



IPO of Conventional Upstream Business

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Origin to focus the business and accelerate debt reduction with the planned IPO of its conventional upstream business



- Origin has taken the strategic decision to focus on its Energy Markets business and simplified Integrated Gas business
- Origin intends to divest by IPO its conventional upstream business supplying Australian and New Zealand domestic markets
- New company ('NewCo') will be a mid-cap geographically diversified upstream exploration and production company listed on ASX with 2P reserves of 948 PJ¹ and FY16 production of 75 PJ
- Proposal accelerates Origin's debt reduction and reduces Origin's on-going capital expenditure requirements
- Contracts will be put in place with NewCo to provide Origin with access to existing resources and rights over undeveloped resources in support of its east coast gas portfolio
- Transaction expected to be Earnings Per Share (EPS) accretive from FY19 and to deliver an improved return on capital to Origin from completion

Energy Markets vision is to be Australia's most trusted energy solutions provider



ENERGY MARKETS



- **Predictable** and improving earnings
- **Customer led** strategy focused on customer lifetime value and delivering innovative products and services
- **Flexible gas supply** portfolio - a source of competitive strength
- **Flexible integrated wholesale electricity** delivering competitive cost of energy
- Electricity portfolio uniquely positioned to **accelerate renewables** development and capture benefit from falling renewables cost with minimal coal asset stranding risk

Integrated Gas is focused on reducing cost and improving productivity of onshore unconventional resources



INTEGRATED GAS

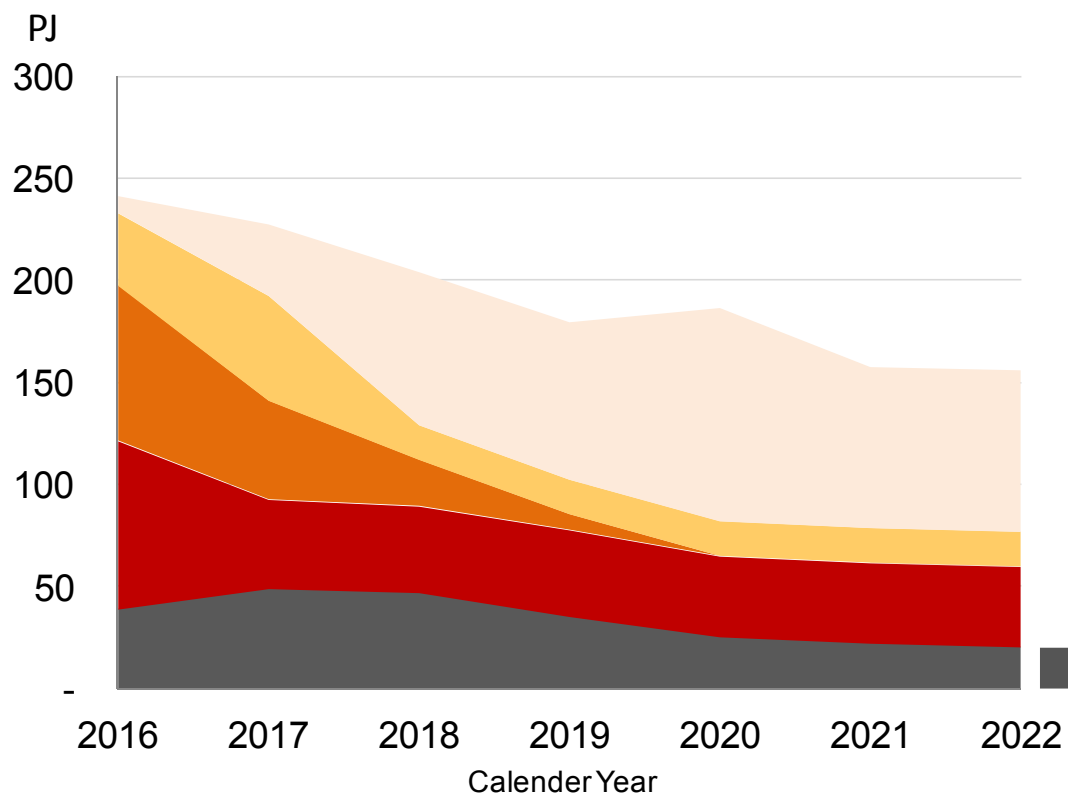


- Australia's **largest** onshore unconventional gas developer
- Clear **scale and capability** in exploring, developing, and producing resources to supply both LNG and the east coast domestic gas market
- **Innovation** and continued focus on capital efficiency to **reduce costs** and improve **well productivity**
- Appropriate management of **commodity risks**

