



Origin Energy

Investor Presentation - Browse Basin acquisition

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2 June 2014

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Since Origin was established in 2000 it has pursued a strategy of connecting resources to markets ...



The leading integrated energy markets business in Australia and New Zealand

- Flexible and diverse fuel portfolio
- Flexible and diverse generation portfolio
- Leading retail customer base

A regionally significant player in natural gas and LNG

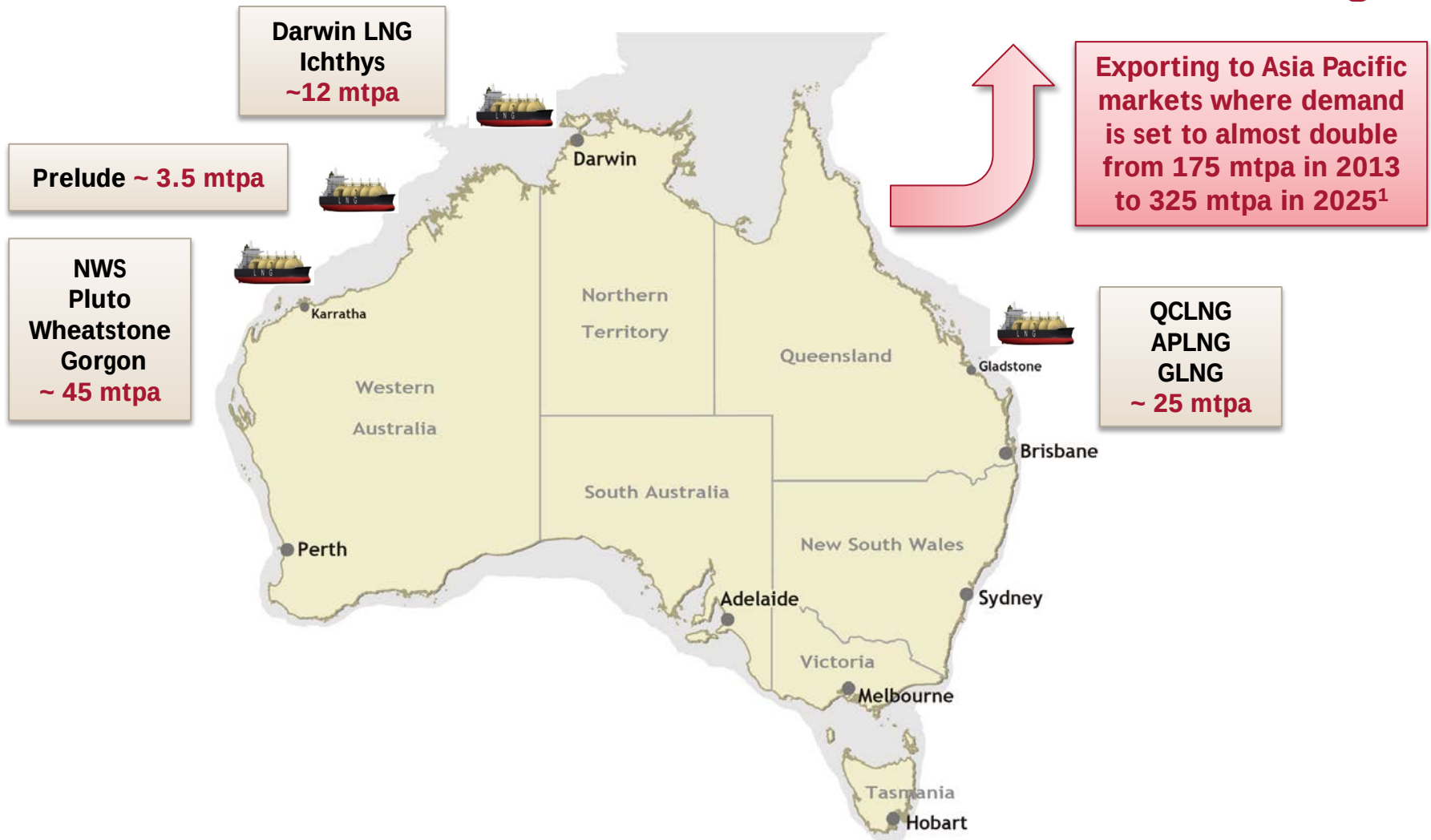
- A leading producer of gas in Australia
- Joint developer of Australia Pacific LNG's two train CSG to LNG project
- Domestic and international gas exploration opportunities

With a growing position in renewable energy in the Pacific region

- Growing competencies in geothermal, hydro and wind to complement position in natural gas

... now realising benefits as the Australian energy landscape transforms

Significant investment through to 2017 will see around 85 mtpa¹ of LNG capacity on line across Australia ...

