



ORIGIN ENERGY

IMPROVING RETURNS IN ENERGY MARKETS

Investor Day

Melbourne

10 June 2015

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Origin's strategy of connecting resources to markets is pursued through its 3 businesses, 4 priorities and 5 measures that drive continued improvement in Origin's performance



3 BUSINESSES



A regional leader in energy markets



A regionally significant position in natural gas and LNG production



A growing position in renewable energy

4 PRIORITIES



Improving returns in energy markets businesses



Delivering growth in natural gas and LNG



Growing capabilities and increasing investment in renewables



Capital management and funding

5 MEASURES



TRIFR for our safety



Total Shareholder Return for financial performance



Net Promoter Score for our customers' advocacy



Engagement survey for people at Origin



RepTrak for community reputation

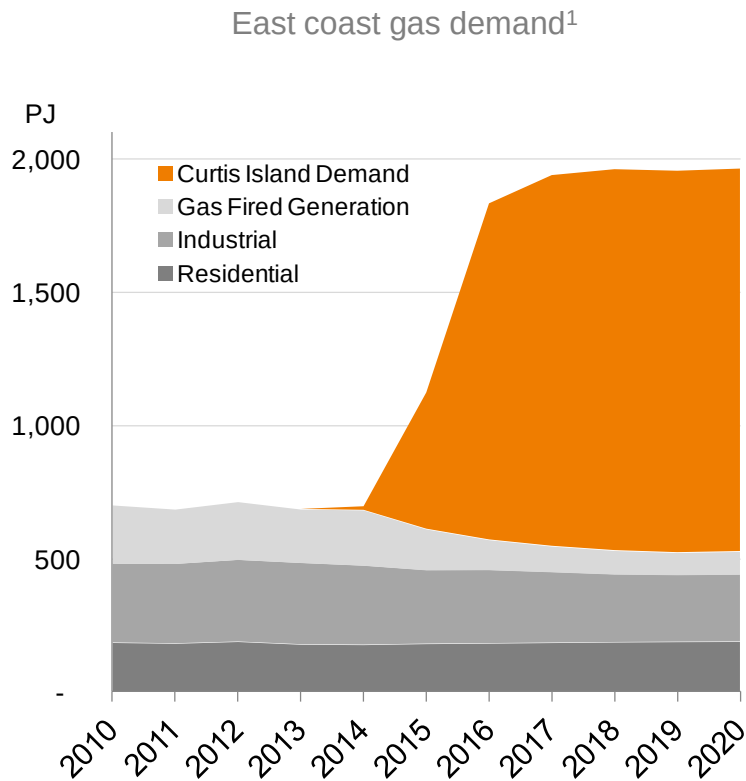
Improving Returns in Energy Markets

Frank Calabria, CEO

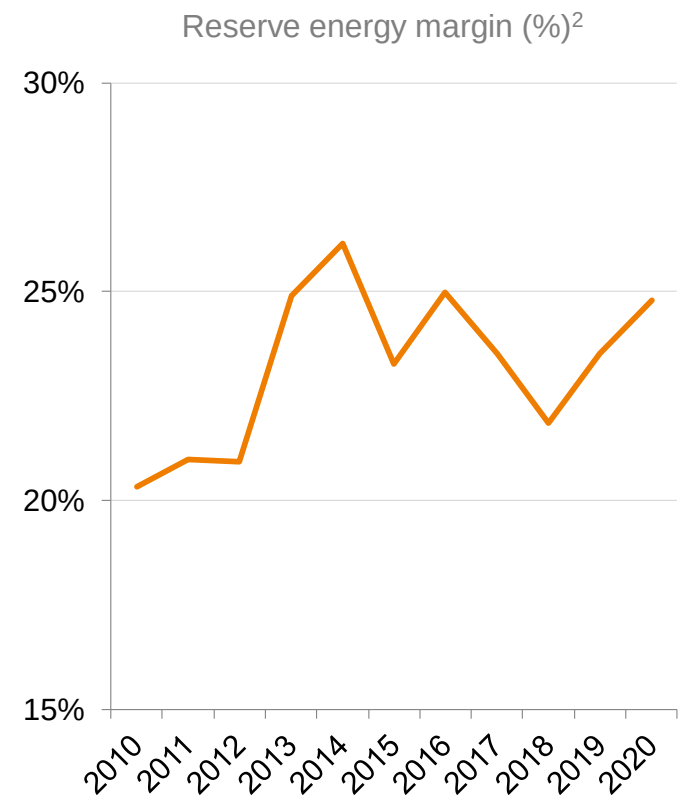
The energy market continues to rapidly change



Demand for gas is increasing



Wholesale electricity market remains oversupplied with additional renewables required



Consumers have more choice and are demanding more from their energy provider



Strong retail competition for grid supply

A collage of various promotional offers from energy providers. It includes a billboard for LUMO saying "WE SAVED \$250", a graphic showing "up to \$50 credit + 3% discount + 1 free move each year", a "GET YOUR FIRST GAS BILL FREE" offer from Origin, a "27% off our electricity + 16% off our gas" offer, a "1 free move each year" offer from LUMO ENERGY, a "AGL MEGA MONTH" offer, and a "Up to 18% off + Up to 12% off + \$50 gift card" offer from AGL.

Distributed generation increasingly affordable



Origin aspires to become the most trusted energy solutions provider



Customer centric organisation, using our knowledge of the customer to offer a range of energy related products and services

Grid supply

- Maintain flexibility of gas & electricity (fuel & generation) portfolios
- Pivot to renewables
- Superior customer experience
- World class cost structure
- Leverage analytics & smart meter technology to deliver new energy solutions



Distributed generation

- Leverage existing capabilities in solar to take new propositions to customers
- Own and manage distributed generation for the customer
- Effectively integrate battery storage and electric vehicles into customers' energy mix

Becoming the most trusted energy solutions provider and improving returns in Energy Markets require focus on four clear Strategic Priorities



