



ASX/Media Release

17 February 2022

Half-Year Results 2022

Origin Energy Limited (Origin) today announced its results for the half-year ended 31 December 2021. Origin has also signalled its intention to accelerate its exit from coal-fired power generation, potentially retiring Eraring Power Station in mid-2025, delivering on a core aspect of the company's strategy to be a leader in Australia's energy transition to net zero emissions.

For the half year, Origin reported a Statutory Loss of \$131 million, reflecting the one-off impairment and net capital gains tax expense associated with the \$2 billion sale of a 10 per cent interest in Australia Pacific LNG. Once completed, the sale will allow Origin to both crystallise some of the value in that asset and strengthen the balance sheet, while retaining a significant shareholding.

Underlying profit increased 18 per cent to \$268 million, driven by strong commodity prices. Underlying EBITDA was lower at \$1,099 million, as increased earnings from Australia Pacific LNG were offset by expected lower earnings in Energy Markets.

The Board determined an unfranked interim dividend of 12.5 cents per share.

The outlook for the full-year has improved on the strength of commodity prices, with guidance for Origin Underlying EBITDA higher at \$1,950 - \$2,250 million.

Performance summary	HY2022	HY2021
Statutory profit	(\$131 million)	(\$183 million)
Statutory EPS	(7.4 cps)	(10.4 cps)
Underlying profit	\$268 million	\$227 million
Underlying EPS	15.2 cps	12.9 cps
Underlying EBITDA	\$1,099 million	\$1,154 million
Free cash flow	\$355 million	\$655 million
Interim dividend (Unfranked)	12.5 cps	12.5 cps

Origin CEO Frank Calabria said, "Origin achieved a solid result in the first half given the continued economic disruptions from COVID-19 and challenging conditions in the electricity market driven by more subdued demand and lower tariffs.

"The performance of Australia Pacific LNG was outstanding, achieving record-high revenue off the back of a strong rebound in commodity prices. Australia Pacific LNG delivered a first half cash distribution of \$555 million.

"Superior field performance and an ability to keep costs low, has put the business in a strong position to benefit from the buoyant commodities market. Australia Pacific LNG is expected to distribute more than \$1.1 billion in cash to Origin for the full-year, net of oil hedging.



“In Energy Markets, operating conditions remain challenging as previously guided, due to the combination of record low wholesale electricity prices in FY2021 flowing through to customer tariffs in FY2022, and higher wholesale energy procurement costs incurred in the current period. Specifically, Eraring has been impacted by operational constraints at one of its primary suppliers, contributing to a material increase in both coal and wholesale electricity procurement costs.

“Origin continues to compete effectively for customers. We saw retail demand lift in the half, while gas volumes were down due to COVID-19 impacts on business and the expiry of business contracts. Higher domestic gas prices, which will be reflected in customer tariffs from January 2022, are expected to improve future gas margins.

“Strong progress continues to be made on the transformation of the retail business, including the Kraken rollout and new operating model to provide superior customer experience at low cost. More than 850,000 customers are now being serviced in Kraken, and we are on track for all remaining customers to be on the platform by the end of this calendar year.

“More broadly, Origin’s strategic investment in Octopus continues to outperform, with a tripling in the company’s valuation to more than £3 billion. Octopus has now established a retail presence in seven of the world’s largest deregulated energy markets and has increased its UK energy customer numbers by 2.7 million in the past 15 months.

“Origin’s disciplined use of capital to fund growth opportunities was reflected in the acquisition of WINconnect, adding further scale to the community energy services business. We also realised some of the value in Australia Pacific LNG by agreeing to sell 10 per cent of our holding to ConocoPhillips. Origin remains both upstream operator and a substantial shareholder in Australia Pacific LNG, and is well-placed to benefit from future value creation.

“In response to the continuing, rapid transition of the NEM, today we have signalled the potential to accelerate Eraring’s closure to mid-2025. We have carefully weighed Eraring’s future for some time, as it has become increasingly clear that the influx of renewables has changed the nature of demand for baseload power, undermining the economics of the plant. We acknowledge that this will be challenging news for our people, suppliers and the local community, and we commit to supporting them through any transition.

“While the energy transition brings change, it also presents opportunities for Origin to continue to invest in cleaner, reliable and affordable energy,” Mr Calabria said.

Dividend

The Board has determined to pay an unfranked interim dividend of 12.5 cents per share, representing 66 per cent of free cash flow. The interim dividend will be paid on 25 March 2022 to shareholders registered as at 2 March 2022.

OPERATING PERFORMANCE

Energy Markets

Underlying EBITDA for Energy Markets was \$268 million, lower than the prior half-year. This was largely driven by lower electricity customer tariffs, which were set during FY2021 when wholesale electricity prices were at lows due to subdued economic activity and increased



renewables penetration. In addition, there was an increase in wholesale energy procurement costs primarily related to coal supply issues at Eraring.

The repricing of gas customer tariffs, and with gas supply and transport arrangements in place, means Origin is well positioned in a tightening market.

In an extremely competitive retail market, overall customer accounts increased by 47,000 to more than 4.3 million. Customer growth was achieved through the inclusion of some 39,000 unmetered sites due to an industry change, and customer wins in community energy services, broadband and LPG.

Cost to serve reduced by \$3 million, and Origin continues to target a \$200-250 million reduction in capital and operating cost through the retail transformation by FY2024, from an FY2018 baseline.

Integrated Gas

Integrated Gas Underlying EBITDA increased by \$304 million on the prior half-year to \$870 million. This result reflects the significant rebound in global commodity prices and operating efficiencies as Australia Pacific LNG maintained a low cost of production.

While Australia Pacific LNG production remained stable in the half, its cash distribution to Origin increased 109 per cent on HY2021, to \$555 million, demonstrating the quality of the assets and resource base, and flexibility to capture value from increased international demand for LNG.

Origin's exploration activities continue to progress well. In the Beetaloo, Stage 2 appraisal of three independent shale gas plays was completed in HY2022, and Stage 3 is now underway, targeting the Velkerri dry gas play. In the Canning Basin, the Rafael 1 well was drilled in November 2021, indicating liquids-rich gas potential in a conventional reservoir.

Outlook

Guidance is provided on the basis that market conditions and the regulatory environment do not materially change, adversely impacting on operations. Considerable uncertainty exists relating to the potential ongoing impacts of COVID-19 and this guidance is subject to any further material impact on demand and customer affordability.

FY2022 Origin Underlying EBITDA is now estimated to be higher at \$1,950 - \$2,250 million, compared to previous guidance of \$1,850 - \$2,150 million. This is based on an Australia Pacific LNG realised oil price of US\$67/bbl, including the impact of hedging, and AUD/USD rate of 0.73.

Expected Energy Markets Underlying EBITDA for FY2022 is unchanged at \$450 - \$600 million. Origin expects a rebound of \$150 - \$250 million in Energy Markets Underlying EBITDA in FY2023, to \$600 - \$850 million, with the current higher commodity prices flowing through to customer tariffs. However, some risks to the outlook remain, with the price of uncontracted coal primary amongst them.

Integrated Gas and Corporate Underlying EBITDA is estimated to be higher at \$1,500 - \$1,650 million, compared to previous guidance of \$1,400 - \$1,550 million.



Origin expects continued stable production in FY2022 of 685 - 710 PJ (Australia Pacific LNG 100 per cent), reflecting strong field performance. Based on an Australia Pacific LNG realised oil price of US\$67/bbl in FY2022, including the impact of hedging, cash flows to Origin are now estimated to be higher at greater than \$1.1 billion, net of oil hedging, compared to the previous guidance of greater than \$1.0 billion.

Capital expenditure is estimated to be \$370 - \$410 million, including \$75 - \$85 million exploration and appraisal spend primarily relating to the Beetaloo and Canning basins. This excludes \$305 - \$315 million in investments relating primarily to Octopus equity investments.

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Appendix 4D



Origin Energy Limited and its Controlled Entities Results for announcement to the market

31 December 2021

			31 December 2021	31 December 2020
Total Group revenue (\$m)	up	7% to	6,511	6,068
Loss for the period attributable to members of the parent entity (\$m)	down	28% to	(131)	(183)
			31 December 2021	30 June 2021
Net tangible asset backing per ordinary security ¹	up	12% to	\$2.81	\$2.51
			Amount per security	Franked amount per security at 30 per cent tax
Dividends				
Interim dividend determined subsequent to 31 December 2021			12.5 cents	nil
Previous corresponding period (31 December 2020)			12.5 cents	nil
Record date for determining entitlements to the dividend			2 March 2022	
Dividend payment date			25 March 2022	

¹ The calculation of net tangible assets excludes lease related right-of-use assets of \$434 million (June 2021: \$404 million), categorised under Property, Plant & Equipment on balance sheet, as these are not considered tangible in nature.

Brief explanation of any of the figures reported above or other item(s) of importance not previously released to the market.

Refer to the attached Directors' Report and Operating and Financial review for explanations.

Discussion and Analysis of the results for the year ended 31 December 2021.

Refer to the attached Directors' Report and Operating and Financial Review for commentary

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About Origin



ASX TOP
100

Leading integrated energy company

Listed on the Australian Securities Exchange in 2000



4.3 million customer accounts

Electricity, gas, LPG and broadband customers across Australia and the Pacific



5,000 employees

Inclusivity in the workplace; leading parental support



Climate transition embedded in our strategy

Australia's first approved science-based emissions targets



Powering Australia

7,300 MW generation portfolio, including 1,245 MW owned and contracted renewables and storage



27.5% interest in Australia Pacific LNG

Exporting to Asia; supplies ~30% of Australian east coast gas demand



Supporting Australian communities

The Origin Energy Foundation has contributed more than \$32 million over 11 years



Driving future energy innovation

18.7% interest in Octopus Energy, investing in new technology, start-ups and future fuels



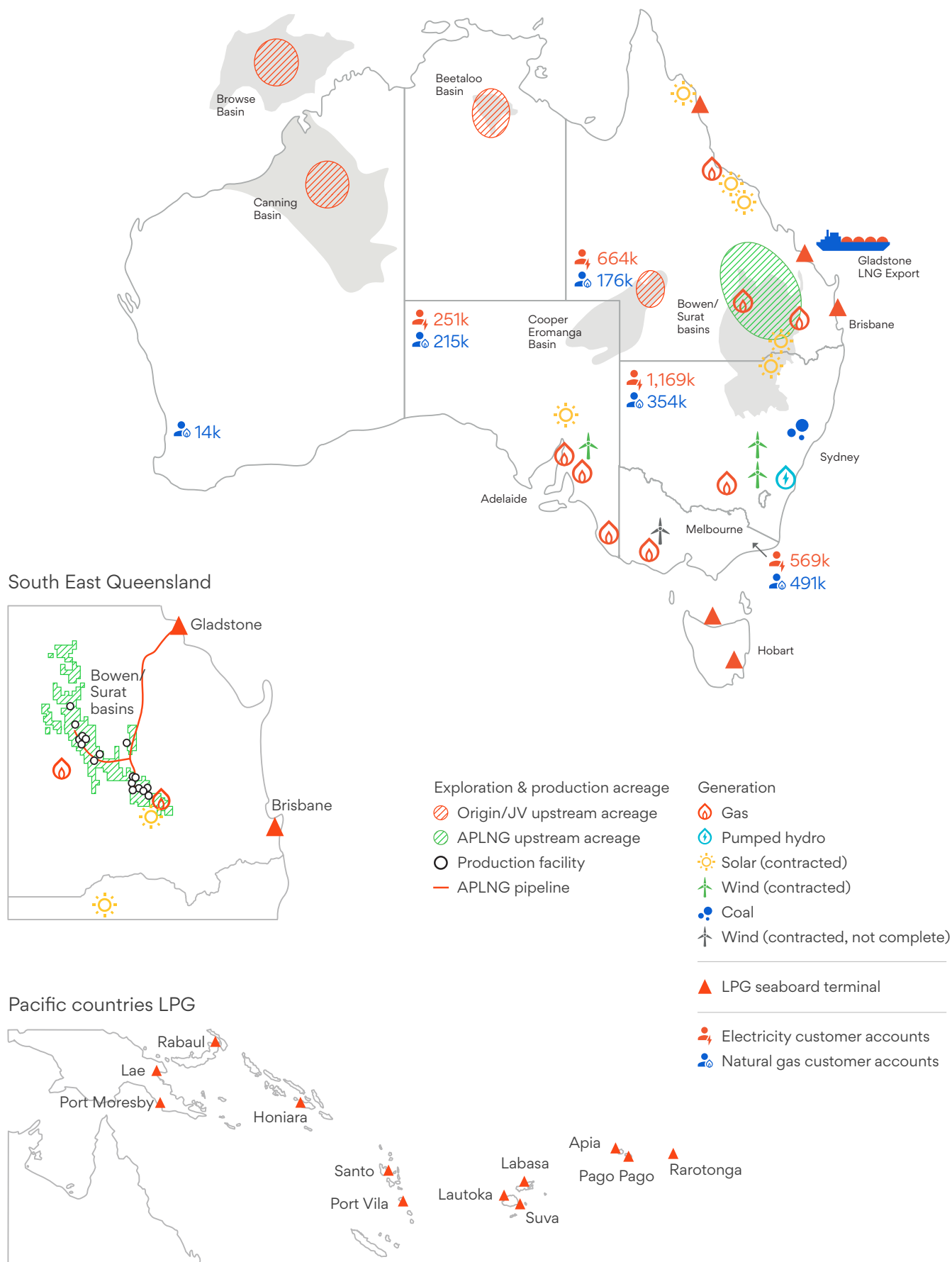
Exploration and development

Positions in three large prospective onshore basins: the Beetaloo, Canning and Cooper-Eromanga

Bringing
good energy
to everything
we say
and do.



Where We Operate



Operating and Financial Review

For the half year ended 31 December 2021

This report forms part of the Directors' Report.



1 Highlights

Sustainability performance

Getting energy right for our customers

Our customers are at the heart of everything we do. We are committed to providing 'good energy' that is reliable, affordable and sustainable.

- Simplified and flexible products, including our loyalty program with Woolworths
- Spike (demand response) growing to 69,000 customers
- Octopus - 855,000 customers migrated to Kraken platform
- Supporting customers through our Power On hardship program with payment extensions, flexible payment plans and freezing those customers' natural gas prices
- APLNG supplied ~30 per cent of east coast gas demand in CY2021



Customers

+5

stable sNPS

Getting energy right for our communities

We respect the rights and interests of the communities in which we operate, and consult with them to understand and manage our impact.

- Regional procurement increased to 19 per cent of total procurement spend up from 18 per cent in HY2021
- Continued engagement with Native Title holders in the Beetaloo, including completion of a sacred site clearance and avoidance survey and preparation for the negotiation of an Indigenous Land Use Agreement
- \$6.0 million direct and indirect spend with Aboriginal and Torres Strait Islander businesses in HY2022, up from \$4.9 million in HY2021
- More than 23 per cent of employees participated in the Origin Energy Foundation's volunteer program, engaging with over 2,700 students
- \$1.2 million contributed to the community by the Origin Energy Foundation



Communities

19%

regional procurement as a %
of total procurement spend, up
from 18% in HY2021

Getting energy right for the planet

We unequivocally support the Paris Agreement, including the aim to limit the world's temperature increase to 1.5°C above pre-industrial levels.

- Committed to a shareholder vote on climate change reporting at the 2022 AGM
- In the process of updating our emissions reduction targets to be consistent with a 1.5°C pathway
- Plans for a battery of up to 700MW at Eraring progressing
- Green hydrogen and ammonia collaborations and projects continue to progress and new MOUs signed
- Signed our first Origin 360 EV Fleet customers



Planet

38 MW

residential and business
solar installs

Our people

Having a diverse and inclusive workplace is key to creating a culture where people thrive, contributing to the success of our business.

- Continued support for our people during COVID-19, embracing flexible ways of working and launching our COVID-19 Vaccination Policy
- TRIFR of 3.4 up slightly due the completion of major maintenance work. Focus remains on preventing serious harm supported through HSE learning
- 35 per cent of women in Senior Leadership positions and 43 per cent senior women in CEO-2 positions, consistent with June 2021
- Increased Indigenous employees to 78, up from 70 at June 2021
- Named in Australia's Top 3 Best workplace to Give Back in 2021¹



People

3.4

TRIFR (rolling 12 months)
compared to 2.7 at June 2021

¹ In GoodCompany's list of the Top 40 Best Workplaces to Give Back.

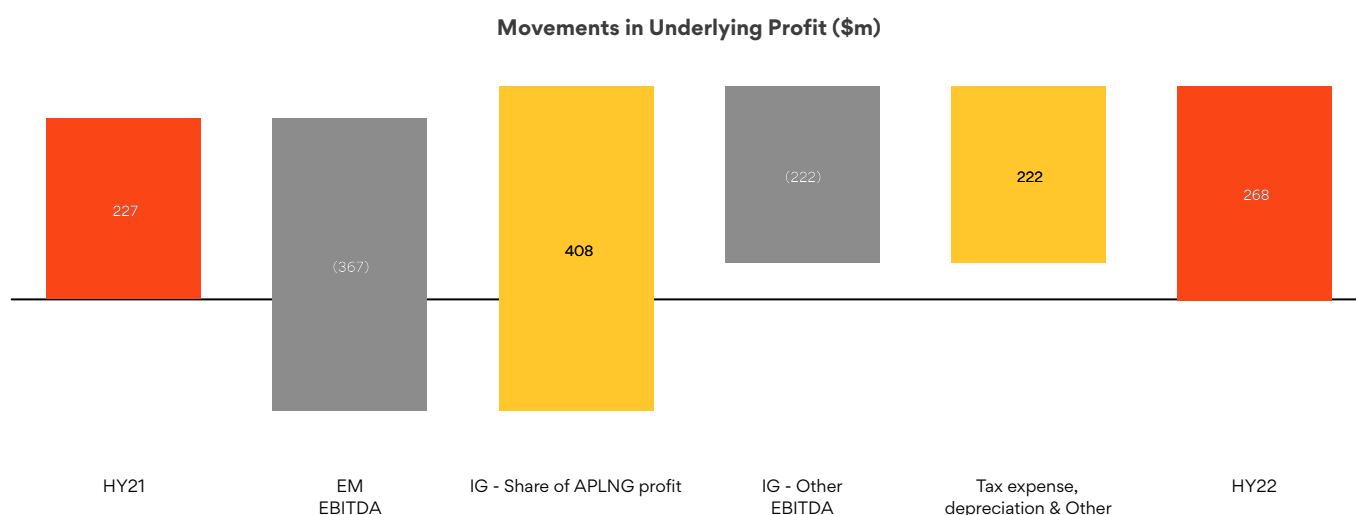
Financial performance

Origin achieved a solid result in the first half given the continued economic disruptions from COVID-19 and challenging conditions in the electricity market driven by more subdued demand and lower tariffs.

The performance of Australia Pacific LNG (APLNG) was outstanding, achieving record-high revenue off the back of a strong rebound in commodity prices. APLNG delivered a first half cash distribution of \$555 million.

Operationally the business performed well with APLNG continuing to deliver stable LNG and gas production at low cost, while the Energy Markets Retail business is progressing well with the implementation of the Kraken platform and overall customer account numbers are marginally higher. Origin announced the sale of a 10 per cent interest in APLNG which crystallised some of the significant value in this business. This will reduce Origin's debt and significantly improve financial flexibility on completion, which is expected in the first quarter of 2022. Origin continues its role as upstream operator and retains a 27.5 per cent interest in APLNG, following this transaction.

The Statutory Loss of \$131 million reflects the non-cash impairment and capital gains tax charge associated with the sale of the 10 per cent interest in APLNG.



The chart above highlights the underlying financial performance of our two businesses.

Consistent with our FY2022 guidance, earnings from Energy Markets declined reflecting lower retail tariffs, which were set in FY2021 based on recent record low wholesale electricity prices. During the period, the Energy Markets business was also impacted by higher energy procurement costs. In particular, operational constraints at our major coal supplier resulted in higher coal procurement costs, as we sourced additional purchases of relatively high-price coal on the market and high price electricity swap contracts to manage the increased risk associated with less generation output.

Going forward, we expect the current higher electricity and gas prices to be reflected in customer tariffs resulting in improved cash flow from the Energy Markets business.

The Integrated Gas business delivered record earnings benefiting from higher oil and gas prices. We expect an improved financial performance from APLNG in the second half of FY2022 given high market commodity prices, favourable Australian dollar exchange rate and the pricing lag in key sales contracts. The Integrated Gas - Other performance reflects hedge losses associated with hedging the Origin share of APLNG oil price exposure.

Adjusted net debt increased by \$494 million primarily reflecting a one off working capital movement which reversed in January, the consideration for the equity interest in Octopus Energy, the non cash revaluation of USD denominated debt and lower operating cash flow. With the sale of the 10 per cent interest in APLNG, we expect debt to be substantially lower at year end and our key capital structure metric of adjusted net debt to EBITDA to be at the lower end of the 2-3x range providing significant financial flexibility for growth and resilience to commodity price cycles.

Through our shareholding with Octopus Energy, we are benefiting from Octopus' continuing growth trajectory, with the value of our investment tripling since our initial investment as new investors acquire interests in Octopus.

Energy Markets performance

Underlying EBITDA

\$268M

Down \$367m or 58% vs HY2021

Operating cash flow

\$310M

Down \$446m vs HY2021 with cash to EBITDA conversion of 111%

Underlying ROCE²

1.3%

Down by 7.3% vs HY2021

Cost to serve

\$251M

Down \$3m vs HY2021

Customer accounts

4,313k

Up 47k vs June 2021

855k

Retail X customers
Successfully migrated to the Kraken platform

Energy Markets' half-year earnings were lower primarily reflecting the previously guided impact of retail electricity tariffs set during FY2021 when wholesale prices were at low levels due to COVID-19. The business was also impacted by increased wholesale energy procurement costs driven by higher fuel costs to generation, higher JKM-linked gas procurement costs and higher green scheme costs. Operational constraints at Eraring's primary coal supplier resulted in additional purchases of relatively high-price coal on the market and high price electricity swap contracts to manage the increased risk associated with less generation output. These negative impacts were partially offset by repricing of gas customer tariffs and the recovery of network costs.

Looking forward, the Energy Markets business is well positioned to benefit from higher global energy prices and an expected tightening domestic gas market. Higher current period wholesale electricity and green scheme prices are expected to flow into FY2023 tariffs, partially offset by higher generation fuel costs, and higher domestic gas prices are also expected to support gas margins going forward. Our gas portfolio is underpinned by fixed price supply contracts and there are no further price reviews on supply contracts until FY2024.

Our retail business remains focused on providing leading customer experience at lowest cost, growing new revenue streams and offering rewarding and flexible services as a multi-product retailer. Customer accounts increased by 47,000 driven by the inclusion of 39,000 unmetered electricity sites due to an industry change, as well as customer wins in community energy services, broadband and LPG.

In December 2021, we announced the acquisition of WINconnect, part of our strategy to grow our community energy services business. The acquisition will add 87,000 customer accounts with a pipeline of 36,000 further contracted apartments upon completion.

Our partnership with Octopus Energy (Octopus) continues to accelerate our strategy to deliver superior customer experience at low cost, whilst opening up growth opportunities. We have migrated 855,000 customers (942,000 customer accounts) to Retail X as at 31 December 2021 and remain on-track to realise planned savings.

Origin's strategic investment in Octopus continues to outperform and Octopus has now established a retail presence in the world's seven largest deregulated energy markets and has increased its UK energy customer accounts by 2.4 million in the past 12 months to 5.8 million.

During the period, two leading global investment companies, Generation Investment Management and the CPP Investment Board (CPPIB), invested in Octopus. While the CPPIB investment diluted our interest to 18.7 per cent, we retain the right to top-up our interest to 20 per cent. These transactions reflect a tripling of Octopus' valuation from our original investment, to over £3bn.

² Rolling 12 month average. HY2021 ROCE restated to 8.6% (previously reported as 8.7%) to include Octopus Energy within Energy Markets capital employed.

Integrated Gas performance

Underlying EBITDA

\$870M

Up \$304m or 54% vs HY2021
Underlying EBIT up \$189m

Cash distributions from APLNG

\$555M

Up \$290m or 109% vs HY2021

8.7%

Underlying ROCE³
Up from 5.6%
in HY2021

APLNG production (100%)

351PJ

Down 1% vs HY2021

Average realised LNG price

US\$10.6/ MMBTU

Up 93% vs HY2021
Up 91% in A\$ terms at \$13.7/GJ

Capex and opex⁴/GJ

\$2.9/GJ

Down 1% vs HY2021

Strong field performance and upstream reliability enabled APLNG to deliver stable production despite, a 31-day planned downstream shutdown conducted in HY2022, and wet weather conditions later in the period.

Integrated Gas's Underlying EBITDA increased by \$304 million or 54 per cent to \$870 million reflecting the significant rebound in global commodity prices from the prior period, partly offset by Origin hedging losses associated with higher commodity prices.

In January 2022, APLNG achieved a milestone of shipping its 700th LNG cargo.

The average realised LNG price increased by 91 per cent to A\$13.67/GJ during the period, reflecting higher realised oil and spot LNG prices with three spot cargoes delivered in the period capturing record high commodity prices. A further six JKM-linked spot cargoes have been sold for delivery in early CY2022 with delivered prices subject to market prices at that time.

During the planned downstream maintenance period in HY2022, APLNG was able to direct additional gas to the domestic market. The average realised domestic gas price increased by 73 per cent to \$6.61/GJ, primarily reflecting higher JKM-linked short-term contract prices.

APLNG continued to maintain a low cost of production with total capital and operating expenditure for HY2022 of \$2.9/GJ.⁴

The sale⁵ of a 10 per cent interest in Australia Pacific LNG represents an opportunity for Origin to crystallise some of the significant value in this world-class asset, while retaining a substantial shareholding and the role as upstream operator.

Other highlights across Integrated Gas during the period included:

- Beetaloo Basin – A further production test of the Amungee NW 1H well was conducted to assess if stages that were stimulated during the previous test in 2016 are contributing to flow rates. The test results suggest a normalised gas flow rate equivalent of between 5.2 and 5.8 million cubic feet per day (MMscf/d) per 1,000 metres of lateral. This result indicates the Velkerri dry gas play may be comparable with some of the highly commercial shale plays around the world.
- Canning Basin – The Rafael 1 well was drilled indicating liquids-rich gas potential in a conventional reservoir and a production test is planned to begin in early CY2022 subject to COVID-19 restrictions.

³ Rolling 12 months average.

⁴ Opex excludes purchases and reflects royalties at the breakeven oil price.

⁵ Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date. The impact of 10 per cent ownership change from 8 December 2021 on Integrated Gas Underlying EBITDA is \$46 million for HY2022.

2 FY2022 guidance

Guidance is provided on the basis that market conditions and the regulatory environment do not materially change, adversely impacting on operations. Considerable uncertainty exists relating to the potential ongoing impacts of COVID-19 and this guidance is subject to any further material impact on demand and customer affordability.

		FY21	FY22 guidance	FY22 updated guidance
Origin Energy - Underlying EBITDA	A\$m	2,048	1,850 - 2,150	1,950 - 2,250
Energy Markets Underlying EBITDA	A\$m	991	450 - 600	450 - 600
Integrated Gas & Corporate Underlying EBITDA	A\$m	1,057	1,400 - 1,550	1,500 - 1,650
Origin Energy - Capex and investments				
Capex (excluding investments)	A\$m	(339)	(370) - (410)	(370) - (410)
Investments	A\$m	(161)	(210) - (220)	(305) - (315) ¹
Integrated Gas - APLNG 100%				
Production	PJ	701	685 - 710	685 - 710
Capex and opex, excluding purchases ²	A\$b	2.0	2.1 - 2.3	2.1 - 2.3
Unit capex + opex, excluding purchases ²	A\$/GJ	2.8	3.0 - 3.4	3.0 - 3.4
Cash distributions, net of oil hedging ³	A\$b	0.7	>1	>1.1

1 This guidance reflects the net FY2022 impact of the WINConnect acquisition announced 20 December 2021. The net amount payable in total of \$42 million post tax includes a net amount of \$22 million payable in FY2022, with the balance payable in FY2023. The gross acquisition price of \$94 million will be reported as an acquisition in FY2022.

2 Opex excludes purchases and reflects royalties at the breakeven oil price.

3 Assuming an average AUD/USD rate of 0.73 (FY2021: 0.75) and assuming all APLNG debt serviceability tests are met. As at 31 January 2022, we estimate ~19 mmboe (or 97 per cent) of our share of APLNG's FY2022 JCC oil price exposure has been priced at US\$67/bbl, based on the long-term LNG contract lags, including the impact of hedging.

Origin Energy - consolidated

FY2022 Origin Underlying EBITDA is estimated to be **\$1,950 - \$2,250 million**, based on an APLNG realised oil price of US\$67/bbl including the impact of hedging and AUD/USD rate of 0.73. Interest expense is estimated to reduce by \$45-65 million in FY2022 from FY2021.

Capital expenditure is estimated to be **\$370 - \$410 million**, including **\$75 - \$85 million exploration and appraisal spend** and lease costs primarily relating to Beetaloo and Canning basins. Investment spend is estimated to be \$305 - \$315 million, primarily the Octopus equity and WINConnect investments and excludes the option to top-up our interest in Octopus Energy to 20 per cent by June 2022.

Energy Markets

Overall guidance range remains unchanged. We estimate Energy Markets Underlying EBITDA to be lower than FY2021 at **\$450 - \$600 million**, driven by:

- Electricity Gross Profit reduction of \$530 - \$610 million driven by a ~\$20/MWh reduction in wholesale electricity prices flowing into customer tariffs, higher generation fuel costs and continued impacts of rooftop solar uptake and energy efficiencies. **Electricity guidance is lower than previous due to coal constraints leading to lower Eraring output and higher coal costs;**
- Natural Gas Gross Profit increase of \$75 - \$125 million, driven by increased volumes and prices on short term trading sales and the repricing of retail customer tariffs, partially offset by higher procurement costs and lower volumes and prices on C&I sales. **Natural Gas guidance has improved due to increased volumes and prices on short term trading sales;** and
- Cost to serve expected to be relatively stable. Further savings associated with the adoption of Octopus' Kraken platform and operating model are expected over FY2023-24.

We expect a recovery in Energy Markets Underlying EBITDA in FY2023 of an estimated \$150 - \$250 million⁶, to \$600 - \$850 million assuming higher wholesale electricity and gas prices continue and flow into tariffs. While the FY2023 outlook for Energy Markets anticipates higher coal purchasing costs associated with our uncontracted coal position, risk to the outlook remains from this uncontracted position.

Integrated Gas

We estimate continued stable production in FY2022 of **685 - 710 PJ** (APLNG 100 per cent).

We estimate total APLNG capex and opex of **\$2.1 - \$2.3 billion**, reflecting planned downstream maintenance, higher non-operated development and infrastructure spend, increased workover and E&A activity, and higher power costs.

We have upgraded the expected distributions from APLNG. Distributions to Origin are estimated to be **greater than \$1.1 billion⁷, net of oil hedging**. At 31 January 2022, we estimate ~19 mmboe (or 97 per cent)⁸ of our share of APLNG's FY2022 JCC oil price exposure has been priced at US\$67/bbl, based on the long-term LNG contract lags, including the impact of hedging. See Section 4.2.2 for details of Integrated Gas oil hedging and LNG trading.

⁶ Based on current forward prices for key commodities such as electricity, JKM and oil. Assumed coal prices based on ongoing confidential discussions with suppliers and current forward prices, noting Origin typically buys 5500 Kcal coal. Risks to the outlook remain from uncontracted coal.

⁷ Assuming an average AUD/USD rate of 0.73 and assuming all APLNG debt serviceability tests are met. Origin hedges losses estimated to be \$155 million based on the same assumptions.

⁸ Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date.

3 Financial update

3.1 Reconciliation from Statutory to Underlying Profit

	HY22 (\$m)	HY21 Restated (\$m)	Change (\$m)	Change (%)
Statutory Profit/(Loss) - total operations	(131)	(183)	52	(29)
Items Excluded from Underlying Profit (post-tax)				
Increase/(decrease) in fair value and foreign exchange movements	36	(323)	359	(111)
<i>Oil and gas</i>	(47)	(126)	79	(63)
<i>Electricity</i>	84	(211)	295	(140)
<i>FX and interest rate</i>	(4)	1	(5)	(500)
<i>Other financial asset/liabilities</i>	43	(134)	177	(132)
<i>FX gain/(loss) on foreign-denominated financing</i>	(40)	146	(186)	(127)
Impairment, disposals, business restructuring and other	(435)	(87)	(348)	400
Total Items Excluded from Underlying Profit (post-tax)	(399)	(410)	11	(3)
Underlying Profit	268	227	41	18

Fair value and foreign exchange movements reflect non-cash or non-recurring fair value gains/(losses) associated with commodity hedging, interest rate swaps and other financial instruments. These amounts are excluded from Underlying Profit to remove the volatility caused by timing mismatches in valuing financial instruments and the underlying transactions they relate to.

- Oil and gas derivatives manage exposure to fluctuations in the underlying commodity price to which Origin is exposed through its gas portfolio and indirectly through Origin's investment in APLNG. See Section 4.2.2 for details of Origin's APLNG-related oil hedging.
- Electricity derivatives, including swaps, options and forward purchase contracts, are used to manage fluctuations in wholesale electricity and environmental certificate prices in respect of electricity purchased to meet customer demand.
- Foreign exchange and interest rate derivatives manage exposures associated with the debt portfolio. A portion of debt is euro-denominated and cross-currency interest rate swaps hedge that debt to AUD.
- Other financial assets/liabilities reflects investments held by Origin, including MRCPS issued by APLNG.
- Foreign exchange on foreign-denominated financing reflects currency fluctuations on unhedged USD debt. Debt is maintained in USD to offset the USD investment in MRCPS, which delivers USD cash distributions.

Impairment, disposals, business restructuring and other are either non-cash or non-recurring items and are excluded from Underlying Profit to better reflect the underlying performance of the business. They include:

	HY22 (\$m)
Impairment, disposals, business restructuring and other (post-tax)	(435)
Impairments	(195)
<i>Impairment - assets held for sale APLNG</i>	(193)
<i>Impairment - assets held for sale other</i>	(2)
Business restructuring	(7)
Other	(233)
<i>Net capital gains tax on divestment - APLNG</i>	(173)
<i>LGC net shortfall charge</i>	(91)
<i>Deferred tax liability recognition net of reversal pertaining to divestment - APLNG</i>	(39)
<i>Provision for legal matters</i>	(22)
<i>Other tax items on divestment</i>	(5)
<i>Onerous contracts - LNG</i>	53
<i>Gain on dilution of investment - Octopus Energy</i>	44
Impairment, disposals, business restructuring and other (post-tax)	(435)

- \$195 million non-cash impairment charge relating primarily to the sale of ten per cent interest in APLNG (\$193 million). The impairment charge reflects the fair value of APLNG based on the expected net proceeds less transaction costs. On completion of the transaction, expected in the second half, this charge will be partially offset with the release of \$105 million benefit from the foreign currency translation reserve;
- \$173 million capital gains tax expense on divestment of ten per cent share of APLNG, net of \$223 million benefit from capital losses. No significant tax payment is expected as a result of offsetting tax deductions;

- \$91 million net cost relating to a decision to defer the surrender of a portion of Origin's calendar year 2021 large-scale generation certificates. The costs associated with this deferral are expected to be recovered in future periods. Refer to Appendix 2 for further details;
- \$39 million non-cash deferred tax expense, recognised net of the reversal of the booked amount to the divested share of APLNG, reflecting the expectation of higher future distributions from APLNG. Refer to Appendix 1 for further details;
- \$53 million non-cash benefit relating to revaluation of the LNG onerous contract provisions, due to stronger near-term assumptions for LNG prices relative to Henry Hub prices and an increase in long-term assumptions for US Treasury bond rates. The realised loss for the period associated with these contracts is recognised in Underlying Profit; and
- \$44 million non-cash gain on dilution of Origin's stake in Octopus associated with CPPIB's acquisition of a six per cent stake in Octopus;

The nature of Items Excluded from Underlying Profit set out in the above table have been reviewed by our auditor for consistency with the description in note A1 of the Origin Energy Financial Statements.

