



AGL Energy Limited
ABN 74 115 061 375

Tel: +61 2 9921 2999
Fax: +61 2 9921 2552

AGL Centre, 72 Christie Street
St Leonards, 2065

Locked Bag 1837
St Leonards, 2065
www.agl.com.au

asx & media release

March 7, 2007

AGL not to pursue merger of equals proposal

The Managing Director of AGL Energy Limited, Paul Anthony, said in London overnight that AGL would not be pursuing its merger of equals proposal with Origin Energy Limited.

Speaking at the Citigroup Investment Conference, Mr Anthony said: "AGL put a very attractive merger of equals proposal to Origin based on an exchange ratio which would have had the potential to deliver a very significant increase in earnings per share for Origin's Shareholders, while at the same time delivering significant benefits to AGL's Shareholders.

"We are firmly of the view that realisation of the full value for both AGL and Origin Shareholders is only possible if a transaction can be achieved on a consensual basis.

"Origin has rejected AGL's merger of equals proposal and refused to engage on the transaction. Accordingly, we have decided that we will not be pursuing our proposal.

"We also note that a merger ratio based on current market prices would not be attractive to AGL's Shareholders," Mr Anthony concluded.

Further enquiries:

Media

Jane Counsel, Media Relations Manager
Direct: + 61 2 9921 2352
Mobile: + 61 (0) 416 275 273
E-mail: jcounsel@agl.com.au

Susan Cato

Direct: +61 2 9360 6606
Mobile: +61 (0)419 282 319
Email: cato@catocounsel.com.au

Investors & Analysts

Graeme Thompson, Head of Investor Relations
Direct: + 61 2 9921 2789
Mobile: + 61 (0) 412 020 711
Email: gthompson@agl.com.au