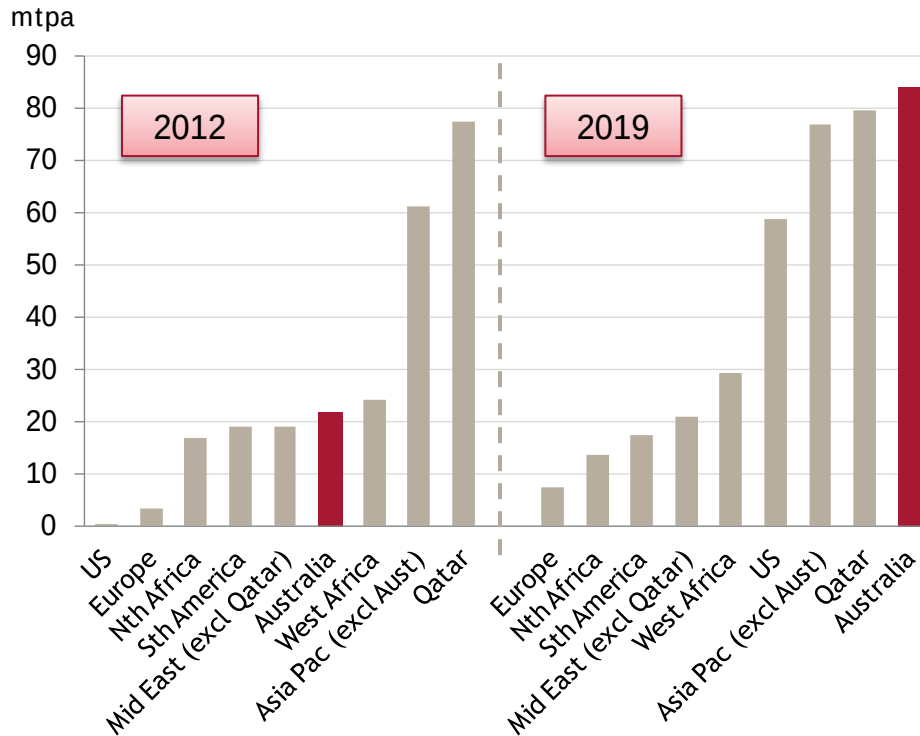


... accessing high value international markets

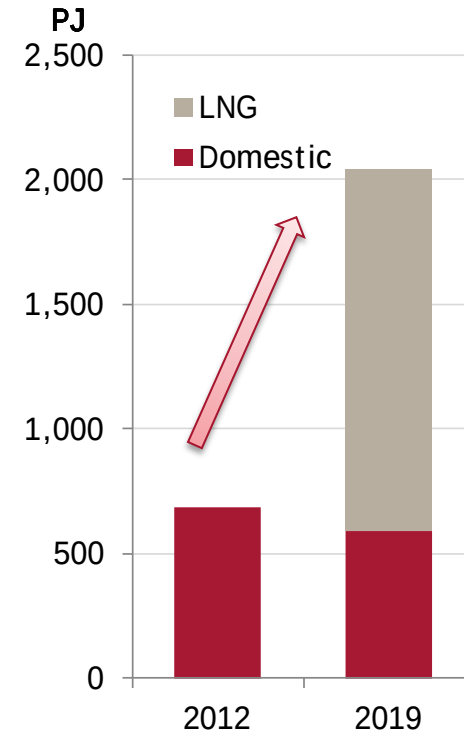
Australia's investment in LNG export projects are transforming the domestic gas market ...



