



To	Company Announcements Office	Facsimile	1300 135 638
Company	Singapore Stock Exchange	Date	11 December 2014
From	Marta Kielich	Pages	10
Subject	Update on Amended Loan Facilities and APLNG		

Please find attached a release on the above subject.

Regards

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ASX/Media Release

11 December 2014

Origin completes amendment of syndicated loan facilities to reduce interest cost and extend maturities

Origin Energy Limited (Origin) today announced the successful amendment of its existing \$6.6 billion syndicated loan facilities to reduce the interest rate margin, extend the maturity, and increase the limit of the facilities by \$750 million to \$7.4 billion. The amendment of these facilities was negotiated with a syndicate of domestic and international banks.

The interest cost of the bank loan facilities has been reduced by 0.30 per cent per annum and flexibility has been added with increased US dollar drawdown capability.

The tenors of the bank loan facilities, which were originally four and five years, have been extended by 16 months to December 2018 and December 2019 respectively.

Origin Executive Director, Finance and Strategy, Ms Karen Moses said, "This amendment to extend the Company's debt maturity profile and lower interest costs is timed to benefit from favourable bank loan market conditions and provide further financial flexibility.

"Given the attractive funding costs we saw it as prudent to take the opportunity to add to the existing facilities, further supporting a conservative liquidity buffer through start up of Australia Pacific LNG's first and second train. The successful amendment demonstrates ongoing support for Origin by domestic and international banks."

ANZ, Commonwealth Bank of Australia, Mizuho and the National Australia Bank acted as Coordinating Mandated Lead Arrangers and Bookrunners on the transaction.

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About Origin Energy

Origin Energy (ASX: ORG) is the leading Australian integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. A member of the S&P/ASX 20 Index, the Company has approximately 6,700 employees and is a leading producer of gas in eastern Australia. Origin is Australia's largest energy retailer servicing 4.3 million electricity, natural gas and LPG customer accounts and has one of the country's largest and most flexible generation portfolios with approximately 6,010 MW of capacity, through either owned generation or contracted rights. Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for



growth across the energy industry. Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest 2P CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, a leading integrated energy company, operating geothermal, thermal and hydro generation facilities totalling 2,359 MW and servicing approximately 568,000 electricity, gas and LPG customers across both the North and South islands. Origin also operates several oil and gas projects in New Zealand and is one of the largest holders of petroleum exploration acreage in the country.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.

For more information go to www.originenergy.com.au.



Origin Energy

Investor Presentation - Update on Amended Loan Facilities and APLNG

Grant King, Managing Director

11 December 2014



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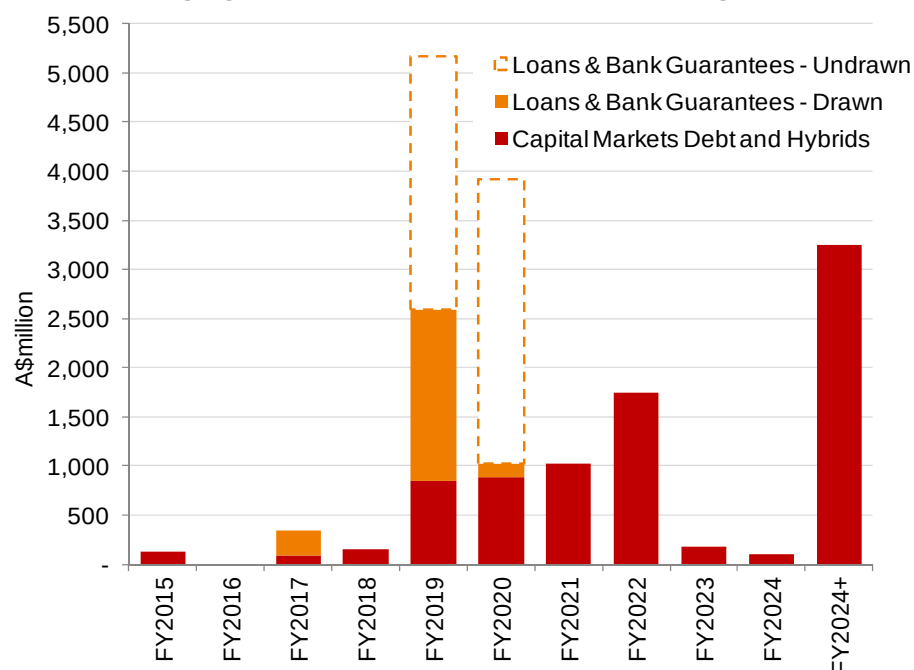
No offer of securities

This presentation does not constitute investment advice, or an inducement or recommendation to acquire or dispose of any securities in Origin, in any jurisdiction.