Gas integration benefits preserved through contractual arrangements with NewCo



Sources of Energy Markets East Coast Gas Portfolio



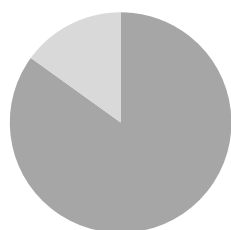
Contracts with NewCo to support Energy Markets east coast gas supply

NewCo will be established as an independent company, listed on the ASX



- ASX-listed mid cap upstream company with a sound capital structure and capabilities as an on-and-offshore operator and developer of conventional resources
- Diversified exposure to the Australian east coast, west coast and New Zealand gas markets with a mix of production and exploration assets both of which provide a foundation for further growth and development.
- Independent Board and dedicated management team with deep industry and market experience who will develop a strategy, cost structure and culture tailored to the scale and nature of its assets
- NewCo to benefit from near term revenue certainty through contracts that will be put in place with Origin and structured to reflect current and future prevailing market prices
- Origin will assist with appropriate transitional services to NewCo for a limited period
- It is not intended that Origin will hold an ongoing equity interest in NewCo

NewCo will include a mix of conventional production and development assets across the Australian east and west coast as well as New Zealand



NewCo 2P Reserves

- 805 PJ of Gas (138 mmboe)
- 143 PJe of Liquids (25 mmboe)

Waitsia

Status: Development/Appraisal
Working interest: 50% (non-operated)
2P reserves: 238 PJe (41 mmboe)

Beharra Springs

Status: Production
Working interest: 67% (operated)
FY16 production: 4 PJe (1 mmboe)
2P reserves: 17 PJe (3 mmboe)

Cooper Basin

Status: Production/Development/Exploration
Working interest: various (non-operated)
FY16 production: 18 PJe (3 mmboe)
2P reserves: 184 PJe (32 mmboe)

Otway

Status: Production/Development/Exploration
Working interest: various
FY16 production: 24 PJe (4 mmboe)
2P reserves: 255 PJe (44 mmboe)

Working interest: 42.5% (operated)
FY16 production: 10 PJe (2 mmboe)
2P reserves: 50 PJe (9 mmboe)

BassGas

Status: Production

Bonaparte exploration

Status: Exploration
Working interest: Various (Operated)