Prior period restatements

The prior period has been restated for the following changes in accounting policies. Refer to Note E3 of the Financial Statements for details of these restatements.

- IFRIC agenda decision - Configuration or Customisation Costs in a Cloud Computing Arrangement - SaaS restatement
- IFRIC agenda decision - Economic Benefits from Use of a Windfarm (IFRS 16 Leases) - PPAs restatement

3.2 Underlying Profit

	HY22 (\$m)	HY21 Restated (\$m)	Change (\$m)	Change (%)
Energy Markets	268	635	(367)	(58)
Integrated Gas - Share of APLNG	1,039	513	526	103
Integrated Gas - Other	(169)	53	(222)	(419)
Corporate	(39)	(47)	8	(17)
Underlying EBITDA	1,099	1,154	(55)	(5)
Underlying depreciation and amortisation (D&A)	(211)	(280)	69	(25)
Underlying share of ITDA of equity accounted investees	(600)	(472)	(128)	27
Underlying EBIT	288	402	(114)	(28)
Underlying interest income - MRCPS	37	58	(21)	(36)
Underlying interest income - Other	1	3	(2)	(67)
Underlying interest expense	(103)	(127)	24	(19)
Underlying profit before income tax and non-controlling interests	223	336	(113)	(34)
Underlying income tax expense	46	(109)	155	(142)
Non-controlling interests' share of Underlying Profit	(1)	(1)	-	-
Underlying Profit	268	227	41	18
Underlying EPS	15.2cps	12.9cps	2.3cps	18
Underlying ROCE - rolling 12 month	4.9%	6.8%		(1.9%)

Refer to Sections 4.1 and 4.2 respectively for Energy Markets and Integrated Gas analysis.

Corporate costs decreased by \$8 million, primarily reflecting the non-repeat of unfavourable FX movements and lower ERP implementation costs compared with HY2021.

Underlying D&A decreased by \$69 million, driven primarily by the lower asset base following the FY2021 generation asset impairment.

Underlying share of ITDA increased \$128 million, driven by higher ITDA from APLNG (\$118 million), comprising higher tax expense from higher earnings (\$175 million), lower net interest expense (\$34 million), and lower depreciation and amortisation (\$23 million); and increased ITDA from Origin's equity share of Octopus Energy (\$10 million).

Underlying MRCPS interest income decreased \$21 million with a lower principal balance following buy-backs by APLNG.

Underlying net interest expense decreased \$22 million, reflecting the refinancing of higher interest rate debt with lower interest rate debt.

3.3 Cash flows

Operating cash flow

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Underlying EBITDA	1,099	1,154	(55)	(5)
Underlying equity accounted share of EBITDA (non-cash)	(1,026)	(511)	(515)	101
Other non-cash items in Underlying EBITDA	81	59	22	37
Underlying EBITDA adjusted for non cash items	154	702	(548)	(78)
Change in working capital	(167)	64	(231)	(361)
<i>Energy Markets - excluding futures exchange collateral</i>	(83)	67	(150)	n/a
<i>Energy Markets - electricity futures exchange collateral</i>	102	28	74	264
<i>Integrated Gas - excluding APLNG</i>	(174)	(9)	(165)	n/a
<i>Corporate</i>	(12)	(22)	10	(45)
Other	(64)	(48)	(16)	33
Tax (paid)/refunded	(2)	(49)	47	(96)
Cash flow from operating activities	(79)	669	(748)	(112)

Operating cash flow is inclusive of outflows from Integrated Gas hedging activities, however excludes increased cash flows from APLNG, consistent with increased oil prices. Cash flows from APLNG are included in investing activities, and increased \$290 million from HY2021.

Operating cash flow decreased \$748 million, reflecting:

- lower earnings from Energy Markets (\$367 million);
- lower earnings from Integrated Gas - Other (\$222 million) driven by hedge losses due to high oil and gas prices compared with gains in the prior period. The benefit of higher oil and gas prices is reported in 'Investing Cash Flow - Distributions from APLNG';
- higher working capital (\$167 million), primarily associated with the purchase and sale of an LNG cargo (\$150 million) around period end, with settlement of the purchase prior, and the sale after the period end. Energy Markets working capital was broadly stable with higher green inventory offset by lower retail debtors due to lower tariffs and a positive movement in futures collateral reflecting improved market to market valuation in electricity hedge contracts.

Underlying equity accounted share of EBITDA (non-cash) reflects share of APLNG (\$1,039 million) and share of Octopus (\$12 million loss). Other non-cash items include provisions for bad and doubtful debts (+\$41 million), share-based remuneration (+\$15 million) and exploration expense (+\$25 million).

Investing cash flow

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Capital expenditure	(215)	(172)	(43)	25
Distribution from APLNG	555	265	290	109
Interest received from other parties	-	3	(3)	(100)
Investments/acquisitions	(267)	(48)	(219)	456
Disposals	6	1	5	500
Cash flow from investing activities	79	49	30	61

HY2022 capital expenditure of \$215 million up 25 per cent reflecting a major outage at Eraring and increased exploration and appraisal activity. Capital expenditure comprises:

- generation maintenance and sustaining capital (\$68 million), primarily at Eraring (\$54 million) due to a major unit outage and other maintenance activities;
- other sustaining capital (\$45 million) including spend in preparation for the move to five-minute settlement of pool prices (\$11 million), LPG (\$12 million), and ERP system replacement (\$4 million);
- productivity/growth (\$57 million) including deferred and contingent licensing payment to Octopus Energy and other Kraken implementation costs (\$37 million), CES (\$4 million); and
- exploration and appraisal spend (\$45 million) primarily related to the appraisal programs in the Beetaloo and Canning Basins.

Cash distributions from APLNG amounted to \$555 million comprising \$515 million of MRCPS buy-backs (up from \$205 million in HY2021) and \$40 million of MRCPS interest (down from \$60 million in HY2021).

Interest received decreased, reflecting a lower cash balance following repayment of maturing debt obligations.

Investments include deferred and contingent consideration for the equity interest in Octopus Energy (\$260 million), as well as investments in LPG (\$5 million) and Future Energy (\$2 million).

Financing cash flow

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Net proceeds/(repayment) of debt	82	(1,035)	1,117	(108)
Operator cash call movements	(21)	(30)	9	(30)
On-market purchase of employee shares	(24)	(38)	14	(37)
Close out of foreign currency contracts	(27)	(65)	38	(58)
Interest paid	(112)	(125)	13	(10)
Payment of lease liabilities	(45)	(33)	(12)	36
Dividends paid	(111)	(155)	44	(28)
Total cash flow from financing activities	(258)	(1,481)	1,223	(83)
Effect of exchange rate changes on cash	-	(3)	3	(100)

Drawdown of debt reflects net bank debt drawn.

Operator cash call movements represent the movement in funds held and other balances relating to Origin's role as the upstream operator of APLNG.

On-market purchase of shares represents the purchase of shares to satisfy employee share remuneration schemes and the Dividend Reinvestment Plan (DRP).

Settlement of foreign currency contracts represents the partial closure of contracts executed in prior periods to monetise the value of certain cross-currency interest rate swap contracts. The value of outstanding contracts as at 31 December 2021 was \$67 million.

Free Cash Flow

Free Cash Flow represents cash flow available to pay dividends, repay debt, invest in major growth projects or return surplus cash to shareholders. This is prepared on the basis of the equity accounting of APLNG.

The Octopus equity investment (\$260 million) and Kraken licence implementation costs (\$37 million) are considered major growth projects and \$297 million of investing cash outflows has been excluded from HY2022 Free Cash Flow.

During the period, an LNG cargo was purchased for \$150 million with purchase and sale occurring around period end, with settlement of the purchase prior, and the sale after the period end, and as such this purchase has been excluded from Free Cash Flow for the purpose of measuring the dividend pay-out percentage.

	Energy Markets		Integrated Gas - Share of APLNG		Integrated Gas - Other		Corporate		Total	
(\$m)	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21
Underlying EBITDA	268	635	1,039	513	(169)	53	(39)	(47)	1,099	1,154
Non-cash items	61	53	(1,039)	(513)	28	5	5	4	(945)	(452)
Change in working capital	19	95	-	-	(174)	(9)	(12)	(22)	(167)	64
Other	(38)	(27)	-	-	(18)	(26)	(8)	6	(64)	(48)
Tax (paid) /refunded	-	-	-	-	-	-	(2)	(49)	(2)	(49)
Operating cash flow	310	756	-	-	(333)	21	(56)	(108)	(79)	669
Capital expenditure	(163)	(135)	-	-	(49)	(29)	(3)	(7)	(215)	(172)
Cash distribution from APLNG	-	-	-	-	555	265	-	-	555	265
(Acquisitions)/disposals	(261)	(48)	-	-	-	-	-	1	(261)	(47)
Interest received	-	-	-	-	-	-	-	3	-	3
Investing cash flow	(424)	(184)	-	-	506	236	(3)	(3)	79	49
Interest paid	-	-	-	-	-	-	(112)	(125)	(112)	(125)
Free Cash Flow including major growth	(114)	572	-	-	173	257	(171)	(236)	(112)	594
Major growth spend	297	61	-	-	-	-	-	-	297	61
LNG Cargo Adjustment	-	-	-	-	150	-	-	-	150	-
Free Cash Flow	183	633	-	-	323	257	(171)	(236)	335	655

3.4 Shareholder returns

The board has determined to pay an unfranked interim dividend of 12.5 cents per share, representing 66 per cent of Free Cash Flow. The interim dividend will be paid on 25 March 2022 to shareholders registered as at 2 March 2022.

During the period, \$297 million was incurred in respect of the investment in Octopus and the costs associated with the Kraken system implementation. This has been treated as major growth expenditure and excluded from Free Cash Flow when measuring the dividend pay-out percentage. In addition, the LNG cargo discussed in section 3.3, has been excluded from Free Cash Flow when measuring the dividend pay-out percentage. This will be offset when determining the final dividend for FY2022.

The nil franking percentage reflects the current franking credit balance. Partial franking expected to be restored in FY2023.

Origin will seek to deliver sustainable shareholder returns through the business cycle and will target a payout range of 30 per cent to 50 per cent of Free Cash Flow per annum in the form of ordinary dividends and/or on-market share buy-backs. Free Cash Flow is defined as cash from operating activities and investing activities (excluding major growth projects), less interest paid. Remaining cash flow will be applied to further debt reduction, value accretive organic growth and acquisition opportunities, and/or additional capital management initiatives.

The Board maintains discretion to adjust shareholder distributions for economic and business conditions.

The DRP will operate with nil discount and will be satisfied through on-market share purchases. The DRP price of shares will be the average purchase price, rounded to two decimal places, bought on market over a period of 10 trading days, commencing on the third trading day immediately following the Record Date.

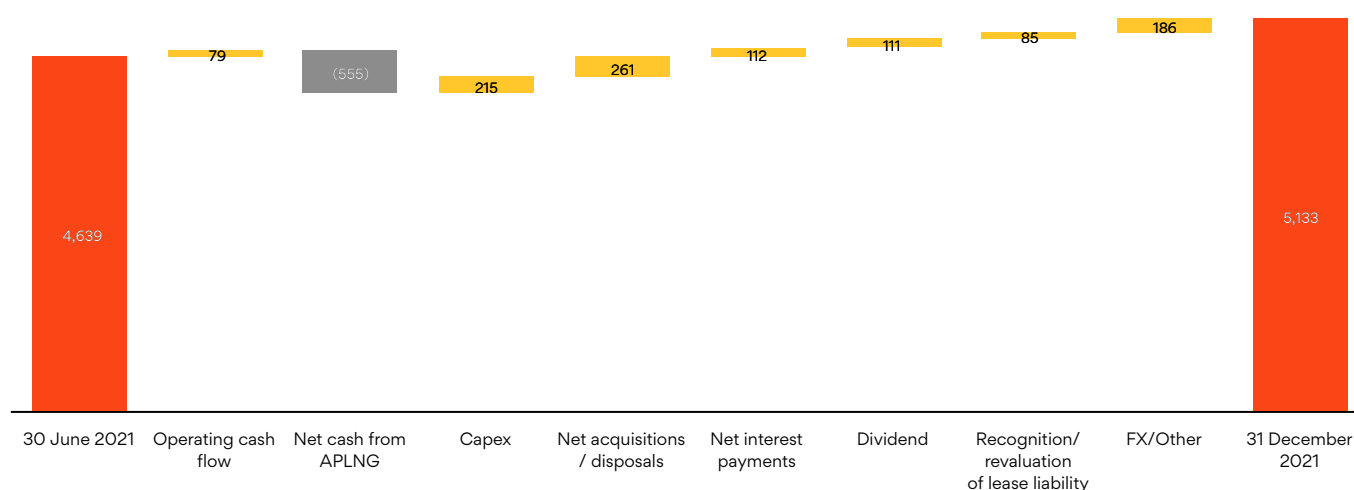
3.5 Capital management

During HY2022, the following capital management initiatives were completed:

- Repaid and extended the tenor of our debt facilities:
 - repaid €800 million (A\$1,164 million) 2.8 per cent effective interest rate debt;
 - repaid US\$500 million (A\$680 million) 5.5 per cent fixed interest rate;
 - extended the tenor of A\$2,357 million bank loan from FY2023/FY2024 to FY2025/FY2026
- Cancelled \$65 million in undrawn bank loan facilities that were surplus to requirements.

Adjusted Net Debt

Movements in Adjusted Net Debt (\$m)



Adjusted Net Debt increased \$494 million, primarily driven by the consideration associated with the investment in Octopus (\$260 million), higher working capital associated with the payment for an LNG cargo (\$150 million) in the days prior to period end and subsequently sold after the period end, new/revalued leases and the revaluation of USD denominated debt to AUD (\$56 million). These movements were partially offset by APLNG cash distributions.

Recognition/revaluation of lease liability (\$85 million) primarily reflects new LPG shipping leases and extension of existing property leases. Foreign exchange/other primarily reflects the non-cash translation of unhedged USD debt, on-market purchase of shares, and settlement of foreign currency contracts.

Origin's objective is to maintain an Adjusted Net Debt/Adjusted Underlying EBITDA ratio of 2.0-3.0x and a gearing target of 20 per cent to 30 per cent. As at 31 December 2021 these ratios were 3.9x and 34 per cent respectively. The Adjusted Underlying EBITDA is measured on a rolling 12 months basis and reflects the reduction in EBITDA associated with lower prices across our key commodities; electricity, natural gas and oil.

During the period, the sale of a 10 per cent shareholding in APLNG for \$2.12 billion was announced. On completion, Origin's Adjusted Net Debt/Adjusted Underlying EBITDA and gearing ratio are expected to be at the lower end of the target ranges of 2.0-3.0x and 20 per cent to 30 per cent respectively.

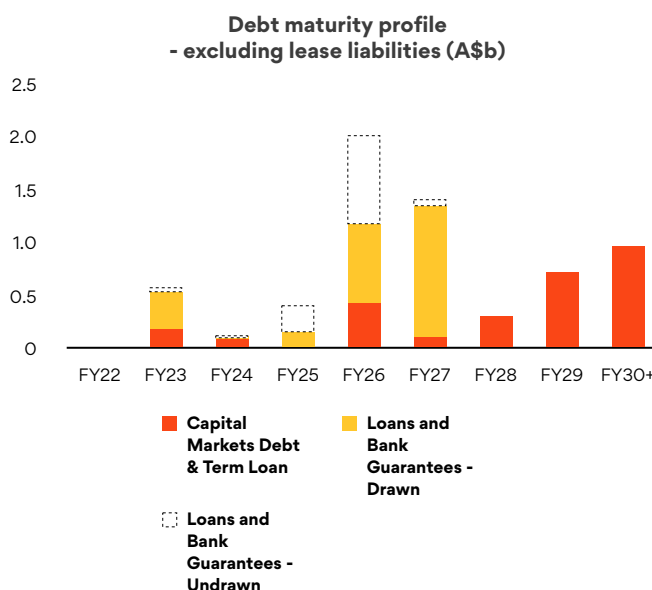
With expected improvements in cash flows from both our businesses we remain focused on maintaining our target capital structure towards the lower end of the Adjusted Net Debt/Adjusted Underlying EBITDA 2.0-3.0x range.

Debt portfolio management

Origin's debt book has been restructured over the past two years, taking advantage of lower interest rates and stronger debt markets.

Average term to maturity increased from 3.4 years at 30 June 2021 to 4.8 years at 31 December 2021. The rolling 12-month average interest rate on drawn debt decreased from 4.3 per cent in FY2021 to 4.2 per cent in HY2022.

As at 31 December 2021, Origin held \$0.1 billion⁹ of cash and \$0.9 billion in committed undrawn debt facilities. This liquidity position of \$1 billion is held to meet near-term debt and lease liability payment obligations of \$58 million and to maintain a sufficient liquidity buffer.



APLNG funding

During construction of APLNG, shareholders contributed capital via ordinary equity and the investment in preference shares (termed MRCPS) issued by APLNG. APLNG distributes funds to shareholders firstly via fixed dividends of 6.37 per cent per annum on the MRCPS balance, recognised as interest income by Origin, and secondly via buy-backs of MRCPS (refer to Section 3.3 above). The fair value of MRCPS held by Origin at 31 December 2021 was A\$592 million¹⁰.

MRCPS issued by APLNG are expected to be fully redeemed by 30 June 2022. As at 31 December 2021 APLNG held a cash balance of \$1,670 million, up from \$905 million at 30 June 2021.

APLNG also funded construction via US\$8.5 billion (100% APLNG) in project finance facilities. These facilities were partially refinanced in FY2019. The outstanding balance at 31 December 2021 was US\$5,662 million (A\$7,803 million), net of unamortised debt fees of US\$58 million (A\$80 million). APLNG's average interest rate associated with its project finance debt portfolio for HY2022 was 2.9 per cent.

Gearing¹¹ in APLNG was 22 per cent as of 31 December 2021, down from 26 per cent at 30 June 2021.

APLNG project finance debt amortisation profile

Closing balance as at 30 June										
(US\$m)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bank loan (variable)	1,972	1,689	1,407	1,153	871	587	265	-	-	-
US Exim	2,001	1,772	1,519	1,247	965	679	382	162	-	-
USPP	2,000	2,000	2,000	1,940	1,887	1,787	1,690	1,437	930	297
Total	5,973	5,461	4,927	4,340	3,722	3,052	2,337	1,599	930	297

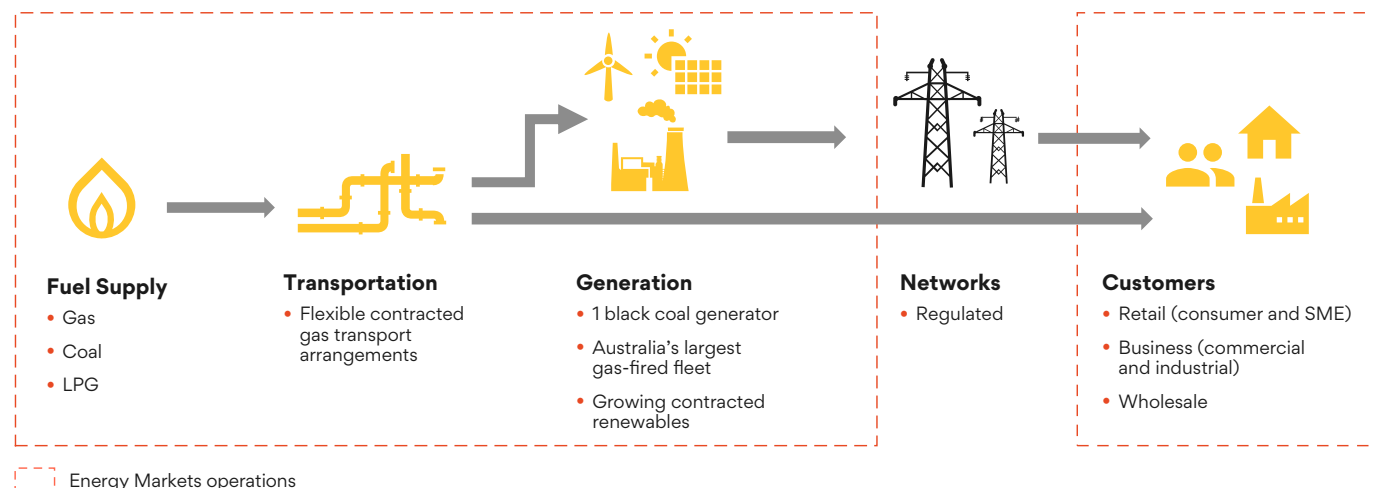
⁹ Excludes \$66 million cash held on behalf of APLNG as upstream operator.

¹⁰ Reflecting 27.5% interest, with 10% classified as held-for-sale

¹¹ Gearing is defined as project finance debt less cash, divided by project finance debt less cash plus equity.

4 Review of segment operations

4.1 Energy Markets

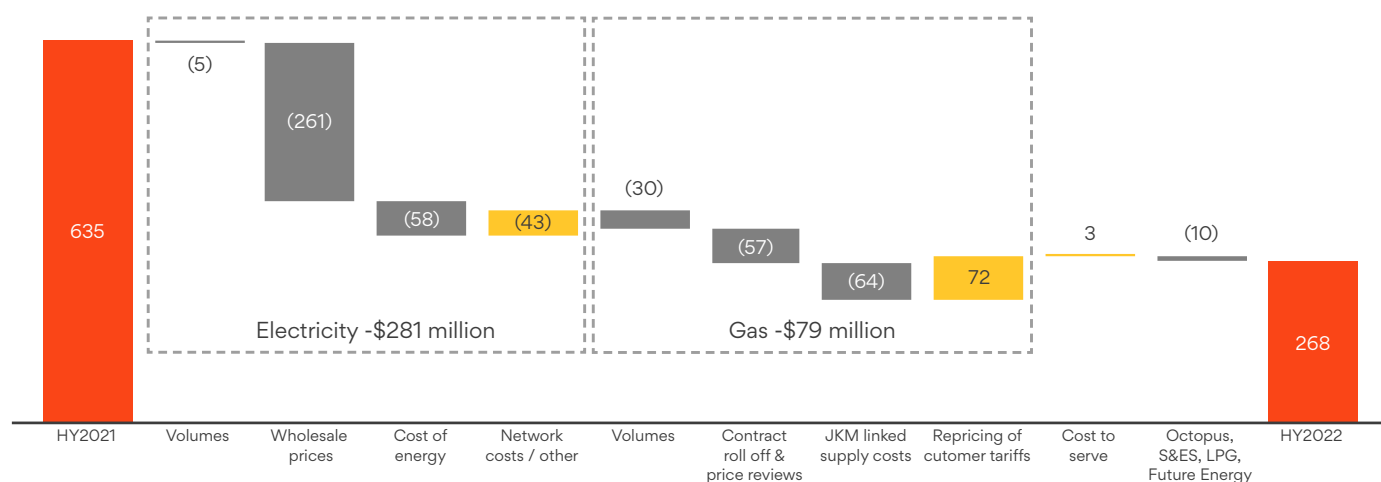


Origin's Energy Markets business comprises one of Australia's largest energy retail businesses by customer accounts, Australia's largest fleet of gas-fired peaking power stations supported by a substantial contracted fuel position, a growing supply of contracted renewable energy and Australia's largest power station, the black coal-fired Eraring Power Station.

Energy Markets reports on an integrated portfolio basis. Electricity and Natural Gas Gross Profit and cost to serve are reported separately, as are the EBITDA of the Solar and Energy Services, Future Energy and LPG divisions, and our 20 per cent share of earnings from Octopus.¹²

4.1.1 Financial summary

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Electricity Gross Profit	222	503	(281)	(56)
Natural Gas Gross Profit	248	327	(79)	(24)
Electricity and Natural Gas cost to serve	(251)	(254)	3	(1)
LPG EBITDA	52	48	4	8
Solar and Energy Services EBITDA	23	25	(2)	(9)
Future Energy EBITDA	(14)	(12)	(2)	18
Share of EBITDA from Octopus Energy	(12)	(2)	(10)	403
Underlying EBITDA	268	635	(367)	(58)
Underlying EBIT	38	355	(317)	(89)



¹² Our interest in Octopus was diluted to 18.7 per cent during December 2021 following an investment by CPPIB in Octopus. We retain the right to top-up our interest to 20 per cent subject to certain conditions, and continue to retain our existing Board rights. Profit and loss numbers reflect our 20 per cent share until 1 December 2021, and 18.7 per cent share for the month of December.

4.1.2 Electricity

Volume summary

Volumes sold (TWh)	HY22			HY21			Change (TWh)	Change (%)
	Retail	Business	Total	Retail	Business	Total		
NSW ¹	3.8	4.0	7.8	4.0	4.2	8.2	(0.4)	(4.4)
Queensland	2.0	1.9	3.9	2.1	1.8	4.0	(0.0)	(0.6)
Victoria	1.4	2.4	3.8	1.4	1.6	3.0	0.8	25.3
South Australia	0.6	0.9	1.6	0.6	0.9	1.5	0.1	5.0
Total volumes sold	7.9	9.2	17.1	8.2	8.5	16.6	0.5	2.8

1 Australian Capital Territory customers are included in New South Wales.

Gross Profit summary

	HY22		HY21		Change (%)	Change (\$/MWh)
	\$m	\$/MWh	\$m	\$/MWh		
Revenue	3,457	202.3	3,601	216.6	(4)	(14.3)
Retail (residential/SME)	2,102	265.0	2,223	272.5	(5)	(7.5)
Business	1,354	147.9	1,379	162.7	(2)	(14.8)
Cost of goods sold	(3,235)	(189.3)	(3,098)	(186.3)	(4)	(3.0)
Network costs	(1,630)	(95.4)	(1,569)	(94.4)	(4)	(1.0)
Energy procurement costs	(1,605)	(93.9)	(1,529)	(91.9)	(5)	(2.0)
Gross Profit	222	13.0	503	30.3	(56)	(17.3)
Gross margin %	6.4%		14.0%		(54)	

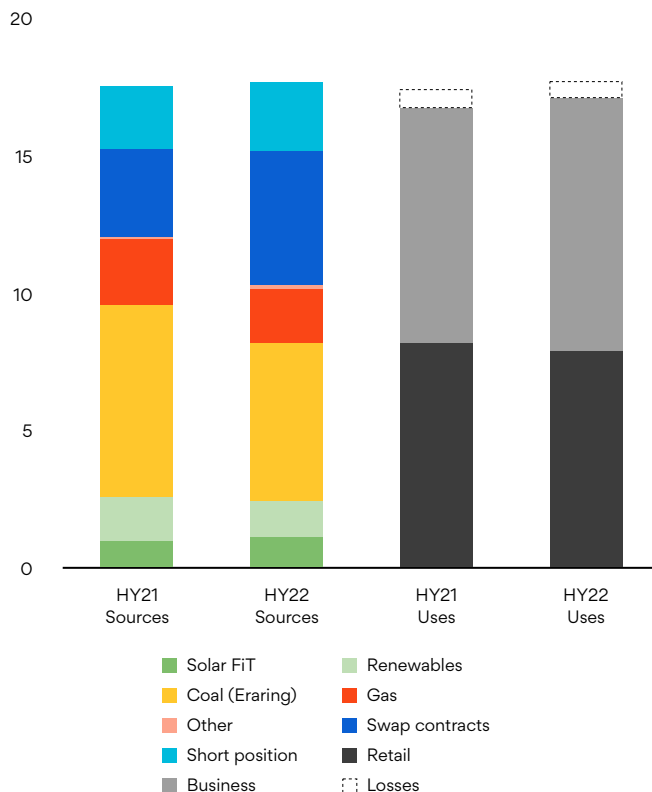
Electricity Gross Profit declined by \$281 million driven by:

- \$17.3/MWh decrease in unit margins (-\$276 million):
 - \$261 million relating to lower wholesale electricity prices flowing into customer tariffs;
 - \$58 million due to higher wholesale energy procurement costs, relating to increased coal and gas generation fuel costs (-\$79 million) and green scheme costs (-\$61 million), partially offset by a decrease in swap contracts and other energy procurement costs (+\$82 million); and
 - +\$43 million reflecting improved value management (+\$29 million), part recovery of FY2021 network costs (+\$20 million), partially offset by metering costs not recovered in regulated tariffs (-\$6 million).
- Volumes increased by 0.5 TWh, reflecting an increase in lower-margin business volumes of 0.7 TWh due to new contract wins, partially offset by a 0.3 TWh decrease in retail volumes. This change in sale mix resulted in a -\$5 million net impact overall to Gross Profit. Higher business volumes related to contract wins, including the Portland smelter, more than offsetting COVID-19 impacts. Lower residential demand related to lower usage due to solar and energy efficiencies and cooler weather.

Owned and contracted generation output of 9TWh decreased by 2 TWh, driven primarily by lower generation at Eraring (-1.2 TWh) due to lower contracted coal deliveries due to supplier operational issues. Gas generation was lower (-0.3 TWh) reflecting higher gas prices and reduced daytime pool prices as solar penetration increases. Generation from renewable PPAs decreased (-0.4 TWh) due largely to the roll-off of older PPA contracts in the period. Refer to Electricity Supply table below.

Energy procurement costs increased overall, driven by both higher volumes and higher unit costs. Unit costs increased due to higher generation fuel costs, higher green scheme costs reflecting higher costs for small-scale technology certificates and state green schemes, and higher net pool costs reflecting increased electricity spot prices and lower output from Eraring. These were partially offset by a decrease in the cost of market contracts due to the favourable timing of the purchase of swaps, lower generation operating costs and lower capacity hedge contract costs as more expensive contracts rolled off.

Sources and uses of electricity (TWh)



Wholesale energy costs

	HY22			HY21		
	\$m	TWh	\$/MWh	\$m	TWh	\$/MWh
Fuel cost ¹	449	7.8	57.8	448	9.4	47.7
Generation operating costs	112	7.8	14.4	124	9.4	13.2
Owned generation ¹	561	7.8	72.2	572	9.4	60.9
Net pool costs ²	130	2.5	52.9	91	2.3	40.2
Bundled renewable PPA costs ³	112	1.2	92.2	146	1.6	92.5
Market contracts ³	265	4.9	54.0	249	3.2	78.3
Solar feed-in tariff	121	1.2	98.4	107	1.0	109.2
Capacity hedge contracts	122			154		
Green schemes (excl. PPAs)	276			219		
Other	17			(9)		
Energy procurement costs	1,605	17.6⁴	91.2	1,529	17.4⁴	88.0

1 Includes volume from internal generation and contracted from Pelican Point.

2 Net pool costs includes gross pool purchase costs net of pool revenue from generation, gross and net settled PPAs, and other contracts.

3 Bundled PPAs includes cost of electricity and renewable certificates. Market contracts include swap and energy hedge contracts.

4 Volume differs from sales volume due to energy losses of 0.5 TWh (HY2021: 0.8 TWh).

Electricity supply

	Nameplate capacity (MW)	Type ¹	HY22			HY21			Change		
			Output	Pool revenue		Output	Pool revenue		Output	Pool revenue	
			(GWh)	(\$m)	(\$/MWh)	(GWh)	(\$m)	(\$/MWh)	(GWh)	(\$m)	(\$/MWh)
Eraring	2,922										
Units 1-4	2,880	Black Coal	5,699	468	82	6,950	423	61	(1,251)	45	21
GT	42	OCGT	-	-	-	-	-	-	-	-	-
Darling Downs	644	CCGT	788	117	148	889	48	54	(101)	69	95
Osborne ²	180	CCGT	312	24	78	295	15	52	17	9	26
Uranquinty	664	OCGT	134	29	213	45	6	124	89	23	89
Mortlake	584	OCGT	193	23	120	365	27	73	(173)	(4)	47
Mount Stuart	423	OCGT	45	19	431	4	0	110	41	19	321
Quarantine	235	OCGT	39	5	128	50	4	73	(10)	1	55
Ladbroke Grove	80	OCGT	29	4	133	51	4	73	(22)	0	60
Roma	80	OCGT	36	8	211	13	1	81	23	6	129
Shoalhaven	240	Pump/hydro	49	5	113	83	7	90	(34)	(2)	23
Internal generation	6,052		7,323	702	96	8,744	535	61	(1,421)	168	35
Pelican Point	240	CCGT	441			647			(206)		
Renewable PPAs	1,005	Solar / Wind	1,220			1,573			(353)		
Owned and contracted generation	7,297		8,984			10,964			(1,980)		

1 OCGT = open cycle gas turbine; CCGT = combined cycle gas turbine.

2 Origin has a 50 per cent interest in the 180 MW plant and contracts 100 per cent of the output.

4.1.3 Natural Gas

Volume summary

Volume sold (PJ)	HY22			HY21			Change (PJ)	Change (%)
	Retail	Business	Total	Retail	Business	Total		
NSW ¹	7.0	9.6	16.6	6.3	13.9	20.2	(3.6)	(18)
Queensland	1.5	33.2	34.7	1.8	35.3	37.0	(2.3)	(6)
Victoria	14.4	21.6	36.1	13.9	28.9	42.8	(6.8)	(16)
South Australia ²	3.3	5.6	8.9	3.2	4.8	8.0	0.9	11
External volumes sold	26.3	70.0	96.3	25.2	82.8	108.1	(11.8)	(11)
Internal sales (generation)			19.1			21.9	(2.8)	(13)
Total volumes sold			115.4			130.0	(14.6)	(11)

1 Australian Capital Territory customers are included in New South Wales.

2 Northern Territory and Western Australia customers are included in South Australia.

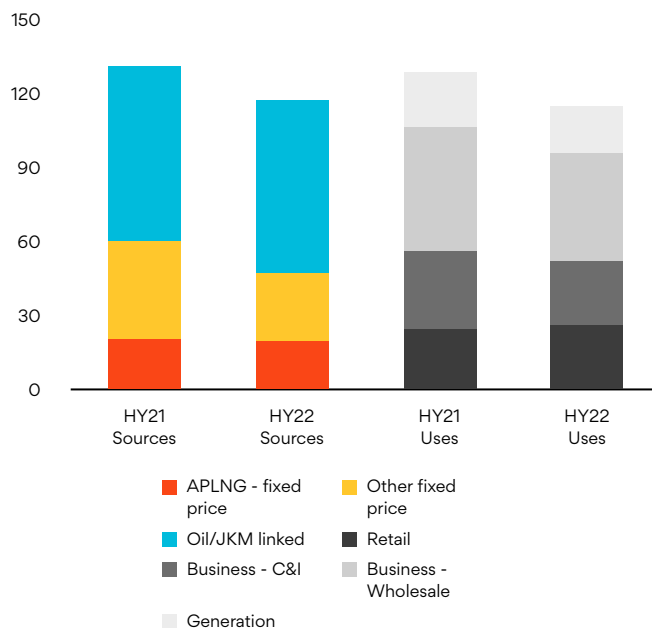
Gross Profit summary

	HY22		HY21		Change (%)	Change (\$/GJ)
	\$m	\$/GJ	\$m	\$/GJ		
Revenue	1,349	14.0	1,363	12.6	(1)	1.4
Retail (residential/SME)	661	25.1	617	24.5	7	0.7
Business	688	9.8	745	9.0	(8)	0.8
Cost of goods sold	(1,100)	(11.4)	(1,036)	(9.6)	(6)	(1.8)
Network costs	(389)	(4.0)	(421)	(3.9)	8	(0.1)
Energy procurement costs	(711)	(7.4)	(614)	(5.7)	(16)	(1.7)
Gross Profit	248	2.6	327	3.1	(24)	(0.4)
Gross margin %	18.4%		24.0%		(23)	

Natural Gas Gross Profit decreased \$79 million driven by:

- -\$64 million higher JKM-linked supply costs relative to much lower prices in the first half of FY2021, prior to a significant increase in the second half of FY2021;
- -\$57 million due to the roll-off of long-term supply contracts and supply contract price reviews which largely occurred at 31 December 2020;
- +\$72 million primarily due to customer tariff repricing, including oil-linked sales, reflecting the recovery of higher costs; and
- 11.8 PJ decrease in external sales volume (-\$30 million) due to expiration of business contracts and COVID-19 impacts, partly offset by increased retail customers and higher residential demand.