Origin announces amended bank loan facilities with reduced interest cost, extension to loan maturity and \$750 million facility upside, and confirms no requirement to raise equity



Origin Debt & Bank Guarantee Maturity Profile
as at 30 Nov 2014¹
(adjusted for bank loan amendment)



- Bank loan interest rate margin of entire bank facility reduced by 0.30% per annum reflecting current strong bank loan market
- Loan maturities extended from Aug 2017 to Dec 2018 and from Aug 2018 to Dec 2019
- Facility amount upsized by \$750m from \$6.6 billion to \$7.4 billion
- Prudent to take additional \$750m liquidity given very attractive funding costs available and supports conservative liquidity buffer through start of APLNG's first and second trains
- \$5.5 billion of undrawn debt facilities and cash at 30 November 2014 (adjusted for bank loan amendment)
- Commitment to maintain investment grade rating
- S&P announced on 4 December 2014 that Origin's credit rating of BBB (Negative outlook) is not immediately affected by its revised oil price assumptions

Whilst lower oil prices will have an inevitable effect on this year's profits, based on Origin's existing liquids production of around 3 million barrels per year it will have minimal impact on Origin's ability to fund APLNG

APLNG economics remain robust in current oil price environment

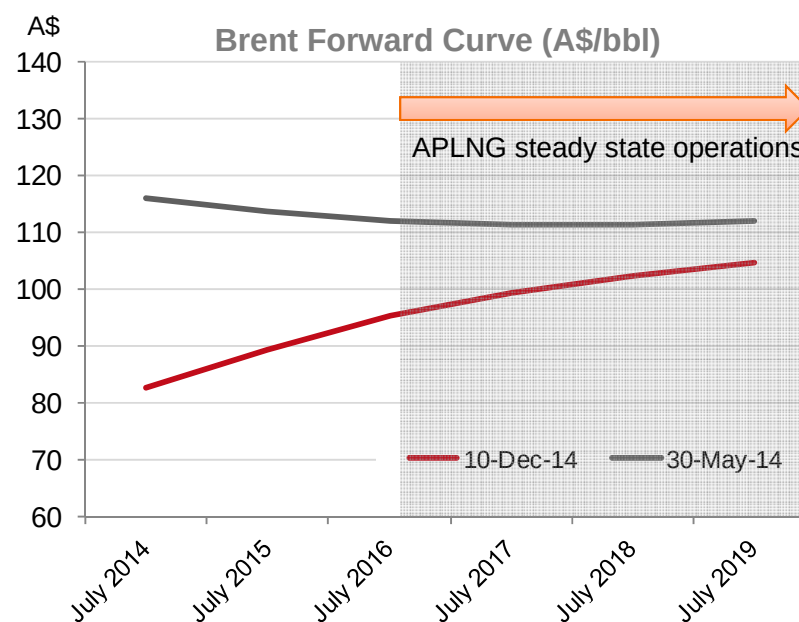
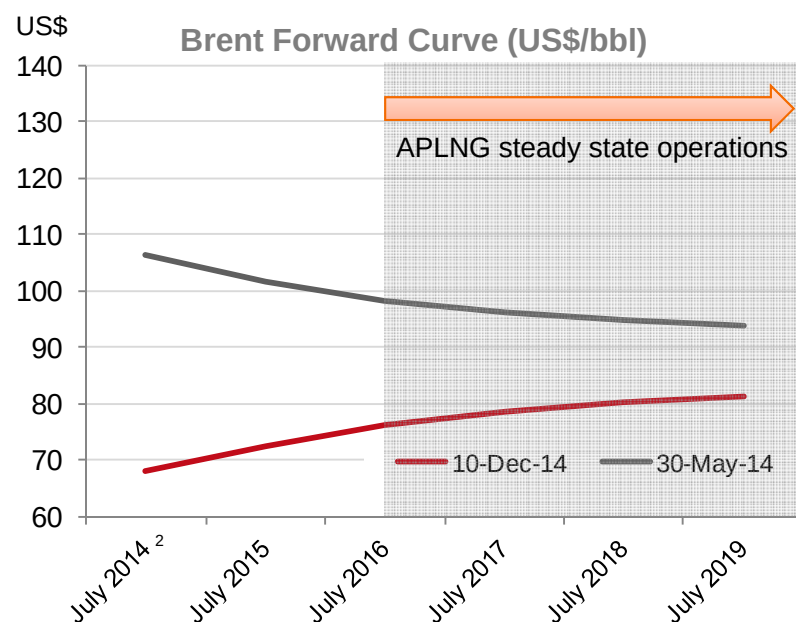