Petrel 2C

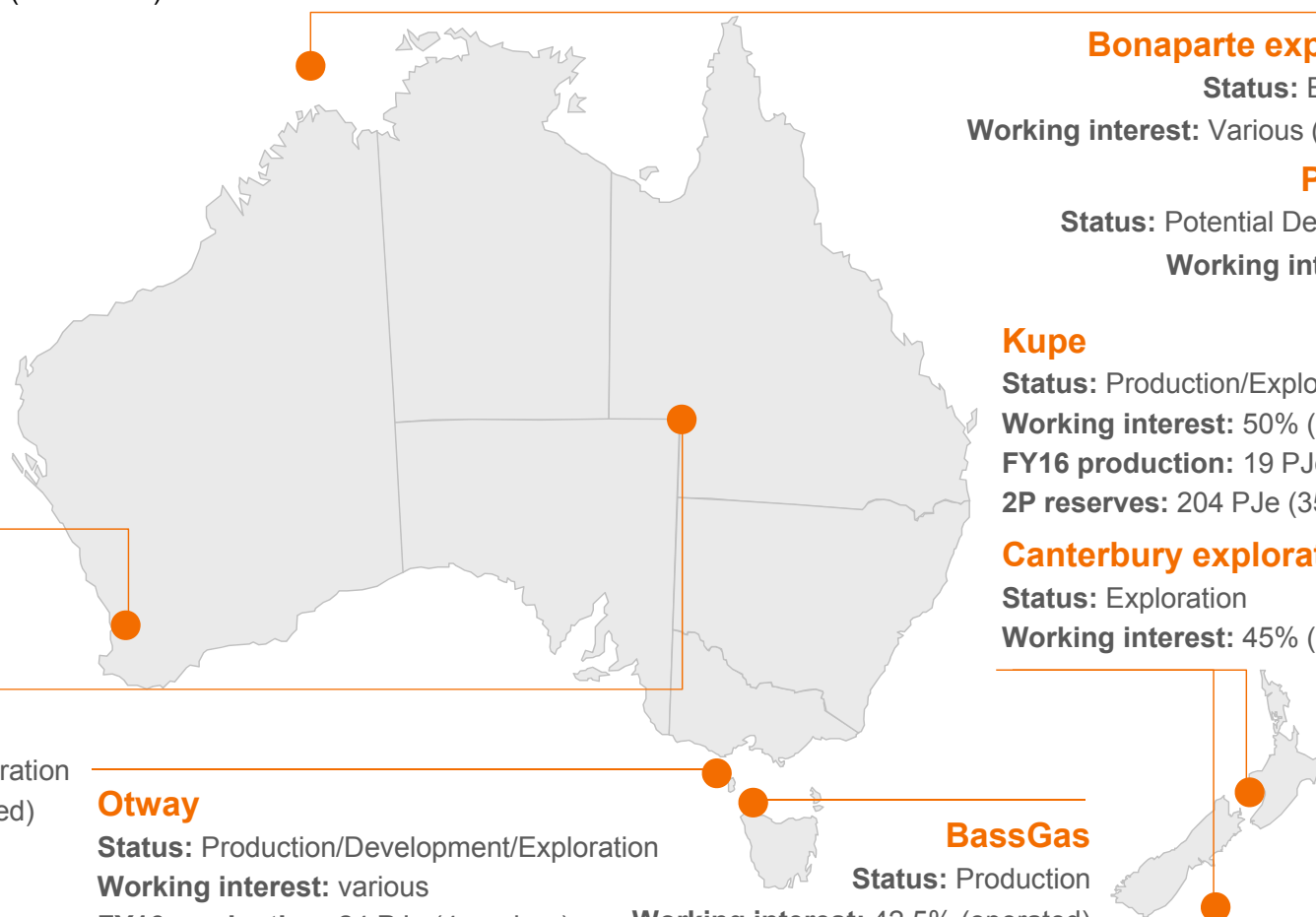
Status: Potential Development
Working interest: 5%

Kupe

Status: Production/Exploration
Working interest: 50% (operated)
FY16 production: 19 PJe (3 mmboe)
2P reserves: 204 PJe (35 mmboe)

Canterbury exploration

Status: Exploration
Working interest: 45% (non-operated)



Transaction Details



- Listing of NewCo targeted for 2017
- It is expected that proceeds of the NewCo IPO will be applied to debt reduction less a close out of two oil forward sale agreements at an estimated cost of around \$350 million based on current market pricing. At the time of entering into the transactions in FY13 Origin received \$482 million
- Proposal subject to market conditions and final Origin Board approval. That approval will be sought once all necessary arrangements have been finalised and NewCo's Board and management are in place
- No Origin shareholder approval required
- Origin has appointed Macquarie Capital and UBS as joint financial advisors and joint lead managers

Update on Origin's asset sales program



- \$482 million of proceeds received as at November 2016
- Perth Basin asset sale process terminated and assets included in NewCo's portfolio to add geographic diversification and exploration potential
- Sale processes for Darling Downs pipeline and Stockyard Hill wind development are underway and progressing as planned
- Realised and expected sale proceeds exceed original estimates

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Benefits to Origin



Accelerates debt reduction



Reduces ongoing capex requirements



Preserves access to gas



EPS accretive from FY19



Return on capital improvement from completion

THANK YOU

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