

**IN THE AUSTRALIAN COMPETITION TRIBUNAL
AGL ENERGY LIMITED**

of 2014

**RE: PROPOSED ACQUISITION OF MACQUARIE GENERATION (A CORPORATION
ESTABLISHED UNDER THE ENERGY SERVICES CORPORATIONS ACT 1995
(NSW))**

ANNEXURE CERTIFICATE

This is the annexure marked "**BAR 11**" annexed to the statement of **BRETT ALAN REDMAN**
dated 23 March 2014

Annexure BAR 11

Filed on behalf of (name & role of party) AGL Energy Limited
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[Form approved 01/08/2011]



Mike Baird MP

NSW Treasurer

Minister for Industrial Relations

MEDIA RELEASE

Tuesday 30 July 2013

MACQUARIE GENERATION SALE PROCESS BEGINS

NSW Treasurer Mike Baird today announced the start of the sale process for Macquarie Generation – the state’s largest electricity generator – to unlock funds for critically needed infrastructure across NSW.

Mr Baird called for Expressions of Interest for Macquarie Generation’s two coal-fired power stations, Liddell and Bayswater, located in the Hunter Valley.

Two development sites owned by Macquarie Generation will also be offered for sale, including a site adjacent to the Bayswater power station with planning approval for a coal or gas fired generator.

Following the Expressions of Interest process, the Government will select qualified parties and invite them to submit indicative bids for Macquarie Generation.

Macquarie Generation is the largest single participant in the National Electricity Market and represents around 26 per cent of NSW’s generation capacity.

Mr Baird said Macquarie Generation was no longer tied to its onerous coal supply agreement with the Cobbora Coal Mine. Termination of this contract was announced as part of the sale of Eraring Energy to Origin Energy on 1 July.

“Macquarie Generation already has secure coal supply arrangements in place and, being located in the Hunter Valley, is well placed to meet its long term fuel supply needs,” he said.

Mr Baird said the sale of Macquarie Generation was supported by the findings of the independent Tamberlin Inquiry, which found the sale of the state-owned generators was “consistent with a competitive energy market”.

Mr Baird said proceeds from the sale of Macquarie Generation would be invested in the NSW Government’s infrastructure fund, Restart NSW, with 30 per cent of funds reserved for projects in regional areas.

“We came into office with the commitment to get NSW moving again,” he said.

“The sale of Macquarie Generation is part of our strategy to raise funds for critically-needed infrastructure projects right around the state.”

Mr Baird said the sale process for Macquarie Generation followed the successful outcome of four major transactions by the O’Farrell Government, including the re-financing of the Sydney Desalination Plant, the long-term lease of Port Botany and Port Kembla, and the sale of Eraring Energy and Delta Electricity’s western power stations.

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The Government's agreement to terminate of the Cobbora coal supply contracts with Origin Energy, Delta Electricity and Macquarie Generation was also a major achievement for the State, saving taxpayers more than \$1.5 billion. This is in addition to about \$500 million in "availability liquidated damages" that were avoided when the so-called GenTrader contracts were terminated.

"The O'Farrell Government has worked hard to once again make NSW an attractive place to do business, and the strong Australian and international interest in our assets in a huge vote of confidence in our economy," Mr Baird said.

Unlike the sale of Eraring Energy and Delta Electricity's western power stations, Macquarie Generation is not subject to the previous Labor Government's uncommercial GenTrader agreements.

The NSW Government expects to complete the transaction in the 2013-14 financial year.