World LNG Production¹



Australia's East Coast Gas Demand²

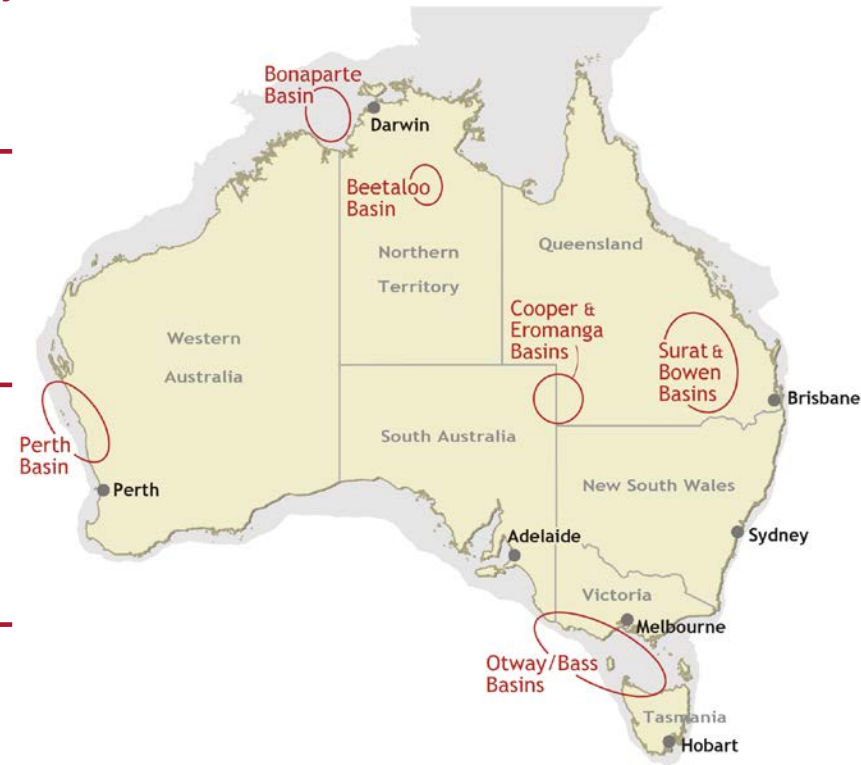
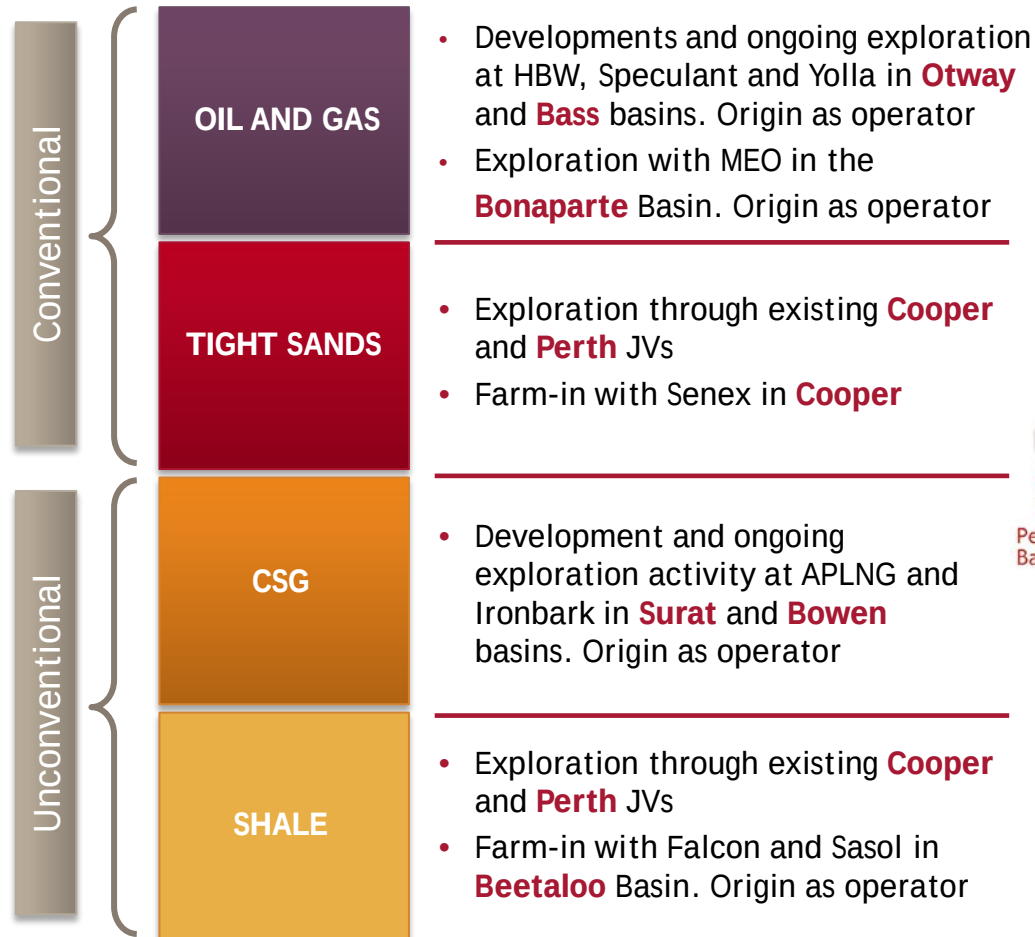


