



ASX – MEDIA RELEASE

Australian Power & Gas confirms first-half revenue of \$100 million

- *Reaffirms FY11 guidance*
- *Customer accounts continue to grow; now over 220,000*

Sydney, 28 February 2011 – Independent energy retailer, Australian Power & Gas (ASX: APK), today released its final result for the first half of FY11 and reaffirmed guidance given for the full year.

These results confirm our previous unaudited advice on 28 January of an underlying NPAT of \$2.2 million, an increase of 204% on the prior period.

"The audit clearance of the underlying results confirms the company's growth and the delivery of results to the bottom line," said James Myatt, CEO of Australian Power & Gas. "We are continuing to add new customers at a pleasing rate."

Highlights for the half year:

- Customer accounts: 203,000, an increase of 40% since June 2010
- Revenue: \$101.6 million, an increase of 67% on the p.c.p
(prior corresponding period)
- EBITDAF*: \$10.7 million, an increase of 68% on the p.c.p
*Earnings before interest, tax, depreciation, amortisation and financial instruments
- Underlying NPAT: \$2.2 million, an increase of 204% on p.c.p

The reported NPAT of a loss of \$1.3 million includes the tax effect of changes in hedge valuations and abnormal items. Accounting standards dictate that the company's financial hedges that are used to mitigate whole energy purchase risks must be measured at the end of each accounting period on a mark-to-market basis and be included in the income statement.

While this treatment is required by accounting standards, it does not reflect the commercial substance of the arrangements. In key markets the hedge agreements provide fixed-price electricity for 100 percent of the customer load. In the event the hedges are closed prior to their end date of, at the earliest, December 2013 there is no cost to the company.

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The company's Board also reaffirmed its previous guidance for FY11 of:

- Customer accounts: 250,000
- Revenues: \$200 - \$220 million
- EBITDAF: \$21 - \$23 million
- Underlying NPAT: \$3.5 - \$4.5 million

Since the half year, customer accounts continue to grow and now stand at over 220,000, on track to reach 250,000 by June 2011.

ENDS

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About Australian Power & Gas

Australian Power & Gas Company Ltd is listed on the Australian Stock Exchange (ASX) under the code APK. Australian Power & Gas 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. The company benefits from a strong management team with more than 50 years combined experience in the energy industry. Australian Power & Gas was announced as the fastest starting company in the 2010 Business Review Weekly Annual Fast Starters List and was placed number 1 on the Business Review Weekly Fast100 list for 2010.

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