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asx & media release

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QGC shareholders approve AGL cornerstone shareholding

AGL Energy Limited (AGL) is set to increase its equity ownership of upstream gas reserves after shareholders of Queensland Gas Company (QGC) today voted in favour of AGL's proposal to take a cornerstone 27.5 per cent investment in the company for \$326.9 million.

At a general meeting in Brisbane earlier today, QGC shareholders approved a number of resolutions. These resolutions will result in AGL;

- Acquiring 204.3 million QGC shares at \$1.60 per share;
- Entering into a 20-year gas sale agreement with QGC for the purchase of up to 740 petajoules;
- Entering into a three-year gas market development services agreement with QGC for a fee of \$22.5 million; and
- Appointing three out of nine directors to the QGC board.

Commenting on the meeting outcome, AGL Managing Director Mr Paul Anthony said; "AGL is delighted that QGC Shareholders have endorsed our proposal to take a cornerstone investment in their company. This investment helps secure QGC's independence as a major gas producer in Queensland and will guarantee the commercialisation of the company's current and future gas reserves through AGL's pre-eminent channel to market.

"AGL's position is further enhanced by our 20-year GSA with QGC which delivers further diversity, flexibility and price stability to our wholesale gas portfolio on terms below the current average price of the portfolio."

AGL will now move to complete its investment in QGC over the next few days.

Further enquiries:

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