Australia forecast to emerge as largest global LNG exporter around 2019

East Coast gas demand expected to triple, driven by the international LNG market

... with East Coast gas demand set to more than triple

Origin is a leading developer of east coast conventional gas and CSG ...



... and is pursuing exploration options, including unconventional, to supply domestic energy markets and LNG export opportunities

Origin has recently secured two highly prospective unconventional gas opportunities ...



Cooper Basin¹

- Prospective Allunga, Nappamerri and Patchawarra troughs
- Exposure to unconventional opportunities, close to existing infrastructure
- Targeting tight sands, shale and deep coal
- Two blocks covering more than 1,900 km²
- Up to 50% interest in Area A and up to 40% in Area B

Beetaloo Basin^{1,2}

- Significant unconventional gas exploration position in one of NT's most prospective onshore basins
- Targeting shale gas and associated liquids
- Three permits covering more than 18,500 km²
- 35% interest, Origin as operator

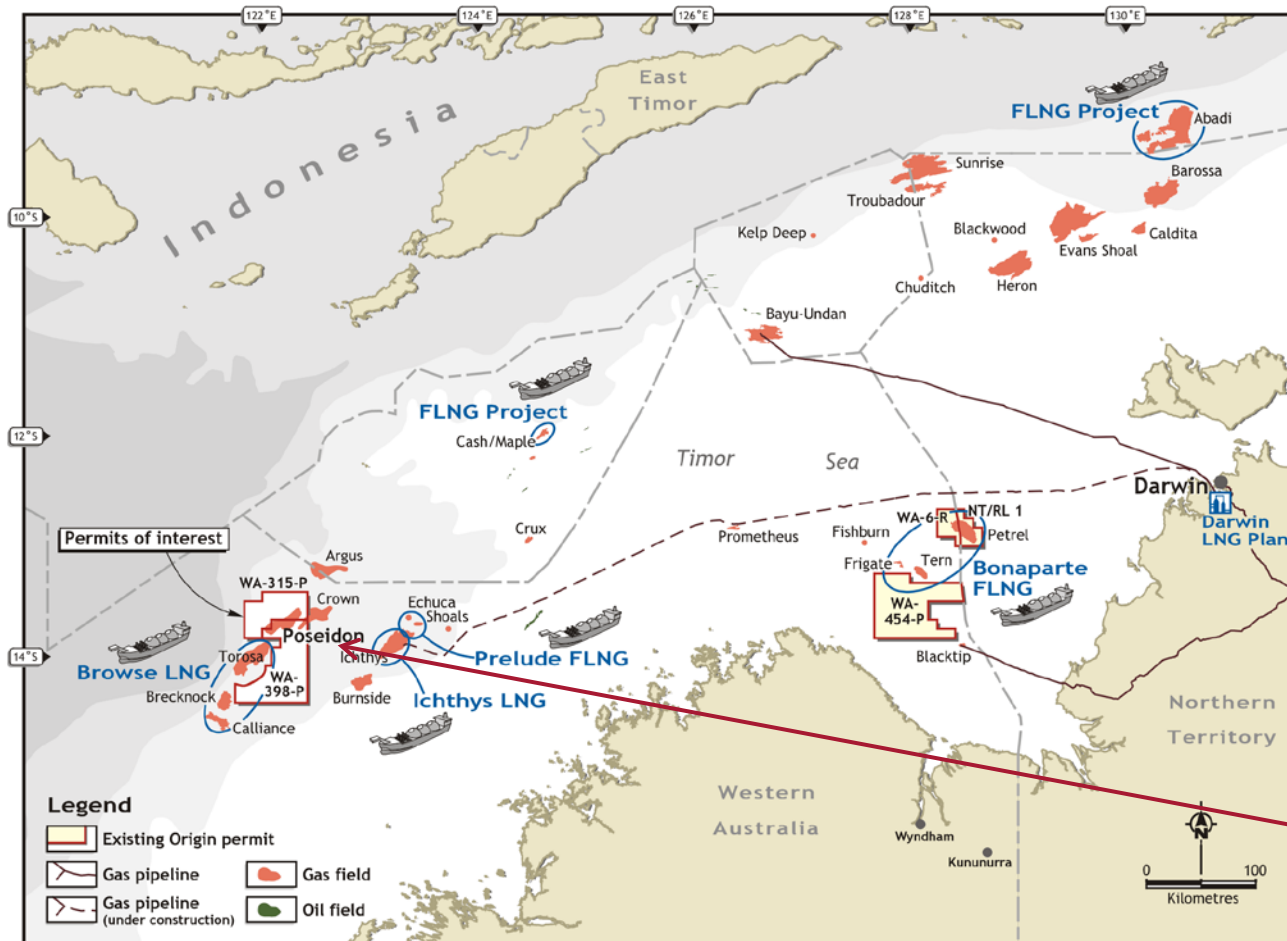
UNLOCKING UNCONVENTIONAL GAS POTENTIAL		
✓	Economic incentive	Australian gas prices rising towards international pricing
✓	Existing infrastructure	Cooper Basin connected to east coast market and LNG facilities. Beetaloo Basin 500 km from Darwin LNG facilities.
✓	Path to market	Domestic and international
	Favourable geology	Exploration and Appraisal will determine

