



23 August 2011

Mr Cameron Bill
Adviser, Listings
ASX Compliance Pty Limited
PO Box H224
Australia Square NSW 1215

By Email: cameron.bill@asx.com.au

Dear Mr Bill

LATE LODGEMENT OF APPENDIX 3Y

I refer to your letter dated 22 August 2011 concerning the late lodgement by AGL of the Appendix 3Y for changes in the interests in AGL shares held by Mr Max Ould, an AGL director. The responses to the questions in your letter are as follows:

1. Why the Appendix 3Y was lodged late

The Appendix 3Y was lodged late because the information about the change in Mr Ould's shareholding was not received until 18 August 2011.

The change in Mr Ould's interests related to the issue of new AGL shares as a result of his participation in the AGL Dividend Reinvestment Plan (DRP) in connection with the dividend paid on 14 April 2011 (and not the Share Purchase Plan as shown in the Appendix 3Y).

AGL's share registry service provider, Link Market Services (Link), monitors the interests in AGL shares held by AGL's directors (and senior executives). Under the arrangements in place between AGL and Link, Link are required to prepare and send a report setting out details of any changes in the interests in AGL shares held by directors in sufficient time to allow AGL to meet its obligations under Listing Rule 3.19A. In relation to the shares issued to Mr Ould on 14 April 2011, that process was not followed. AGL has been advised that the relevant report was prepared on a timely basis by Link but that it was not forwarded to AGL. We have been informed that the reason for this oversight was the absence on annual leave of the individual usually responsible for providing this report to AGL. It appears that the person acting in that person's role was unfamiliar with the reporting process and failed to appreciate the importance of providing the report to AGL.

The oversight was detected while AGL was undertaking an annual reconciliation of directors' shareholdings for purposes of preparing the Directors' Report for the year ended 30 June 2011.

- > Being Australia's largest private owner and operator of renewable energy assets
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series

For personal use only



2. Arrangements in place with directors to ensure compliance with Listing Rule 3.19A

AGL has in place an agreement with each director under which the director agrees to notify AGL's Company Secretary of any changes in interests in AGL shares within 3 business days of the change occurring. However, the agreement specifically excludes from that obligation the notification of changes in interests that are due to "Corporate Actions", which is defined to include shares issued under the DRP. The basis for that exclusion is the separate arrangements in place with Link to monitor the interests of directors in AGL shares. Link's responsibilities also include management of a number of aspects of the DRP including the calculation of the issue price of shares, and the calculation of individual shareholder entitlements to shares.

3. Additional steps to ensure compliance with Listing Rule 3.19A

Link have agreed to put in place an additional arrangements to monitor any changes in the interests in AGL shares held by directors. The AGL client relationship manager has undertaken to personally conduct daily checks for movements in the interests in AGL shares held by directors. Link are also working toward an automated monitoring and reporting system which is expected to reduce the risk of non-compliance due to human error. The automated system is anticipated to be in place from the end of 2011.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P. McWilliams', is written over a light blue horizontal line.

Paul McWilliams
Company Secretary

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series



ASX Compliance Pty Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227 0656
Facsimile 61 2 9241 7620
www.asx.com.au

22 August 2011

Mr Paul McWilliams
Company Secretary
AGL Energy Limited
Level 22
101 Miller Street
NORTH SYDNEY NSW 2065

By Email: PMcWilliams@agl.com.au

Dear Paul,

AGL Energy Limited (the "Company")

We refer to the following:

1. The second Appendix 3Y lodged by the Company with ASX on 18 August 2011 for Mr Maxwell Gilbert Ould;
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.**The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed

Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that a change in Mr Ould's notifiable interest occurred on 14 April 2011. It appears that the Appendix 3Y should have been lodged with ASX by 21 April 2011. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by email to cameron.bill@asx.com.au. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Thursday, 25 August 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely



Cameron Bill
Adviser, Listings (Sydney)