



**ASX/MEDIA RELEASE**

**Australian Power & Gas signs \$85 million financing agreement**

**Sydney, 30 August 2012**

Australian Power & Gas Company Limited (ASX: APK), Australia's leading independent energy retailer, today announced it has signed an \$85 million facilities agreement with Macquarie Bank Limited. The agreement will provide headroom for further growth in the company's retail business and enable expansion into new markets. It will also increase the company's wholesale energy hedging flexibility and reduce wholesale energy costs.

The facilities, which have a two year term with a provision for the company to extend up to another year, comprise of a \$55 million receivables financing facility; a bank guarantee facility and a substantial reallocation facility, all of which will support credit obligations across the energy markets. The facilities also provide the company with access to an increased suite of hedging instruments to manage electricity risk exposures enabling Australian Power & Gas to continue its track record of sustainable, low-risk growth.

The new facilities will replace the company's existing \$50 million debt facility and related \$4 million convertible note. The cost of the new receivables financing facility has been struck at a significant reduction from the previous facility (priced at +600bps) reflecting the company's strong financial position.

Australian Power & Gas CEO, James Myatt, said: "These facilities are a further step in the development of Australian Power & Gas' growth as a significant provider of energy products in the Australian market".

Australian Power & Gas' audited results for the year ended 30 June 2012 are due to be announced on 31 August. In July, the company announced a 41.5% increase in cash receipts and an increase to \$23.4 million from \$1.8 million in underlying operating cash flow for the year.

[ENDS]

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**About Australian Power and Gas:**

Australian Power and Gas Company Limited (ASX: APK) is an independent ASX-listed energy retailer, and one of Australia's fastest growing companies. It holds a full suite of gas and electricity retail licences in Victoria, New South Wales, ACT, South Australia and Queensland and has been approved to operate by AEMO, the Australian Energy Market Operator. Australian Power and Gas was announced as the fastest starting company in the 2011 *Business Review Weekly* Annual Fast Starters List for a second year in a row, and was placed first on the *Business Review Weekly* Fast100 list for 2010.