... representing potentially significant long term growth options

(1) Agreement is subject to certain conditions precedent including regulatory and other relevant consents and approvals.

7 (2) Origin will acquire and fund Sasol's farm-in interest if the latter does not obtain a required regulatory approval.

Today's conditional agreement to acquire a 40% interest in the Greater Poseidon area allows Origin to establish a strategic position



Browse and Bonaparte Basins have experienced extensive exploration activity yielding several significant gas discoveries in last decade including: Ichthys, Poseidon and Crown

With ongoing exploration interest from global majors and local entities in this highly prospective region

Poseidon gas field discovery has proximity to Darwin and potential FLNG project options

... in one of Australia's largest recent offshore gas discoveries at a competitive entry price when compared to recent Browse/Bonaparte transactions

Origin will pay Karoon US\$600 million with additional payments of US\$75 million payable upon a project FID, US\$75 million payable on first production and up to US\$50 million¹ on reserve thresholds ...



Browse Basin

- 40% interest in two exploration permits (WA-315-P and WA-398-P)
- Permits contain large and prospective offshore gas fields, such as the Poseidon discovery
- Origin will participate in the ongoing exploration and appraisal program – including the Pharos-1 well, which is currently being drilled by the joint venture
- JV Partners, ConocoPhillips (40% and project operator) and PetroChina (20%) retain pre-emption rights for a limited period on Karoon's 40% interest
- Various options exist to monetise the gas including LNG export opportunities linked to growing demand in Asia region

UPSIDE EXPOSURE TO GROWING NATURAL GAS DEMAND

✓	Economic incentive	Australian gas prices rising towards international pricing
✓	Existing infrastructure	Browse Basin is ~800 km from Darwin LNG facilities
✓	Path to market	Domestic and international
✓	Favourable geology	Poseidon gas field discovery

... to enter a joint venture alongside two significant oil and gas companies, ConocoPhillips as the project operator and PetroChina

(1) A further payment will be payable on first production. The exact amount paid will depend on the level of certified 2P reserves across the permits at the time of FID (US\$5 million for every 100 Bcfe exceeding 3.25 Tcfe up to a maximum of US\$50 million). Agreement is subject to certain conditions precedent including pre-emption and other customary approvals.