3 BUSINESSES



A regional leader in energy markets



A regionally significant position in natural gas and LNG production



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4 PRIORITIES



Improving returns in energy markets businesses



Delivering growth in natural gas and LNG



Growing capabilities and increasing investment in renewables



Capital management and funding



ENERGY MARKETS STRATEGIC PRIORITIES



Build customer loyalty & trust



Maximise the value of the core business



Grow new products & services



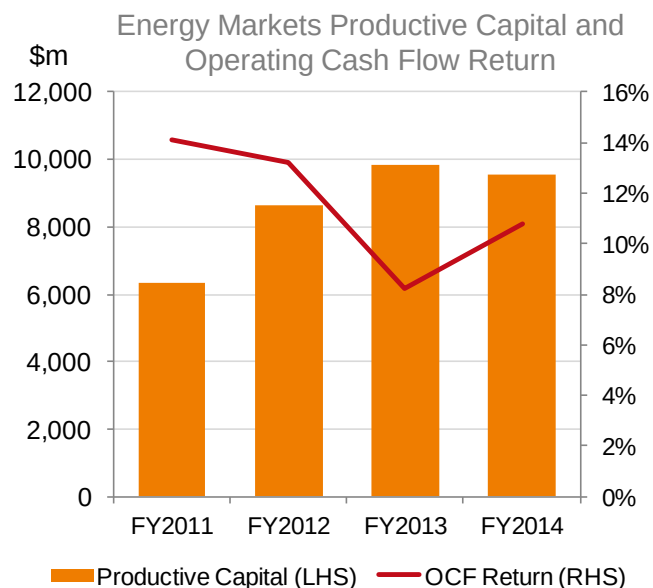
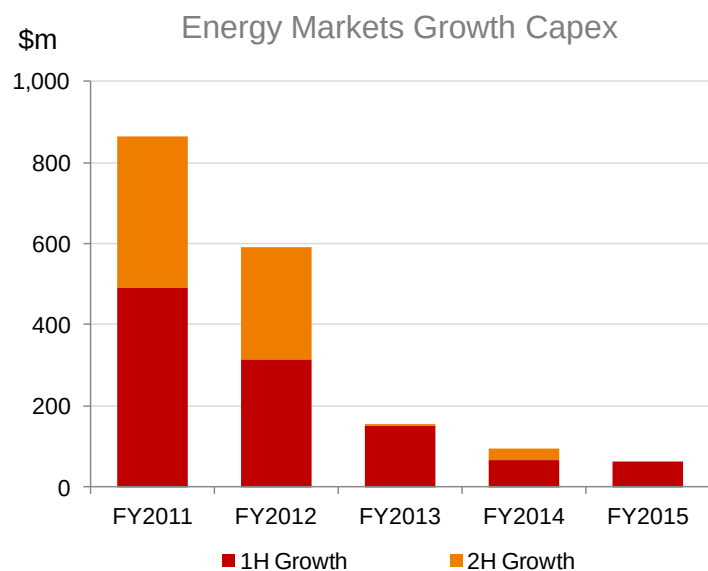
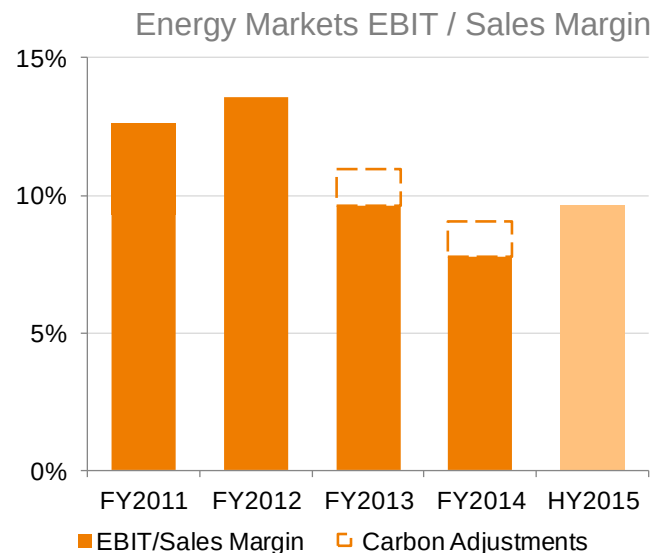
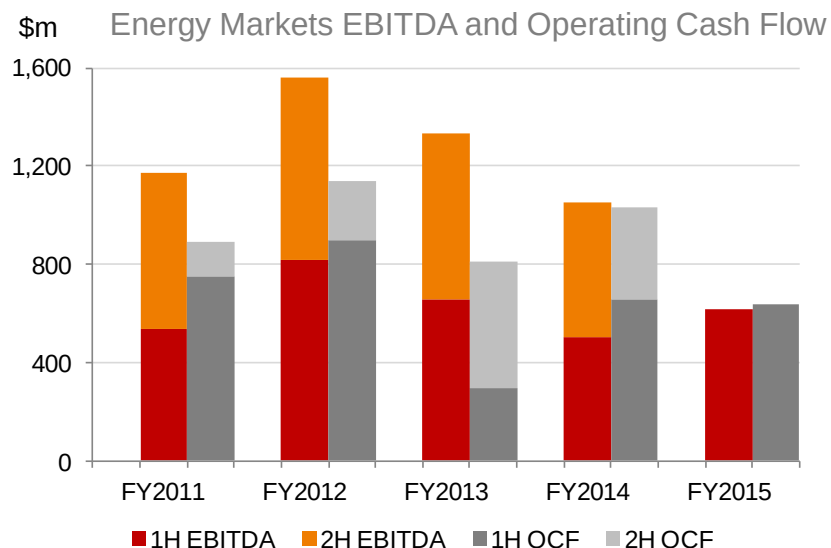
Engaged, high performing teams

Origin has made significant progress on these Strategic Priorities



	Progress to date	Focus going forward
 Maximise value of the core business	✓ Increased gas margins and market share ✓ Reduced cost to serve ✓ Generation portfolio performance and reduced capital and operating expenditure	• Capture benefit of rising gas market • Remain competitive on cost of electricity through flexibility; pivot to renewables • Lower CTS & improve capital efficiency
 Build customer loyalty & trust	✓ Improved consumer and SME customer experience: complaints down; new integrated digital platform; proactive retention ✓ Improved customer satisfaction in the Business segment	• “OMNI” customer experience • Data and analytics to deliver new products and services to the consumer
 Grow new products & services	✓ Acumen Metering well established ✓ Solar – consumer and business growth & PPA product launched ✓ Entered ACT market	• Grow new solar business model, extending into batteries and other home energy services • Extend Acumen Metering capability into consumer and SME markets • Grow in embedded networks

Increased operating cash flow and reduced capital expenditure are improving returns



Energy Markets is continuing to deliver improved returns by...



Expanding Natural Gas margins

- Maintain competitive cost of gas through legacy gas positions
- Maximise value of ramp gas opportunities
- Commencement of long dated and well priced gas sales contracts to other LNG projects

Maintaining Electricity margins

- Maintain competitive cost of energy through a flexible fuel and generation portfolio
- Well positioned for future development and growth

Building customer loyalty and trust

- Maintain competitive pricing
- Reduce churn
- Sell further products and services

Reducing operating costs and capital expenditure

- \$100 million reduction in Natural Gas & Electricity cash cost to serve and Generation Opex across FY2015 and FY2016
- Total capital expenditure in the core business reduced, with a further reduction of \$50 million in FY2016 to ~\$250 million

Growing Solar and Energy Services

- Become #1 in the Solar market
- Net loss of \$25 million expected in FY2016
- Breakeven by FY2017 and targeting 170 MW installed in FY2018