Sources and uses of gas (PJ)



4.1.4 Electricity and Natural Gas cost to serve

	HY22	HY21	Change (\$)	Change (%)
Cost to maintain (\$ per average customer) ¹	(50)	(52)	2	(4)
Cost to acquire/retain (\$ per average customer) ¹	(19)	(19)	(0)	2
Electricity and Natural Gas cost to serve (\$ per average customer)¹	(69)	(71)	2	(2)
Maintenance costs (\$m)	(182)	(187)	5	(3)
Acquisition and retention costs (\$m) ²	(69)	(67)	(2)	3
Electricity and Natural Gas cost to serve (\$m)	(251)	(254)	3	(1)

1 Represents cost to serve per average customer account, excluding CES accounts.

2 Customer wins (HY2022: 247,000; HY2021: (232,000) and retains (HY2022: 532,000; HY2021: 642,000).

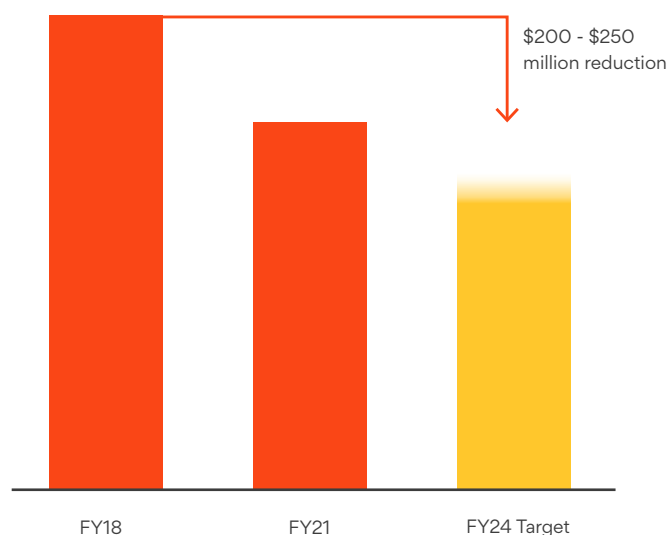
	HY22 (\$m)	HY21 (\$m)	Change (\$)	Change (%)
<i>Labour</i>	(75)	(73)	(2)	3
<i>Bad and doubtful debts</i>	(42)	(40)	(2)	5
<i>Other variable costs</i>	(56)	(55)	(1)	2
Retail and Business	(173)	(168)	(5)	3
Wholesale	(27)	(30)	3	(10)
Corporate services and IT	(51)	(56)	5	(10)
Electricity and Natural Gas cost to serve	(251)	(254)	3	(1)

Overall, Electricity and Natural Gas cost to serve has improved marginally with a reduction of \$3 million primarily driven by lower wholesale, corporate service and IT costs, partially offset by minor movements in labour and bad and doubtful debt expenses.

Bad debt expense as a percentage of total Electricity and Natural Gas revenue is relatively flat compared to HY2021.

We continue to target a reduction of \$200 – \$250 million in operating and capital cost savings by FY2024 from a baseline of FY2018, following our retail transformation and successful implementation of Octopus' Kraken platform and operating model. Approximately one third of savings is expected to be capital in nature and the remaining two thirds is expected from reduced operating costs, with \$110 million of operating cost savings already achieved at June 2021.

Operating and capital cost savings



Customer accounts

Customer accounts ('000) as at	31 December 2021	31 June 2021	Change
Electricity	2,653¹	2,625	28
NSW ²	1,169	1,175	(7)
Queensland	664	637	26
Victoria	569	566	3
South Australia ³	251	246	5
Natural Gas	1,250	1,249	2
NSW ²	354	350	4
Queensland	176	178	(2)
Victoria	491	492	(2)
South Australia ³	229	228	1
Total electricity and natural gas⁴	3,903	3,874	30
<i>Rolling average customer accounts (six months)</i>	<i>3,899</i>	<i>3,865</i>	<i>34</i>
Broadband	46	33	13
LPG	363	359	4
Total customer accounts	4,313¹	4,266	47

1 Includes an additional 39,000 previously excluded electricity unmetered sites due to an industry change.

2 Australian Capital Territory customer accounts are included in New South Wales.

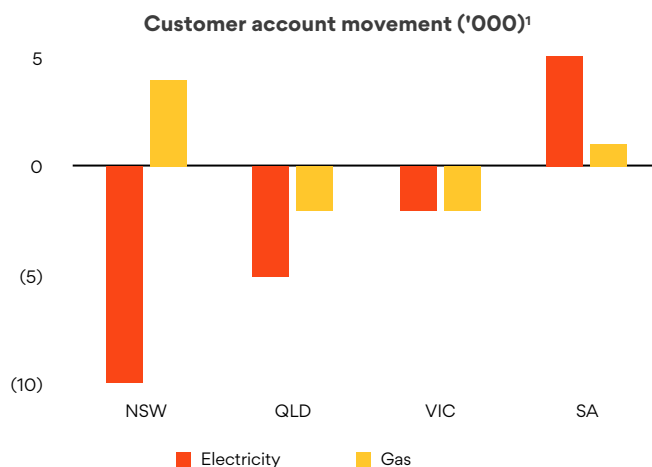
3 Northern Territory and Western Australia customer accounts are included in South Australia.

4 Includes 292,000 CES customer accounts (FY2021: 280,000).

Origin churn increased marginally by 0.4 per cent to 13.3 per cent during the period, up from 12.9 per cent, compared to market churn up 1.4 per cent to 18.7 per cent from 17.3 per cent in the prior period.

Period end customer accounts rose by 47,000 overall, including recording an additional 39,000 previously excluded electricity unmetered sites due to an industry change. Excluding the addition of the electricity unmetered sites, electricity customer accounts decreased by 11,000, primarily in New South Wales and Queensland.

Natural Gas customer accounts increased by 2,000, driven primarily by gains in New South Wales offset by losses in Queensland and Victoria. Broadband customer accounts increased by 13,000 during the period to 46,000 and LPG customer accounts increased by 4,000 to 363,000.



1 Excludes 39,000 unmetered sites which are now included in total customer accounts due to an industry change.

4.1.5 LPG

	HY22	HY21	Change	Change (%)
Volumes (kT)	190	213	(23)	(11)
Revenue and Other Income (\$m)	362	300	61	20
Cost of goods sold (\$m)	(256)	(194)	(62)	32
Gross Profit (\$m)	106	106	(0)	(0)
Operating costs (\$m)	(54)	(58)	4	(7)
Underlying EBITDA (\$m)	52	48	4	8

Origin is one of Australia's largest LPG and propane suppliers, procuring and distributing LPG to residential and business locations across Australia and the Pacific.

Gross Profit was broadly in line with HY2021 with higher cost of gas offset by retail price increases. Volumes were down 11 per cent due to lower wholesale demand and a decline in Autogas sales due to COVID-19. Operating costs decreased to \$54 million, driven largely by cost efficiencies achieved as part of an ongoing cost optimisation program.

4.1.6 Solar and Energy Services

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Revenue and Other Income	183	174	8	5
CES Gross Profit	44	42	2	5
Solar Gross Profit	16	19	(3)	(16)
Other Gross Profit	3	2	0	50
Gross Profit	62	63	(1)	(2)
Operating costs	(39)	(38)	(1)	3
Underlying EBITDA	23	25	(2)	(8)

Origin provides solar photovoltaic (PV) systems and battery products and installation services to residential and business customers, and ongoing support and maintenance services. CES supplies electricity and gas to apartment owners and occupiers, and body corporates through embedded networks and serviced hot water.

Underlying EBITDA decreased by \$2 million. This was driven by a reduction in Solar Gross Profit (-\$3 million), largely due to higher panel costs associated with manufacturing and supply constraints, partially offset by a \$2 million increase in CES Gross Profit due to continued customer account growth in the embedded networks and serviced hot water business, and a \$1 million increase in operating costs largely relating to continued investment in Broadband.

4.1.7 Future Energy

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Operating costs	(15)	(12)	(2)	17
Other income	1	-	1	N/A
EBITDA	(14)	(12)	(2)	17
Investments ¹	2	2	(0)	-

¹ Excludes any investment disposals in the period.

Future Energy activities and associated expenditure reflects the transition from incubation phase to scaling of various initiatives. The main focus areas continue to be the expansion of the Virtual Power Plant (VPP) and the deployment of digital products and services to our customers that reflect the continued shift towards a distributed and data-driven energy landscape.

Assets connected to the VPP have grown from 98 MW to 205 MW over the past 13 months, including an increasing variety of distributed energy and Internet of Things (IoT) devices. These devices include hot water systems, solar, batteries, air conditioners and various industrial assets, which are aggregated, controlled and dispatched in response to market and portfolio positions, creating value for both Origin and customers through a lower cost of energy.

The continued evolution of the VPP enables a broader and richer engagement with customers, including the design and deployment of in-app digital experiences for solar, battery and EV customers. These provide customers with insights into their connected energy assets, such as the energy flows between solar, battery and the grid, the level of energy self-sufficiency and cost savings from their energy assets, creating a truly transformed customer relationship.

Spike continues to do well, with 69,000 customers now signed up as at 31 December 2021. The behavioural demand response program, which pays customers for reducing their energy usage during events called SpikeHours, has proven to be a successful engagement tool, with more than 1.58 million SpikeHour invitations throughout CY2021 resulting in participation rates of 72 per cent and energy reductions of 51 per cent.

Operating costs increased during the period largely due to scaling up of our Spike program and other customer initiatives.

Other income in the period related to distributions received from equity investments.

4.1.8 Octopus Energy - Origin share 20 per cent¹³

	HY22 (\$m)	HY21 (\$m)
Revenue - energy	655	303
Revenue - licensing	16	15
Cost of sales	(653)	(304)
Gross Profit	18	14
Operating costs	(30)	(16)
EBITDA	(12)	(2)
Depreciation and amortisation ¹	(30)	(18)
Interest expense	(2)	(2)
Tax expense	4	2
NPAT	(39)	(20)

1 Includes \$10.0 million (HY2021: \$7.9 million) Origin adjustment to amortisation relating to the fair value attributed to intangible assets, including Kraken, on acquisition date.

Octopus customer accounts (100 per cent Octopus)

	31 December 2021 ('000)	30 June 2021 ('000)
Energy customer accounts (closing)	5,826	4,214
Energy customer accounts (6 month average)	5,127	3,860
Licensed Kraken platform customer accounts migrated to date (closing)	8,154	4,726
Licensed Kraken platform customer accounts migrated to date (6 month average)	6,439	3,302

During the period, Octopus secured two new investors resulting in a small dilution of Origin's interest from 20 per cent to 18.7 per cent. Origin has the right to top-up its interest in Octopus back to 20 per cent subject to certain conditions, and continues to retain its existing Board rights. The change in percentage interest impacted Origin's equity accounted share of profit for the month of December only.

Origin's share of Octopus EBITDA for the period was a loss of \$12 million, down \$10 million from HY2021. Octopus is positioned to manage the challenging UK energy market conditions. During HY2022, Octopus added approximately 1,070,000 Avro customer accounts under the regulator's Retailer of Last Resort scheme and launched a new retail presence in Italy. Octopus most recently launched in France, through the acquisition of Plüm énergie with approximately 100,000 customer accounts. Customer accounts in the underlying UK retail business continue their strong growth trajectory, having grown on average by 103,000¹⁴ per month since our investment in May 2020. Octopus had 5.8 million customer accounts at the end of December 2021, or approximately 11 per cent of the UK energy market.

In November 2021, Octopus announced a licensing deal with EDF, the fourth largest UK energy supplier, to move its 5 million customers to Kraken from 2023. Following this deal, four of the UK's leading energy suppliers - including three of the largest - will now be using the Kraken platform. Licensing deals with E.On and Origin are progressing well, with ~8.2 million customer accounts migrated at the end of December 2021. To date, 25 million customer accounts are contracted to be migrated to the Kraken platform, with an increase in licensing revenue to approximately £500 million expected over the next three years. Octopus continues its growth trajectory and is targeting approximately 100 million customer accounts by 2027.

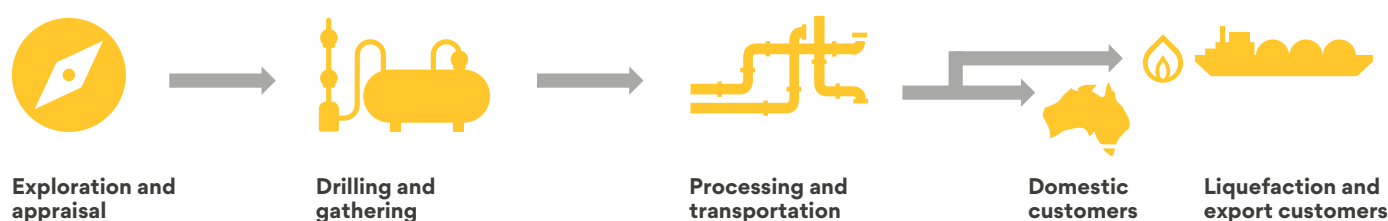
¹³ Our interest in Octopus was diluted to 18.7 per cent during December 2021 following an investment by CPPIB in Octopus. We retain the right to top-up our interest to 20 per cent subject to certain conditions, and continue to retain our existing Board rights. Profit and loss numbers reflect our 20 per cent share until 1 December 2021, and 18.7 per cent share for the month of December.

¹⁴ Excluding ~1,070,000 customer accounts relating to Avro.

4.2 Integrated Gas

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Share of APLNG (see Section 4.2.1) ¹⁵	1,039	513	526	103
Integrated Gas - Other (see Section 4.2.2)	(169)	53	(222)	(419)
Underlying EBITDA	870	566	304	54
Underlying depreciation and amortisation	(14)	(17)	3	(18)
Underlying share of ITDA from APLNG	(572)	(454)	(118)	26
Underlying EBIT	284	95	189	199

4.2.1 Share of APLNG



Origin held a 37.5 per cent shareholding in APLNG, an equity accounted incorporated joint venture, for the majority of the period, and is currently in the process of completing a sale of a 10 per cent interest in the project.¹⁵ APLNG operates Australia's largest CSG to LNG export project (by nameplate capacity) with the country's largest 2P CSG reserves.¹⁶ Origin is the operator of the upstream CSG exploration and appraisal, development and production activities. ConocoPhillips is the operator of the 9 mtpa two-train LNG liquefaction facility at Gladstone in Queensland.

As APLNG is an equity accounted incorporated joint venture, Integrated Gas reports its share of APLNG EBITDA. The share of APLNG ITDA is recorded as a line item between EBITDA and EBIT.

APLNG acquired various CSG interests from Tri-Star in 2002 that are subject to reversionary rights and an ongoing royalty interest in favour of Tri-Star. These interests represent approximately 20 per cent of APLNG's 2P CSG reserves and approximately 19 per cent of 3P (proved plus probable plus possible) CSG reserves (as at 30 June 2021). Refer to Section 5 for disclosure relating to Tri-Star litigation associated with these CSG interests.

Financial summary – APLNG

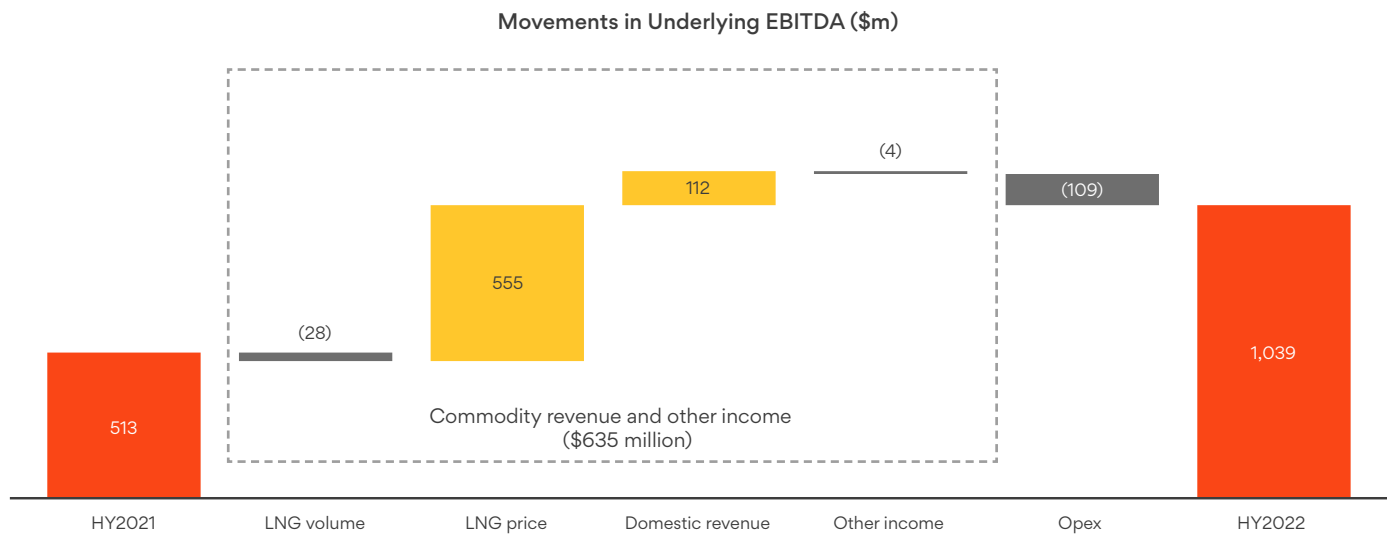
	HY22		HY21	
(\$m)	APLNG 100%	Origin share ¹⁵	APLNG 100%	Origin share
Commodity revenue and other income ¹	3,941	1,412	2,073	777
Operating expenses	(1,049)	(373)	(704)	(264)
Underlying EBITDA	2,892	1,039	1,369	513
Depreciation and amortisation	(786)	(281)	(811)	(304)
MRCPS interest expense	(99)	(37)	(154)	(58)
Project finance interest expense	(128)	(46)	(145)	(54)
Other financing expense	(39)	(14)	(54)	(20)
Interest income	3	1	4	2
Income tax expense	(553)	(197)	(59)	(22)
Underlying ITDA²	(1,602)	(574)	(1,218)	(456)
Underlying Profit	1,290	465	151	57

1 Includes commodity revenue plus other income of \$1 million (Origin share) primarily related to tolling revenue (HY2021: \$4 million Origin share).

2 See Origin Financial Statements note B1.2 for details relating to a \$2 million difference between APLNG ITDA and Origin's reported share.

¹⁵ Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date. The impact of 10 per cent ownership change from 8 December 2021 on Integrated Gas Underlying EBITDA is \$46 million for HY2022.

¹⁶ As per EnergyQuest EnergyQuarterly, December 2021.



Origin's share of APLNG Underlying EBITDA increased by \$526 million, primarily driven by higher realised oil prices and higher spot LNG prices. The impact of 10 per cent ownership change from December 2021 on Integrated Gas Underlying EBITDA is \$46 million.¹⁷

- Commodity revenue and other income increased by \$635 million, primarily reflecting higher realised oil price of US\$68/bbl (A\$93/bbl) compared to US\$38/bbl (A\$53/bbl) in HY2021, higher realised spot LNG prices with three JKM-linked spot cargoes delivered in the December 2021 quarter as well as higher domestic short-term contract prices and volumes. North Asian LNG market prices delivered in the quarter averaged ~US\$28/mmbtu. A further six JKM-linked spot cargoes have been sold for delivery in early CY2022 with delivered prices subject to market prices at that time.
- Operating expenses increased by \$109 million, primarily reflecting higher royalties as a result of higher commodity revenue and more gas purchased. See below for further details.

Origin's share of depreciation and amortisation decreased by \$23 million, primarily reflecting a lower amortisation unit rate and a higher AUD/USD exchange rate. Downhole costs are amortised using a units of production method.

MRCPS interest expense decreased by \$21 million primarily due to a reduction in MRCPS balance following buy-backs by APLNG and a higher AUD/USD exchange rate. See Section 3.5 for details relating to APLNG funding.

¹⁷ Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date.

APLNG volume summary

	HY22		HY21	
	APLNG 100%	Origin share ¹	APLNG 100%	Origin share
Volumes (PJ)				
Operated	271	97	271	102
Non-operated	80	29	82	31
Total production	351	126	354	133
Purchases	8	3	2	1
Changes in upstream gas inventory/other	-	-	(14)	(5)
Liquefaction/downstream inventory/other	(23)	(8)	(16)	(6)
Total sales	337	121	325	122
Commodity revenue (\$m)				
Domestic gas	630	228	310	116
LNG	3,308	1,183	1,748	656
Sales mix (PJ)				
Domestic gas	95	35	81	30
LNG contract	231	82	208	78
LNG spot	11	4	36	14
Realised price				
Domestic gas (A\$/GJ)	6.61		3.83	
LNG (A\$/GJ)	13.67		7.17	
LNG (US\$/mmbtu)	10.55		5.47	

¹ Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date.

APLNG production was relatively stable, despite a 31-day planned downstream shutdown conducted in the first quarter when higher sales volumes were directed to the domestic market.

APLNG sales volumes increased by 4 per cent, primarily driven by more volumes lifted from non-operated production with improved market conditions, and more purchased gas via swaps to manage planned maintenance.

The average realised LNG price increased by 91 per cent to A\$13.67/GJ, reflecting higher realised oil and spot LNG prices with three spot cargoes delivered in the period capturing record high commodity prices. The average realised domestic gas price increased by 73 per cent to \$6.61/GJ, primarily reflecting higher JKM-linked short-term contract prices.

Cash flow – APLNG 100%

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Underlying EBITDA	2,892	1,369	1,523	111
Non-cash items in underlying EBITDA	(6)	32	(38)	(119)
Change in working capital	30	28	2	7
Other	-	(2)	2	(100)
Operating cash flow¹	2,916	1,427	1,489	104
Capital expenditure ¹	(201)	(306)	105	(34)
Interest income ¹	3	6	(3)	(50)
Acquisitions/disposals ¹	6	-	6	n/a
Loans (advanced to)/paid by other shareholders	-	-	-	n/a
Investing cash flow	(192)	(300)	108	(36)
Project finance interest and transaction costs ¹	(121)	(145)	24	(17)
Repayment of project finance ¹	(350)	(341)	(9)	3
Other financing activities ¹	(22)	(27)	5	(19)
Repayment of lease liabilities ¹	(25)	(26)	1	(4)
Interest on lease liabilities ¹	(8)	(10)	2	(20)
MRCPS interest	(106)	(160)	54	(34)
MRCPS buy-back	(1,373)	(547)	(826)	151
Financing cash flow	(2,005)	(1,256)	(749)	60
Net increase/(decrease) in cash and cash equivalents	719	(129)	848	(657)
Effect of exchange rate changes on cash ¹	46	(108)	154	(143)
Net increase/(decrease) in cash and cash equivalents including FX movement	765	(237)	1,002	(423)
Distributable cash flow¹	2,244	471	1,773	376

¹ Included in distributable cash flow. Distributable cash flow represents the net increase in cash, including foreign exchange movements before MRCPS interest and buy-backs, and transactions with shareholders.

APLNG generated distributable cash flow of \$2,244 million at an effective oil price of US\$68/bbl after servicing project finance interest and principal. Cash distributions to Origin were \$555 million in HY2022. The project finance facility requires APLNG to hold an amount of cash to service near-term operational and project finance obligations. As at 31 December 2021, APLNG held \$1,670 million of cash (\$905 million at 30 June 2021), reflecting high oil and spot LNG prices in the last quarter with higher distributions expected in the second half of FY2022.

Operating expenditure – APLNG 100%

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Purchases	(71)	(8)	(63)	788
Royalties and tariffs ¹	(282)	(48)	(234)	488
Upstream operated opex	(399)	(356)	(43)	12
Upstream non-operated opex	(131)	(124)	(7)	6
Downstream opex	(154)	(111)	(43)	39
APLNG Corporate/other	(12)	(56)	44	(79)
Total operating expenses per Profit and Loss	(1,049)	(704)	(345)	49
Other cash items	(20)	(60)	40	(67)
Total operating cash costs	(1,069)	(764)	(305)	40

¹ Reflects actual royalties paid. At breakeven price, royalties and tariffs would have amounted to \$94 million (HY2021: \$39 million).

Operating expenses increased \$345 million, primarily driven by higher royalties reflecting stronger commodity revenue and higher gas purchases. APLNG Corporate/other reduced \$44 million, primarily reflecting foreign exchange impacts. Upstream operated opex increased by \$43 million, reflecting higher power costs and increased workover activities. Downstream opex increased by \$43 million, reflecting the major downstream maintenance activities conducted early in the year.

Capital expenditure – APLNG 100%

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Operated upstream - Sustain	(98)	(161)	63	(39)
Operated upstream - Infrastructure	(8)	(10)	2	(20)
Exploration and appraisal	(22)	(20)	(2)	10
Downstream	(13)	(8)	(5)	63
Non-operated	(56)	(64)	8	(13)
Total capital expenditure	(197)	(263)	66	(25)

Capital expenditure decreased by \$66 million, primarily driven by a \$63 million decrease in operated sustain costs, reflecting reduced development activity, enabled by strong field performance and the impact of wet weather in the period.

Operated upstream - Sustain includes expenditure for drilling, completions, fracture stimulation, the gathering network, surface connection, capital improvements and land access which occurs over multiple years. In HY2022, 34 operated wells were drilled (versus 43 in HY2021), 11 wells were fracture stimulated (versus seven in HY2021) and 34 operated wells were commissioned (versus 103 in HY2021).

4.2.2 Integrated Gas – Other

This segment comprises Origin Integrated Gas activities that are separate from APLNG, and includes exploration interests in the Beetaloo, Cooper-Eromanga and Canning basins, and a potential conventional development resource in the offshore Browse Basin. It also includes overhead costs (net of recoveries) incurred as upstream operator and corporate service provider to APLNG, costs associated with growth initiatives such as hydrogen, and costs incurred in managing Origin's exposure to LNG pricing risk and impacts of its LNG trading positions.

Beetaloo Basin (Northern Territory)

Origin has a 77.5 per cent interest in three exploration permits over 18,500 km² in the Beetaloo Basin. Stage 2 appraisal under the farm-in arrangement to evaluate three independent shale gas plays was completed in HY2022. Stage 3 is now underway, targeting Velkerri dry gas play. Work continues with regulators and Native Title holders to ensure operations are conducted safely and with transparency around the necessary approvals and consents.

- **Velkerri dry gas play** – A further production test of the Amungee NW 1H well was conducted in August 2021 to assess if stages that were stimulated during the previous test in 2016 are contributing to flow rates. Average gas flow rates of 1.02 million standard cubic feet per day (MMscf/d) were observed over a 45-day period, with between 85 per cent and 95 per cent of the flows measured coming from the first 200 metres section of the well. The test results suggest a normalised gas flow rate equivalent of between 5.2 and 5.8 MMscf/d per 1,000 metres of lateral. Future production wells will target effective lengths of approximately 3,000 metres. This result indicates the Velkerri dry gas play may be comparable with commercial shale plays around the world.

The CY2022 work programme includes the drilling, hydraulic fracture stimulation and extended production test of two horizontal wells.

- **Velkerri liquids-rich gas play** – The Velkerri 76 S2-1 well was drilled to a total measured depth of 2,129 metres in October 2021 with encouraging preliminary results indicating that the Velkerri shales at this location are within the wet gas maturity window. The CY2022 work programme includes core sample analysis to further characterise the reservoir.
- **Kyalla liquids-rich gas play** – A production test was conducted at the Kyalla 117 well during the period, and the well was able to intermittently flow without assistance at rates up to 1.5 MMscf/d, however, production was not sustained and the well has been shut in.

Kyalla 117 is the first horizontal well drilled targeting the Beetaloo Basin's Kyalla shale formation and successfully met its primary technical objective of demonstrating potential liquids-rich gas flows. The CY2022 work programme includes further evaluation of the results of the Kyalla 117 well to better understand the issues encountered during testing in CY2021.

Cooper-Eromanga Basin (Queensland)

Origin has a 75 per cent interest and operatorship of five permits, 100 per cent interest and operatorship of one permit, and has recently acquired 99 per cent interest and operatorship of additional 11 permits. In December 2020, the first vertical exploration well, Obelix-2, was drilled to test the maturity of the Toolebuc Formation. The well was written off in HY2022 with no plans for further development at the well location. Additional permits were acquired to continue the evaluation of the prospectivity of the Toolebuc formation within the basin, targeting both unconventional liquids and gas.

Canning Basin (Western Australia)

Origin entered into agreements in December 2020 with Buru Energy to farm in to a 50 per cent equity share in five permits, and a 40 per cent equity share in two permits. The Currajong 1 well was drilled to a total measured depth of 2,340 metres in August 2021 however no oil was recovered from the test zones, and the well was written off in HY2022. The Rafael 1 well was drilled to a total depth of 4,141 metres in November 2021, with preliminary results indicating liquids-rich gas potential in a conventional reservoir. A production test is planned to begin in early CY2022 subject to COVID-19 restrictions on interstate personnel movements. A 2D seismic acquisition program was successfully completed in the Basin and interpretation of the data is underway.

Financial summary

	HY22 (\$m)	HY21 (\$m)	Change (\$m)	Change (%)
Origin only commodity hedging and trading	(96)	79	(175)	(222)
Other Origin only costs	(73)	(26)	(47)	181
Underlying EBITDA	(169)	53	(222)	(419)
Underlying depreciation and amortisation/ITDA	(12)	(15)	3	(21)
Interest income - MRCPS	37	58	(21)	(36)
Underlying Profit/(Loss)	(144)	96	(240)	(250)

Other Origin only costs increased by \$47 million, primarily reflecting the write-offs of the Obelix-2 well in the Cooper-Eromanga Basin and the Currajong 1 well in the Canning Basin, also reflecting increased activities in the hydrogen and renewable fuels projects.

Refer to the following table for a breakdown of Origin only commodity hedging and trading costs.

Commodity hedging and trading summary

HY2022 positions realised a \$96 million loss compared to a \$79 million net gain in HY2021. Based on open positions at current forward market prices¹⁸, we estimate a loss on oil hedging and LNG trading in FY2022 of \$189 million.

(\$m)	HY22 actual	HY21 actual	FY22 estimate ¹
Oil hedging premium expense	(3)	(3)	(28)
Gain/(loss) on oil hedging	(55)	99	(127)
Gain/(loss) on LNG trading	(37)	(17)	(34)
Total	(96)	79	(189)

1 Based on forward prices as at 31 January 2022.

Oil hedging

Origin has entered into oil hedging instruments to manage its share of APLNG oil price risk based on the primary principle of protecting the Company's investment grade credit rating and cash flows during volatile market periods.

For FY2022, Origin's share of APLNG related Japan Customs-cleared Crude (JCC) oil price exposure is estimated to be approximately 20 mmbbl¹⁹. As at 31 January 2022, we estimate that approximately 97 per cent has been priced at approximately US\$67/bbl based on LNG contract lags and hedging outcomes note below.

Origin has separately hedged 9.6 mmbbl, primarily using swaps, producer collars and put options, of which 8.6 mmbbl has been realised as at 31 January 2022 at an average price of approximately US\$60/bbl (see table below). Premium spend for this hedge position is A\$28 million.

FY2022 hedge instruments	Realised as at 31 Jan 2022		Remaining unrealised	
	Volume (mmbbl)	Average price	Volume (mmbbl)	Average price
Brent AUD swaps	2.5	A\$72/bbl	0.1	A\$80/bbl
Brent USD swaps	4.2	US\$46/bbl	0.4	US\$46/bbl
Brent producer collars	0.5	US\$35-90/bbl	0.2	US\$35-90/bbl
Brent puts	1.4	US\$42/bbl	0.3	US\$38/bbl
Total hedged	8.6		1.0	
Brent USD calls	5.4	US\$58/bbl	0.3	US\$60/bbl

The FY2023 hedge position consists of:

- 5.4 mmbbl hedged at a fixed price of US\$56/bbl, with 4.4 mmbbl participating in market prices above US\$63/bbl and capped at US\$78/bbl; and
- 1.6 mmbbl hedged at a floor price of US\$35/bbl, with all of this hedged amount participating in market prices up to US\$90/bbl.

Premium spend for this hedge position is A\$21 million and will be incurred in FY2023.

LNG trading

In 2013, Origin established a Henry Hub linked contract to purchase 0.25 mtpa from Cameron LNG for a period of 20 years, with the first cargo delivered to Origin in June 2020. In FY2020, a non-cash onerous provision of \$641 million was recognised, which has been revalued at \$115 million as at 31 December 2021 (\$397 million as at 30 June 2021), reflecting stronger near-term assumptions for LNG prices relative to Henry Hub prices, higher US Treasury bond rates and the realised gain for the period.

In 2016, Origin established a contract with ENN LNG Trading Company Limited to sell 0.28 mtpa on a Brent oil-linked basis commencing in FY2019 and ending in December 2023. In FY2021, a non-cash onerous provision of \$13 million was recognised, which has been revalued at \$235 million as at 31 December 2021, reflecting stronger near-term assumptions for LNG prices relative to Brent oil prices.

These contracts and derivative hedge contracts that manage the price risk associated with the physical LNG contracts form part of an LNG trading portfolio.

¹⁸ As at 31 January 2022.

¹⁹ Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date.

5 APLNG reversion

In 2002, APLNG acquired various CSG interests from Tri-Star that are subject to reversionary rights and an ongoing royalty in favour of Tri-Star. If triggered, the reversionary rights require APLNG to transfer back to Tri-Star a 45% interest in those CSG interests for no additional consideration. The reversion trigger will occur when the revenue from the sale of petroleum from those CSG interests, plus any other revenue derived from or in connection with those CSG interests, exceeds the aggregate of all expenditure relating to those CSG interests plus interest on that expenditure, royalty payments and the original acquisition price.

The affected CSG interests represent approximately 19 per cent of APLNG's 3P CSG reserves (as at 30 June 2021), and approximately 20 per cent of APLNG's 2P CSG reserves (as at 30 June 2021).

Tri-Star served proceedings on APLNG in 2015 ('reversion proceeding') claiming that reversion occurred as early as 1 November 2008 following ConocoPhillips' investment in APLNG, on the assertion that the equity subscription monies paid by ConocoPhillips, or a portion of them, were revenue for purposes of the reversion trigger. Tri-Star has also claimed in the alternative that reversion occurred in 2011 or 2012 following Sinopec's investment in APLNG. These claims are referred to in this document as Tri-Star's 'past reversion' claims.

