



Mike Baird MP

NSW Treasurer
Minister for Industrial Relations

MEDIA RELEASE

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MACQUARIE GENERATION SOLD FOR PROCEEDS OF \$1.725 BILLION

Treasurer Mike Baird today announced the Government has agreed to sell Macquarie Generation to AGL Energy, freeing up valuable resources for investment in critical infrastructure projects across NSW.

Mr Baird said the gross sale proceeds consist of \$1.505 billion in proceeds from AGL Energy and cash of \$220 million currently held by Macquarie Generation.

The sale is conditional on the Australian Competition and Consumer Commission (ACCC) not opposing the outcome, a decision on which is expected on 4 March 2014. Should the sale then progress, the NSW Government expects completion by mid-April 2014.

“I have always been clear that the Government would proceed with the sale of state-owned assets only when the sale price offered exceeded the retention value of those assets – that is, the value of the assets if they remain in Government hands,” Mr Baird said.

“Of the three bids received, AGL Energy was the only one that exceeded retention value.

“Should the ACCC not provide clearance to AGL Energy, the Government will not proceed with the sale of Macquarie Generation at this time.

“I would like to acknowledge the assistance of the Board and employees of Macquarie Generation throughout this sale process.

“This is a good bid that will keep downward pressure on electricity prices and bring private sector investment into the business.

“Meanwhile, the sale will allow us to recycle the value of the asset on our balance sheet, which means more money for critical road, school and hospital projects across NSW.”

Mr Baird noted the conditional agreement for Macquarie Generation follows the recent sale of Delta Electricity (Mt Piper and Wallerawang power stations) to EnergyAustralia and the sale of Eraring Energy (Eraring and Shoalhaven power stations) to Origin Energy.

These asset sales removed total liabilities of almost \$2 billion, including those associated with the proposed Cobbora Coal Mine, significantly improving the State’s financial outlook.

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Mr Baird said sale processes for the two remaining energy assets – Green State Power and Delta Electricity (Central Coast) – were well underway.

Green State Power includes two windfarms and several small hydro power stations. Delta Electricity (Central Coast) includes the gas-fired peaking plant at Colongra and the Vales Point power station.

Expressions of interest for Green State Power and Delta Electricity (Central Coast) have now been received and the Government expects to finalise these transactions in 2014.

The Treasury sales team is advised on these transactions by Goldman Sachs, Baker and McKenzie, KPMG and Worley Parsons.