Consistent with prior guidance, APLNG's underlying economics are based on the following assumptions on project cash costs during steady state operations:

- Volumes
 - 8.6 mtpa contracted at JCC linked prices – around 470 PJ pa of sales gas
 - QGC sales – around 25 PJ pa on average
 - Domestic contracts – around 120 PJ
- Opex
 - Upstream operating expenditure (operated and non-operated, includes pipeline, electricity purchases and royalties) of around A\$1.2 billion per annum on average
 - Downstream liquefaction costs
- Sustain Capex
 - Around 300 operated wells drilled per year in near term at A\$3 million per connected well
 - APLNG's share of around 300 non-operated wells per year
 - Further gas processing facilities post LNG production; operated and non-operated
 - Non-operated permit equity share between 20%-40%
 - Around A\$1.2-1.4 billion per annum on average
- Exploration Capex - spend assumed in early years, but is discretionary
- Project Finance - US\$8.5b facilities with 16-17 year terms from May 2012, repayments expected to start in FY2017
- Income tax - not expected to be paid by APLNG in early years. At lower oil prices this period is prolonged

APLNG will have free cash flow available for distribution to shareholders at oil prices above a cash cost breakeven price of US\$40-45/boe¹ on average during steady state operations

At current forward oil curves, Origin expects its share of distributable cash flow from APLNG to exceed A\$900 million¹ per annum on average from FY2017



- In May 2014, Origin announced that APLNG is expected to generate distributable cash flow to Origin of around US\$1 billion³ (Origin 37.5% share) on average per year
- In the current oil price environment Origin's share of distributable cash flow is expected to exceed A\$900 million per annum on average from FY2017, with the impact of lower oil prices dampened by a depreciating Australian dollar
- Origin's returns on its investment in APLNG exceed APLNG's returns as Origin benefits from other shareholder contributions pre and post FID

Origin's return on its investment in APLNG remains robust. Origin expects to fund around 30% of APLNG's cash requirements⁴ but will receive 37.5% of distributable cash flow

(1) At 10 December 2014 Brent forward curve and AUD/USD forward curve. Distributable amount is cash flow after revenues, operational expenditure, ongoing capital expenditure, project finance interest and repayments, and taxation.

5 (2) Forward curve from December 2014 to June 2015. (3) At May 2014 Brent forward curves and AUD/USD forward curves. (4) Through to first gas from Train 2

As the project transitions from construction to steady state operations over FY2015 and FY2016, Origin's estimated remaining cash contributions are based on conservative assumptions on liquidity and deliverability



- Guidance for Origin's FY2015 cash contribution to APLNG of around \$3 billion provides a generous envelope on funding to ensure conservative sizing of liquidity without reliance on timing of revenue from gas sales that are not in APLNG's control
 - Initial gas sales to QGC commence with commercial operations at QCLNG and will extend for 15 months
- As the project nears completion expenditure shifts to a steady state
 - Project Capex not expected to be materially different from budget (\$22.5 billion of \$24.7 billion spent at 30 September 2014), but remains exposed to increased costs in non-operated areas
 - Operating costs approach steady state as project becomes ready for start up; capitalised until project becomes operational
 - Domestic Capex supports existing domestic contracts and non-operated capex associated with the supply of gas to QGC
 - Phase 1 drilling reaches completion ahead of schedule, Sustain Capex has been brought forward
 - De-risks delivery into the APLNG project and provides flexibility to optimise drilling program in subsequent years
 - Maximises project capacity and opportunity to sell gas to third parties
 - Exploration capex provides confidence in reserves and supports additional gas sales to third parties

However, in current low oil price environment discretionary spend on Sustain and Exploration activities able to be revisited to maximise cash flow



THANK YOU

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