Tri-Star has made other claims in the reversion proceeding against APLNG relating to other aspects of the reversion trigger (including as to the calculation of interest, calculation of revenue and the nature and quantum of APLNG's expenditures that can be included), the calculation of the royalty payable by APLNG to Tri-Star, rights in respect of infrastructure, and claims relating to gas sold by APLNG following the alleged reversion dates. APLNG denies these claims and is defending the proceedings.

If Tri-Star's past reversion claims are successful, then Tri-Star may be entitled to an order that reversion occurred as early as 1 November 2008. If the court determines that reversion has occurred, then APLNG may no longer have access to the reserves and resources that are subject to Tri-Star's reversionary interests and may need to source alternative supplies of gas (including from third parties) to meet its contracted commitments. There are also likely to be a number of further complex issues that would need to be resolved as a consequence of any such finding in favour of Tri-Star. These matters will need to be determined by the court (either in the current or in separate proceedings) or by agreement between the parties, and they include:

- the terms under which some of the affected CSG interests will be operated where currently there are no joint operating agreements in place;
- the amount of Tri-Star's contribution to the costs incurred by APLNG in exploring and developing the affected CSG interests between the date of reversion and the date of judgment, which APLNG has stated in its defence and counter-claim are in the order of \$4.56 billion (as at 31 December 2019) if reversion occurred on 1 November 2008; and
- the consequences of APLNG having dealt with Tri-Star's reversionary interests between the date of reversion and the date of judgment, including the gas produced from them. Tri-Star has:
 - estimated the value of such gas which it has been unable to take since the alleged reversion, calculated by reference to the sale of gas as LNG and gas to domestic customers, to be approximately \$3.37 billion (as at 31 March 2019) and approximately \$1.3 billion per annum thereafter. In the alternative, Tri-Star claims that the value of such gas should be assessed by reference to the revenue derived by APLNG or its affiliates from LNG sales since the alleged reversion, being

approximately \$2.5 billion (as at March 2019), or \$2.4 billion (as at March 2019) if the proceeds from sale of LNG is determined to be calculated net of liquefaction costs; and

- alleged that it should be paid the value of such gas or is otherwise entitled to set-off the value of such gas from any amount owing to APLNG arising from APLNG's counter-claim for contribution to the costs incurred by APLNG in exploring and developing the affected CSG interests between the date of reversion and the date of judgement; and
- if reversion occurred:
- the extent of the reversionary interests principally with respect to Tri-Star's ownership and/or rights to use or access certain project infrastructure; and
- the repayment by Tri-Star of the ongoing royalty which has been paid by APLNG since reversion, resulting from its mistake as to the occurrence of the reversion trigger.

If APLNG is successful in defending Tri-Star's past reversion claims in the reversion proceeding, the potential for reversion to otherwise occur in the future in accordance with the reversion trigger will remain.

In 2017, Tri-Star commenced separate proceedings against APLNG ('markets proceeding') which allege that APLNG breached three CSG joint operating agreements by failing to offer Tri-Star (and the other minority participants in those agreements) an opportunity to participate in the "markets" alleged to be constituted by certain of its LNG and domestic gas sales agreements, including the Sinopec and Kansai LNG sale agreements entered into by APLNG in 2011 and 2012. Tri-Star has alleged that it should have been offered participation in those sales agreements for its share of production from those three CSG joint ventures referable to both its small participating interests and its reversionary interests in those joint ventures.

In September 2019, Tri-Star made further claims in the markets proceeding relating to:

- the nature and scope of the obligations of APLNG as operator pursuant to the CSG joint operating agreements;
- Tri-Star's ownership and/or rights to use or access certain project infrastructure; and
- APLNG's entitlement as operator to charge (both historically and in the future) certain categories of costs under the relevant CSG joint operating agreements.

Tri-Star is seeking, amongst other things, damages and/or an order that APLNG offer Tri-Star (and the other minority participants in those CSG joint operating agreements) the opportunity to participate in those sales agreements for their proportionate share of production from those three CSG joint ventures. APLNG denies these claims and is defending these proceedings.

APLNG filed defences and counterclaims in both proceedings in April and May 2020. In December 2020, Tri-Star filed replies and answers in the both proceedings. APLNG filed its rejoinders in the reversion proceeding and the markets proceeding in February and April 2021 respectively. APLNG filed a further amended defence and counterclaim in the reversion proceeding in December 2021.

In September 2021, Tri-Star filed and served an application in both proceedings for questions to be determined separately (or further or alternatively referred to a referee to conduct an inquiry into and prepare a report to the court on those questions). The questions proposed for separate determination in those applications include the issue of whether the 2008 ConocoPhillips subscription monies are revenue for the purposes of the calculation of the reversion trigger.

APLNG is opposing the separate determination applications in respect of both proceedings. Tri-Star and APLNG have filed

evidence ahead of the application hearing in April 2022. Following the hearing, the court will deliver judgement in respect of the applications. The subsequent steps will depend on the court's decision in relation to the applications.

The court will usually wait for the separate determination applications to be finally determined before making further orders for the conduct of the two proceedings (which APLNG expects will continue to be managed in parallel).

The necessary steps to prepare for a trial (whether as to all disputed issues or discrete questions) usually include document disclosure, evidence preparation and exchange and pre-trial mediation. The process that will ultimately be followed (and the procedural timetable) is difficult to predict at this stage.

If APLNG is not successful in defending all or some of the claims being made in the proceedings by Tri-Star, APLNG's financial performance may be materially adversely impacted and the amount and timing of cash flows from APLNG to its shareholders, including Origin, may be significantly affected.

by management to assess the performance of Origin's business and make decisions on allocation of resources. Further information regarding the non-IFRS financial measures is included in the Glossary of this OFR. Non-IFRS financial measures have not been subject to audit or review. Certain comparative amounts from the prior corresponding period have been re-presented to conform to the current period's presentation.

6 Important information

Forward looking statements

This Operating and Financial Review (OFR) contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events and future financial prospects. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements, and the outcomes are not all within the control of Origin. Statements about past performance are not necessarily indicative of future performance.

Neither the Company nor any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) (the 'Relevant Persons') makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statement. The forward looking statements in this OFR reflect views held only at the date of this report and except as required by applicable law or the ASX Listing Rules, the Relevant Persons disclaim any obligation or undertaking to publicly update any forward looking statements, or discussion of future financial prospects, whether as a result of new information or future events.

Non-IFRS financial measures

This OFR and Directors' Report refers to Origin's financial results, including Origin's Statutory Profit and Underlying Profit. Origin's Statutory Profit contains a number of items that when excluded provide a different perspective on the financial and operational performance of the business. Income Statement amounts, presented on an underlying basis such as Underlying Profit, are non-IFRS financial measures, and exclude the impact of these items consistent with the manner in which senior management reviews the financial and operating performance of the business. Each underlying measure disclosed has been adjusted to remove the impact of these items on a consistent basis. A reconciliation and description of the items that contribute to the difference between Statutory Profit and Underlying Profit is provided in Section 3.1 of this OFR.

Certain other non-IFRS financial measures are also included in this OFR. These non-IFRS financial measures are used internally

Appendix

1 Deferred Tax Liability - investment in APLNG

An improved outlook for APLNG is expected to drive higher distributable cash flow in the near term and this is expected to result in the MRCPS securities held by Origin being fully redeemed within FY2022, after which APLNG is expected to begin distributing ordinary dividends. The ordinary dividends will be unfranked until APLNG starts paying income tax, which is not expected until later in the decade given existing tax losses held by APLNG.

Typically, when in receipt of unfranked dividends, the income tax expense would be recognised in the year the dividend is received. However, as Origin had an unrecognised deferred tax liability in respect of our investment in APLNG, accounting standards require recognition of a deferred tax expense provided certain criteria are met.

A deferred tax liability arises when the accounting cost base of an asset is higher than the tax cost base, resulting from a temporary difference. The carrying value of our investment in APLNG is significantly higher than the tax cost base, primarily as a result of our equity accounted share of retained profits to date.

Consistent with accounting standards, the deferred tax liability has not been recognised historically because

1. Origin is able to control the timing of distributions from APLNG which would reverse the temporary difference; and
2. it has not been probable that the temporary difference will reverse in the foreseeable future via dividends paid from current retained earnings, capital returns or a disposal.

As it is now probable that APLNG will begin to distribute cash to shareholders via dividends in the coming years, Origin recognised a deferred tax liability of \$669 million in FY2021. During the period, the deferred tax liability was reduced by \$178 million, reflecting the deferred tax liability associated with the ten per cent share of APLNG in the process of being divested, and an additional amount of \$217 million was recognised, reflecting improved outlook for distributable cash flows from APLNG. This has resulted in a net tax expense related to the deferred tax liability of \$39 million.

As at 31 December 2021 we have a deferred tax liability on the balance sheet of \$708 million, representing 30 per cent of the dividends expected to be paid in the foreseeable future from the existing equity accounted retained earnings based on current market assumptions, including future oil prices, at our residual interest of 27.5 per cent.

Recognition of the deferred tax liability only impacts the timing of accounting for the tax expense and has no impact on the underlying economics or cash flows. There is a remaining unrecognised deferred tax liability at 31 December 2021 of \$542 million which may be partly or fully recognised in the future.

Going forward, when Origin receives unfranked dividends from APLNG, the proportion paid from earnings in that year will still incur tax expense, and the balance attributable to retained earnings will result in partial utilisation of the deferred tax liability.

2 Accounting for large-scale generation certificate trading strategy

Supply and demand for large-scale generation certificates (LGCs) is driven by the rate of new renewable projects coming online, voluntary demand for carbon offsets as well as the compliance obligations under the Large-scale Renewable Energy Target (LRET). Renewable project delays and generation curtailments have led to a near-term tightening of the LGC market. However, it is expected that the 33 TWh legislated target will be exceeded and longer term the market will be oversupplied. The Clean Energy Regulator has acknowledged this and provides the option for parties to shift demand from periods of tight supply by deferring the surrender of certificates to later years. Under the scheme, parties can defer up to 10 per cent of their obligation at no additional cost and can defer more than 10 per cent by incurring a shortfall charge of \$65 per certificate that is refundable provided the LGCs are surrendered within three years. Refunds are now non-assessable for tax following legislative change and aligns with the non-deductible treatment of the shortfall charge.

This presents an economic opportunity with the LGC forward curve in backwardation and, as previously disclosed, Origin elected to defer surrender of 2.5 million 2020 calendar year certificates in February 2021. Origin now expects to also defer approximately 3.8 million 2021 calendar year certificates due for surrender in February 2022.

During HY2022, \$144 million was accrued in relation to the second half of 2021 calendar year.

Included in HY2022 Underlying Profit is a cost of \$53 million reflecting the estimated future surrender cost, based on a weighted average of the current forward price and purchases to date, comprising:

- \$11 million relating to reassessment of the surrender cost associated with the first half of 2021 calendar year; and
- \$42 million relating to the second half of 2021 calendar year (~2.2 million certificates at \$19 each, reflecting the forward price for the 2024 calendar year and purchases to date).

The balance of \$91 million is excluded from Underlying Profit.

Future surrender cost will continue to be reassessed each reporting period.

Directors' Report

For the six months ended 31 December 2021



In accordance with the *Corporations Act 2001* (Cth), the Directors of Origin Energy Limited (Company) report on the Company and the consolidated entity Origin Energy Group (Origin), being the Company and its controlled entities for the half year ended 31 December 2021 ('the period').

The Operating and Financial Review forms part of this Directors' Report.

Directors

The names of the Directors of the Company holding office during the half year ended 31 December 2021 and up to the date of this Report are as follows:

Scott Perkins (Chairman)
Frank Calabria (Managing Director & Chief Executive Officer)
John Akehurst (retired 20 October 2021)
Ilana Atlas
Maxine Brenner
Greg Lalicker
Mick McCormack
Bruce Morgan
Steven Sargent
Joan Withers

Review of operations

A review of the operations and results of operations of Origin during the period is set out in the Operating and Financial Review, which is attached to and forms part of the Directors' report.

Dividend

The Directors have determined to pay an unfranked interim dividend of 12.5 cents per share which will be paid on Friday 25 March 2022 to shareholders on record on Wednesday 2 March 2022.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under section 307C of the *Corporations Act 2001* (Cth) is attached to and forms part of the Directors' Report for the half year ended 31 December 2021.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that class order, amounts in the financial report and Directors' Report have been rounded off to the nearest million dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors:

Mr Scott Perkins
Chairman

Sydney, 17 February 2022

Lead Auditor's Independence Declaration



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Auditor's Independence Declaration to the Directors of Origin Energy Limited

As lead auditor for the review of the half-year financial report of Origin Energy Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Origin Energy Limited and the entities it controlled during the financial period.

Ernst & Young

Andrew Price
Partner
Sydney
17 February 2022

Interim Financial Statements

For the half year ended 31 December 2021



Interim primary statements

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Interim statement of comprehensive income
Interim statement of financial position
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Interim statement of cash flows

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C Funding, financial instruments and contributed equity

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D Group structure

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Directors' declaration

Independent auditor's report

Interim income statement

For the half year ended 31 December

	Note	2021 \$m	2020 ¹ \$m
Revenue	A2	6,511	6,068
Other income	A3	63	14
Expenses	A4	(6,858)	(6,250)
Results of equity accounted investees	A6	426	39
Interest income	A3	38	61
Interest expense	A4	(105)	(127)
Profit/(loss) before income tax		75	(195)
Income tax (expense)/benefit	A5	(205)	13
Loss for the period		(130)	(182)
Loss for the period attributable to:			
Members of the parent entity		(131)	(183)
Non-controlling interests		1	1
Loss for the period		(130)	(182)
Earnings per share			
Basic earnings per share	A7	(7.4) cents	(10.4) cents
Diluted earnings per share	A7	(7.4) cents	(10.4) cents

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

The interim income statement should be read in conjunction with the accompanying notes to the interim financial statements.

Interim statement of comprehensive income

For the half year ended 31 December

	2021 \$m	2020 ¹ \$m
Loss for the period	(130)	(182)
Other comprehensive income		
Items that will not be reclassified to profit or loss, net of tax		
Investment valuation changes	1	(5)
Items that can be reclassified to profit or loss, net of tax		
Translation of foreign operations	300	(824)
Cash flow hedges:		
Reclassified to income statement	(61)	93
Effective portion of change in fair value	568	26
Total other comprehensive income, net of tax	808	(710)
Total comprehensive income for the period	678	(892)
Total comprehensive income attributable to:		
Members of the parent entity	676	(891)
Non-controlling interests	2	(1)
Total comprehensive income for the period	678	(892)

¹ Certain amounts have been restated to reflect adjustments disclosed in note E3.

The interim statement of comprehensive income should be read in conjunction with the accompanying notes to the interim financial statements.

Interim statement of financial position

as at

	Note	31 December 2021 \$m	30 June 2021 ¹ \$m	1 July 2020 ¹ \$m
Current assets				
Cash and cash equivalents		214	472	1,240
Trade and other receivables		2,013	2,298	1,959
Inventories		135	113	164
Derivatives		1,300	769	630
Other financial assets	C2	634	503	479
Income tax receivable		-	7	89
Assets classified as held for sale ²		2,001	-	-
Other assets		170	121	105
Total current assets		6,467	4,283	4,666
Non-current assets				
Trade and other receivables		4	14	18
Derivatives		912	366	675
Other financial assets	C2	755	1,465	2,225
Investments accounted for using the equity method	A6	5,840	6,949	7,360
Property, plant and equipment (PP&E)		3,302	3,291	4,331
Exploration and evaluation assets		282	245	190
Intangible assets		4,639	4,658	5,373
Deferred tax assets		-	-	462
Other assets		48	47	40
Total non-current assets		15,782	17,035	20,674
Total assets		22,249	21,318	25,340
Current liabilities				
Trade and other payables		1,761	2,407	1,934
Payables to joint ventures		175	169	202
Interest-bearing liabilities		58	2,004	1,401
Derivatives		977	741	466
Other financial liabilities	C2	542	344	237
Provision for income tax		16	-	-
Employee benefits		191	231	234
Provisions		243	43	163
Total current liabilities		3,963	5,939	4,637
Non-current liabilities				
Trade and other payables		-	-	193
Interest-bearing liabilities		5,234	3,224	5,451
Derivatives		1,608	1,395	1,343
Other financial liabilities	C2	11	15	16
Deferred tax liabilities		392	5	-
Employee benefits		37	36	33
Provisions		955	1,219	1,313
Total non-current liabilities		8,237	5,894	8,349
Total liabilities		12,200	11,833	12,986
Net assets		10,049	9,485	12,354
Equity				
Contributed Equity	C4	7,162	7,138	7,145
Reserves		1,326	525	716
Retained earnings		1,539	1,802	4,472
Total parent entity interest		10,027	9,465	12,333
Non-controlling interests		22	20	21
Total equity		10,049	9,485	12,354

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

2 Includes \$3 million related to embedded network meters and \$1,998 million related to the sale of 10 per cent of Origin's investment in APLNG. Refer to note B1.1.

The interim statement of financial position should be read in conjunction with the accompanying notes to the interim financial statements.

Interim statement of changes in equity

For the half year ended 31 December

\$m	Contributed equity	Share-based payments reserve	Foreign currency translation reserve	Hedge reserve	Fair value reserve	Retained earnings	Non-controlling interests	Total equity
Balance as at 30 June 2021	7,138	226	222	72	5	2,132	20	9,815
Change in accounting policy ¹	-	-	-	-	-	(330)	-	(330)
Balance as at 1 July 2021 restated	7,138	226	222	72	5	1,802	20	9,485
Profit/(loss)	-	-	-	-	-	(131)	1	(130)
Other comprehensive income	-	-	299	507	1	-	1	808
Total comprehensive income for the period	-	-	299	507	1	(131)	2	678
Dividends provided for or paid	-	-	-	-	-	(132)	-	(132)
Movement in contributed equity (refer to note C4)	24	-	-	-	-	-	-	24
Share-based payments	-	(6)	-	-	-	-	-	(6)
Total transactions with owners recorded directly in equity	24	(6)	-	-	-	(132)	-	(114)
Balance as at 31 December 2021	7,162	220	521	579	6	1,539	22	10,049
Balance as at 30 June 2020	7,145	223	860	(375)	8	4,819	21	12,701
Change in accounting policy ¹	-	-	-	-	-	(347)	-	(347)
Balance as at 1 July 2020 restated	7,145	223	860	(375)	8	4,472	21	12,354
Profit/(loss)	-	-	-	-	-	(183)	1	(182)
Other comprehensive income	-	-	(822)	119	(5)	-	(2)	(710)
Total comprehensive income for the period	-	-	(822)	119	(5)	(183)	(1)	(892)
Dividends provided for or paid	-	-	-	-	-	(176)	(1)	(177)
Movement in contributed equity (refer to note C4)	16	-	-	-	-	-	-	16
Share-based payments	-	(14)	-	-	-	-	-	(14)
Total transactions with owners recorded directly in equity	16	(14)	-	-	-	(176)	(1)	(175)
Balance as at 31 December 2020	7,161	209	38	(256)	3	4,113	19	11,287

¹ Certain amounts have been restated (June 2021: (\$327) million; June 2020: (\$347) million) to reflect adjustments disclosed in note E3. A further restatement of (\$3) million in June 2021 million relates to our investment in Octopus Energy.

The interim statement of changes in equity should be read in conjunction with the accompanying notes to the interim financial statements.

Interim statement of cash flows

For the half year ended 31 December

	2021 \$m	2020 ¹ \$m
Cash flows from operating activities		
Receipts from customers	7,444	6,932
Payments to suppliers and employees	(7,521)	(6,214)
Cash (used in)/generated from operations	(77)	718
Income taxes paid, net of refunds received	(2)	(49)
Net cash (used in)/from operating activities	(79)	669
Cash flows from investing activities		
Acquisition of PP&E	(94)	(64)
Acquisition of exploration and development assets	(45)	(22)
Acquisition of other assets	(76)	(86)
Acquisition of Octopus Energy	(260)	(36)
Acquisition of other investments	(7)	(12)
Interest received from other parties	-	3
Net proceeds from sale of non-current assets	6	1
<i>Australia Pacific LNG (APLNG) investing cash flows</i>		
Receipt of Mandatorily Redeemable Cumulative Preference Shares (MRCPS) interest	40	60
Proceeds from APLNG buy-back of MRCPS	515	205
Net cash from investing activities	79	49
Cash flows from financing activities		
Proceeds from borrowings	2,999	-
Repayment of borrowings	(2,917)	(1,035)
Joint venture operator cash call movements	(21)	(30)
Settlement of foreign currency contracts	(27)	(65)
Interest paid ²	(112)	(125)
Repayment of lease principal	(45)	(33)
Dividends paid to shareholders of Origin Energy Ltd, net of Dividend Reinvestment Plan	(111)	(154)
Dividends paid to non-controlling interests	-	(1)
Purchase of shares on-market (treasury shares)	(24)	(38)
Net cash used in financing activities	(258)	(1,481)
Net decrease in cash and cash equivalents	(258)	(763)
Cash and cash equivalents at the beginning of the period	472	1,240
Effect of exchange rate changes on cash	-	(3)
Cash and cash equivalents at the end of the period	214	474

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

2 Includes \$8 million (2020: \$8 million) of interest payments on leases.

The interim statement of cash flows should be read in conjunction with the accompanying notes to the interim financial statements.

Notes to the interim financial statements

Overview

Origin Energy Limited (the Company) is a for-profit company domiciled in Australia. The nature of the operations and principal activities of the Company and its controlled entities (the Group or Origin) are described in the segment information in note A1.

On 17 February 2022, the Directors resolved to authorise the issue of these interim financial statements for the half year ended 31 December 2021.

The interim financial statements do not include all of the information required for a full annual financial report, and should be read in conjunction with the financial statements of the Group for the full year ended 30 June 2021, which are available upon request from the Company's registered office at Level 32, Tower 1, 100 Barangaroo Avenue, Barangaroo NSW 2000 or at <http://www.originenergy.com.au>.

Basis of preparation

The interim financial statements have been prepared:

- in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 (Cth);
- on a historical cost basis, except for derivatives, other financial assets and liabilities and assets held for sale, that are measured at fair value; and
- on a going concern basis.

The interim financial statements:

- are presented in Australian dollars;
- are rounded to the nearest million dollars, unless otherwise stated, in accordance with Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191; and
- do not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

Other than the change in accounting policies outlined below, the accounting policies and judgements and estimates applied by the Group in these interim financial statements are the same as those applied in its financial statements for the full year ended 30 June 2021.

Changes in accounting policies

Following clarifying guidance from the International Financial Reporting Interpretations Committee (IFRIC), the Group has applied changes in accounting policies that require restatement of previously reported amounts. The nature and effect of each new amendment on the Group's consolidated financial report are described below.

IFRIC agenda decision - Configuration or Customisation Costs in a Cloud Computing Arrangement - SaaS restatement

In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision for configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement. The Group has changed its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements. The nature and effect of the changes as a result of changing this policy is described below.

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement.

Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the company has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are now recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are now recognised as expenses over the duration of the SaaS contract. Previously some costs had been capitalised and amortised over its useful life.

IFRIC agenda decision - Economic Benefits from Use of a Windfarm (IFRS 16 Leases) -PPAs restatement

In December 2021, IFRIC published a final agenda decision addressing whether an agreement for the use of a windfarm provides the right to obtain substantially all the economic benefits to qualify as a lease. It was determined that such an agreement conveyed neither the right nor the obligation for the retailer to obtain any of the electricity produced by the windfarm, and as such does not contain a lease. Following the IFRIC clarification, the Group has changed its accounting policy in relation to the treatment of some renewable power purchase agreements (PPAs) previously recognised as leases. As a result of applying the above guidance to the Group's renewable PPAs, certain agreements have been retrospectively recognised as electricity derivatives.

Impact on financial statements

In accordance with Australian Accounting Standards the changes in accounting policies have been adopted retrospectively and prior periods comparatives have been restated. Restated amounts are detailed in note E3.

A Results for the half year ended 31 December 2021

This section highlights the performance of the Group for the half year, including results by operating segment, income and expenses, results of equity accounted investees, earnings per share and dividends.

A1 Segments

The Group's operating segments are presented on a basis that is consistent with the information provided internally to the Managing Director, who is the chief operating decision maker. This reflects the way the Group's businesses are managed, rather than the legal structure of the Group.

The reporting segments are organised according to the nature of the activities undertaken and are detailed below.

- **Energy Markets:** Energy retailing and wholesaling, power generation and LPG operations predominantly in Australia. Also includes Origin's investment in Octopus Energy Holdings Limited (Octopus Energy).
- **Integrated Gas:** Origin's investment in APLNG, exploration interests in the Beetaloo, Cooper-Eromanga and Canning basins and costs associated with growth initiatives such as hydrogen. It also includes overhead costs (net of recoveries from APLNG) and costs incurred in managing Origin's exposure to LNG pricing risk and impacts of its LNG trading positions. For greater transparency, the investment in APLNG is presented separately from the residual component of the segment.
- **Corporate:** Various business development and support activities that are not allocated to operating segments, including corporate treasury and tax items.

Underlying profit and underlying EBITDA are the primary alternative performance measures used by the Managing Director for the purpose of assessing the performance of each operating segment and the Group. Underlying profit and underlying EBITDA are non-statutory (non-IFRS) measures. The objective of measuring and reporting underlying profit and underlying EBITDA is to provide a more meaningful and consistent representation of financial performance by removing items that distort performance or are non-recurring in nature.

Items excluded from the calculation of underlying profit are reported to the Managing Director as not representing the underlying performance of the business and thus excluded from underlying profit or underlying EBITDA. These items are determined after consideration of the nature of the item, the significance of the amount and the consistency in treatment from period to period.

The nature of items excluded from underlying profit and underlying EBITDA are shown below.

- Changes in the fair value of financial instruments not in accounting hedge relationships, to remove the significant volatility caused by timing mismatches in valuing financial instruments and the related underlying transactions. The valuation changes are subsequently recognised in underlying earnings when the underlying transactions are settled;
- Realised and unrealised foreign exchange gains/losses on debt held to hedge USD-denominated APLNG MRCPS, for which fair value changes are excluded from underlying profit;
- Redundancies and other costs in relation to business restructuring, transformation or integration activities;
- Gains/losses on the sale or acquisition of an asset/entity;
- Transaction costs incurred in relation to the sale or acquisition of an entity;
- Impairment of non-current assets;
- Significant onerous contracts; and
- Other significant non-recurring items.

A1 Segments (continued)

Segment result for the half year ended 31 December

\$m	Ref.	Integrated Gas									
		Energy Markets		Share of APLNG		Other		Corporate		Consolidated	
		2021	2020 ¹	2021	2020	2021	2020	2021	2020 ¹	2021	2020 ¹
External revenue		6,086	6,007	-	-	425	61	-	-	6,511	6,068
EBITDA		335	195	1,039	513	(322)	(255)	(99)	170	953	623
Depreciation and amortisation		(202)	(262)	-	-	(14)	(17)	5	(1)	(211)	(280)
Share of ITDA of equity accounted investees		(28)	(18)	(574)	(456)	2	2	-	-	(600)	(472)
EBIT		105	(85)	465	57	(334)	(270)	(94)	169	142	(129)
Interest income ²						37	58	1	3	38	61
Interest expense ³								(105)	(127)	(105)	(127)
Income tax expense ⁴								(205)	13	(205)	13
Non-controlling interests (NCI)								(1)	(1)	(1)	(1)
Statutory profit/(loss) attributable to members of the parent entity		105	(85)	465	57	(297)	(212)	(404)	57	(131)	(183)
Reconciliation of statutory profit/(loss) to segment result and underlying profit/(loss)											
Fair value and foreign exchange movements	(a)	149	(302)	-	-	(38)	(375)	(60)	216	51	(461)
Disposals, impairments, business restructuring and other	(b)	(82)	(138)	-	-	(115)	67	(2)	-	(199)	(71)
Tax and NCI on items excluded from underlying profit								(251)	122	(251)	122
Total significant items		67	(440)	-	-	(153)	(308)	(313)	338	(399)	(410)
Segment result and underlying profit/(loss) ⁵		38	355	465	57	(144)	96	(91)	(281)	268	227
Underlying EBITDA ^{5,6}		268	635	1,039	513	(169)	53	(39)	(47)	1,099	1,154

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

2 Interest income earned on MRCPS has been allocated to the Integrated Gas - Other segment.

3 Interest expense related to general financing is allocated to the Corporate segment.

4 Income tax expense for entities in the Origin tax consolidated group is allocated to the Corporate segment.

5 Underlying profit and underlying EBITDA are non-statutory (non-IFRS) measures.

6 Underlying EBITDA equals segment result and underlying profit/(loss) adjusted for: depreciation and amortisation; share of ITDA of equity accounted investees; interest income/(expense); income tax expense and NCI.

A1 Segments (continued)

Segment result for the half year ended 31 December

\$m	2021		2020 ¹	
	Gross	Tax and NCI	Gross	Tax and NCI
(a) Fair value and foreign exchange movements				
Increase/(decrease) in fair value of derivatives	47	(14)	(479)	144
Net gain/(loss) from financial instruments measured at fair value	61	(18)	(191)	57
Exchange (loss)/gain on foreign-denominated debt	(57)	17	209	(63)
Fair value and foreign exchange movements	51	(15)	(461)	138
(b) Disposals, impairments, business restructuring and other				
Loss on sale - Horan & Bird Energy Pty Ltd	-	-	(13)	-
Disposals	-	-	(13)	-
Impairment - assets held for sale APLNG	(193)	-	-	-
Impairment - assets held for sale other	(3)	1	-	-
Impairments	(196)	1	-	-
Restructuring costs	-	-	(3)	1
Transaction costs	-	-	(2)	1
Transformation costs	(10)	3	(8)	2
Business restructuring	(10)	3	(13)	4
LGC net shortfall charge	(91)	-	(112)	-
Deferred tax liability recognition - APLNG	-	(39)	-	-
Net capital gains tax on divestment - APLNG ²	-	(173)	-	-
Other tax items on divestment	-	(5)	-	-
Gain on dilution of investment - Octopus Energy	44	-	-	-
Provision for legal matters	(22)	-	-	-
Onerous contracts provision ³	76	(23)	67	(20)
Other	7	(240)	(45)	(20)
Total disposals, impairments, business restructuring and other	(199)	(236)	(71)	(16)
Total significant items	(148)	(251)	(532)	122

¹ Certain amounts have been restated to reflect adjustments disclosed in note E3.

² Includes \$396 million of capital gains tax, offset by a \$223 million tax benefit pertaining to carry-forward capital losses.

³ The gross amount includes onerous contracts expense of \$78 million (December 2020: \$67 million) and interest unwind of \$2 million (December 2020: \$nil).

A1 Segments (continued)

Segment assets and liabilities as at

	Integrated Gas											
	Energy Markets		Share of APLNG		Other		Corporate		Assets held for sale		Consolidated	
\$m	31 Dec 2021	30 Jun 2021 ¹	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021 ¹	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021 ¹
Assets												
Segment assets	12,393	11,493	-	-	954	743	206	194	2,001	-	15,554	12,430
Investments accounted for using the equity method (refer to note A6)	498	417	5,914	7,315	(572)	(783)	-	-	-	-	5,840	6,949
Cash, funding-related derivatives and tax assets					592	1,296	263	643	-	-	855	1,939
Total assets	12,891	11,910	5,914	7,315	974	1,256	469	837	2,001	-	22,249	21,318
Liabilities												
Segment liabilities	(4,511)	(4,534)	-	-	(1,195)	(1,210)	(641)	(673)	-	-	(6,347)	(6,417)
Financial liabilities, interest-bearing liabilities, funding-related derivatives and tax liabilities							(5,853)	(5,416)	-	-	(5,853)	(5,416)
Total liabilities	(4,511)	(4,534)	-	-	(1,195)	(1,210)	(6,494)	(6,089)	-	-	(12,200)	(11,833)
Net assets	8,380	7,376	5,914	7,315	(221)	46	(6,025)	(5,252)	2,001	-	10,049	9,485
Additions of non-current assets	417	415	-	-	57	61	2	15	-	-	476	491

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

A2 Revenue

for the half year ended 31 December						
2021 \$m	Retail	Business and Wholesale	LPG	Solar and Energy Services	Integrated Gas	Total
Sale of electricity	2,103	1,354	-	50	-	3,507
Sale of gas	661	688	359	57	425	2,190
Pool revenue	-	706	-	-	-	706
Other revenue	24	12	-	72	-	108
Total	2,788	2,760	359	179	425	6,511
2020 \$m						
Sale of electricity	2,223	1,379	-	47	-	3,649
Sale of gas	617	745	300	55	61	1,778
Pool revenue	-	540	-	-	-	540
Other revenue	23	5	-	73	-	101
Total	2,863	2,669	300	175	61	6,068

The Group's primary revenue streams relate to the sale of electricity and natural gas to retail (Residential and Small to Medium Enterprises), business and wholesale customers, and the sale of generated electricity into the National Electricity Market (NEM).

Retail contracts

Retail electricity service is generally marketed through standard service offers that provide customers with discounts on published tariff rates. Contracts have no fixed duration, generally require no minimum consumption, and can be terminated by the customer at any time without significant penalty. The supply of energy is considered a single performance obligation for which revenue is recognised upon delivery to customers at the offered rate. Where customers are eligible to receive additional behavioural discounts, Origin considers this to be variable consideration, which is estimated as part of the unbilled process.

Business and wholesale contracts

Contracts with business and wholesale customers are generally medium to long-term, higher-volume arrangements with fixed or index-linked energy rates that have been commercially negotiated. The nature and accounting treatment of this revenue stream is largely consistent with retail sales. Some business and wholesale sales arrangements also include the transfer of renewable energy certificates (RECs) which represent an additional performance obligation. Revenue is recognised for these contracts, when Origin has the 'right to invoice' the customer for consideration that corresponds directly with the value of units of energy delivered to the customer.

Pool revenue

Pool revenue relates to sales by Origin generation assets into the NEM, as well as revenue associated with gross settled Power Purchase Agreements (PPAs). Origin has assessed it is acting as the principal in relation to transactions with the NEM and therefore recognises pool sales on a 'gross' basis. Revenue from these sales is recognised at the spot price achieved when control of the electricity passes to the grid.

LPG and LNG sales

Revenue from the sale of LPG (from Origin's Energy Markets segment) and LNG (from Origin's Integrated Gas segment) is recognised at the point in time that the customer takes physical possession of the commodity. Revenue is recognised at an amount that reflects the consideration expected to be received.

A3 Other income

for the half year ended 31 December		2021 \$m	2020 \$m
Net gain on dilution of investments (refer to note B2)		44	-
Fees and services, and other income		19	14
Other income		63	14
Interest earned from other parties ¹		1	3
Interest earned on APLNG MRCPS (refer to note B2)		37	58
Interest income		38	61

¹ Interest income is measured using an effective interest rate method and recognised as it accrues.

A4 Expenses

for the half year ended 31 December	2021 \$m	2020 ¹ \$m
Expenses		
Cost of sales	5,905	4,941
Employee expenses	339	330
Depreciation and amortisation	211	280
Impairment of assets held for sale ²	196	-
Impairment of trade receivables (net of bad debts recovered)	41	44
(Increase)/decrease in fair value of derivatives	(47)	479
Net (gain)/loss from financial instruments measured at fair value	(61)	191
Net loss on sale of assets ³	-	12
Onerous contracts provision	(78)	(67)
Net foreign exchange loss/(gain)	72	(202)
Other	280	242
Expenses	6,858	6,250
Interest on borrowings	94	115
Interest on lease liabilities	8	8
Unwind of discounting on long-term provisions	3	4
Interest expense	105	127

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

2 Includes \$3 million related to embedded network meters and \$193 million related to the sale of 10 per cent of Origin's investment in APLNG. Refer to note B1.1 for further details.