... with the key risk being the level of competition in retail markets

Energy Markets team



Frank Calabria
CEO



Greg Jarvis
GM Wholesale
& Trading,
Business
Sales



Tony Lucas
GM Energy
Risk
Management



David Smales
GM Generation



**Rebekah
O'Flaherty**
GM Marketing,
Sales &
Service



Jon Briskin
GM Retail
Customer
Operations



Phil Mackey
GM Solar &
Emerging
Businesses



Andrew Bills
GM LPG & HSE



Phil Moody
GM
Commercial &
Business
Services

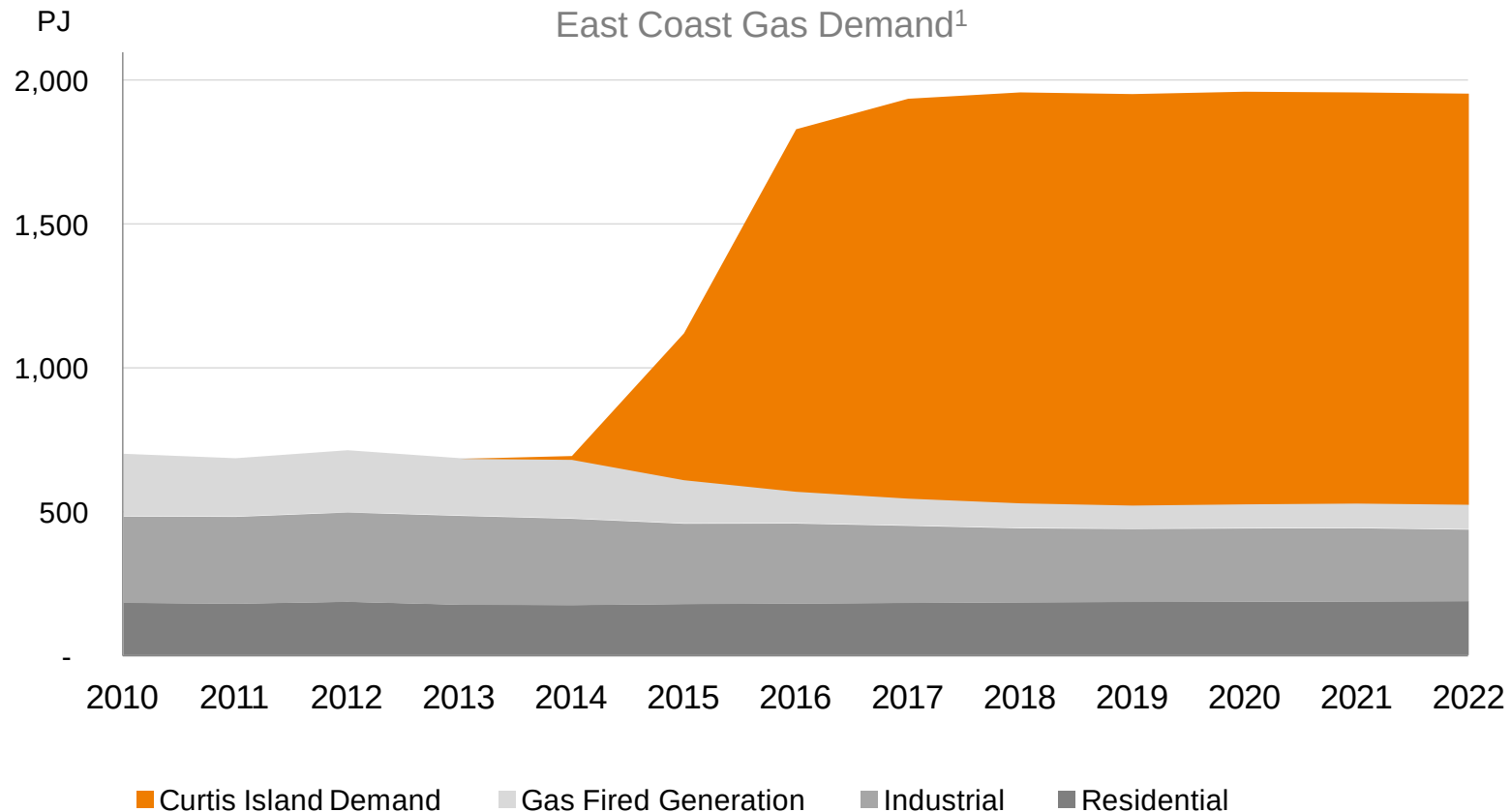
Maximising Gas Value and Flexibility

Greg Jarvis, General Manager Wholesale & Trading and Business Sales

Gas portfolio flexibility in rising price environment



East Coast demand increasing through LNG start up

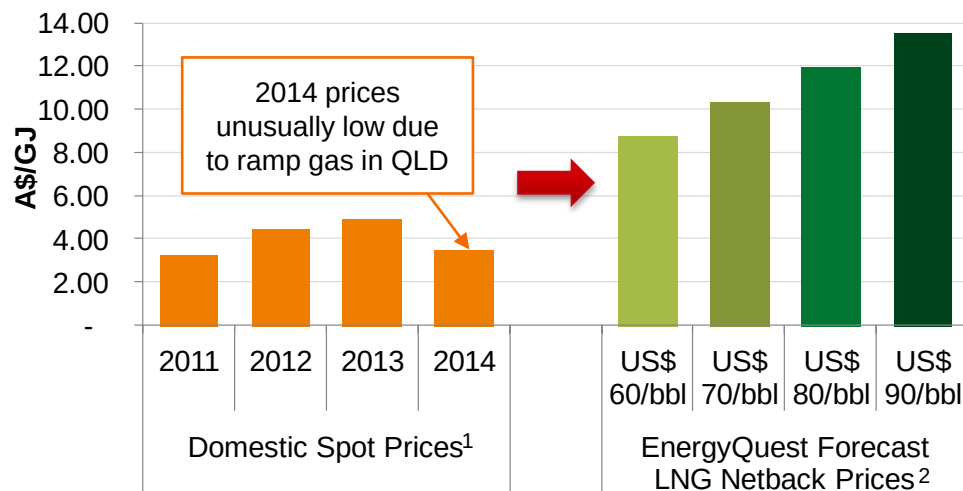


The tripling of demand has presented Origin with a number of significant opportunities to maximise the value of gas

Changing nature of east coast gas market and increasing production costs leading to higher wholesale and retail gas prices

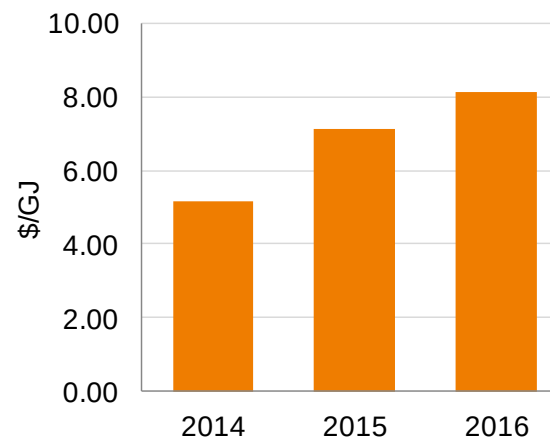


Australian domestic gas prices are moving towards export parity



Once all the east coast LNG projects have secured all of their feed gas, domestic gas prices will likely be driven by production costs of new developments

Wholesale component of retail tariff (NSW)³



NSW regulated prices provided for an increase of 18.4%³ in FY2015

(1) Average calendar year spot prices across VIC, NSW, SA and QLD. All prices are to 31 December 2014.

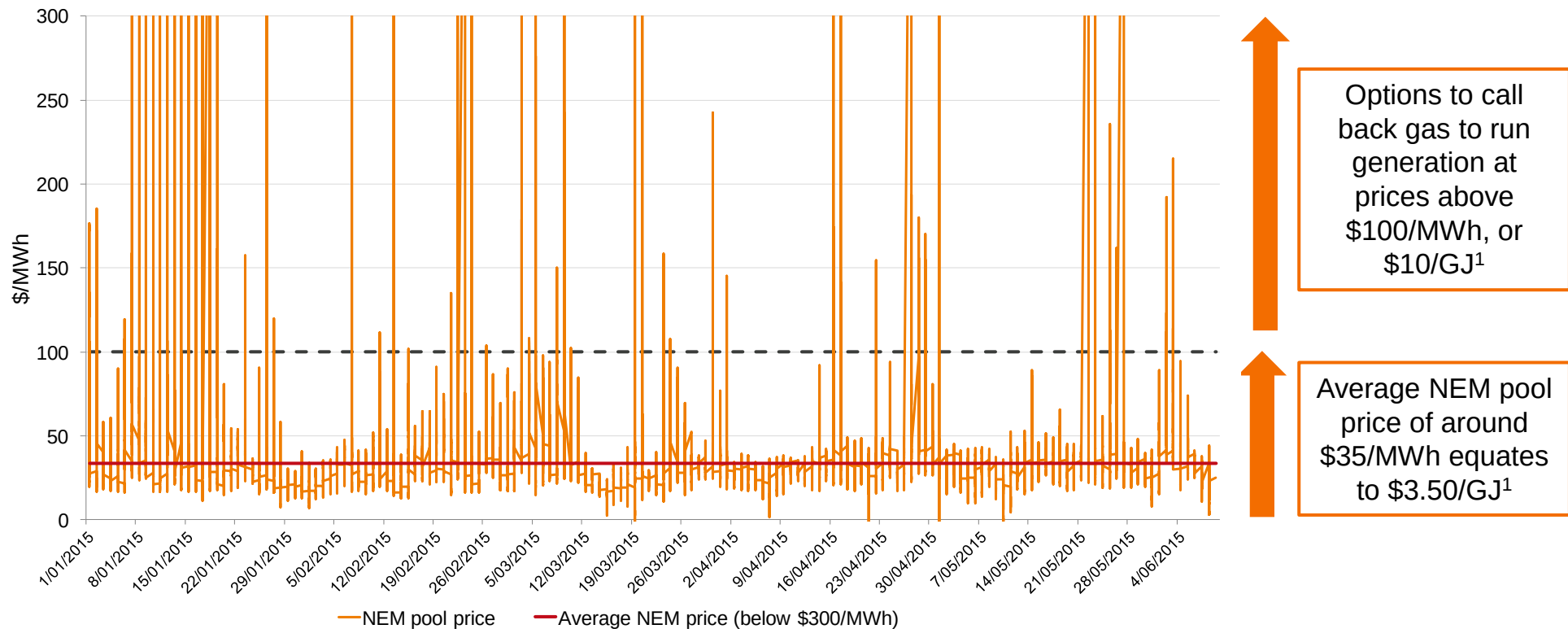
(2) EnergyQuest EnergyQuarterly November 2014 Report. Short-run LNG netback at Wallumbilla, based on 14.5% and 0.78 AUD/USD exchange rate

(3) IPART, inclusive of carbon

Origin's gas for power generation will be sold into the higher priced LNG market ...

