



ASX/Media Release

21 January 2016

Origin clarifies financing arrangements

Origin Energy Limited (Origin) today provided clarification of misunderstandings in the market in respect of some matters related to Origin's financing arrangements.

Origin Managing Director, Mr Grant King said, "Origin is confident that its robust financing arrangements and cash flows from existing businesses position the Company well to withstand a prolonged period of low oil prices."

In this context Origin confirms:

- The Company has in excess of \$6.5 billion of committed undrawn debt facilities¹ and cash, which is more than sufficient to support its remaining contributions to Australia Pacific LNG. It has no material refinancing requirements until FY2019.
- Earnings from existing businesses have minimal exposure to oil price and provide significant headroom on debt financial covenants.
- There are no cash flow financial covenants in Australia Pacific LNG's project finance facilities or in the completion tests required to be satisfied for the release of the shareholder guarantees.
- There are no financial covenants or conditions to draw down under Origin's existing debt facilities and hybrid instruments that are linked to credit ratings. The Company's hybrid securities contain no mandatory interest deferral provisions that are linked to the Company's credit rating.
- The impact on the Company of a credit rating below BBB- (S&P) / Baa3 (Moody's) is limited to an increase in the margin on drawn bank facilities of 0.30 per cent and additional collateral requirements. Neither are material to the Company's financial position. The Company currently has \$500 million of drawn bank debt.
- Cash flow from the existing businesses without any distributions from Australia Pacific LNG is expected to be sufficient to service all interest and dividend payments and all committed capital expenditure associated with the existing businesses.
- The Company expects that the remaining contributions to Australia Pacific LNG² will be consistent with prior guidance of \$1.8 billion. The oil put options that Origin purchased in December 2015 limit the impact of any additional contributions that Origin may be required to make as a result of further falls in the oil price. If, for example, oil prices fall to US\$20/bbl for the entire 2017 financial year, with the benefit of the oil put, the additional net contribution that Origin would have to make to Australia Pacific LNG is expected to be around \$200 million.

¹ As at 31 December 2015

² From 1 July 2015 to the completion of Train 2



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About Origin Energy

Origin Energy (ASX: ORG) is the leading Australian integrated energy company with market leading positions in energy retailing (approximately 4.3 million customers), power generation (approximately 6,000 MW of capacity owned and contracted) and natural gas production (1,093 PJ of 2P reserves and annual production of 82 PJ). To match its leadership in the supply of green energy, Origin also aspires to be the number one renewables company in Australia.

Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing Australia's biggest CSG to LNG project based on the country's largest 2P CSG reserves base.

www.originenergy.com.au