3 The prior period includes a \$13 million loss relating to the sale of Horan & Bird Energy Pty Ltd.

A5 Income tax expense

for the half year ended 31 December	2021 \$m	2020 ¹ \$m
Income tax expense/(benefit)	205	(13)
Reconciliation between tax expense and pre-tax net profit		
Profit/(loss) before income tax	75	(195)
Income tax using the domestic corporation tax rate of 30 per cent (2020: 30 per cent)		
Prima facie income tax expense on pre-tax accounting profit:		
– at Australian tax rate of 30 per cent	22	(58)
– adjustment for tax exempt charity (Origin Foundation Limited)	(1)	-
– adjustment for difference between Australian and overseas tax rates	(1)	(2)
Income expense/(benefit) on pre-tax accounting profit at standard rates	20	(60)
Increase/(decrease) in income tax expense due to:		
Share of results of equity accounted investees	(140)	(11)
Impairment on divestment - APLNG	58	-
Net capital gains tax on divestment - APLNG	173	-
Other tax items on divestment - APLNG	5	-
Deferred tax liability recognition - APLNG	39	-
LGC shortfall charge	43	46
Other	7	12
Total increase	185	47
Total income tax expense/(benefit)	205	(13)

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

A6 Results of equity accounted investees

for the half year ended 31 December 2021			
\$m	Share of EBITDA	Share of ITDA	Share of net (loss)/profit
Octopus Energy ^{1,2}	(12)	(28)	(40)
Gasbot Pty Limited ³	(1)	-	(1)
Gaschem Sydney ⁴	-	-	-
Total associates	(13)	(28)	(41)
APLNG ^{5,6}	1,039	(572)	467
PNG Energy Developments Limited	-	-	-
Total joint ventures	1,039	(572)	467
Total	1,026	(600)	426
2020			
\$m			
Octopus Energy ^{1,2}	(2)	(18)	(20)
Gasbot Pty Limited ³	-	-	-
Gaschem Sydney ⁴	-	-	-
Total associates	(2)	(18)	(20)
APLNG ^{5,6}	513	(454)	59
PNG Energy Developments Limited	-	-	-
Total joint ventures	513	(454)	59
Total	511	(472)	39
Equity accounted investment carrying amount			
as at	31 December	30 June	
\$m	2021	2021⁷	
APLNG ⁵	5,342	6,532	
Octopus Energy ¹	486	405	
PNG Energy Developments Limited	-	-	
Gasbot Pty Limited ³	1	1	
Gaschem Sydney ⁴	11	11	
Total	5,840	6,949	

1 The Group holds an 18.7 per cent interest in Octopus Energy and has significant influence over the entity. The prior period interest was 20 per cent. Refer to note B2 regarding dilution during the period and other details.

2 Included in the Group's share of net loss is \$10 million (December 2020: \$8 million) of depreciation, relating to the fair value attributed to assets at the acquisition date.

3 The Group holds a 35 per cent interest in Gasbot Pty Limited and has significant influence over the entity.

4 The Group holds a 25 per cent interest in Gaschem Sydney and has significant influence over the entity.

5 APLNG's summary financial information is separately disclosed in note B1.

6 Included in the Group's share of net profit is \$2 million (December 2020: \$2 million) of MRCPS interest income, in line with the depreciation of the capitalised interest in APLNG's result. MRCPS interest was capitalised by APLNG during the construction period, and therefore eliminated by the Group against its equity accounted investment at that time. Refer to note B1.2.

7 A restatement of (\$3) million in June 2021 relates to our investment in Octopus Energy.

A7 Earnings per share

for the half year ended 31 December	2021	2020 ¹
Weighted average number of shares on issue-basic ²	1,758,705,082	1,759,919,623
Weighted average number of shares on issue-diluted ³	1,764,000,924	1,763,948,682
Statutory loss		
Earnings per share based on statutory consolidated profit		
Statutory loss \$m	(131)	(183)
Basic earnings per share	(7.4) cents	(10.4) cents
Diluted earnings per share	(7.4) cents	(10.4) cents
Underlying profit		
Earnings per share based on underlying consolidated profit		
Underlying profit \$m ⁴	268	227
Underlying basic earnings per share	15.2 cents	12.9 cents
Underlying diluted earnings per share	15.2 cents	12.9 cents

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

2 The basic earnings per share calculation uses the weighted average number of shares on issue during the period excluding treasury shares held.

3 The diluted earnings per share calculation uses the weighted average number of shares on issue during the period excluding treasury shares held and is adjusted to reflect the number of shares that would be issued if outstanding Options, Performance Share Rights, Deferred Shares Rights, Restricted Shares and Matching Share Rights were to be exercised (2021: 5,295,842; 2020: 4,029,059).

4 Refer to note A1 for a reconciliation of statutory profit to underlying consolidated profit.

A8 Dividends

The Directors have determined to pay an unfranked interim dividend of 12.5 cents per share, payable on 25 March 2022. Dividends paid during the period ended 31 December are detailed below.

	2021 \$m	2020 \$m
Final unfranked dividend of 7.5 cents per share, in respect of FY2021, paid 1 October 2021 (2020: 10 cents per share, unfranked, in respect of FY2020, paid 2 October 2020)	132	176

B Investment in equity accounted joint ventures and associates

This section provides information on the Group's equity accounted investments including financial information relating to APLNG and Octopus Energy.

B1 Investment in APLNG

This section provides information on financial information related to the Group's investment in the equity accounted joint venture APLNG.

B1.1 APLNG - Held for sale

	31 December 2021 \$m
Assets classified as held for sale	1,998

On 8 December 2021, Origin received notice that ConocoPhillips intended to exercise its pre-emption rights in relation to Origin's sale of a ten per cent shareholding in APLNG to EIG, which was announced on 25 October 2021. As part of the transaction, a proportionate ten per cent share of the APLNG MRCPS held by Origin will also be divested. The net proceeds of the sale are expected to be approximately \$1,998 million after adjustments and transaction costs, and the sale is expected to complete in February 2022.

As a result, effective from 8 December 2021, ten per cent of the Group's share in APLNG has been reclassified as held for sale and Origin has ceased equity accounting for the share of APLNG earnings related to the portion to be divested. Origin's remaining 27.5 per cent interest in APLNG continues to be equity accounted.

Immediately prior to the reclassification, an impairment of \$193 million was recognised to reduce the carrying amount of the assets to their fair value less costs to sell. The impairment has been recognised in the IG Other segment. Management has performed an assessment of the carrying amount of the Group's residual interest in APLNG and concluded no further impairment is required.

Upon completion, an amount of \$105 million will be recycled to the income statement from the foreign currency translation reserve, partially offsetting the impairment of \$193 million noted above.

The following amounts in note B1 reflect this change in ownership and held for sale classification effective 8 December 2021.

B1.2 Summary APLNG income statement

for the half year ended 31 December	2021		2020	
\$m	Total APLNG	Origin interest ¹	Total APLNG	Origin interest ¹
Operating revenue	3,941		2,073	
Operating expenses	(1,049)		(704)	
EBITDA	2,892	1,039	1,369	513
Depreciation and amortisation expense	(786)	(281)	(811)	(304)
Interest income	3	1	4	2
Interest expense - MRCPS	(99)	(37)	(154)	(58)
Other interest expense	(167)	(60)	(198)	(74)
Income tax expense	(553)	(197)	(59)	(22)
ITDA	(1,602)	(574)	(1,218)	(456)
Statutory result for the period	1,290	465	151	57
Other comprehensive income	-	-	-	-
Statutory total comprehensive income²	1,290	465	151	57
Underlying profit for the period³	1,290	465	151	57
Underlying EBITDA for the period³	2,892	1,039	1,369	513

1 Origin's interest is 27.5 per cent. Prior to 8 December 2021 it was 37.5 per cent.

2 Excluded from the above is \$2 million (2020: \$2 million) (Origin share) of MRCPS interest income that has been recognised by Origin in line with the depreciation of the capitalised interest in APLNG's result above. MRCPS interest was capitalised by APLNG during the construction period, and therefore eliminated by Origin against its equity accounted investment at that time. This adjustment is disclosed under the 'Integrated Gas - Other' segment on the 'share of ITDA of equity accounted investees' line in note A1.

3 Underlying profit and underlying EBITDA are non-statutory (non-IFRS) measures.

Income and expense amounts are converted from USD to AUD using the average rate prevailing for the relevant period.

B1.3 Summary APLNG statement of financial position

100 per cent APLNG as at \$m	31 December 2021	30 June 2021
Cash and cash equivalents	1,670	905
Assets classified as held for sale	19	24
Other assets	694	647
Current assets	2,383	1,576
Receivables from shareholders	347	335
PP&E	31,816	31,352
Exploration, evaluation and development assets	525	486
Other assets	177	730
Non-current assets	32,865	32,903
Total assets	35,248	34,479
Bank loans - secured	712	681
Payable to shareholders (MRCPS)	44	-
Liabilities classified as held for sale	1	1
Other liabilities	628	588
Current liabilities	1,385	1,270
Bank loans - secured	7,091	7,179
Payable to shareholders (MRCPS)	2,106	3,417
Other liabilities	3,158	3,107
Non-current liabilities	12,355	13,703
Total liabilities	13,740	14,973
Net assets	21,508	19,506
Group's interest of 27.5 (prior to 8 Dec 2021: 37.5) per cent of APLNG net assets	5,914	7,315
Group's impairment expense	(477)	(650)
Group's own costs	19	25
MRCPS elimination ¹	(114)	(158)
Investment in APLNG²	5,342	6,532

¹ During project construction, when the Group received interest on the MRCPS from APLNG, it recorded the interest as income after eliminating a proportion of this interest that related to its ownership interest in APLNG. At the same time, when APLNG paid interest to the Group on MRCPS, the amount was capitalised by APLNG. Therefore, these capitalised interest amounts form part of the cost of APLNG's assets and these assets have been depreciated since commencement of operations. The proportion attributable to the Group's own interest (37.5 per cent prior to 8 December 2021 and 27.5 per cent thereafter) is eliminated through the equity accounted investment balance.

² Includes a movement of \$301 million in foreign exchange that has been recognised in the foreign currency translation reserve.

Reporting date balances are converted from USD to AUD using an end-of-period exchange rate of 0.7256 (30 June 2021: 0.7705).

B1.4 Summary APLNG statement of cash flows

100 per cent APLNG for the half year ended 31 December \$m	2021	2020
Cash flow from operating activities		
Receipts from customers	4,011	2,210
Payments to suppliers and employees	(1,095)	(783)
Net cash from operating activities	2,916	1,427
Cash flows from investing activities		
Acquisition of PP&E	(183)	(284)
Acquisition of exploration and development assets	(18)	(22)
Proceeds from sale of assets	6	-
Other investing activities	3	6
Net cash used in investing activities	(192)	(300)
Cash flows from financing activities		
Payments relating to other financing activities	(22)	(27)
Repayment of lease principal	(25)	(26)
Payment of interest on lease liabilities	(8)	(10)
Repayment of borrowings	(350)	(341)
Payments of transaction and interest costs relating to borrowings	(121)	(145)
Payments for buy-back of MRCPS	(1,373)	(547)
Payments of interest on MRCPS	(106)	(160)
Net cash used in financing activities	(2,005)	(1,256)
Net increase/(decrease) in cash and cash equivalents	719	(129)
Cash and cash equivalents at the beginning of the period	905	1,072
Effect of exchange rate changes on cash	46	(108)
Cash and cash equivalents at the end of the period	1,670	835

Cash flow amounts are converted from USD to AUD using the exchange rate that approximates the actual rate on the date of the cash flows.

B2 Transactions between the Group and equity accounted investees

APLNG

The Group has invested in USD MRCPS issued by APLNG. The MRCPS are the mechanism by which the funding for the CSG to LNG Project has been provided by the shareholders of APLNG in proportion to their ordinary equity interests. The MRCPS have a 6.37 per cent fixed-rate dividend obligation based on the relevant observable market interest rates and estimated credit margin at the date of issue. Dividends are paid twice per year and recognised as interest income as they accrue (refer note A3). During the year Origin's share of the MRCPS balance reduced to US\$585 million following APLNG share buy-backs of US\$378 million. As at 31 December 2021, US\$156 million of the MRCPS balance has been classified as assets held for sale. The mandatory redemption date for the MRCPS is 30 June 2026.

The MRCPS are measured at fair value through profit and loss in the Group's financial statements as disclosed in note C2. The carrying value of the Group's share of 27.5 per cent was \$592 million as at 31 December 2021 (30 June 2021: \$1,296 million) reflecting the Group's view that APLNG will utilise cash flows generated from operations to redeem the MRCPS for their full issue price prior to their mandatory redemption date. In APLNG's financial statements the related liability is carried at amortised cost.

Octopus Energy

Deferred consideration and BOT milestone payments

On 1 May 2020, the Group announced the acquisition of a 20 per cent equity stake in Octopus Energy for a total cash consideration of £215 million (A\$412 million), of which £65 million was paid prior to 30 June 2020 and £150 million was deferred over two financial years. The Group has also entered into a licensing agreement for a total cash consideration of £25 million, of which £5 million was paid prior to 30 June 2020 and £20 million was deferred over two financial years. During the period, the Group paid £100 million (A\$189 million) to Octopus Energy in respect of the remaining deferred consideration payable under the equity purchase agreement. A further £15 million (A\$28 million) was also paid to Octopus Energy during the period, representing £10 million of the remaining deferred consideration payable under the licensing agreement and an additional £5 million which became payable on achievement of certain milestones.

Additional equity transactions

On 27 September 2021, the Group committed an additional investment of £38 million (~A\$72 million) to maintain its 20 per cent equity interest, following the announcement of an investment into Octopus Energy by a fund managed by Generation Investment Management (GIM) for approximately a seven per cent interest in Octopus Energy. This amount was paid in October 2021 and was recognised as an increase in the carrying amount of the Group's equity investment in Octopus Energy. As part of the GIM agreement, GIM have an option to invest a further £211 million in Octopus Energy under the same terms prior to 30 June 2022.

In December 2021, GIM obtained a further three per cent interest in Octopus Energy and Octopus Energy announced that the CPP Investment Board (CPPIB) agreed to acquire a six per cent stake in Octopus Energy for £211 million with completion of the CPPIB transaction occurring in two tranches. The first CPPIB tranche completed in December 2021 and the second CPPIB tranche is expected to complete in the first quarter of 2022. The Group did not invest further following the GIM and CPPIB transactions in December 2021 but has an option to top up its investment in Octopus Energy to maintain its 20 per cent share by 30 June 2022.

The GIM and CPPIB transactions in December 2021 have resulted in a dilution of the Group's ownership in Octopus Energy to 18.7 per cent at 31 December and the Group has recognised a gain on dilution of \$44 million in the period.

Financial guarantee

The Group has provided a financial guarantee to Octopus Energy's financiers and during the period, \$4 million (2020: \$4 million) has been recognised within other income in respect of the financial guarantee income. The current financial guarantee expires in March 2023.

C Funding, financial instruments and contributed equity

C1 Capital management

The Group's objective when managing capital is to make disciplined capital allocation decisions between debt reduction, investment in growth and distributions to shareholders, and to maintain an optimal capital structure while maintaining access to capital. Management believes that a strong investment-grade credit rating (Baa2) through the cycle and an appropriate level of net debt are required to meet these objectives. The Group's current credit rating is Baa2 (stable outlook) from Moody's.

Key factors considered in determining the Group's capital structure and funding strategy at any point in time include expected operating cash flows, capital expenditure plans, the maturity profile of existing debt facilities, the dividend policy, and the ability to access funding from banks, capital markets and other sources.

The Group monitors its capital requirements through a number of metrics including the gearing ratio (target range of approximately 20 to 30 per cent) and an adjusted net debt to adjusted underlying EBITDA ratio (target range of 2.0x to 3.0x). These targets are consistent with attaining a strong investment-grade rating. Underlying EBITDA is a non-statutory (non-IFRS) measure.

The gearing ratio is calculated as adjusted net debt divided by adjusted net debt plus total equity. Net debt, which excludes cash held by Origin to fund APLNG-related operations, is adjusted to take into account the effect of FX hedging transactions on the Group's foreign currency debt obligations. The adjusted net debt to adjusted underlying EBITDA ratio is calculated as adjusted net debt divided by adjusted underlying EBITDA (Origin's underlying EBITDA less Origin's share of APLNG underlying EBITDA plus net cash flow from APLNG) over the relevant rolling 12-month period.

The Group monitors its current and future funding requirements for at least the next five years and regularly assesses a range of funding alternatives to meet these requirements in advance of when the funds are required.

	31 December 2021 \$m	30 June 2021 \$m ¹
Borrowings	4,797	4,765
Lease liabilities	495	463
Total interest-bearing liabilities	5,292	5,228
Less: Cash and cash equivalents excluding APLNG related cash ²	(148)	(442)
Net debt	5,144	4,786
Fair value adjustments on FX hedging transactions	(11)	(147)
Adjusted net debt	5,133	4,639
Total equity	10,049	9,485
Total capital	15,182	14,124
Gearing ratio	34%	33%
Ratio of adjusted net debt to adjusted underlying EBITDA	3.9x	2.9x

¹ Certain amounts have been restated to reflect adjustments disclosed in note E3 and a (\$3) million adjustment related to our investment in Octopus Energy.

² This balance excludes \$66 million (June 2021: \$30 million) of cash held by Origin, as Upstream Operator, to fund APLNG related operations.

A summary of key transactions is shown below.

Bank Debt Extension

In December 2021 Origin completed an extension of \$2.4 billion of existing revolving bank debt facilities resulting in new 4 and 5 year tenors maturing in FY2026 and FY2027 respectively.

C2 Other financial assets and liabilities

as at \$m	31 December 2021		30 June 2021	
	Current	Non-current	Current	Non-current
Other financial assets				
<i>Measured at fair value through profit or loss</i>				
MRCPS issued by APLNG	17	575	-	1,296
Settlement Residue Distribution Agreement units	55	44	42	31
Environmental scheme certificates	469	-	255	-
Investment fund units	-	61	-	64
Debt and other securities	12	27	12	22
Equity securities	-	-	-	6
<i>Measured at fair value through other comprehensive income</i>				
Equity securities	1	48	-	46
<i>Measured at amortised cost</i>				
Futures collateral	80	-	194	-
Total other financial assets	634	755	503	1,465
Other financial liabilities				
<i>Measured at fair value through profit or loss</i>				
Environmental scheme surrender obligations	530	-	321	-
<i>Measured at amortised cost</i>				
Futures collateral	12	-	23	-
Financial guarantees	-	11	-	15
Total other financial liabilities	542	11	344	15

C3 Fair value of financial assets and liabilities

Financial assets and liabilities measured at fair value are grouped into the following categories based on the level of observable market data used in determining that fair value:

- Level 1: The fair value of financial instruments traded in active markets (such as exchange-traded derivatives and Renewable Energy Certificates (REC)) is the quoted market price at the end of the reporting period. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (such as over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data. If all significant inputs required to fair value an instrument are observable, either directly (as prices) or indirectly (derived from prices), the instrument is included in level 2.
- Level 3: If one or more of the significant inputs required to fair value an instrument is not based on observable market data, the instrument is included in level 3.

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
as at 31 December 2021				
Derivative financial assets	180	1,982	50	2,212
Other financial assets at fair value	568	73	668	1,309
Financial assets carried at fair value	748	2,055	718	3,521
Derivative financial liabilities	(94)	(1,574)	(917)	(2,585)
Other financial liabilities at fair value	(530)	-	-	(530)
Financial liabilities carried at fair value	(624)	(1,574)	(917)	(3,115)
as at 30 June 2021				
Derivative financial assets	44	1,066	25	1,135
Other financial assets at fair value	328	77	1,369	1,774
Financial assets carried at fair value	372	1,143	1,394	2,909
Derivative financial liabilities	(86)	(1,097)	(953)	(2,136)
Other financial liabilities at fair value	(321)	-	-	(321)
Financial liabilities carried at fair value	(407)	(1,097)	(953)	(2,457)

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

The following table shows a reconciliation of movements in the fair value of level 3 instruments during the period.

	\$m
Balance as at 30 June 2021	1,330
Change in accounting policy ¹	(889)
Balance as at 1 July 2021 restated	441
New instruments recognised in the period	15
Instruments derecognised in the period	(218)
Net cash settlements paid/(received)	(652)
Gains/(losses) recognised in other comprehensive income	5
Gains/(losses) recognised in profit or loss:	
Change in fair value	79
Cost of sales	87
Interest income	44
Balance as at 31 December 2021	(199)

1 Certain amounts have been restated to reflect adjustments disclosed in note E3.

C3 Fair value of financial assets and liabilities (continued)

Valuation techniques used to determine fair values

The various techniques used to value the Group's financial instruments are summarised in the following table. To the maximum extent possible, valuations are based on assumptions that are supported by independent and observable market data. For instruments that settle more than 12 months from the reporting date, cash flows are discounted at the applicable market yield, adjusted to reflect the credit risk of the specific counterparty.

Instrument	Fair value methodology
Financial instruments traded in active markets	Quoted market prices at reporting date.
Interest rate swaps and cross currency interest rate swaps	Present value of expected future cash flows based on observable yield curves and forward exchange rates at reporting date.
Forward foreign exchange contracts	Present value of future cash flows based on observable forward exchange rates at reporting date.
Electricity, oil and other commodity derivatives (not traded in active markets)	Present value of expected future cash flows based on observable forward commodity price curves (where available). The majority of the Group's level 3 instruments are commodity contracts for which further detail on the significant unobservable inputs is included below.
Other financial instruments	Discounted cash flow analysis.
Long-term borrowings	Present value of future contract cash flows.

Fair value measurements using significant unobservable inputs (level 3)

The following is a summary of the Group's level 3 financial instruments, the significant inputs for which market observable data is unavailable, and the sensitivity of the estimated fair values to the assumptions applied by management.

Instrument ¹	Unobservable inputs	Relationship to fair value
Electricity derivatives	- Forward electricity spot market price curve - Forward electricity cap price curve - Forecast REC prices	A 10 per cent increase/decrease in the unobservable inputs would increase/decrease fair value by \$167 million (June 2021: \$57 million).
MRCPS issued by APLNG	Forecast APLNG free cash flows	A 10 per cent improvement/ deterioration in the level of APLNG forecast cash flows would impact fair value by \$1 million (June 2021: \$1 million).

¹ Excludes \$49 million (June 2021: \$47 million) of unlisted equity securities, and associated share warrants, for which management has assessed the investment cost to be a reasonable reflection of fair value at reporting date.

Day 1 fair value adjustments

For certain complex financial instruments, such as the structured electricity products, the fair value that is determined at inception of the contract using unobservable inputs does not equal the transaction price. When this occurs, the difference is deferred to the statement of financial position and recognised in the income statement over the life of the contract in a manner consistent with the valuation methodology initially applied.

	\$m
Reconciliation of net deferred gain	
Balance as at 30 June 2021	166
Change in accounting policy ¹	378
Balance as at 1 July 2021 restated	544
Value recognised in the interim income statement	(38)
New instruments recognised in the period	18
Balance as at 31 December 2021	524
Classification of net deferred gain	
Derivative assets	31
Derivative liabilities	493
Balance as at 31 December 2021	524

¹ Certain amounts have been restated to reflect adjustments disclosed in note E3. This amount relates to Day 1 fair value adjustments only.

C3 Fair value of financial assets and liabilities (continued)

Financial instruments measured at amortised cost

Except as noted below, the carrying amounts of non-current financial assets and liabilities measured at amortised cost are reasonable approximations of their fair values due to their short-term nature.

The table below reflects debt instruments reported within interest-bearing liabilities on the balance sheet. Lease liabilities, which are also reported within interest-bearing liabilities are excluded. The fair value of these financial instruments reflects the present value of expected future cash flows based on market pricing data for the relevant underlying interest and foreign exchange rates. Cash flows are discounted at the applicable credit-adjusted market yield.

	Fair value hierarchy level	Carrying value		Fair value	
		31 Dec 2021 \$m	30 Jun 2021 \$m	31 Dec 2021 \$m	30 Jun 2021 \$m
Liabilities					
Bank loans - unsecured	2	2,494	537	2,536	575
Capital markets borrowings - unsecured	2	2,303	2,290	2,433	2,460
Total¹		4,797	2,827	4,969	3,035

1 Non-current interest-bearing liabilities in the statement of financial position include \$4,797 million (June 2021: \$2,827 million) as disclosed above, and lease liabilities of \$437 million (June 2021: \$397 million).

C4 Contributed equity

for the half year ended 31 December	2021	2020	2021	2020
	Number of shares		\$m	
Ordinary share capital				
Opening balance ¹	1,761,211,071	1,761,211,071	7,163	7,163
Less Treasury shares:				
Opening balance ¹	(6,046,328)	(3,212,930)	(25)	(18)
Shares purchased on market	(5,410,616)	(7,872,054)	(24)	(38)
Utilisation of treasury shares on vesting of employee share schemes and DRP	11,012,605	10,795,029	48	54
Treasury Shares total	(444,339)	(289,955)	(1)	(2)
Closing balance	1,760,766,732	1,760,921,116	7,162	7,161

1 The sum of the opening balances of share capital and treasury shares is \$7,145 million (December 2020: \$7,138 million) as noted in the interim statement of changes in equity.

Ordinary shares

Holders of ordinary shares are entitled to receive dividends as determined from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the Group, ordinary shareholders rank after creditors, and are fully entitled to any proceeds of liquidation. The Group does not have authorised capital or par value in respect of its issued shares.

Treasury shares

Where the Group or other members of the Group purchase shares in the Company, the consideration paid is deducted from the total shareholders' equity and the shares are treated as treasury shares until they are subsequently sold, reissued or cancelled. Treasury shares are purchased primarily for use on vesting of employee share schemes and the DRP. Shares are accounted for at a weighted average cost.

D Group structure

The following section provides information on the Group's structure and how this impacts the results of the Group as a whole, including details of joint arrangements, associates and changes made to the Group structure during the half year.

D1 Joint arrangements

Joint arrangements are entities over whose activities the Group has joint control, established by contractual agreement and requiring the consent of two or more parties for strategic, financial and operating decisions. The Group classifies its interests in joint arrangements as either joint operations or joint ventures, depending on its rights to the assets and obligations for the liabilities of the arrangements.

Associates are entities, other than partnerships, for which the Group exercises significant influence, but no control, over the financial and operating policies, and which are not intended for sale in the near future.

Of the Group's interests in joint arrangements and associates, only APLNG and Octopus Energy have a material impact to the Group at 31 December 2021. Refer to Section B for details of the Group's interests in these entities.

D2 Changes in controlled entities

Business combinations

There were no significant business combinations during the period.

Changes in controlled entities

On 26 October 2021, Ten Ants Connect Pty Ltd was incorporated.

E Other information

This section includes other information to assist in understanding the financial performance and position of the Group, or items required to be disclosed to comply with accounting standards and other pronouncements.

E1 Contingent liabilities

There has been no significant change in contingent liabilities since 30 June 2021.

E2 Commitments

Detailed below are the Group's contractual commitments that are not recognised as liabilities as there is no present obligation.

as at	31 December 2021 \$m	30 June 2021 \$m
Capital expenditure commitments	46	107
Joint venture commitments ¹	248	208

1 Includes \$129 million (June 2021: \$135 million) in relation to the Group's share of APLNG's capital and joint venture commitments.

E3 Change in accounting policies

Following clarifying guidance from the International Financial Reporting Interpretations Committee (IFRIC), the Group has applied changes in accounting policies that require restatement of previously reported amounts.

SaaS restatement

The net intangibles assets of \$40 million have been derecognised in the statement of financial position at 30 June 2021 and the associated retained earnings amount of \$29 million (after tax) has been restated.

The associated amortisation of \$4 million (before tax) for the period has been reversed in the interim income statement as at 31 December 2020.

PPAs restatement

In the year ended 30 June 2021, the Group recognised an impairment of goodwill allocated to the Energy Markets Retail cash generating unit (CGU) amounting to \$830 million, and the cash flows associated with the renewable PPAs were included in the calculation of the recoverable amount for the Retail CGU. This change in the Group's accounting policy to recognise PPAs as derivatives has resulted in an adjustment of \$324 million to reverse a portion of the impairment of goodwill recorded at 30 June 2021, relating to the renewable PPAs that were included in the recoverable amount.

The net electricity derivative liabilities of \$889 million have been recognised as derivatives in the statement of financial position at 30 June 2021 and the associated retained earnings amount of \$298 million (after tax) have been restated.

The following tables show the adjustments recognised for each individual line item.

Impact on interim statement of financial position	30 June 2021 \$m	PPAs restatement \$m	SaaS restatement \$m	Restated 30 June 2021 \$m	30 June 2020 \$m	PPAs restatement \$m	SaaS restatement \$m	Restated 1 July 2020 \$m
Non-current assets								
Derivatives	366	-	-	366	528	147	-	675
Intangible assets	4,374	324	(40)	4,658	5,420	-	(47)	5,373
Deferred tax assets	-	-	-	-	315	134	13	462
Non-current liabilities								
Derivatives	506	889	-	1,395	749	594	-	1,343
Deferred tax liabilities	283	(267)	(11)	5	-	-	-	-
Net assets	9,815	(298)	(29)	9,488	12,701	(313)	(34)	12,354
Equity								
Retained earnings	2,132	(298)	(29)	1,805	4,819	(313)	(34)	4,472
Total equity	9,815	(298)	(29)	9,488	12,701	(313)	(34)	12,354

E3 Change in accounting policies (continued)

Impact on interim income statement	31 December 2020	PPAs restatement	SaaS restatement	Restated 31 December 2020
	\$m	\$m	\$m	\$m
Expenses	(5,970)	(284)	4	(6,250)
Profit/(loss) before income tax	85	(284)	4	(195)
Income tax (expense)/benefit	(71)	85	(1)	13
Profit/(loss) for the period	14	(199)	3	(182)
Profit for the period attributable to:				-
Members of the parent entity	13	(199)	3	(183)
Profit/(loss) for the period	14	(199)	3	(182)

Impact on note A4 Expenses	31 December 2020	PPAs restatement	SaaS restatement	Restated 31 December 2020
	\$m	\$m	\$m	\$m
Depreciation and amortisation	284	-	(4)	280
(Increase)/decrease in fair value of derivatives	195	284	-	479
Expenses	5,970	284	(4)	6,250

Impact on basic and diluted earnings per share	31 December 2020	PPAs restatement	SaaS restatement	Restated 31 December 2020
	\$m	\$m	\$m	\$m
Statutory profit/(loss) \$m				
Earnings per share based on statutory consolidated profit				
Statutory profit/(loss) \$m	13	(199)	3	(183)
Basic earnings per share	0.7 cents	(11.3) cents	0.2 cents	(10.4) cents
Diluted earnings per share	0.7 cents	(11.3) cents	0.2 cents	(10.4) cents
Underlying profit				
Earnings per share based on underlying consolidated profit				
Underlying profit \$m	224	-	3	227
Underlying basic earnings per share	12.7 cents	-	0.2 cents	12.9 cents
Underlying diluted earnings per share	12.7 cents	-	0.2 cents	12.9 cents

E4 Subsequent events

Other than the matters described below, no item, transaction or event of a material nature has arisen since 31 December 2021 that would significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

Dividends

On 17 February 2022 the directors declared an unfranked interim dividend of 12.5 cents per share on ordinary shares. The dividend will be paid on 25 March 2022.

APLNG

The Foreign Investment Review Board has now approved ConocoPhillips application to acquire an additional 10 per cent of APLNG's shares from Origin. All conditions precedent under the share sale agreement between Origin and ConocoPhillips to acquire this 10 per cent interest have now been satisfied and completion is expected shortly.

Eraring

On 17 February 2022, Origin submitted notice to the Australian Energy Market Operator (AEMO) indicating the potential early retirement of Eraring coal-fired power station in August 2025, at the end of the required three and a half year notice period. There is no change to Eraring operations today and Origin will consult with its Eraring workforce about the timing of any potential retirement.

Origin's current restoration and rehabilitation provision for the Eraring site is approximately \$240 million, based on the previous closure date of 2032. These costs will continue to be reviewed and are expected to be incurred over several years post any closure, with the timing dependent, in part, on a potential battery investment and ongoing ash dam operations.

The Group will continue to assess the market over time, and this will help inform any final decisions on the timing for closure of all four units. As a result, Management has assessed the impact on the half year Interim Financial Statements and concluded that there is no material impact.

Directors' declaration

In the opinion of the Directors of Origin Energy Limited (the Company):

- a. the interim financial statements and notes are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of the financial position of the Group as at 31 December 2021 and of its performance, for the half year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and other applicable accounting standards and the *Corporations Regulations 2001* (Cth); and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Scott Perkins

Chairman Director

Sydney, 17 February 2022



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Independent auditor's review report to the members of Origin Energy Limited

Conclusion

We have reviewed the accompanying half-year financial report of Origin Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the interim statement of financial position as at 31 December 2021, the interim income statement, the interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

A handwritten signature in grey ink, appearing to read 'APR', is positioned above the printed name of the signatory.

Andrew Price
Partner
Sydney
17 February 2022

Glossary and Interpretation

Glossary

Statutory financial measures

Statutory financial measures are measures included in the Financial Statements for the Origin Consolidated Group, which are measured and disclosed in accordance with applicable Australian Accounting Standards. Statutory financial measures also include measures that have been directly calculated from, or disaggregated directly from financial information included in the Financial Statements for the Origin Consolidated Group.

Term	Meaning
Cash flows from investing activities	Statutory cash flows from investing activities as disclosed in the Statement of Cash Flows in the Origin Consolidated Financial Statements.
Cash flows from operating activities	Statutory cash flows from operating activities as disclosed in the Statement of Cash Flows in the Origin Consolidated Financial Statements.
Cash flows used in financing activities	Statutory cash flows used in financing activities as disclosed in the Statement of Cash Flows in the Origin Consolidated Financial Statements.
Net Debt	Total current and non-current interest-bearing liabilities only, less cash and cash equivalents excluding cash to fund APLNG day-to-day operations.
Non-controlling interest	Economic interest in a controlled entity of the consolidated entity that is not held by the Parent entity or a controlled entity of the consolidated entity.
Statutory Profit/Loss	Net profit/loss after tax and non-controlling interests as disclosed in the Income Statement in the Origin Consolidated Financial Statements.
Statutory earnings per share	Statutory Profit/Loss divided by weighted average number of shares as disclosed in the Income Statement in the Origin Consolidated Financial Statements.

Non-IFRS financial measures

Non-IFRS financial measures are defined as financial measures that are presented other than in accordance with all relevant Accounting Standards. Non-IFRS financial measures are used internally by management to assess the performance of Origin's business, and to make decisions on allocation of resources. The Non-IFRS financial measures have been derived from Statutory financial measures included in the Origin Consolidated Financial Statements, and are provided in this report, along with the Statutory financial measures to enable further insight and a different perspective into the financial performance, including profit and loss and cash flow outcomes, of the Origin business.

The principal Non-IFRS profit and loss measure of Underlying Profit has been reconciled to Statutory Profit in Section 3.1. The key Non-IFRS financial measures included in this report are defined below.

