Bookbuild
Friday, 29 June 2012	Issue under Retail Entitlement Offer and Retail Bookbuild Despatch of holding statements for Retail Entitlement Offer and Retail Bookbuild Last day for deferred settlement trading in Retail Entitlement Offer shares (ASX code: AGKN)
Monday, 2 July 2012	Trading of new shares issued under Retail Entitlement Offer and Retail Bookbuild commences on a normal (T+3) settlement basis (ASX code: AGK)

Settlement issues

No:

Despite the fact that securities are trading “ex entitlement” on ASX Trade, CHESS will not recognise for settlement purposes the “ex entitlement” or the “cum entitlement” tag on CHESS messages and CHESS will not maintain cum balances during the deemed “CHESS ex-period”, i.e. the period commencing on the deemed CHESS Ex-Date up to and including the record date.

However, a record date cum balance will be available the business day following the record date, which will be equal to the registered holding balance at CHESS end of day on the record date. As a result any transfer that occurs prior to record date will be effectively transferred on a “cum” basis.

Therefore, Participants must ensure that any transfer, including the priming of Broker Entrepot Accounts, is conducted in accordance with the basis of quote. For example, a transfer in relation to a transaction conducted on an ex-basis should ordinarily only occur post record date.

CHESS will perform automatic diary adjustments to “cum entitlement” settlement obligations outstanding as at the record date.

Trading issues

ASX will not price a “cum” market with respect to trading in the Company’s ordinary securities. Persons who acquire the Company’s ordinary securities after the commencement of the trading halt on Thursday, 24 May 2012 are not entitled to participate in the Entitlement Offer.

Further information

For further details, please call the AGL Energy Offer Information Line on 1800 824 513 (within Australia), or +61 2 8280 7115 (outside Australia) at any time between 8:30 am and 5:30 pm (Sydney time) Monday to Friday or visit the website at www.agl.com.au.

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