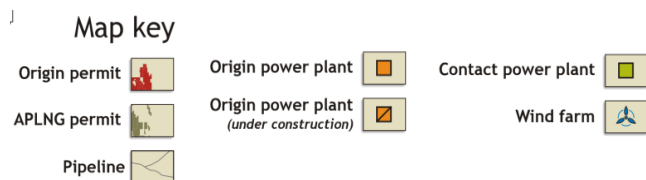
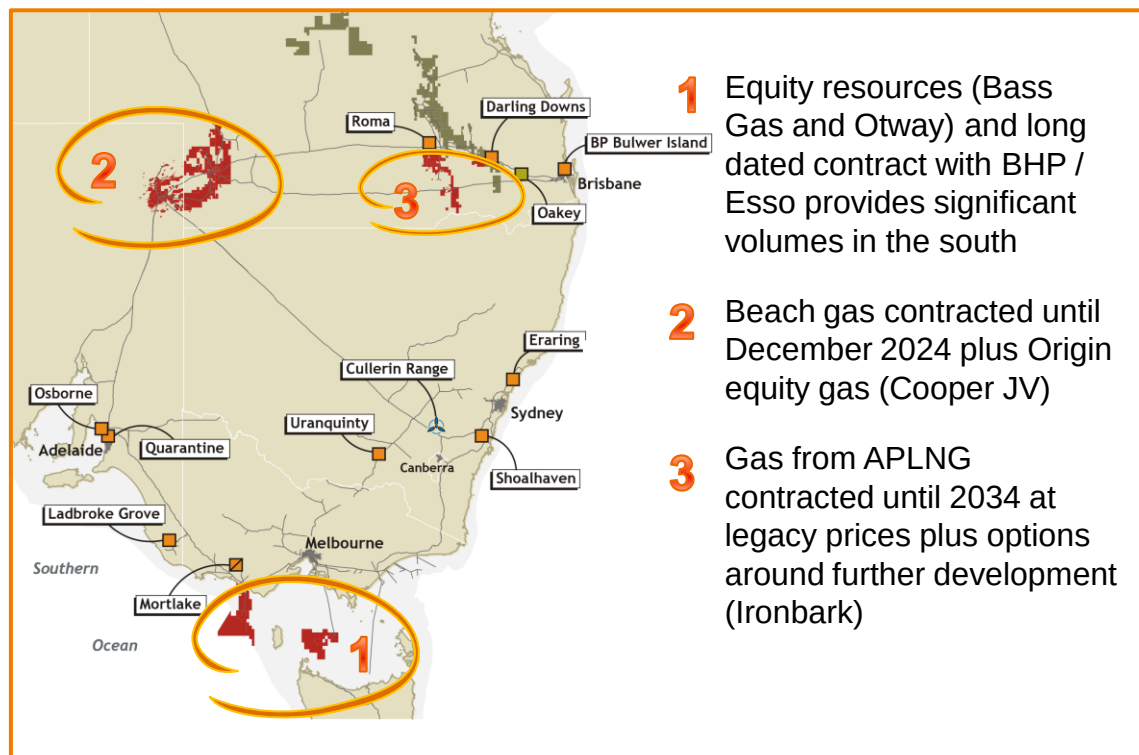
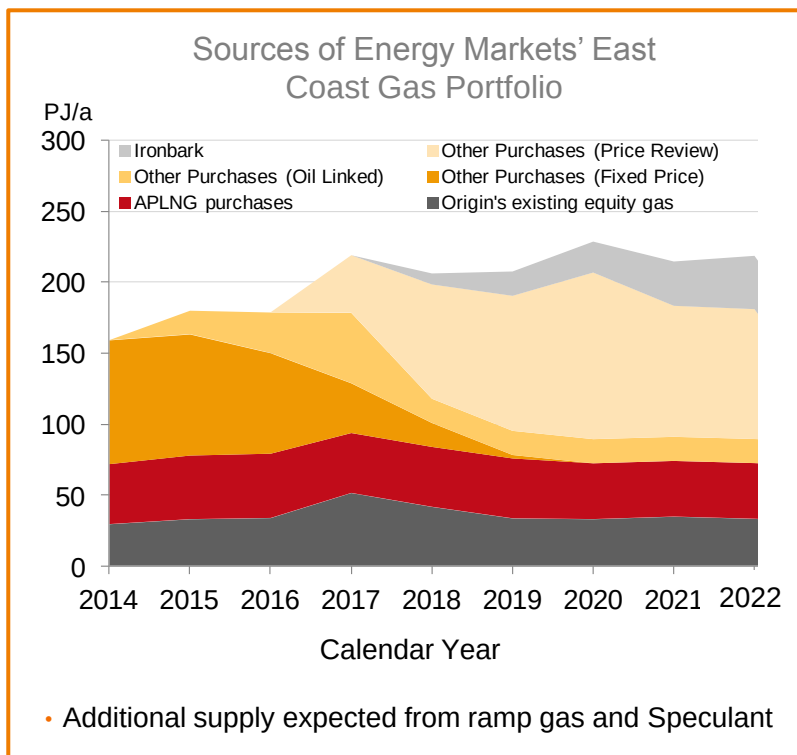


NEM Prices from 1 January 2015 to 8 June 2015



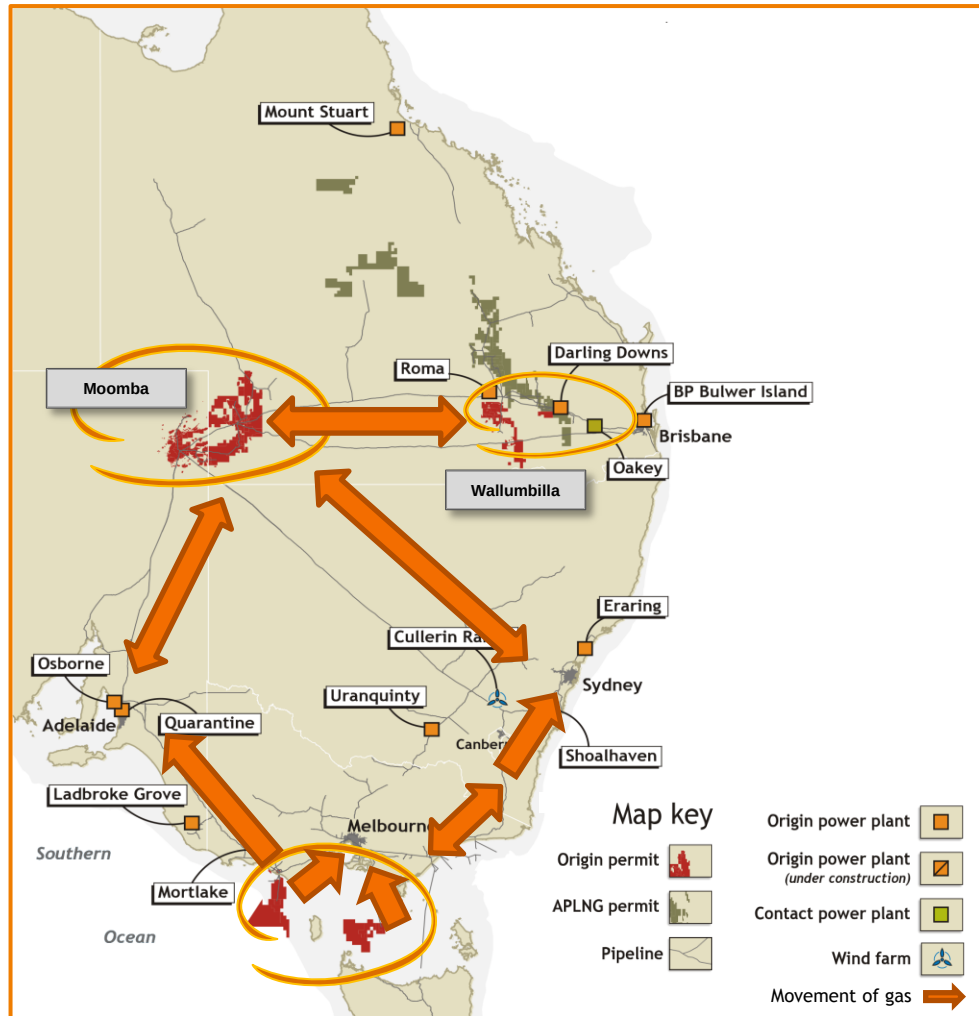
... however, when electricity prices exceed the equivalent LNG sale price, Origin has the option to call back gas to run its gas peaking portfolio