Term	Meaning
AASB	Australian Accounting Standards Board
Adjusted Net Debt	Net Debt adjusted to remove fair value adjustments on hedged borrowings
Adjusted Underlying EBITDA	Origin Underlying EBITDA – Share of APLNG Underlying EBITDA + net cash from APLNG over the relevant 12 month period.
Average interest rate	Interest expense divided by Origin's average drawn debt during the period.
cps	Cents per share.
Free Cash Flow	Net cash from operating and investing activities (excluding major growth projects), less interest paid.
HY22 (Current period)	Six months ended 31 December 2021.
HY21 (Prior period)	Six months ended 31 December 2020.
Gearing	Adjusted Net Debt / (Adjusted Net Debt + Total equity)
Gross Profit	Revenue less cost of goods sold.
Items excluded from Underlying Profit (IEUP)	Items that do not align with the manner in which the Chief Executive Officer reviews the financial and operating performance of the business which are excluded from Underlying Profit. See Section 3.1 for details.
MRCPS	Mandatorily Redeemable Cumulative Preference Shares.
Non-cash fair value uplift	Reflects the impact of the accounting uplift in the asset base of APLNG which was recorded on creation of APLNG and subsequent share issues to Sinopec. This balance will be depreciated in APLNG's Income Statement on an ongoing basis and, therefore, a dilution adjustment is made to remove this depreciation.
Share of ITDA	Origin's share of equity accounted interest, tax, depreciation and amortisation.
Total Segment Revenue	Total revenue for the Energy Markets, Integrated Gas and Corporate segments, as disclosed in note A1 of the Origin Consolidated Financial Statements.
Underlying EPS	Underlying Profit/Loss divided by weighted average number of shares.
Underlying EBITDA	Underlying earnings before underlying interest, underlying tax, underlying depreciation and amortisation (EBITDA) as disclosed in note A1 of the Origin Consolidated Financial Statements.

Term	Meaning
Underlying share of ITDA	Share of interest, tax, depreciation and amortisation of equity accounted investees adjusted for items excluded from Underlying Profit.
Underlying Profit/Loss	Underlying net profit/loss after tax and non-controlling interests as disclosed in note A1 of the Origin Consolidated Financial Statements.
Underlying ROCE (Return on Capital Employed)	Calculated as Adjusted EBIT / Average Capital Employed. Average Capital Employed = Shareholders Equity + Origin Debt + Origin's Share of APLNG project finance - Non-cash fair value uplift + net derivative liabilities. The average is a simple average of opening and closing in any 12 month period. Adjusted EBIT = Origin Underlying EBIT and Origin's share of APLNG Underlying EBIT + Dilution Adjustment = Statutory Origin EBIT adjusted to remove the following items: a) Items excluded from underlying earnings; b) Origin's share of APLNG underlying interest and tax; and c) the depreciation of the Non-cash fair value uplift adjustment. In contrast, for remuneration purposes Origin's statutory EBIT is adjusted to remove Origin's share of APLNG statutory interest and tax (which is included in Origin's reported EBIT) and certain items excluded from underlying earnings. Gains and losses on disposals and impairments will only be excluded subject to Board discretion.

Non-financial terms

Term	Meaning
Boe	Barrel of oil equivalent
CES	Community Energy Services
C&I	Commercial and Industrial
DMO	Default Market Offer
ERP	Enterprise resource planning
GJ	Gigajoule = 10^9 joules
JCC	Japan Customs-cleared Crude (JCC) is the average price of crude oil imported to Japan. APLNG's long-term LNG sales contracts are priced based on the JCC index.
Joule	Primary measure of energy in the metric system.
Kansai	When referring to the off-taker under the LNG Sale and Purchase Agreement (SPA) with APLNG, means Kansai Electric Power Co. Inc.
kT	kilo tonnes = 1,000 tonnes
Mtpa	Million tonnes per annum
MW	Megawatt = 10^6 watts
MWh	Megawatt hour = 10^3 kilowatt hours
NEM	National Electricity Market
NPS	Net Promoter Score (NPS) is a measure of customers' propensity to recommend Origin to friends and family
PJ	Petajoule = 10^{15} joules
PJe	Petajoules equivalent = an energy measurement used to represent the equivalent energy in different products so the amount of energy contained in these products can be compared.
PPA	Power Purchase Agreement
Sinopec	When referring to the off-taker under the LNG Sale and Purchase Agreement (SPA) with APLNG, means

Term	Meaning
	China Petroleum & Chemical Corporation which has appointed its subsidiary Unipac Asia Co. Ltd. to act on its behalf under the LNG SPA.
SME	Small Medium Enterprise
TRIFR	Total Recordable Incident Frequency Rate
TW	Terawatt = 10^{12} watts
TWh	Terawatt hour = 10^9 kilowatt hours
Watt	A measure of power when a one ampere of current flows under one volt of pressure.

Interpretation

All comparable results reflect a comparison between the current period and the prior period, unless otherwise stated.

A reference to APLNG or Australia Pacific LNG is a reference to Australia Pacific LNG Pty Limited in which Origin holds a 27.5¹ per cent shareholding. A reference to Octopus Energy or Octopus is a reference to Octopus Energy Group Limited in which Origin holds a 18.7 per cent interest. Origin's shareholding in APLNG and Octopus Energy is equity accounted.

A reference to \$ is a reference to Australian dollars unless specifically marked otherwise.

All references to debt are a reference to interest bearing debt only.

Individual items and totals are rounded to the nearest appropriate number or decimal. Some totals may not add due to rounding of individual components.

When calculating a percentage change, a positive or negative percentage change denotes the mathematical movement in the underlying metric, rather than a positive or a detrimental impact. Percentage changes on measures for which the numbers change from negative to positive, or vice versa, are labelled as not applicable.

¹ Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date.

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Auditor

EY



Further information about Origin's
performance can be found on our website:

originenergy.com.au

Employees on cover:

Tania Carlos
Ian Crowhurst
Val De Carteret
Topher Foote
Ricky Fung
Pooja Modi
Jamie Rodda
Chris White

Origin Energy 2022 Half Year Results

Half year ended 31 December 2021

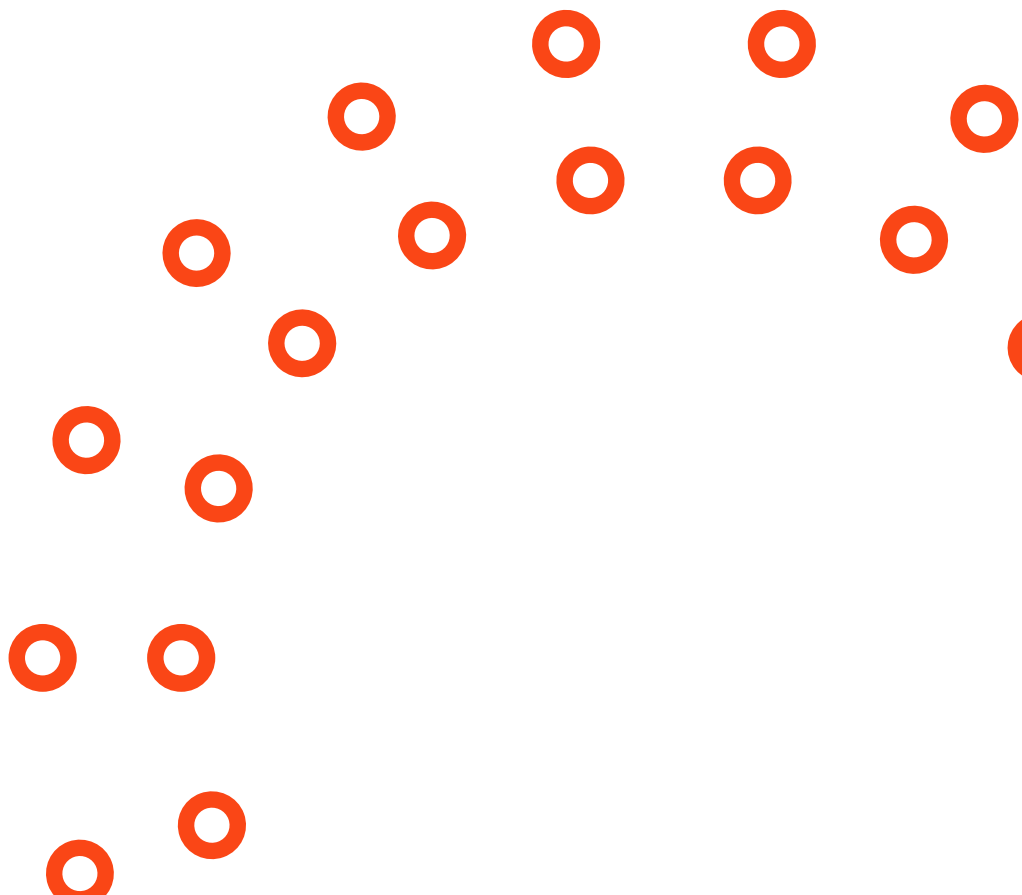


Frank Calabria, CEO & **Lawrie Tremaine**, CFO

17 February 2022

Outline

- 1. Introduction**
 - Frank Calabria
- 2. Financial Review**
 - Lawrie Tremaine
- 3. Operational Review**
 - Frank Calabria
- 4. Outlook**
 - Frank Calabria





Introduction

Frank Calabria, CEO

HY2022 financial summary

Statutory Profit/(Loss)

○ ○ ○ ○


\$(131)
million
(7.4) cps

Reflecting impairment and capital gain tax expense associated with 10% sale of APLNG

Underlying Profit

○ ○ ○ ○


\$268
million
15.2c cps

Up \$41 million reflecting higher oil, partly offset by impact of lower electricity retail tariffs

Underlying EBITDA

○ ○ ○ ○


\$1,099
million

Down from \$1,154 million in HY2021

Free Cash Flow

○ ○ ○ ○


\$335
million

Down \$320 million with lower earnings and higher working capital

Adjusted Net Debt

○ ○ ○ ○


\$5.1
billion

Up \$494 million from June-2021, driven by Octopus equity payments and working capital

Interim dividend

○ ○ ○ ○

12.5 cps
unfranked

(HY2021: 12.5 cps)
66% of HY2022 Free Cash Flow

All comparisons relate to HY2021 unless stated otherwise.

Shaping Our Business for a Transforming Energy Landscape

- Positive outlook for Energy Markets:
 - Tailwinds from higher wholesale electricity prices, partially offset by higher energy procurement costs
 - Improving gas margins off the back of higher domestic gas prices in the second half 2022
 - Continuing to transform the Retail business to deliver low cost, market leading customer experience
 - Strategic investment in Octopus continues to create value
- Continued outperformance of APLNG:
 - Strong field and operating performance
 - Record revenues and cash generation with higher commodity prices, and low development costs
- Well positioned to lead in a rapidly changing energy market
 - Accelerating our exit from coal-fired power
 - Origin Zero: partnering with our customers to decarbonise their energy
 - >200MW VPP connected assets and >100,000 connected services
- Balance sheet flexibility post 10% APLNG sell down

Shaping our business for a changing energy landscape



Cleaner energy portfolio - Customer led - Convergence of energy and technology

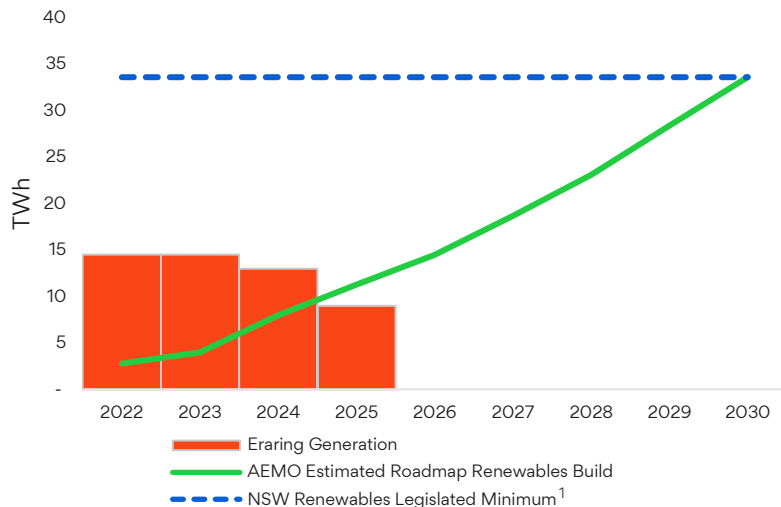
Sale of 10% interest in APLNG – opportunity to crystallise value

- Agreement executed to sell 10% of APLNG for net proceeds of ~\$2 billion
- ConocoPhillips exercised its pre-emption rights on the same terms
- Transaction completion expected in the first half of CY2022
- Retain existing two APLNG board seats and upstream operatorship
- Retain upside to further value creation through a continuing 27.5% shareholding



Notice provided to potentially close Eraring from 2025

NSW Roadmap - Energy



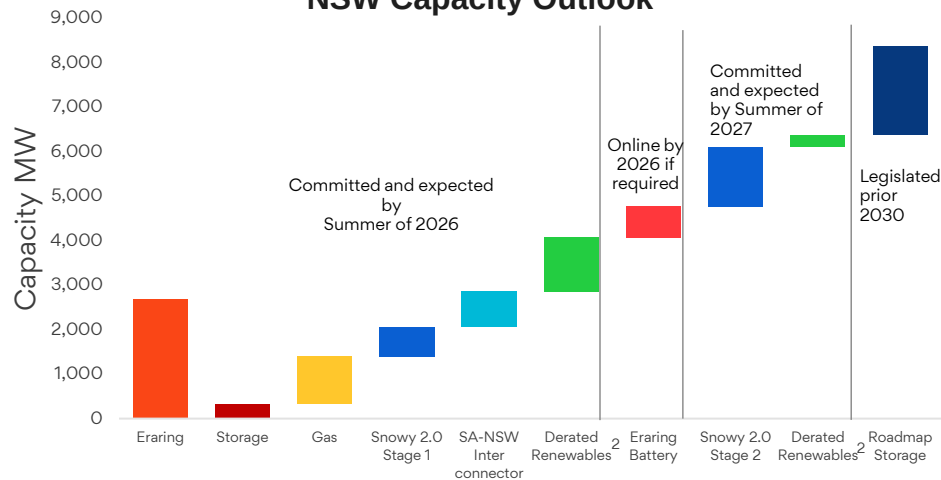
Source: AEMO IIO Report December 2021

- Growth in renewable energy challenges Eraring's financial viability
- Assuming any closure, Eraring energy expected to be replaced by lower cost renewable generation under the NSW Roadmap by 2025-26.

1) 33,600 GWh is the NSW Consumer Trustee's estimate of the renewable generation required to meet the NSW Roadmap's minimum objective of 12 GW of renewables by 31 December 2029; the estimate of the new renewable generation by year is the renewable generation resulting from the NSW Consumer Trustee's proposed Development Pathway

2) Derated renewables are calculated from expected NSW Roadmap capacity, derated using the NSW Energy Security Target Monitor Report (EST) methodology of renewable firmness. This is based on a POE90 expected output of 13.7% for wind and 14.9% for solar at time of maximum demand

NSW Capacity Outlook



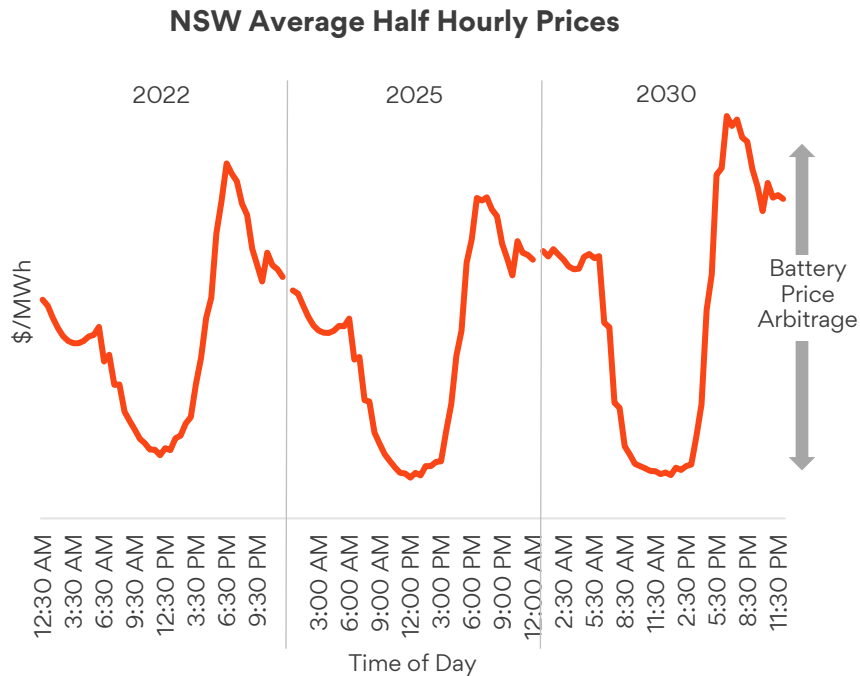
Source: AEMO – NSW Energy Security Target Report – November 2021, and Origin Analysis

- New capacity additions should more than cover the firm capacity provided by Eraring
- Closure timing of all four units will be determined closer to 2025

Our priority is to support our people and local communities

- A transition plan for our people will focus on:
 - Training, skills and career planning
 - Redeployment opportunities
 - Funding the completion of all current apprenticeships and traineeships
 - Health and wellbeing support
- Also committed to:
 - Prioritising site employees for future long-term site operational roles
 - Working with contractors, suppliers and vendors as part of any long-term transition plan.
 - Continuing our community support to 2032 – with a \$5 million commitment over 10 years.
 - Keeping local, state and federal governments informed

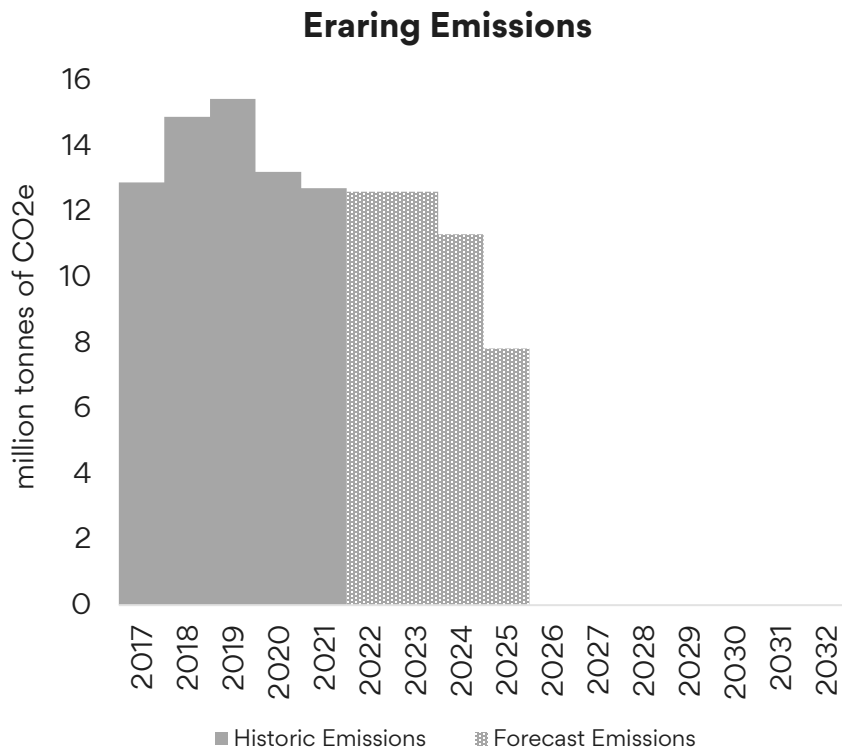
Battery storage proposed for Eraring site



Source: Origin analysis

- As coal retires and is replaced by renewable generation we expect increased frequency of low or negative prices (similar to South Australia)
- Battery storage, pumped hydro and gas peaking portfolios are well placed to support renewables generation growth
- Progressing plans for a 700MW battery storage at Eraring with excellent transmission access. Phase 1 is 460 MW
- Will actively participate in the NSW Government Electricity Infrastructure Roadmap auction for long-duration storage development
- We remain disciplined on capital investment in replacement capacity
- Current restoration and rehabilitation provision for Eraring site is ~\$240 million – expenses expected to be incurred over several years post closure

Delivering on our emissions goals



- In 2021, the International Energy Agency (IEA) recommended advanced economies phase out coal fired power plants by 2030
- Origin has always recognised we have an important contribution to help Australia decarbonise
- First Australian company to set independently verified science-based emissions targets
- Committed to shareholder vote on climate change reporting at 2022 AGM, including plan to update emissions reduction targets consistent with a 1.5°C pathway
- Potential Eraring closure is a significant step in progressing the decarbonisation of our business and achieving our long-term ambition to be net-zero emissions by 2050, and the Australian government's net-zero ambition

Delivering for our stakeholders in HY2022

Getting energy right



Our Customers

- ✓ Spike (demand response) growing to ~69k customers
- ✓ APLNG supplying ~30% of east coast gas demand
- ✓ Over 850k customers now migrated to Kraken platform
- ✓ Supporting customers through Power On hardship program
- ✓ VPP assets grown from 98 MW to 205 MW over last 13 months



Our Communities

- ✓ Regional procurement increased to 19% total procurement spend
- ✓ >\$6.0 million Indigenous supplier spend
- ✓ Ongoing engagement with Native Title holders and support of local community in the Beetaloo
- ✓ >23% of employees participated in volunteering
- ✓ \$1.2 million contributed by the Origin Energy Foundation



Our Planet

- ✓ Shareholder vote on climate change reporting at 2022 AGM
- ✓ Updating emissions targets to a 1.5°C pathway
- ✓ Accelerating exit from coal
- ✓ Progressing battery proposal
- ✓ Progressing hydrogen and ammonia opportunities
- ✓ Signed our first Origin 360 EV Fleet customers



Our People

- ✓ TRIFR 3.4¹, up from 2.7 at June 2021 with a higher level of major maintenance works
- ✓ Focus on preventing serious harm through HSE learning
- ✓ 35% women in Senior Leadership roles
- ✓ Continued COVID support, embracing hybrid working
- ✓ Named in Australia's Top 3 best workplaces to Give Back²

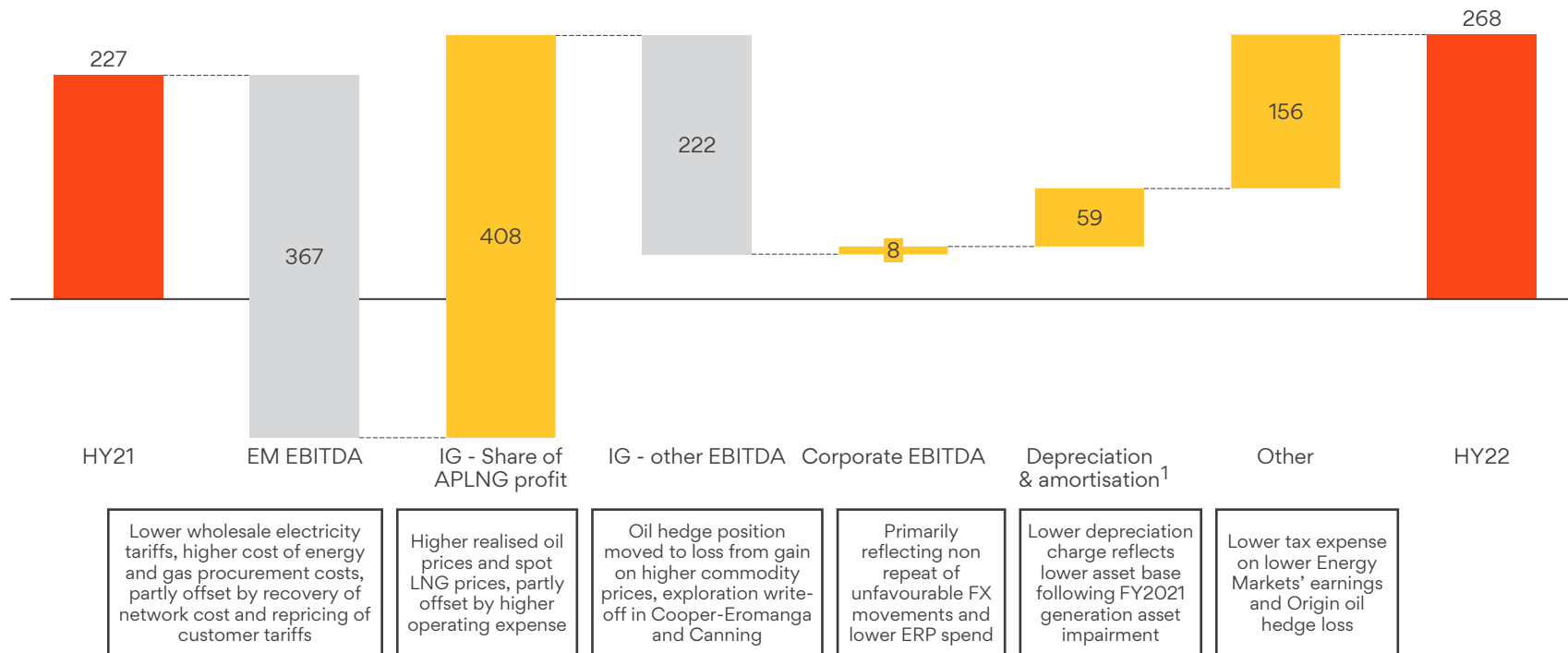


Financial Review

Lawrie Tremaine, CFO

Strong commodity prices drive higher underlying profit

Movements in underlying Profit (\$m)



1) Includes \$10m ITDA relating to Octopus Energy.

Major accounting adjustments

Statutory Loss of \$131 million for HY2022 was driven primarily by the impacts of the divestment of the 10% share of APLNG

APLNG Sale

- **Non-cash impairment of APLNG (\$193 million):**

- Recognised to reduce the carrying value of the assets sold to the expected net proceeds of \$1,998 million
- No impairment of remaining 27.5%
- This charge will be partially offset by a release of \$105 million from the foreign currency translation reserve on completion (expected Q3 FY2022)

- **Net capital gains tax (\$173 million):**

- Reflecting tax expense on the divestment. No significant cash tax payment is expected as a result of offsetting tax deductions

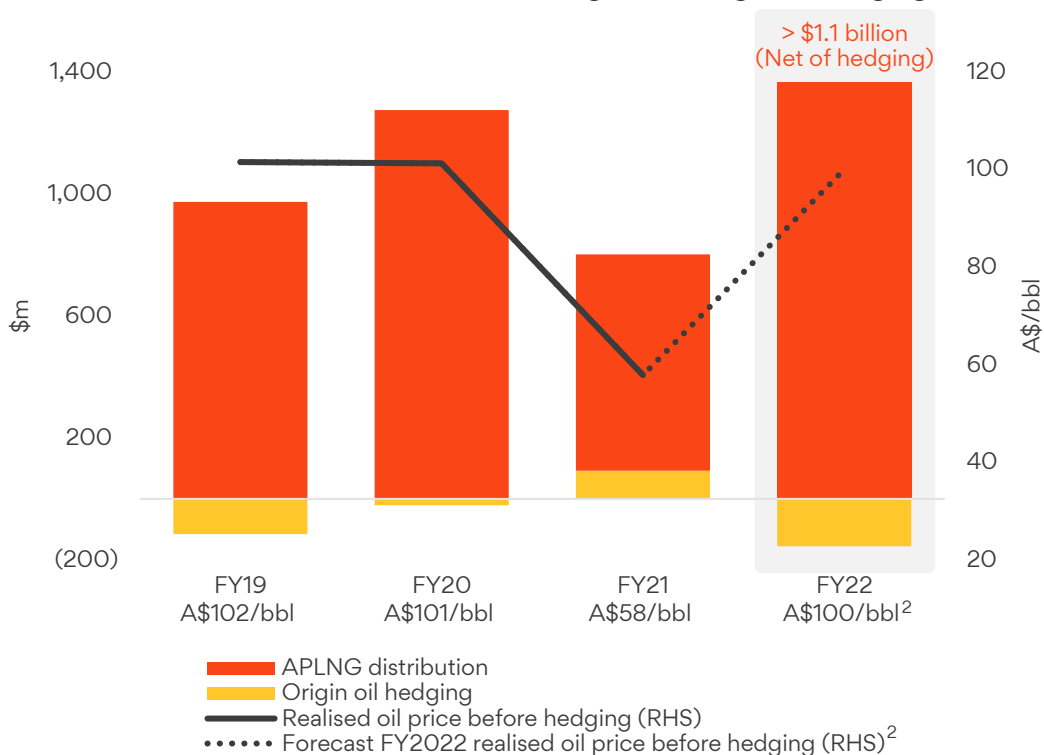
Deferred tax liability recognition

- **Non-cash net deferred tax liability (\$39 million):**

- Reversal of booked deferred tax liability associated with 10% interest being divested (\$178 million)
- Increased deferred tax liability reflecting the expectation of higher future distributions from APLNG (\$217 million)

Strong APLNG cash flow

APLNG estimated distribution to Origin and Origin oil hedging



- \$2.72 billion¹ cash generated in HY2022, reflecting strong commodity prices and lower capex
- APLNG held \$1.67 billion of cash at December 2021
- \$555m cash distribution to Origin from APLNG in HY2022
- > \$1.1 billion² distributions estimated to Origin in FY2022, net of Origin oil hedging
- ~19 mmboe (or 97%) of FY2022 oil exposure priced at ~US\$73/bbl before hedging, as at January 2022

1) Cash generation (APLNG 100%) is calculated as operating cash flow plus investing cash flow.

2) Assuming realised JCC oil price of US\$73/bbl before hedging, an average AUD/USD rate of 0.73 and assuming all APLNG debt serviceability tests are met. Origin hedges losses estimated to be \$155 million.

Free Cash Flow down \$320 million

(\$m)	HY22	HY21	Change
Cash from operating activities	(79)	669	(748)
Cash distributions from APLNG	555	265	290
Capital expenditure	(215)	(172)	(43)
Acquisitions/disposals	(261)	(47)	(214)
Net interest paid	(112)	(122)	10
Free Cash Flow incl major growth	(112)	594	(706)
Major growth (Octopus Energy)	297	61	236
LNG Cargo Adjustment	150	-	150
Free Cash Flow	335	655	(320)

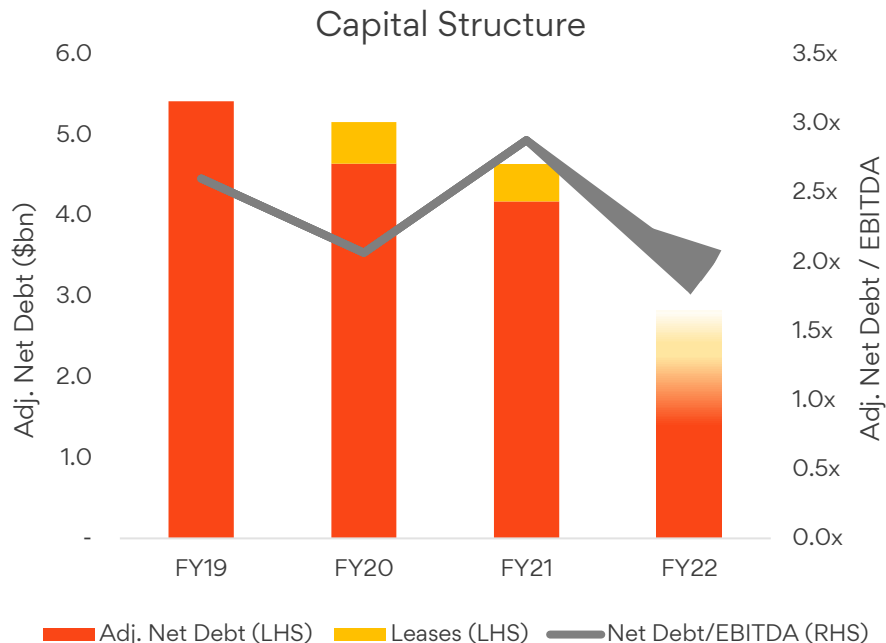
- Lower earnings from Energy Markets (\$367 million)
- Higher working capital due primarily to timing of LNG cargo delivery (\$150 million inflow in January)
- Oil hedging and LNG trading losses compared with prior period gains (\$175 million)

- Capital spend higher due to Eraring outage (\$42 million) and increased E&A activity (\$23 million)
- Includes Kraken implementation (\$37 million)

- Deferred and contingent consideration for Octopus (\$188 million)
- Follow-on investment in Octopus (\$72 million)

- Positive adjustments for the purpose of dividend payout

Balance sheet flexibility restored



- Committed to maintain Baa2 rating
- Expected to be at lower end of Adjusted Net Debt/EBITDA 2-3x range post 10% sale in APLNG
- **Financial resilience** to commodity cycle and **capital management flexibility**
- Estimated FY2022 **net interest saving \$45-65 million**¹
- **Unfranked dividend of 12.5 cps determined**
 - 66% of H1 FY2022 Free Cash Flow² and annualised dividend yield of 3.5%³
 - Partial franking expected to be restored in FY2023
- **Continue to target 30-50% Free Cash Flow payout**

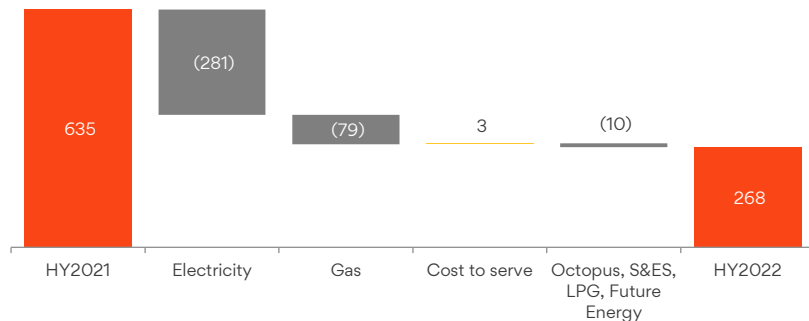
1) Settlement of 10% sale in APLNG assumed Q3 FY2022

2) Free Cash Flow is defined as cash from operating activities and investing activities (excluding major growth projects), less interest paid

3) Calculated based on past 12 months declared dividends and 30 day VWAP of \$5.74 per share as at 15 February 2022

Energy Markets Underlying EBITDA down 58%

Movements in Underlying EBITDA (\$m)



	HY22	HY21	Change
Underlying EBITDA (\$m)	268	635	(367)
Electricity			
Volumes sold (TWh)	17.1	16.6	0.5
Gross profit (\$m)	222	503	(281)
Gross Profit (\$/MWh)	13.0	30.3	(17.3)
Gas			
External volumes sold (PJ)	96	108	(12)
Gross profit (\$m)	248	327	(79)
Gross Profit (\$/GJ)	2.6	3.1	(0.5)

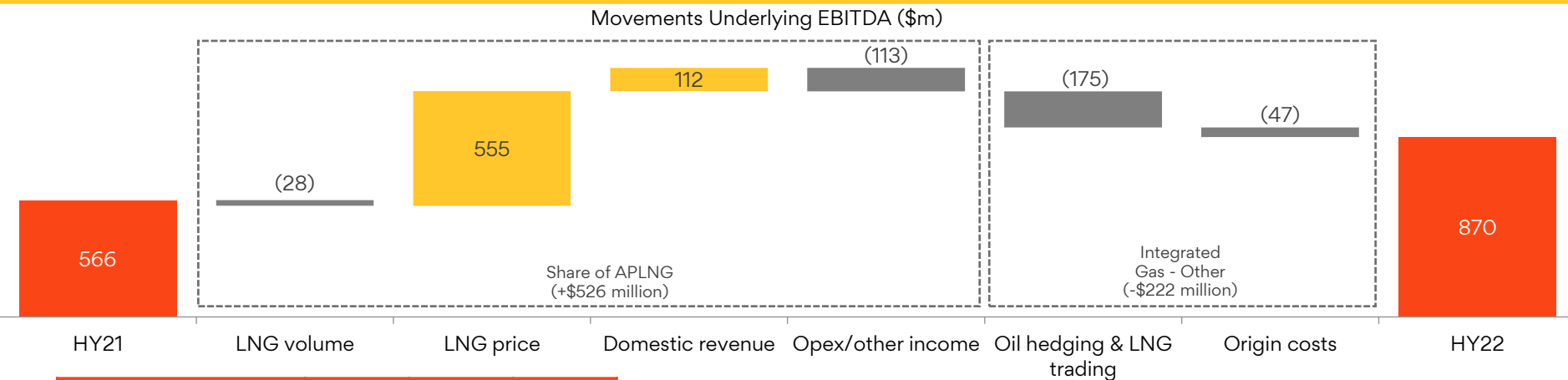
Electricity gross profit down \$281 million or 56% to \$222 million:

- Margin impacts (-\$276 million)
 - Lower electricity tariffs (-\$261 million)
 - Higher cost of energy (-\$58 million): generation fuel costs (-\$79 million), green schemes (-\$61 million), swap contracts and other (+\$82 million)
 - Improved value management and recovery of network costs offset by metering costs (+\$43 million)
- Sales mix (-\$5 million): Higher business volumes due to new contract wins at lower margin offset by lower residential volumes

Gas gross profit down \$79 million or 24% to \$248 million:

- Margin impact (-\$48 million)
 - Higher JKM linked procurement costs (-\$64 million)
 - Roll-off of long term supply contracts and impact of supply contract price reviews (-\$57 million)
 - Customer tariff repricing, including oil-linked sales (+\$72 million)
- Volume (-\$30 million): COVID-19 impacts and expiry of business contracts, partly offset by higher retail customer numbers and demand

Integrated Gas Underlying EBITDA up 54% on higher commodity prices



	HY22	HY21	Change
Share of APLNG ¹ (\$m)	1,039	513	526
Integrated Gas - Other (\$m)	(169)	53	(222)
Underlying EBITDA (\$m)	870	566	304

APLNG 100%

Sales volumes (PJ)			
Domestic Gas	95	81	14
LNG	242	244	(2)
Realised price (A\$/GJ)			
Domestic Gas	6.61	3.83	2.78
LNG	13.67	7.17	6.50

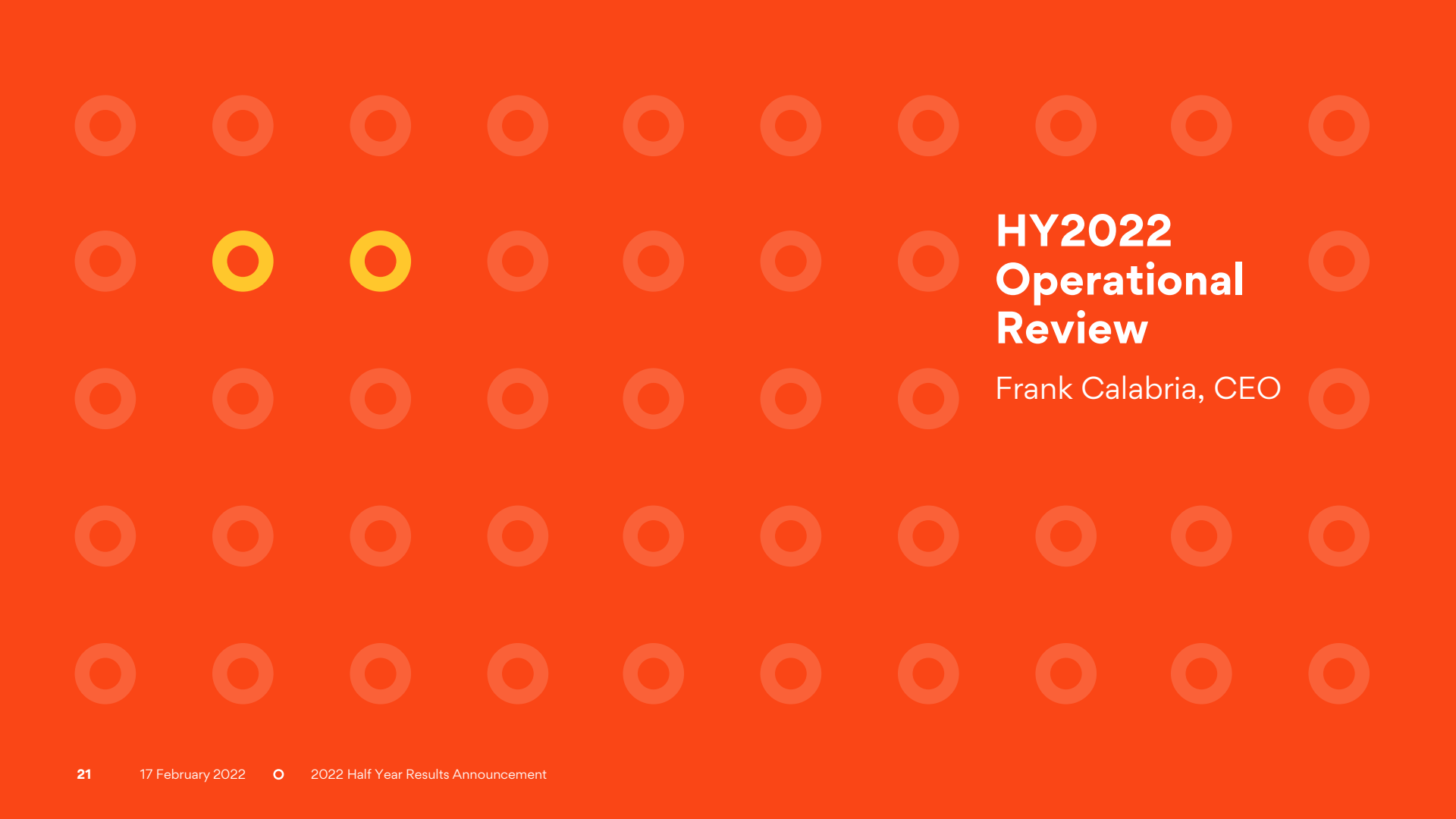
Share of APLNG EBITDA¹ up \$526 million to \$1,039 million:

- Realised oil price US\$68/bbl (A\$93/bbl) vs US\$38/bbl (A\$53/bbl) in HY2021
- Three JKM-linked spot cargoes delivered in the period capturing high spot LNG prices

Integrated Gas - Other loss up \$222 million to \$169 million:

- Hedging and trading loss \$96 million compared to a \$79 million net gain in HY2021
- Other Origin only costs of \$73 million, up \$47 million primarily reflecting the write-offs of the Obelix-2 well in the Cooper-Eromanga Basin and the Currajong 1 well in the Canning Basin

1) Origin is currently in the process of completing the sale of a 10% interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5% ownership in APLNG continues to be equity accounted, with 10% reclassified as held for sale at that date. The impact of 10% ownership change from 8 December 2021 on Integrated Gas HY2022 Underlying EBITDA is \$46 million.



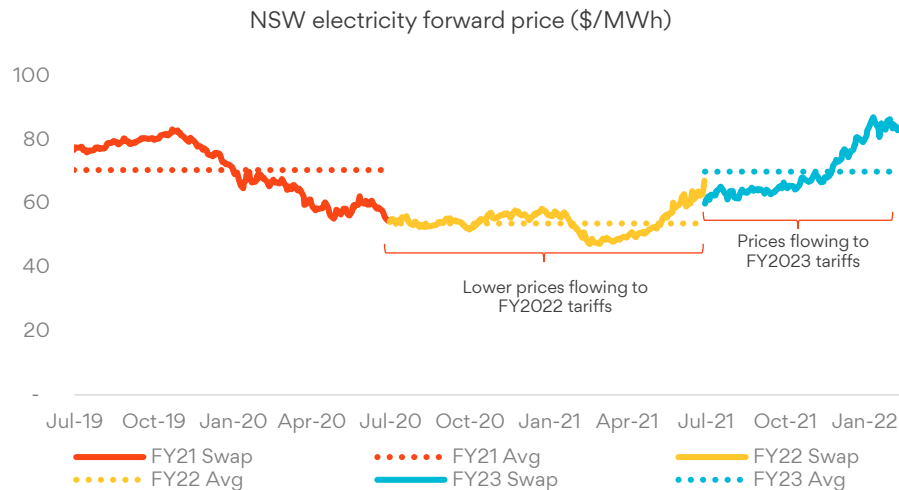
HY2022 Operational Review

Frank Calabria, CEO



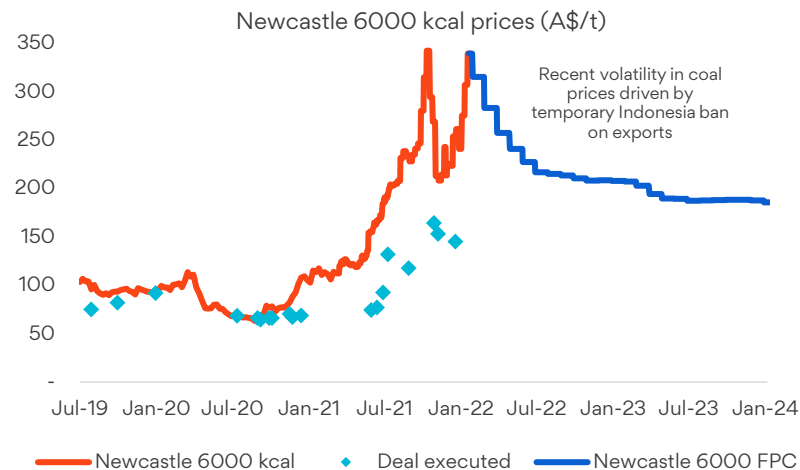
Energy Markets

Tailwinds from higher wholesale electricity prices, partially offset from higher energy costs



Source: AEMO/Bloomberg

- FY2022 tariffs impacted by low electricity prices in FY2021
- Electricity prices recovering due to higher fuel costs and baseload outages, expected to flow into FY2023 tariffs

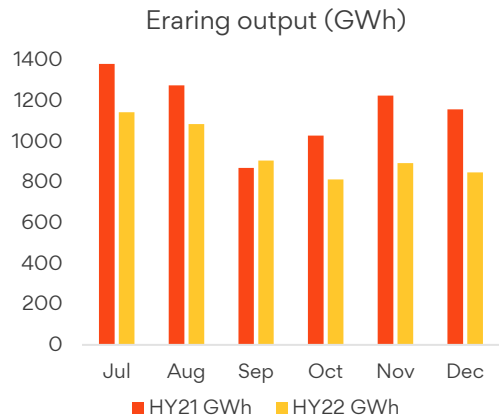


Source: Bloomberg

- Origin typically buys 5500 kcal coal, which trades at a discount to 6000 kcal coal
- Export prices continuing to track at record high levels driven by a tight global energy market

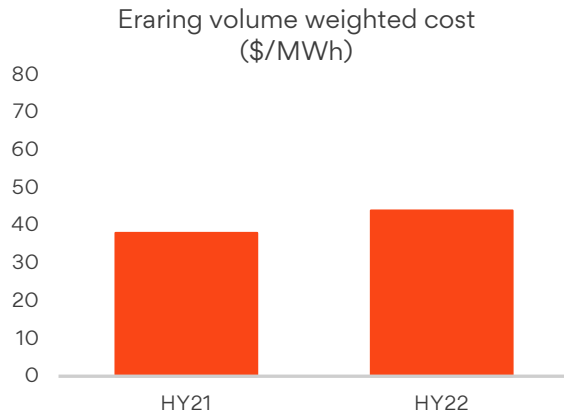
FY2022 cost of energy impacted by coal supplier constraints

Eraring volumes



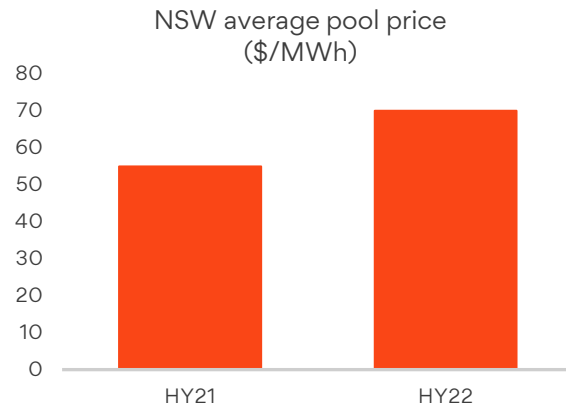
- Eraring generation volumes lower on lower contracted coal deliveries due to supplier operational issues
- Coal supplier constraints expected to continue for the remainder of FY2022
- Expect to recoup deficit in contractual deliveries

Short run marginal cost



- Higher market prices for coal purchases are increasing short run marginal cost at Eraring
- Ongoing discussions with a number of coal suppliers to contract FY2023 requirements

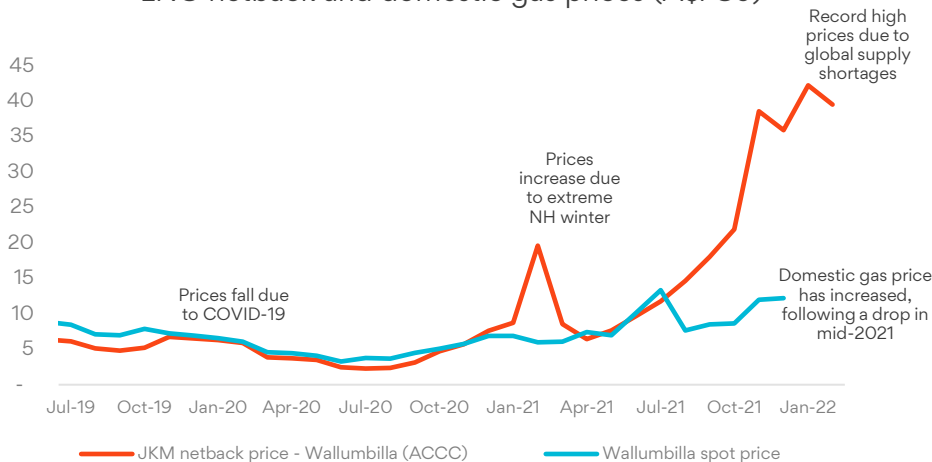
NSW pool prices



- Lower Eraring output also partly replaced by higher cost swap contracts and pool purchases
- Higher pool costs in FY2022 expected to be recovered in FY2023 customer tariffs

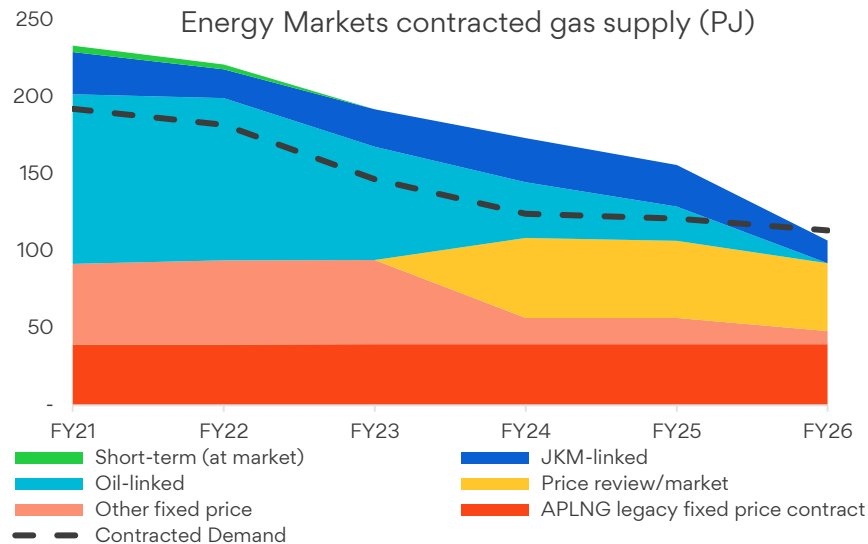
Improved gas outlook due to tightening domestic gas market

LNG netback and domestic gas prices (A\$/GJ)



Source: ACCC, AEMO

Energy Markets contracted gas supply (PJ)



- East Coast prices remain disconnected from JKM due to global supply constraints whilst domestic market well supplied
- Domestic prices now increasing and our gas portfolio, underpinned by fixed price supply contracts, is positively exposed to an expected tightening domestic market from 2HY2022 onwards
- FY2022 JKM position fully hedged at favourable rates to market, FY2023 JKM supply costs higher with ~4.5PJ remaining unhedged
- No further price reviews on supply contracts until FY2024

Building our next-gen retail business

Technology & Operating Model



Customer first, data driven proven technology



Unique operating model



In-house data & analytics capability



Empowered digital engagement

Growing scale and products



Gamified demand response



Broadband



Electric vehicles



Connected Home



Low carbon



VPP developed in-house

Investments & Alliances

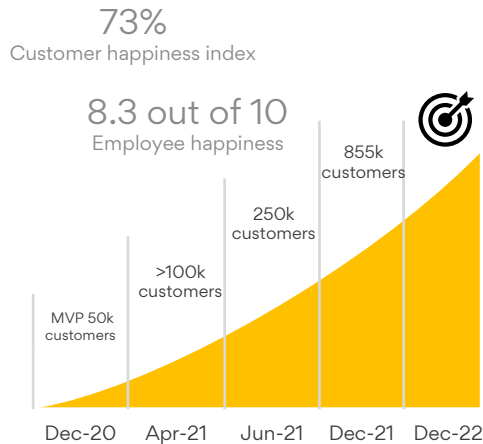


18.7% investment in global energy & tech business



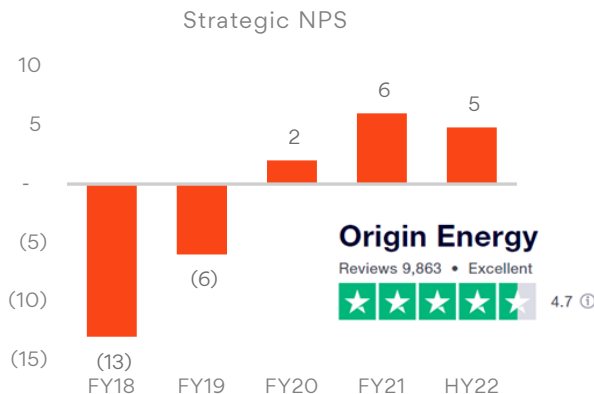
Transforming through technology and new operating model

Retail X



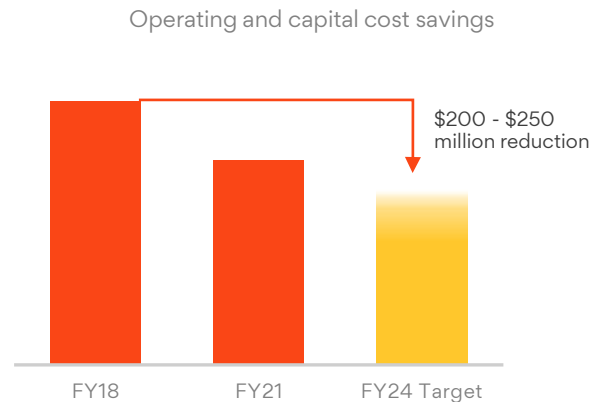
- Implementing next-gen retail business (Retail X)
- 855,000 customers (942,000 customer accounts) now migrated to Kraken
- On track to migrate all customers by end of CY2022

Superior customer experience



- Strategic NPS stable at +5
- Leading on social review platforms
- Record 94% digital self-service interactions for Dec-21 rolling quarter

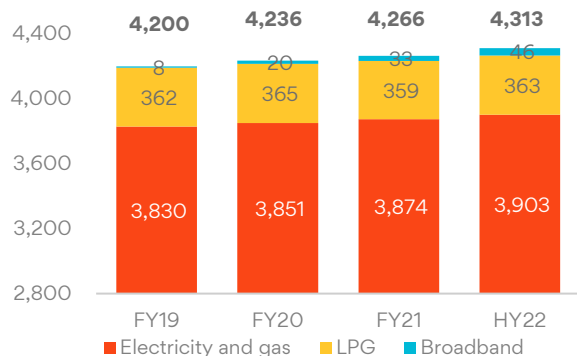
Lowest cost



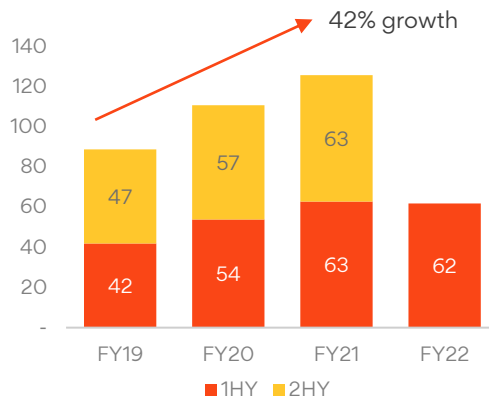
- Targeting \$200 - \$250 million savings from FY2018 baseline by FY2024
 - \$110 million operating cost savings achieved to FY2021

Growing scale and products

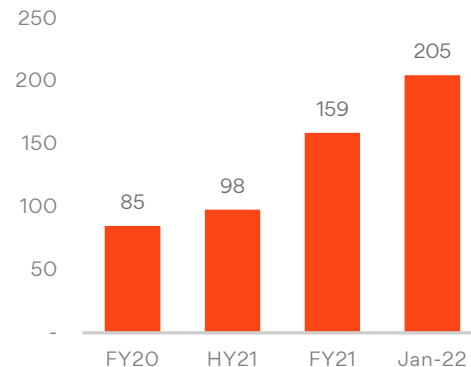
Customer accounts ('000)



Solar and Energy Services Gross Profit (\$m)



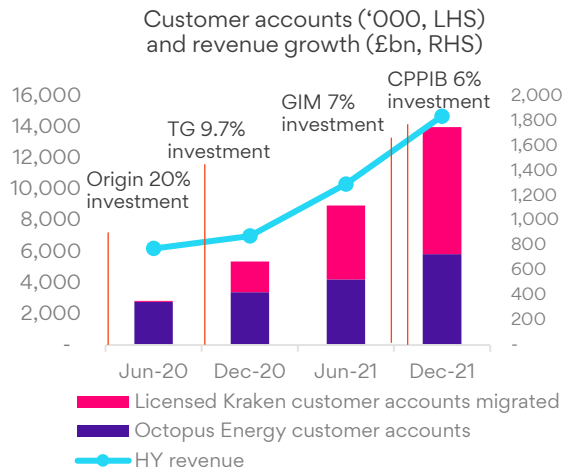
VPP – assets connected (MW)



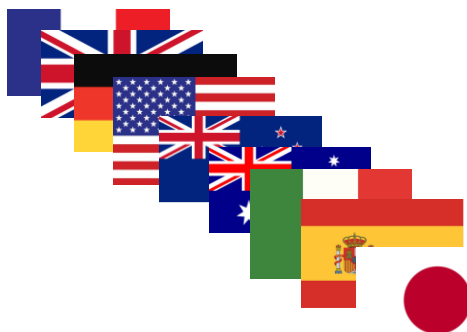
- Increasing customer appetite for multi-product offerings in the home
- Opportunity to grow scale and our product offerings
- Origin Loop, part of our in-house Virtual Power Plant, is an ecosystem of >100,000 connected services that allows customers to optimise their energy use and costs and allows Origin to optimise distributed assets in our portfolio
- WINConnect acquisition will add further scale (~123,000 customer accounts) to our community energy services business

Octopus – global footprint and exponential customer growth potential

Exponential customer growth



Global reach increasing



Renewable, Services & Tech business

\$6 billion +
Energy assets under management



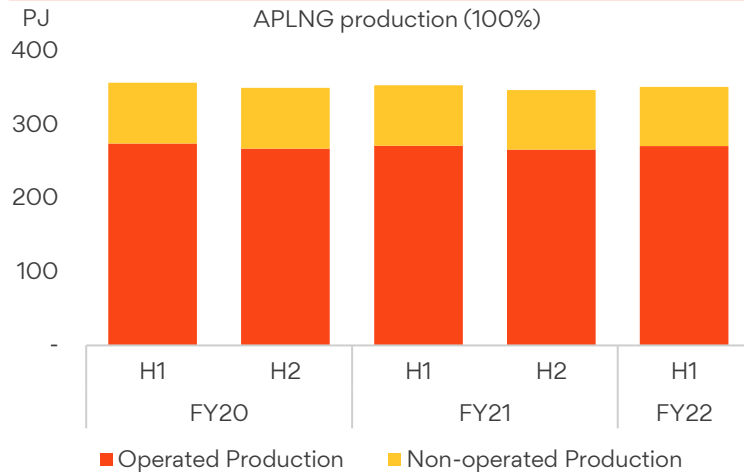
- CPP Investment Board and Generation Investment Management investment value Octopus at ~£3 billion
- Present in the world's 7 largest deregulated energy markets, providing significant growth potential
- 5.8 million energy customer accounts across UK, US, Germany, Spain and Italy (11% UK market share)
- 25 million licensed customer accounts estimated to provide ~£500 million licensing revenue over next 3 years
- Challenging UK energy market conditions partially offset by trading gains and licensing revenue growth
- Targeting 100 million customer accounts on Kraken by 2027



Integrated Gas

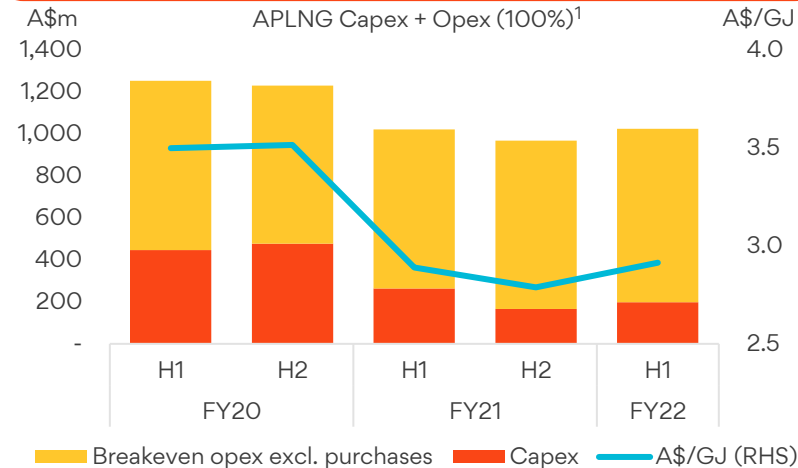
APLNG delivered stable production while maintaining low cost

Quality resource and assets



- Stable production underpinned by quality resource base, despite impacts of wet weather and planned LNG maintenance
- Spring Gully natural field decline, offset by improved performance in Reedy Creek and Talinga/Orana

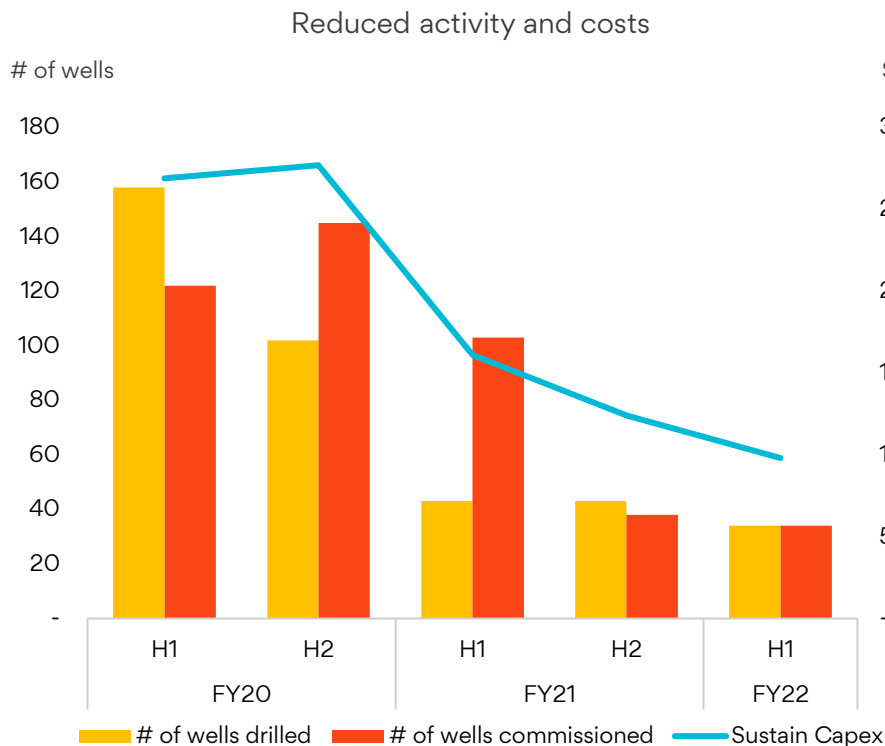
Low-cost operator



- Reduced activity and costs enabled by strong field performance
- Higher operating cost in HY2022 primarily reflecting planned LNG maintenance and higher power costs
- Maintaining low cost and expected to be at A\$3.01/GJ to A\$3.4/GJ in FY22

¹⁾ Opex excludes purchases and reflects royalties at the breakeven oil price.

Lower development activity enabled by strong field performance



\$m

300

250

200

150

100

50

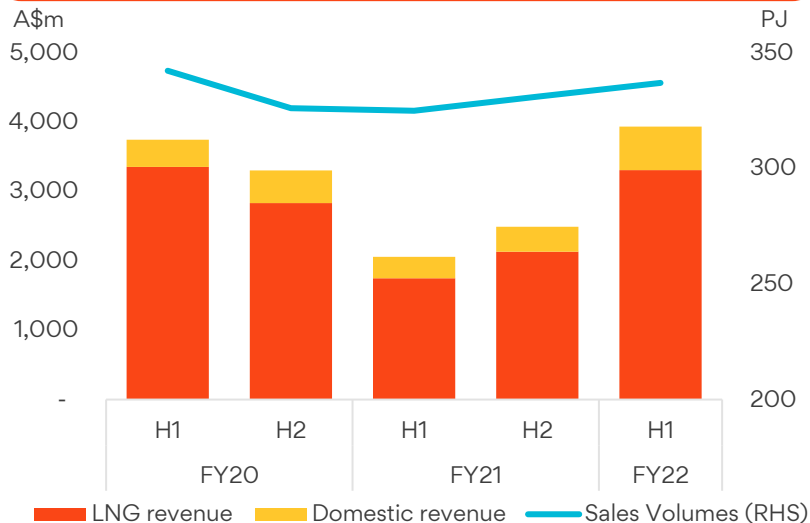
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- Strong field performance shifts focus from drilling to optimising existing operations:
 - \$63m reduction in Sustain capital costs versus HY2021
 - Implementation of digital tools enabling production optimisation and reducing wellsite visitations
 - Installation of downhole gauges, maximising gas flow potential and pump life
 - Reduced gas processing facility¹ (GPF) flare emissions by ~50% versus HY2021 partially through usage of AI turndown tool
- High facility utilisation during high price environment:
 - Achieved 99.6% GPF reliability
 - Average HY2022 LNG production excluding planned shutdown is 104% of the nameplate capacity

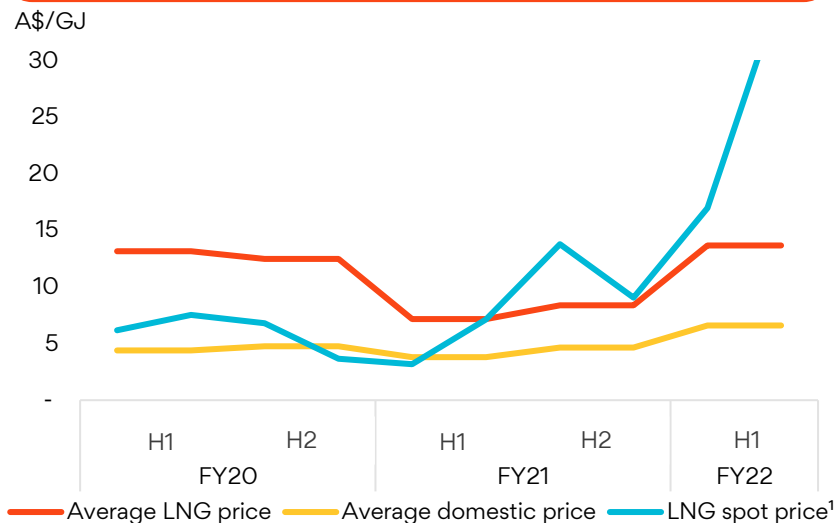
1) Upstream operated electrified facilities.

Record high revenue on rebound of global commodity prices

Record high revenue



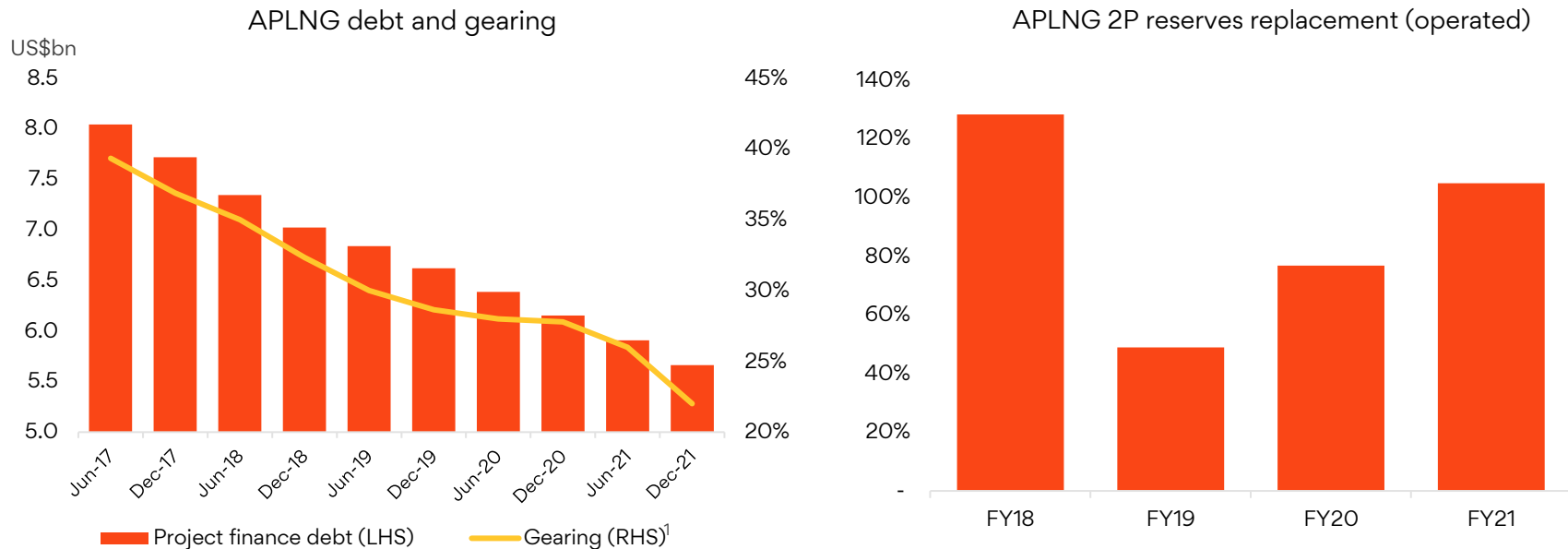
Supported by strong commodity prices



- LNG revenue up 89% driven by higher realised oil and spot LNG prices
- Three spot cargos delivered in the period capturing record high commodity prices. A further six JKM-linked spot cargoes were sold for delivery in early CY2022
- Domestic revenue up 103% primarily driven by higher JKM-linked short-term contract prices and higher volumes during downstream maintenance in the Sep-21 quarter

1) Source: ICE. Quarterly average

~US\$2.5 project debt repaid and 91% of 2P operated reserves replaced



- ~US\$2.5 billion project debt repaid and from FY2018, the year when two train commercial operations commenced, APLNG has replaced 91% of operated 2P reserves, generating significant value for shareholders
- Gearing¹ ratio of 22% at December 2021
- Adjusted Net Debt/Adjusted Underlying EBITDA ratio of 1.3 at December 2021

1) Gearing is defined as project finance debt less cash, divided by project finance debt less cash plus equity.
34 17 February 2022 ○ 2022 Half Year Results Announcement

Prospective acreage

Beetaloo

- Velkerri dry gas play: Amungee NW 1H production test indicates normalised production results comparable with other commercial shale plays globally
 - The CY2022 work programme includes the drilling, fracture stimulation and production test of two horizontal wells
- Velkerri liquids play: Preliminary results indicate presence of wet gas. Core analysis is underway to further characterise the reservoir
- Beetaloo farm down process underway

Canning

- Rafael 1 drilled with preliminary results indicating liquids-rich gas potential in a conventional reservoir. Production test is planned in early CY2022 subject to COVID restrictions
- Currajong 1 drilled and written off due to no oil recovered

Cooper-Eromanga

- Obelix-2 was written off with no plans for development at the well location
- Additional permits acquired to continue to evaluate the prospectivity of the Toolebuc formation within the basin





Outlook

Frank Calabria, CEO

FY2022 Guidance up on higher commodity prices

Provided on the basis that market conditions and the regulatory environment do not materially change, adversely impacting operations. Considerable uncertainty exists relating to potential ongoing impacts of COVID-19 and this guidance is subject to any further material impact on demand and customer affordability.