The drawdown associated with this acquisition will be refinanced through an equity raising of around \$1 billion ...

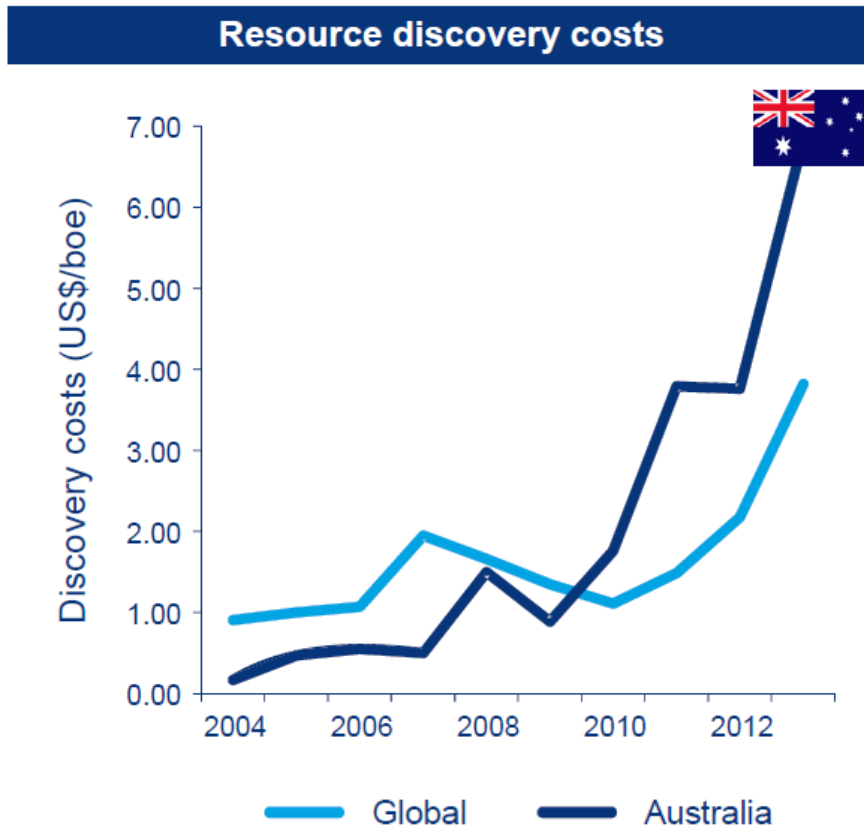


Transaction Consideration	US\$600 million plus US\$75 million at a project FID and US\$75 million at first production ¹
To be funded by	The drawdown of existing committed undrawn debt
Debt position	\$5.6 billion committed undrawn debt facilities at 30 April 2014
Equity refinance	Pro-rata equity raising of around \$1 billion
Equity raising timing	Appropriately timed following completion; and, in any event, some time after release of Origin's 2014 year end results on 21 August 2014

... given the existing committed debt facilities were established to fund Origin's share of APLNG and to maintain an appropriate liquidity buffer

(1) A further payment will be payable on first production. The exact amount paid will depend on the level of certified 2P reserves across the permits at the time of FID (US\$5 million for every 100 Bcfe exceeding 3.25 Tcfe up to a maximum of US\$50 million).

Australia Pacific LNG will deliver a step change in earnings and cash flow from mid-2015



- The transaction complements recent farm-ins in South Australia's Cooper Basin and Northern Territory's Beetaloo Basin, thereby increasing Origin's exposure to growing demand for natural gas in Australia and overseas
- These Greater Poseidon area permits were first awarded in 2001 (WA-315-P) and 2007 (WA-398-P) and first discovery was not made until 2009
- 3.25 Tcfe, on which the contingent payment to Karoon is based, represents US\$2.68/BOE or US\$0.46/Mcfe, based on upfront US\$600 million payment to Karoon

Source: Wood Mackenzie, APPEA Conference presentation, April 2014.
Conversion: 1 BOE represents ~5,800 cf equivalent of natural gas.

Origin believes this acquisition, when compared to greenfield exploration, substantially reduces the risk of securing opportunities to drive the long-term growth of Origin



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Thank you
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For more information

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