In an increasingly tight market, access to reserves at competitive prices is an advantage



Origin has significant equity and contracted resources at all major supply hubs

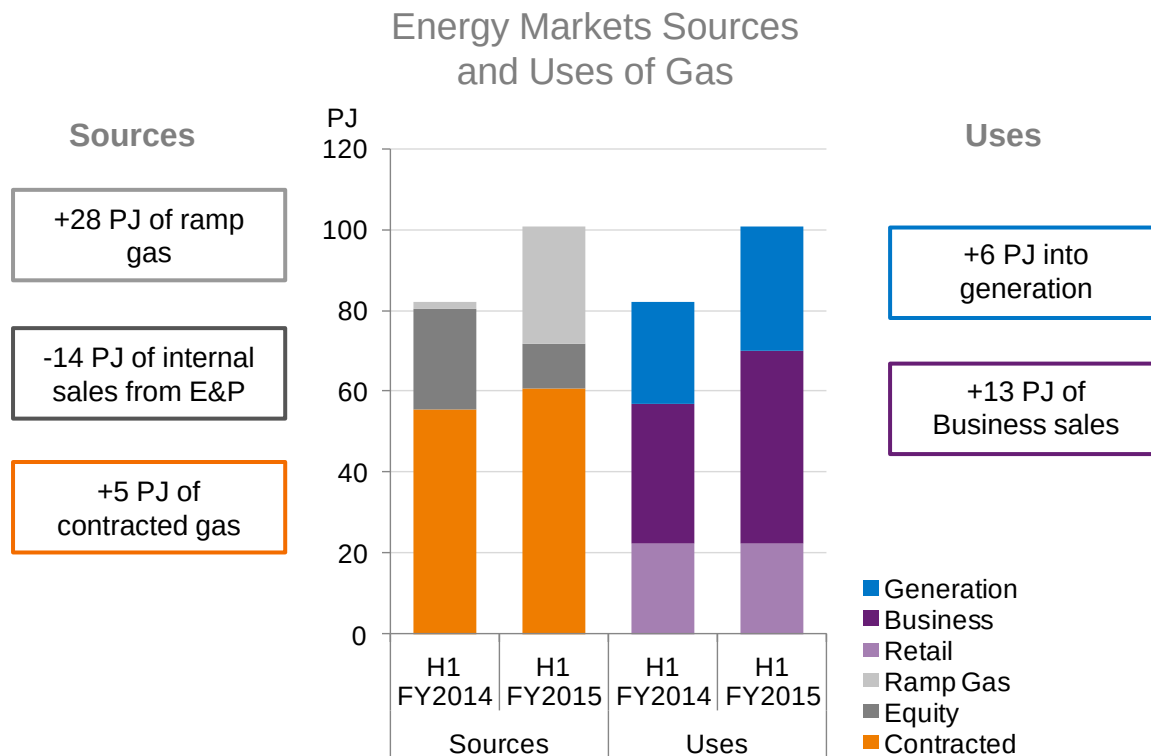
Access to gas reserves is complemented by transport capacity and flexibility



- Historically Queensland gas has flowed to the southern states, however this will reverse once LNG trains are operational
- During ramp phase, gas flows between Wallumbilla and Moomba can swing up to 300 TJ/d
- Origin able to manage swings in market given access to bi-directional transport and ability to monetise in the electricity market through gas generation

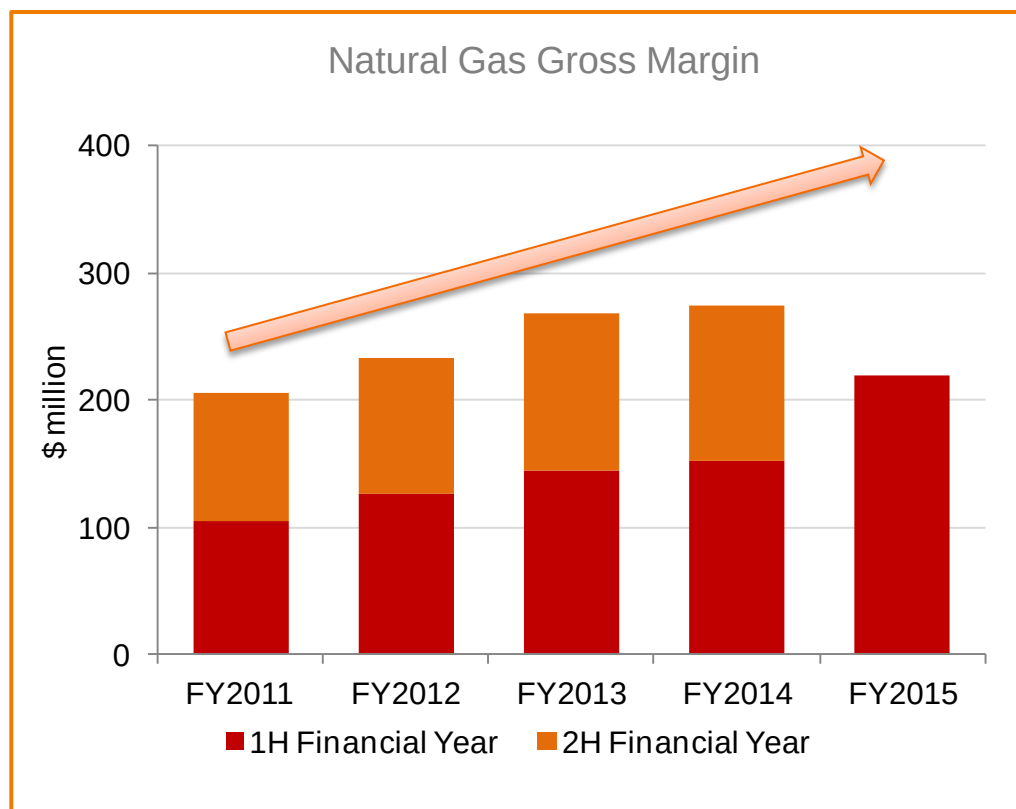
Origin was the first to execute favourable gas transport agreements in anticipation of changing market dynamics

Flexible gas transportation and generation portfolios have allowed Origin to monetise available ramp gas in Queensland



- 28 PJ of ramp gas monetised in first half of FY2015
- Up to 40 PJ of ramp gas expected to be monetised in second half of FY2015

Origin's competitive advantages will allow it to continue to capture benefits of rising gas prices, near term ramp gas opportunities, increasing sales volumes and market share ...



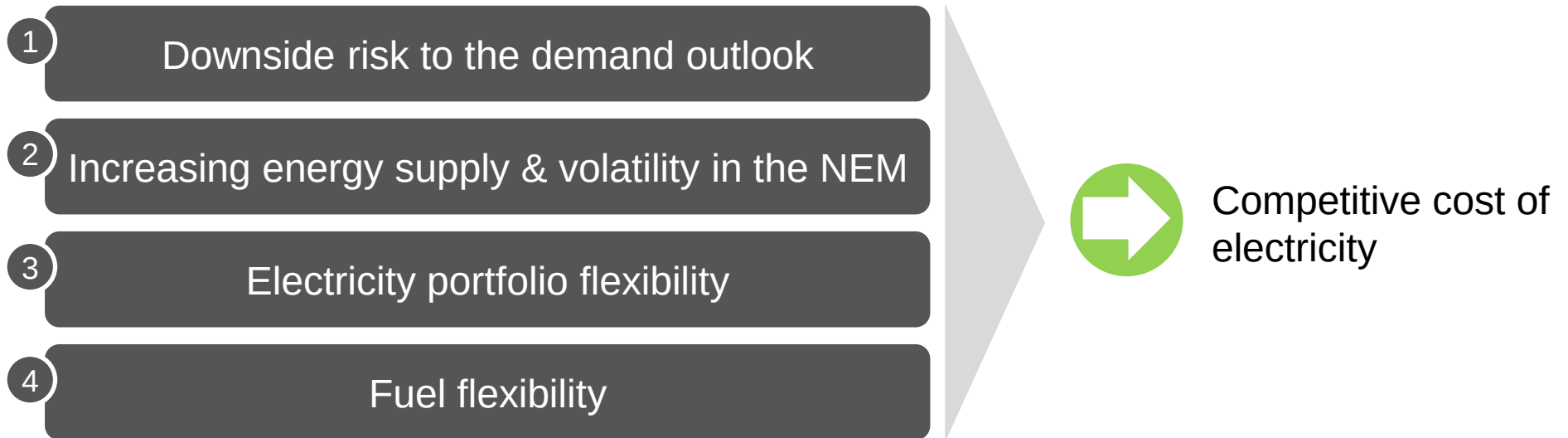
- Continued rising domestic gas prices and cost of gas benefit from legacy portfolio
- Short term ramp gas benefit
- Commencement of sales to other LNG projects
 - QGC - up to 30 PJ in calendar 2014 & 2015
 - GLNG – 365 PJ over 10 years from 2015
 - GLNG – up to 194 PJ over 5 years from 2016
- Ability to call back gas during periods of high electricity prices to run its gas generation

