



Securities Act (The Australian Gas Light Company) Exemption Notice 2006

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

- 1 Title**
This notice is the Securities Act (The Australian Gas Light Company) Exemption Notice 2006.
- 2 Commencement**
This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Expiry**
This notice expires on the close of 30 September 2007.
- 4 Interpretation**
(1) In this notice, unless the context otherwise requires,—
Act means the Securities Act 1978

AGL means The Australian Gas Light Company, a company incorporated in Australia

AGL Energy means AGL Energy Limited, a company incorporated in Australia

AGL scheme means the scheme of arrangement under Part 5.1 of the Corporations Act 2001 of the Commonwealth of Australia for the transfer of ordinary shares in AGL to a wholly owned subsidiary of Mergeco

MC converting shares means converting shares in Mergeco that are to be issued to shareholders of AGL under the AGL scheme

Mergeco means Alinta Mergeco Limited, a company incorporated in Australia

Regulations means the Securities Regulations 1983

specified companies means AGL, AGL Energy, and Mergeco.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemptions

The specified companies and any person acting on behalf of any or all of them are exempted from sections 37, 37A, 38A, and 51 to 54B of the Act and from the Regulations (except regulation 8) in respect of any securities that are—

- (a) issued by any or all of the specified companies; and
- (b) offered to the public in New Zealand under the AGL scheme.

6 Conditions of exemptions

The exemptions in clause 5 are subject to the conditions that—

- (a) securities offered under the AGL scheme are only offered to the existing holders of ordinary shares in AGL; and
- (b) at the time the securities are offered to the public in New Zealand an application has been made for quotation of the ordinary shares in AGL Energy and Mergeco on the Australian Stock Exchange and that AGL Energy

- and Mergeco have complied with all of the requirements of the Australian Stock Exchange with which they are required to comply at the time of the offer of securities; and
- (c) the offer of securities under the AGL scheme complies with the laws of the Commonwealth of Australia and any other applicable code, rules, or other requirements of the laws of the Commonwealth of Australia; and
 - (d) the securities are offered as a whole or any part of the consideration for the acquisition or cancellation of any or all securities issued by any or all of the specified companies; and
 - (e) upon the issue of the MC converting shares, Mergeco will immediately buy them back and AGL Energy will issue to holders of MC converting shares 1 AGL Energy share for each bought back MC converting share.

Dated at Wellington this 10th day of August 2006.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

J Diplock,
Chairperson.

Statement of reasons

This notice, which comes into force on the day after its notification in the *Gazette* and expires on 30 September 2007, contains exemptions from the Securities Act 1978 and the Securities Regulations 1983 that apply in respect of 2 interdependent schemes of arrangement.

The schemes involve the merger of 2 Australian companies, The Australian Gas Light Company (AGL) and Alinta Limited, which are both quoted on the Australian Stock Exchange. The exemptions

apply in respect of securities offered to shareholders of AGL in order to implement the schemes of arrangement.

After the implementation of the schemes of arrangement—

- former shareholders of Alinta Limited will hold shares in Alinta Mergeco Limited; and
- former shareholders of AGL (other than Alinta Limited or its subsidiaries) will hold shares in Alinta Mergeco Limited and in AGL Energy Limited.

The ordinary shares of both AGL Energy Limited and Alinta Mergeco Limited will be quoted on the Australian Stock Exchange.

The Securities Commission considers it appropriate to grant the exemptions because—

- in circumstances where an issuer is complying with the statutory disclosure regime of a reputable home jurisdiction, insistence on additional disclosure under New Zealand legislation is likely to result in duplication, and may result in New Zealand shareholders being denied the opportunity to participate in the offer; and
- in substance this transaction involves an exchange of securities that falls within the policy of the Securities Act (Overseas Companies) Exemption Notice 2002. The exemptions granted are consistent with that notice; and
- the conditions of the exemptions require that—
 - the offer complies with the laws of Australia; and
 - the offer is only made to existing AGL shareholders; and
 - once issued, the MC converting shares will be immediately bought back and their holders given AGL Energy Limited shares instead.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 17 August 2006.

This notice is administered by the Securities Commission.