		FY21	FY22 guidance	FY22 updated guidance
Origin Energy – Underlying EBITDA¹		2,048	1,850-2,150	1,950-2,250
Energy Markets Underlying EBITDA	A\$m	991	450-600	450-600
Integrated Gas & Corporate Underlying EBITDA	A\$m	1,057	1,400-1,550	1,500-1,650
Origin Energy – Capex and Investments				
Capex (excluding investments)	A\$m	(339)	(370-410)	(370-410)
Investments ²	A\$m	(161)	(210-220)	(305-315)
Integrated Gas - APLNG 100%				
Production	PJ	701	685-710	685-710
Capex and opex, excluding purchases ³	A\$b	2.0	2.1-2.3	2.1-2.3
Unit capex + opex, excluding purchases ³	A\$/GJ	2.8	3.0-3.4	3.0-3.4
Cash distributions, net of oil hedging ⁴	A\$b	0.7	>1	>1.1

- 1) Assumes realised oil price of US\$67/bbl (including hedging) and AUD/USD rate of 0.73 and includes Energy Markets, Share of APLNG, Integrated Gas – Other costs (hedging, trading and other opex) and Corporate costs.
- 2) This investments guidance excludes the option to top-up our interest in Octopus Energy to 20 per cent by June 2022. Additionally, this guidance reflects the net FY2022 impact of the WINConnect acquisition announced 20 December 2021. The net amount payable in total of \$42 million post tax includes a net amount of \$22 million payable in FY2022, with the balance payable in FY2023. The gross acquisition price of \$94 million will be reported as an acquisition in FY2022.
- 3) Opex excludes purchases and reflects royalties at the breakeven oil price.
- 4) Assuming an average AUD/USD rate of 0.73 (FY2021: 0.75) and assuming all APLNG debt serviceability tests are met. As at 31 January 2022, we estimate ~19 mmbœ (or 97 per cent) of our share of APLNG's FY2022 JCC oil price exposure has been priced at US\$67/bbl, based on the long-term LNG contract lags, including the impact of hedging.

FY2022 and FY2023 Updated Guidance continued

Origin - consolidated

- Underlying FY2022 EBITDA guidance higher reflecting improved outlook for Energy Markets' gas portfolio and higher cash flow from APLNG partially offset by continuation of coal supply issues impacting electricity gross profit
- Assumes realised oil price of **US\$67/bbl net of oil hedging and AUD/USD rate of 0.73**
- Capex estimate of **\$370-\$410 million** includes \$75-\$85 million E&A spend including drilling rigs lease costs
- Investments estimated at **\$305-\$315 million** - primarily Octopus Energy¹
- Interest expense is estimated to reduce by **\$45-\$65 million** in FY2022 compared to FY2021

Energy Markets

- Overall guidance unchanged, FY2022 EBITDA of \$450-\$600m, driven by:
 - Electricity: lower than previous guidance** due to coal constraints leading to lower Eraring output and higher coal costs
 - Gas: higher than previous guidance** due to increased volumes and prices on short term trading sales
 - Cost to serve stable:** Kraken savings weighted to FY2023-24
- Underlying FY2023 EBITDA expected to rebound by an estimated \$150-\$250 million to \$600-\$850 million**, assuming higher wholesale electricity and gas prices continue and flow through to tariffs², and reflecting
 - Higher coal costs
 - Existing fixed price supply gas contracts
 - Kraken cost to serve savings

Integrated Gas (APLNG)

- Continued stable production**
- APLNG costs reflect **increased activity** - planned downstream maintenance, higher non-operated development and infrastructure spend, increased workover and E&A activity, and higher power costs
- Continue to target average total capex + opex³ **<\$3.50/GJ to FY2024**
- Increased distribution guidance:** At realised oil price of US\$67/bbl, based on contract lags and hedging outcome, cash flows to Origin are estimated to be **greater than \$1.1 billion⁴, net of oil hedging**
- Following settlement of the sale of 10% stake in APLNG, Origin's oil exposure associated with its 27.5% investment in APLNG is estimated to be ~17 mmbœ in FY2023

1) This investments guidance excludes the option to top-up our interest in Octopus Energy to 20 per cent by June 2022. Additionally, this guidance reflects the net FY2022 impact of the WINConnect acquisition announced 20 December 2021. The net amount payable in total of \$42 million post tax includes a net amount of \$22 million payable in FY2022, with the balance payable in FY2023. The gross acquisition price of \$94 million will be reported as an acquisition in FY2022.

2) Based on current forward prices for key commodities such as electricity, JKM and oil. Assumed coal prices based on ongoing confidential discussions with suppliers and current forward prices, noting Origin typically buys 5500Kcal coal. Risks to the outlook remain from uncontracted coal.

3) Opex excludes purchases and reflects royalties at the breakeven oil price.

4) Assuming an average AUD/USD rate of 0.73 and assuming all APLNG debt serviceability tests are met. As at 31 January 2022, we estimate ~19 mmbœ (or 97 per cent) of our share of APLNG's FY2022 JCC oil price exposure has been priced at US\$67/bbl, based on the long-term LNG contract lags, including the impact of hedging.

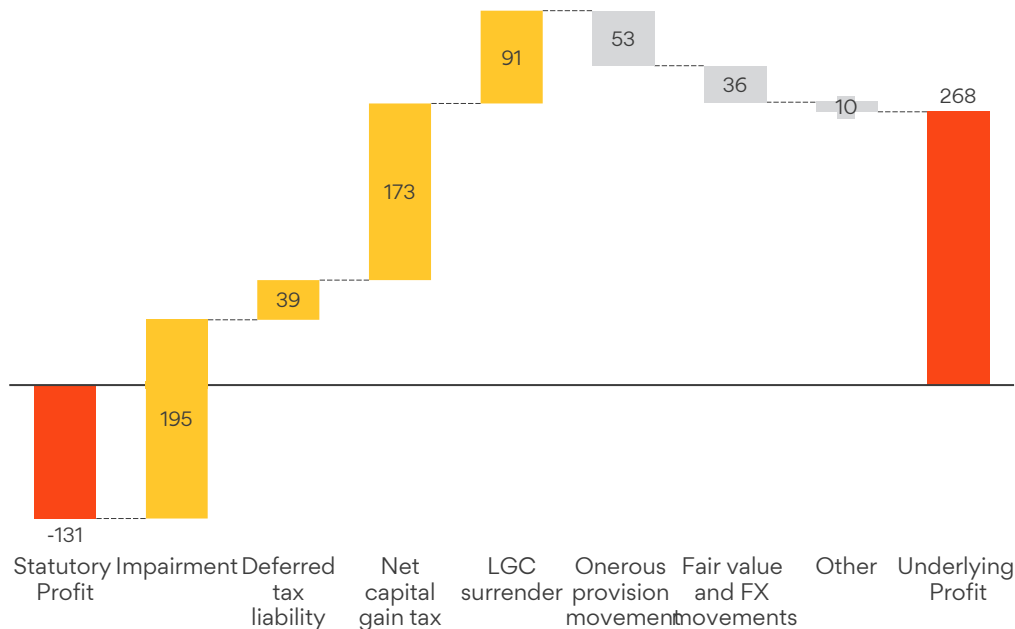


Questions



Appendix

Items excluded from Underlying Profit



Non-cash charges

- \$195 million impairment relating primarily to the sale of 10% interest in APLNG (\$193 million). On completion of the transaction this charge will be partially offset via release of \$105 million benefit from the foreign currency translation reserve;
- \$39 million deferred tax expense, reflecting the expectation of higher future distribution from APLNG

Other items

- \$173 million relating to net capital gain tax on divestment of 10% APLNG. No significant cash tax liability is expected relating to this capital gain.
- \$91 million net cost relating to a decision to defer the surrender of a portion of Origin's calendar year 2021 large-scale generation certificates.
- \$53 million benefit relating to LNG onerous contract provisions
 - associated with stronger near-term LNG prices and an increase in US Treasury bond rates
 - realised loss of A\$56 million is included in HY2022

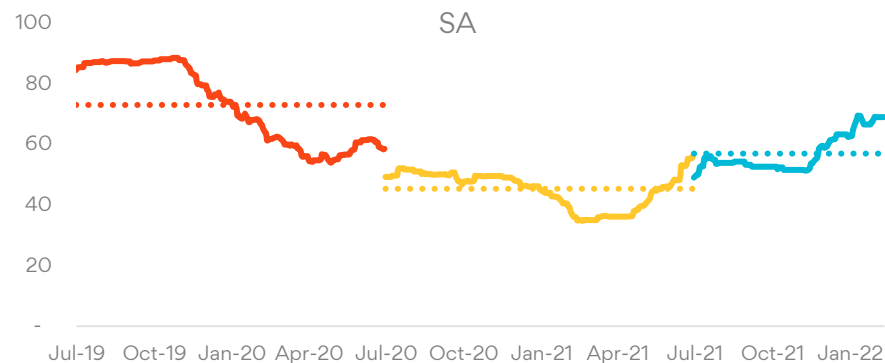
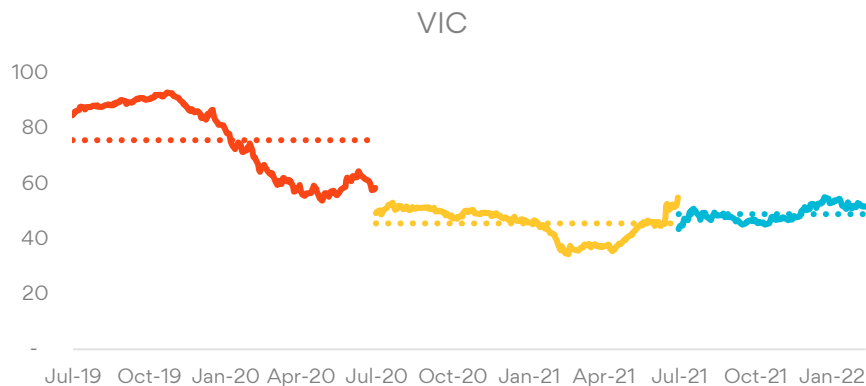
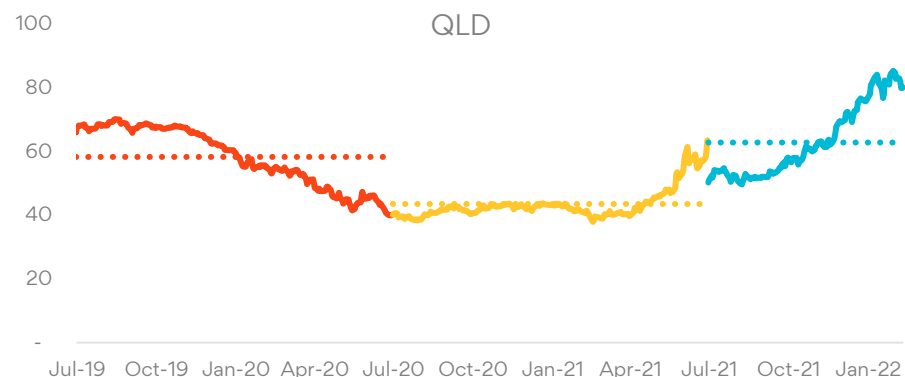
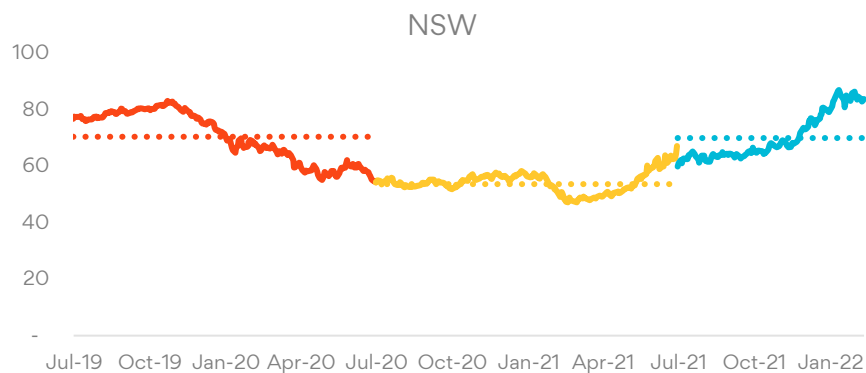
Large-scale Generation Certificates (LGC) strategy

	Statutory Profit (\$m)	LGC Adjustments to statutory profit			Underlying Profit (\$m)
		Reversal of shortfall charge/ (refund) (\$m)	Estimated CY20 surrender cost (\$m)	Estimated CY21 surrender cost (\$m)	
FY2021 impact: CY2020 and CY2021 certificate shortfall					
Shortfall charge \$262m (~4.1m certificates x \$65)*	(262)	262	(46)	(18)	(64)
CY2020 expected surrender cost \$46m (~2.5m certificates x \$19)					
CY2021 expected surrender cost \$18m (~1.6m certificates x \$12)					
FY2022 impact: Reassessment of FY2021 impact and remaining CY2021 certificate shortfall					
Shortfall charge \$144m (~2.2 million certificates x \$65)*	(144)	144		(53)	(53)
Reassessment of CY2021 shortfall recorded in FY2021 \$11m (~1.6m certificates x \$7)					
CY2021 expected surrender cost \$42m (~2.2 million certificates x \$19)					
FY2024 impact: CY2020 certificate surrender and shortfall refund					
CY2020 Surrender \$46m (~2.5 million certificates x \$19)*	114	(160)	46		-
CY2020 Shortfall refund \$160m (~2.5 million certificates x \$65)*					
FY2025 impact: CY2021 certificate surrender and shortfall refund					
CY2021 Surrender \$71m (~3.8 million certificates x \$19)*	175	(246)		71	-
CY2021 Shortfall refund \$246m (~3.8 million certificates x \$65)*					
Total cost of ~6.3 million certificates	(117)	-	-	-	(117)

* Recognised in Statutory Profit on an accruals basis

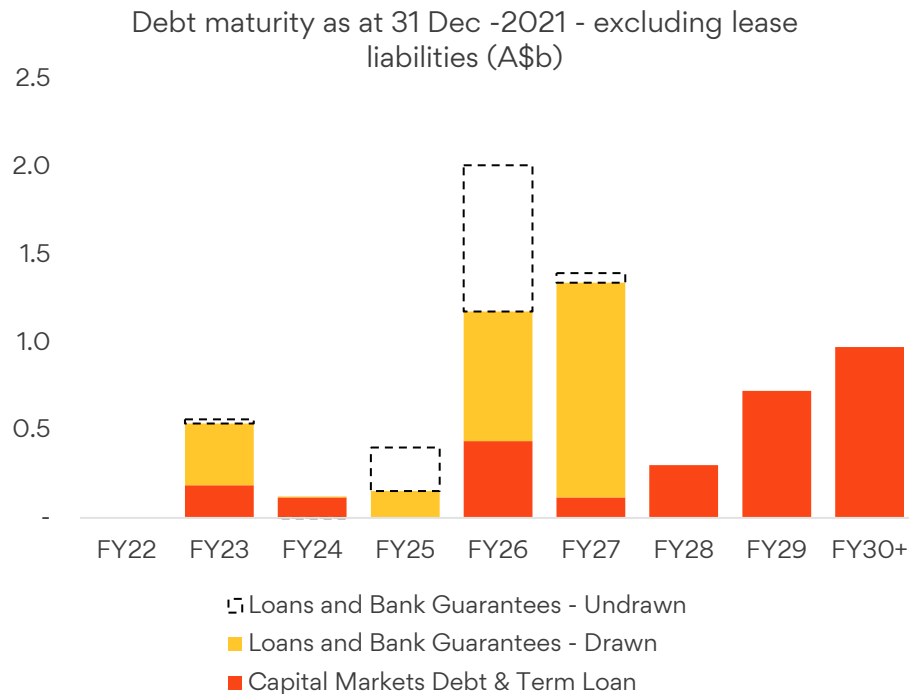
- LGC price embedded in FY2022 retail tariff reflects forward prices over the past one to three years
- Backwarddated forward curve provides opportunity to reduce LGC procurement costs by deferring surrender – refundable shortfall charge of \$65/certificate if surrendered within 3 years
- Deferred surrender of ~2.5 million CY2020 certificates and ~3.8 million CY2021 certificates
- Weighted average future cost of certificates recognised in Underlying Profit based on current forward prices and purchases to date
- Future surrender cost will be reassessed each reporting period
- Refunds are now non-assessable for tax following legislative change and align with the non-deductible treatment of the shortfall charge

Electricity forward price by state (A\$/MWh)



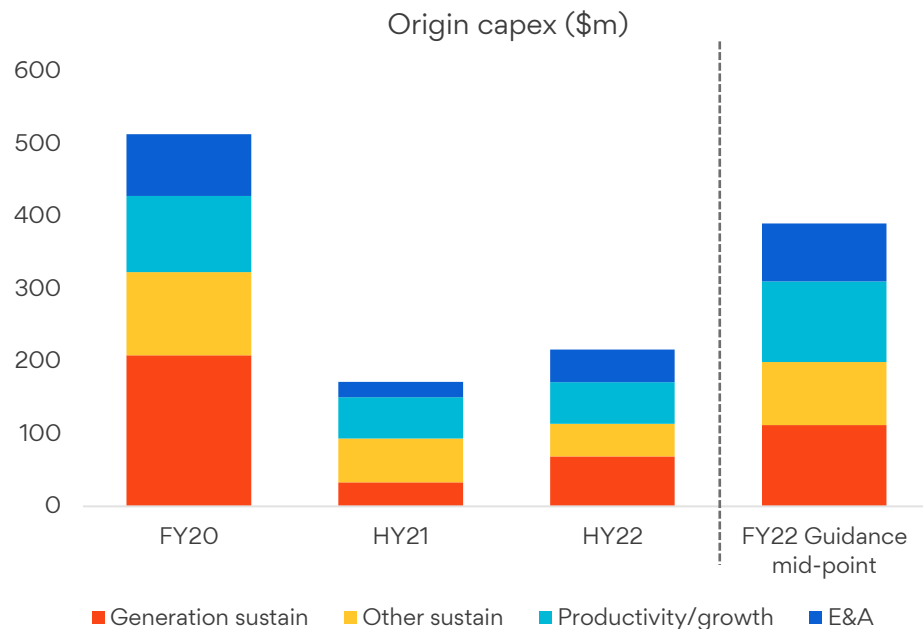
Source: Bloomberg/AEMO as at 11 February 2022

Debt maturity profile



- Average term to maturity increased to 4.8 years at 31 December 2021 from 3.4 years at 30 June 2021
- The rolling 12-month average interest rate decreased to 4.2% in HY2022 from 4.3% in HY2021
- **Estimated FY2022 net interest saving \$45-65 million**
- Repaid and extended the tenor of our debt facilities:
 - repaid €800 million (A\$1,164 million) at 2.8 per cent
 - repaid US\$500 million (A\$680 million) 5.5 per cent fixed
 - extended the tenor of A\$2,357 million bank debt from FY2023/FY2024 to FY2025/FY2026
 - Cancelled \$65 million in undrawn bank loan facilities

Capex summary



- **Managing sustaining capex on key assets:** major outage at Eraring and other maintenance activities
- **Other sustaining capital:** regulatory market reforms (5 minute settlement), LPG
- **Productivity/growth:** Octopus Energy licensing, Kraken implementation costs, and CES
- **Exploration and appraisal:** Beetaloo and Canning

Customer movements

('000)	31-Dec-21	30-Jun-21	Change
Electricity			
Business	30	30	0
Retail – Residential	2,232	2,246	(14)
Retail – SME	255 ¹	259	(4)
Retail – Community Energy Services	96	90	7
Total	2,614	2,625	(11)

('000)	31-Dec-21	30-Jun-21	Change
Gas			
Business	1	1	(0)
Retail – Residential	969	972	(3)
Retail – SME	84	85	(1)
Retail – Community Energy Services	196	191	5
Total	1,250	1,249	2

1) Excludes 39,000 unmetered sites now included in total customer accounts



Managing oil price exposure

Oil hedging program designed to protect capital structure through commodity cycles

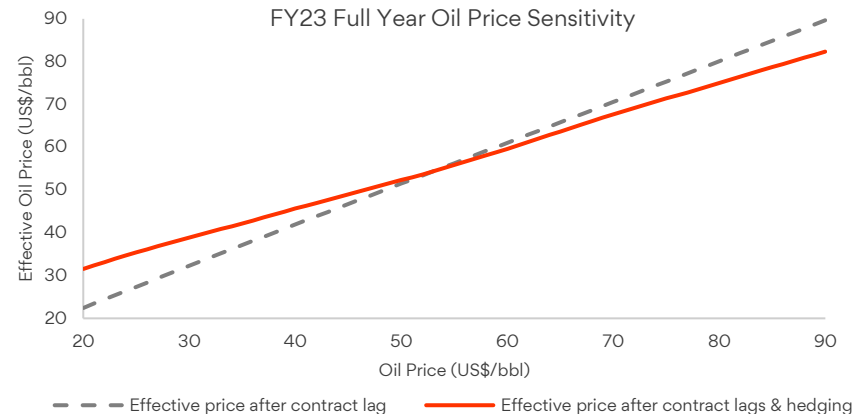
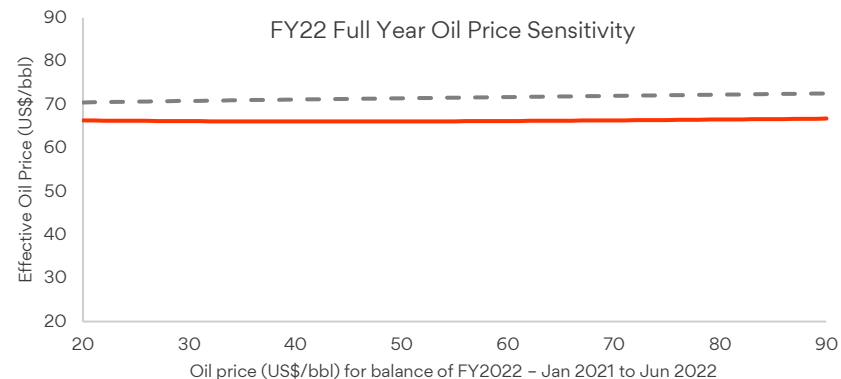
FY2022

- Origin share of APLNG JCC oil price exposure is ~20¹ mmboe
- As at 31 January 2022, ~19 mmboe priced at US\$67/bbl based on LNG contract lags and hedging outcomes
- 1 mmbbl remaining hedge position via a combination of swaps, puts and producer collars, and 0.3 mmbbl purchased calls to increase upside participation
- \$28 million premium spend

FY2023

- 5.4 mmbbl hedged at US\$56/bbl, with 4.4 mmbbl having upside participation between US\$63/bbl and US\$78/bbl
- 1.6 mmbbl hedged at floor of US\$35/bbl, with upside participation up to US\$90/bbl
- \$21 million premium

1) Origin is currently in the process of completing the sale of a 10 per cent interest in APLNG. As a result of the proposed sale, from 8 December 2021 Origin's 27.5 per cent ownership in APLNG continues to be equity accounted, with 10 per cent reclassified as held for sale at that date.



APLNG sales mix and legacy domestic contracts

Legacy domestic contracts

- ~40 PJ p.a. to Origin ending 2034
- 472 PJ over 21 years to Rio Tinto ending 2031
- ~16 PJ p.a. to QAL ending 2041
- 155 PJs over the remaining life of the contract to QGC ending 2035, oil linked

Contract LNG

- Flexibility for both the buyer and the seller
 - Sellers maintenance flexibility
 - Buyers Downward Quantity Tolerance option

Sales mix (100%)	HY2022		HY2021	
	PJ	%	PJ	%
Contract LNG ¹	231	68%	208	64%
Legacy domestic contracts	49	15%	52	16%
Short term domestic	46	14%	29	9%
Spot LNG ¹	11	3%	36	11%
Total	337		325	

1) A typical single cargo of LNG is ~3.6 PJ of gas

Segment summary

(\$m)	Energy Markets		Integrated Gas - Share of APLNG		Integrated Gas - Other		Corporate		Total	
	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21
Underlying EBITDA	268	635	1,039	513	(169)	53	(39)	(47)	1,099	1,154
Underlying EBIT	38	355	465	57	(181)	38	(34)	(48)	288	402
Underlying Profit/(Loss)	38	355	465	57	(144)	96	(91)	(281)	268	227
Operating cash flow	310	756	-	-	(333)	21	(56)	(108)	(79)	669
Investing cash flow	(424)	(184)	-	-	506	236	(3)	(3)	79	49
Interest paid	-	-	-	-	-	-	(112)	(125)	(112)	(125)
Free cash flow inc major growth	(114)	572	-	-	173	257	(171)	(236)	(112)	594
Major growth spend	297	61	-	-	-	-	-	-	297	61
LNG cargo	-	-	-	-	150	-	-	-	150	-
Free cash flow	183	633	-	-	323	257	(171)	(236)	335	655

Underlying ROCE – 12 month rolling

As at	31 Dec-21 (\$m)	31-Dec-20 (\$m)	Change (\$m)	Change (%)
Capital Employed				
Net Assets	10,049	11,830	(1,781)	(15%)
Adjusted Net Debt	5,133	4,698	435	9%
Net derivative liabilities	384	529	(145)	(27%)
Origin's share of APLNG net debt (project finance less cash)	1,687	2,682	(995)	(37%)
Capital employed	17,253	19,738	(2,485)	(13%)
Origin's Underlying EBIT	430	1,062	(632)	(60%)
Origin's equity share of APLNG interest and tax	473	383	90	23%
Dilution depreciation adjustment	-	2	(2)	(100%)
Adjusted EBIT	903	1,447	(544)	(38%)
Average capital employed - continuing operations	18,496	21,193	(2,697)	(13%)
Underlying ROCE	4.9%	6.8%		(1.9%)
Energy Markets	1.3%	8.6% ¹		(7.3%)
Integrated Gas	8.7%	5.6%		3.1%

1) Restated to 8.6% (previously reported as 8.7%) to include Octopus Energy within Energy Markets capital employed

Proportionate Free Cash Flow

Free cash flow prepared on the basis of proportionate consolidation of APLNG.

(\$m)	Energy Markets		Integrated Gas - Share of APLNG		Integrated Gas - Other		Corporate		Proportionate Total	
	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21
Underlying EBITDA	268	635	1,039	513	(169)	53	(39)	(47)	1,099	1,154
Non-cash items in Underlying EBITDA	61	53	(2)	12	28	5	5	4	92	73
Change in working capital	19	95	11	1	(174)	(9)	(12)	(22)	(156)	65
Other	(38)	(27)	-	(1)	(18)	(26)	(8)	6	(64)	(49)
(Tax paid) / refund received	-	-	-	-	-	-	(2)	(49)	(2)	(49)
Operating cash flow	310	756	1,048	526	(333)	21	(56)	(108)	969	1,195
Investing cash flow ¹	(424)	(184)	(72)	(113)	(49)	(29)	(3)	(3)	(548)	(328)
Interest paid	-	-	(46)	(58)	-	-	(112)	(125)	(158)	(183)
Proportionate Free Cash Flow including major growth	(114)	572	930	356	(382)	(8)	(171)	(236)	263	685

Presenting free cash flow on this basis highlights cash generation on an unlevered basis prior to the repayment of APLNG's project finance debt which is serviced by APLNG prior to shareholder distributions.

1) Cash flow from investing activities has been adjusted to remove cash flows between Shareholders and APLNG.

Reconciliation of Adjusted Net Debt

	Issue Currency	Issue Notional \$m	Hedged Currency	Hedged Notional \$m	AUD \$m Dec-21	AUD \$m Dec-21	AUD \$m Dec-21
					Interest bearing liabilities ²	Debt & CCIRS FV adjustments	Adjusted net debt
AUD debt	AUD	2,267	AUD	2,267	2,244		2,244
USD Debt left in USD	USD	1,008	USD	1,008	1,386	-	1,386
EUR debt swapped to AUD	EUR	750	AUD	1,159	1,166	(11)	1,155
Total					4,797	(11)	4,786
Lease Liabilities					495		495
Total (including lease liabilities)					5,292	(11)	5,281
Cash and cash equivalents less operator cash ¹							(148)
Adjusted Net Debt							5,133

1) Excludes \$66 million cash held on behalf of APLNG as upstream operator.

2) Includes transaction costs.

Energy Markets segment revenue reconciliation

The table below reconciles the difference between segment revenue and customer revenue disclosed in the Electricity, Natural Gas, LPG and Solar & Energy Services tables.

	HY22	HY21	Change	Change
	(\$m)	(\$m)	(\$m)	(%)
Energy Markets segment revenue	6,086	6,007	79	1
<i>Less pool and other revenue:</i>				
Internal generation	(702)	(535)	(168)	31
Renewable PPAs ¹	(4)	(4)	-	(7)
Other PPAs ¹	-	(1)	1	(100)
Pool revenue	(706)	(540)	(166)	31
Other²	(29)	(28)	(1)	4
Total customer revenue	5,350	5,439	(88)	(2)

1) Gross settled PPAs only. Net settled Renewable PPAs for HY2022 amount to \$41 million (HY2021: \$42 million) and are presented in cost of sales on a net basis. There were no net settled Other PPAs.

2) Other includes ancillary services, transmission use of system and other items which are partially offset in cost of energy.

Financial Instruments and fair value adjustments

(\$m)	Financial asset/(liability)		Balance Sheet Impact			Income Statement Impact		
	31-Dec-21	30-Jun-21	Inc/(dec) in financial instrument	Inc/(dec) in other net assets	Total inc/(dec) in net assets	Gain/(loss) included in Underlying Profit	Pre-tax Gain/(loss) excluded from Underlying Profit	Post-tax Gain/(loss) excluded from Underlying Profit
Oil and gas derivatives								
Oil and gas hedges - Integrated Gas	(229)	(166)	(63)	(34)	(97)	(30)	(67)	(47)
Oil and gas hedges - Energy Markets	605	185	420	(242)	178	177	1	1
Other commodity hedges	12	15	(3)	12	9	10	(1)	(1)
	388	34	354	(264)	90	157	(67)	(47)
Electricity derivatives								
Electricity swaps and options	101	(134)	235	(207)	28	28	-	-
Power purchase agreements ¹	(845)	(898)	53	(15)	38	(15)	53	37
Environmental derivatives	76	9	67	0	67	-	67	47
	(668)	(1,023)	355	(222)	133	13	120	84
FX and interest rate derivatives								
Foreign exchange contracts	(79)	(93)	14	(30)	(16)	(4)	(12)	(8)
Foreign currency debt hedges	(7)	92	(99)	101	2	0	2	1
Interest rate swaps	(8)	(12)	4	0	4	0	4	3
	(94)	(13)	(81)	71	(10)	(4)	(6)	(4)
Equity derivatives								
Share warrants	1	1	-	-	-	-	-	-
Increase in fair value of derivatives (financial statements Note A1(a))							47	33
Other financial assets/liabilities								
MRCPS issued by APLNG	592	1,296	(704)	776	72	43	29	20
Environmental certificates / surrender obligation	(61)	(66)	5	(424)	(419)	(432)	13	9
Settlement Residue Distribution Agreement units	99	73	26	3	29	16	13	9
Other investments	206	306	(101)	111	10	4	6	4
Net gain from financial instruments measured at fair value (financial statements Note A1(a))							61	43
Exchange loss on foreign denominated debt (financial statements Note A1(a))							(57)	(40)
Total Fair value and foreign exchange movements (financial statements Note A1(a))							51	36
Reconciliation of net derivative liability to financial statements								
Derivative assets	2,212	1,135						
Derivative liabilities	(2,585)	(2,136)						
Net derivative liability	(373)	(1,001)						

Important notices

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All figures in this presentation relate to businesses of the Origin Energy Group (Origin, or the Company), being Origin Energy Limited and its controlled entities, for the reporting period ended 31 December 2021 (the period) compared with the reporting period ended 31 December 2020 (the prior corresponding period), except where otherwise stated.

Origin's Financial Statements for the reporting period ended 31 December 2021 are presented in accordance with Australian Accounting Standards. The Segment results, which are used to measure segment performance, are disclosed in note A1 of the Financial Statements and are disclosed on a basis consistent with the information provided internally to the Chief Executive Officer. Origin's Statutory Profit contains a number of items that when excluded provide a different perspective on the financial and operational performance of the business. Income Statement amounts presented on an underlying basis such as Underlying Consolidated Profit, are non-IFRS financial measures, and exclude the impact of these items consistent with the manner in which the Chief Executive Officer reviews the financial and operating performance of the business. Each underlying measure disclosed has been adjusted to remove the impact of these items on a consistent basis. A reconciliation and description of the items that contribute to the difference between Statutory Profit and Underlying Consolidated Profit is provided in the Operating and Financial Review.

This presentation also includes certain other non-IFRS financial measures. These non-IFRS financial measures are used internally by management to assess the performance of Origin's business and make decisions on allocation of resources. Further information regarding the non-IFRS financial measures and other key terms used in this presentation are included in the Operating and Financial Review Appendix. Non-IFRS measures have not been subject to audit or review.

Certain comparative amounts from the prior corresponding period have been re-presented to conform to the current period's presentation.

A reference to Australia Pacific LNG or APLNG is a reference to Australia Pacific LNG Pty Limited in which Origin holds a 37.5% shareholding pending completion of the sale of a 10% shareholding to ConocoPhillips Australia, after which Origin will hold a 27.5% shareholding. A reference to Octopus Energy or Octopus is a reference to Octopus Energy Group Limited in which Origin holds an 18.7 per cent interest. Origin's shareholding in Australia Pacific LNG and Octopus Energy is equity accounted.

A reference to \$ is a reference to Australian dollars except where otherwise stated.

All references to debt are a reference to interest bearing debt only. Individual items and totals are rounded to the nearest appropriate number or decimal. Some totals may not add due to rounding of individual components. When calculating a percentage change, a positive or negative percentage change denotes the mathematical movement in the underlying metric, rather than a positive or a detrimental impact. Measures for which the numbers change from negative to positive, or vice versa, are labelled as not applicable.

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