... while continuing to provide support to its flexible generation portfolio through the ability to call back gas or to take additional ramp gas

Maximising Fuel and Generation Flexibility

Tony Lucas, General Manager Energy Risk Management

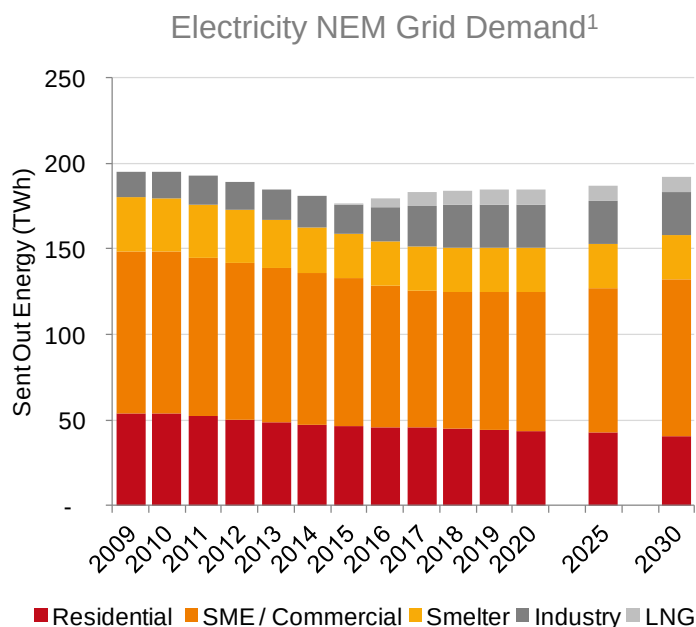
Fuel and generation flexibility in a market with uncertain demand outlook and increasing renewable supply



While some demand growth will come from LNG, increased solar penetration and energy efficiency is expected to continue

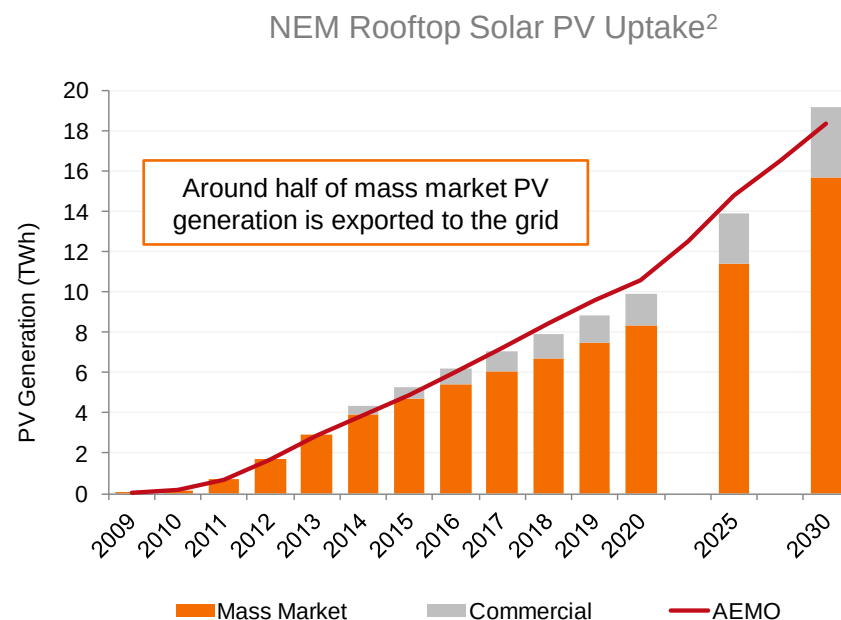


Demand growth primarily in Queensland



- Residential growth offset by efficiency
- Downside risk from solar penetration

Rooftop solar penetration continuing, with batteries on the horizon



- Falling systems costs makes solar PV competitive with or without subsidies
- Increasingly more viable for SME and industrial customers

Battery storage uptake and further industrial closures represents further risks

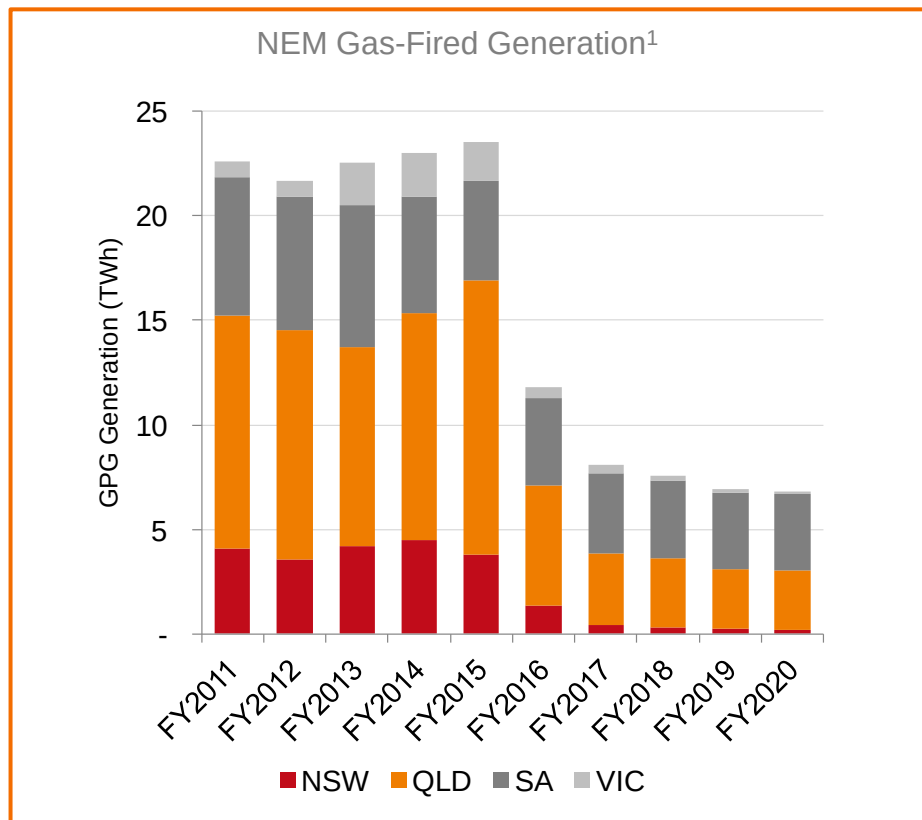
(1) AEMO data, Origin assumptions on type of demand splits

24 (2) Origin modelling and AEMO data. Assumes 16% capacity factor.

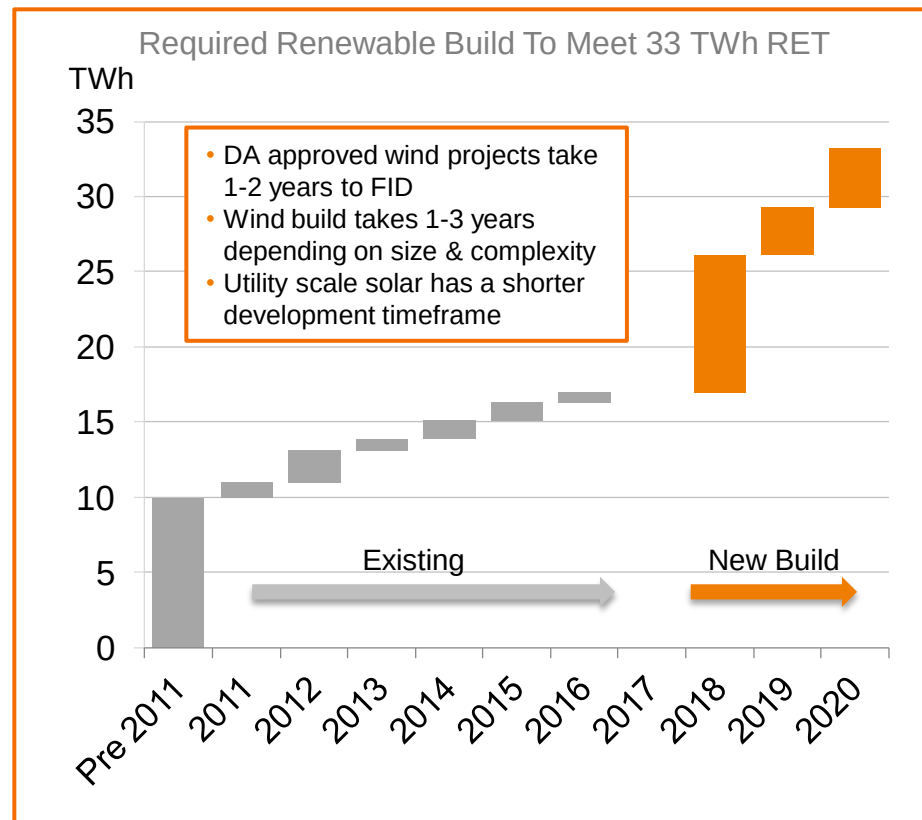
Gas-fired generation will decrease as gas prices rise, however with more certainty on the 33 TWh RET, energy supply will increase as wind and/or utility scale solar are built



Gas fired generation reduces in Queensland and NSW as gas prices rise



Renewables build required



Wind is most suited to the southern states where the demand outlook is more subdued

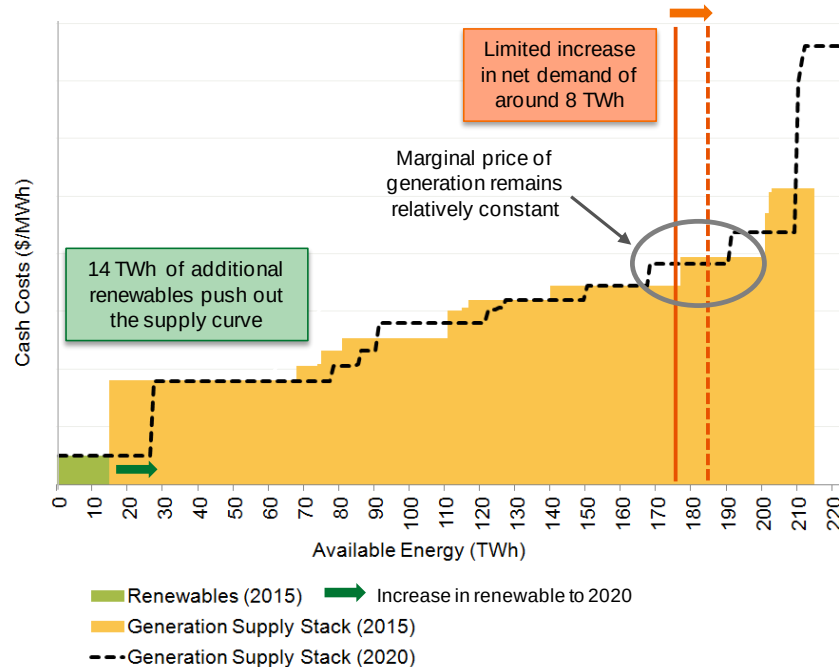
Increases in renewables to achieve a 2020 RET will extend the supply curve and place downward pressure on wholesale prices



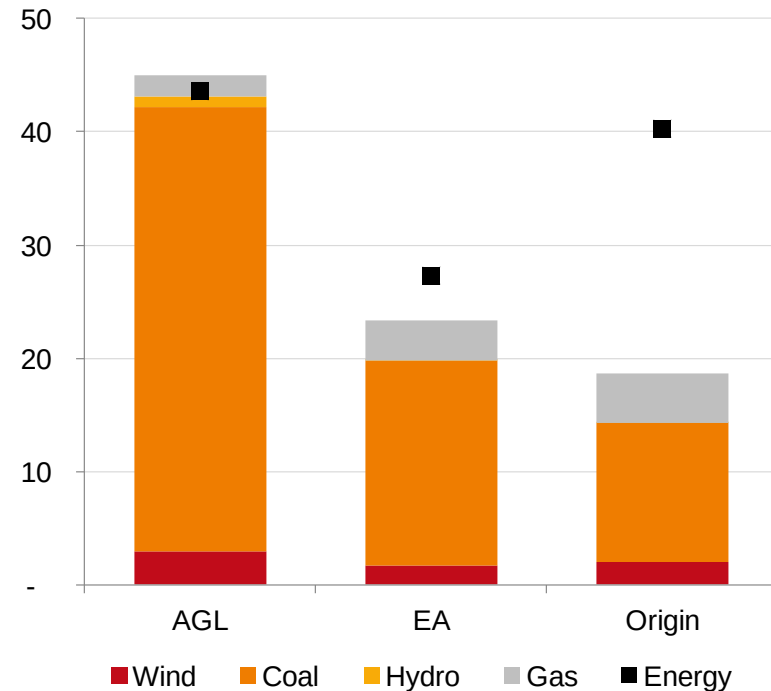
Supply curve changes with additional 14 TWh of renewables

Origin able to continue buying from the pool in a suppressed wholesale price environment

NEM supply bid stack 2015 - 2020¹

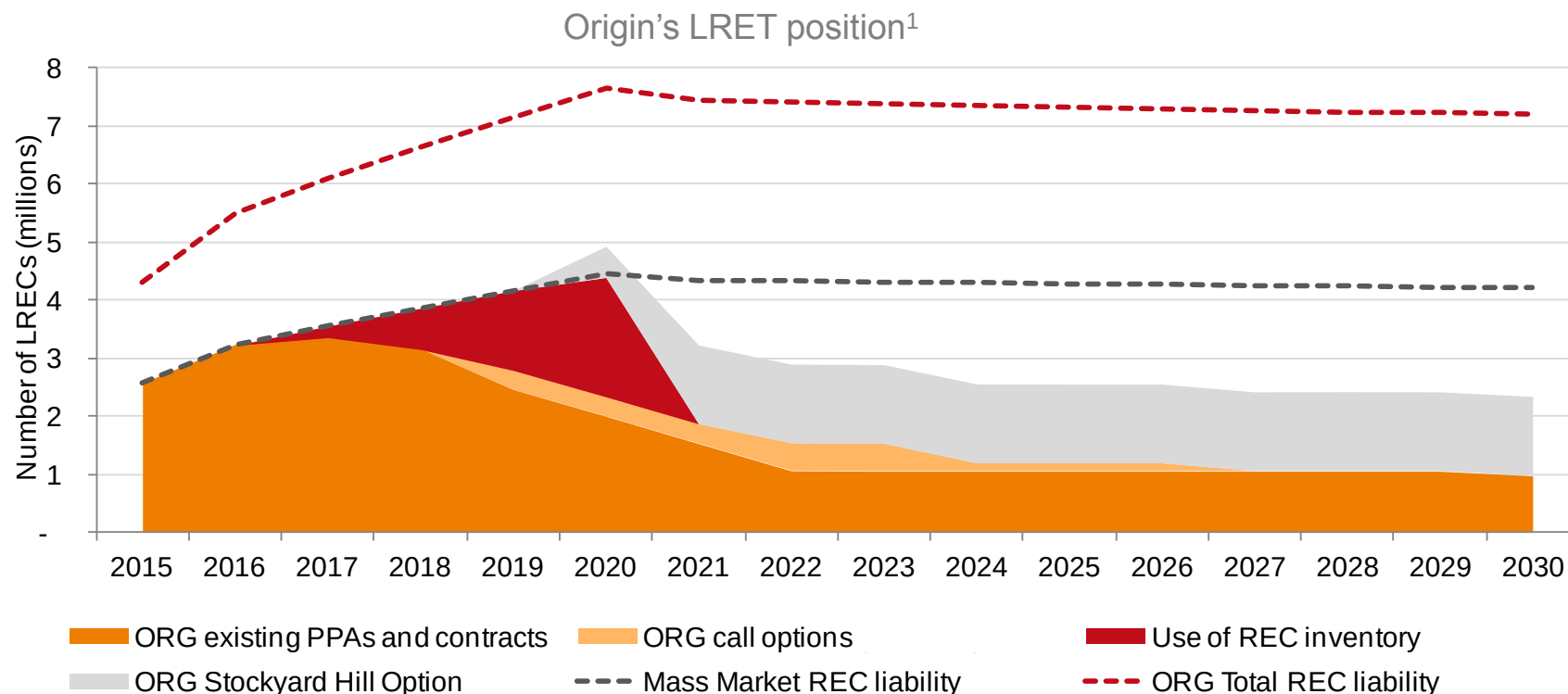


Level of Integration (TWh)²



Low SRMC baseload generation with large take or pay fuel positions will continue to run, placing further downward pressure on wholesale prices

Origin's LRET portfolio has flexibility to contract or build longer term



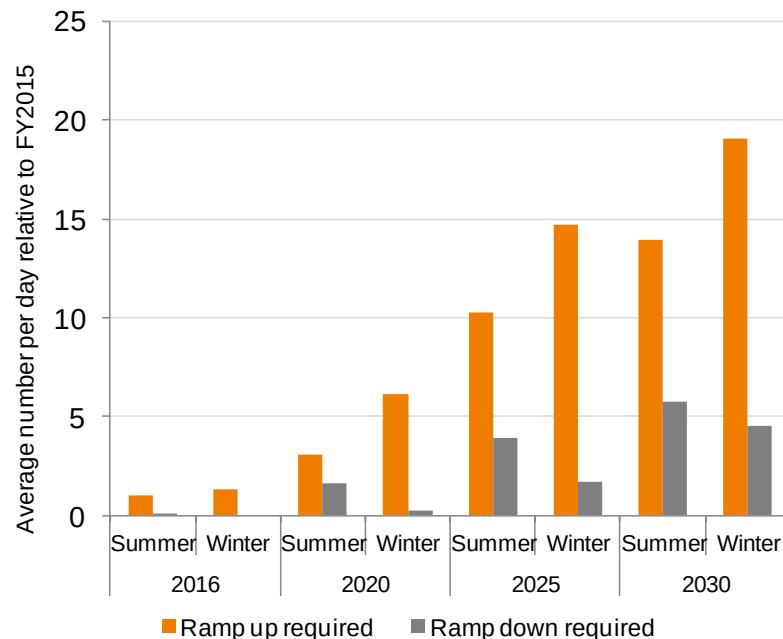
Origin has the option to bring in wind in the south or utility scale solar in Queensland

The intermittency of wind will likely increase volatility for which Origin is well placed to benefit through its gas-peaking portfolio



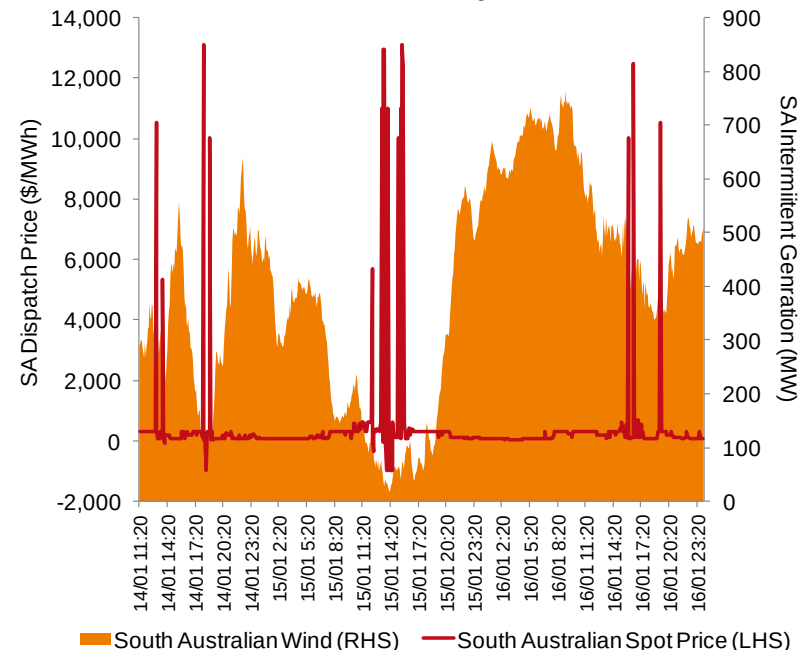
Intermittency of renewables increases reliance on peaking generation support

Number of 5-minute periods per day where required generator response exceeds coal flexibility to ramp both up and down¹



Wind variability driving volatility in SA

Price Volatility and Wind Generation in South Australia

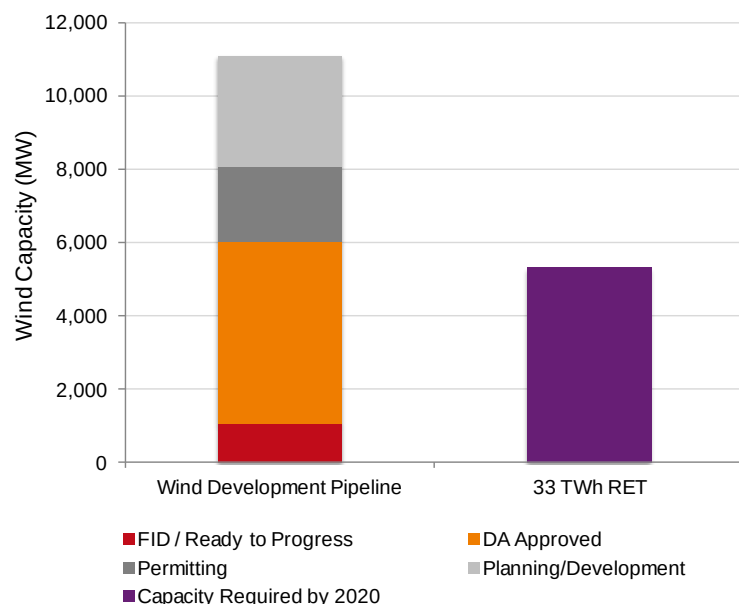


Enough wind has received DA approval to meet the 5 GW of new wind equivalent required under a 33 TWh target

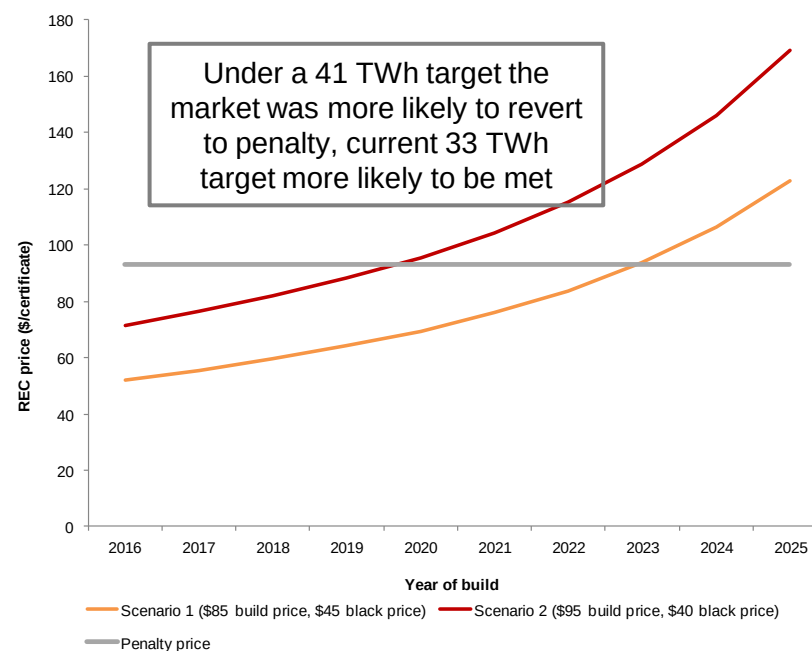
5GW of wind required to be built, with 6GW already having required approvals in place

More economic to build wind rather than pay penalty

Status of Wind Development Options¹



Required Breakeven REC Price²

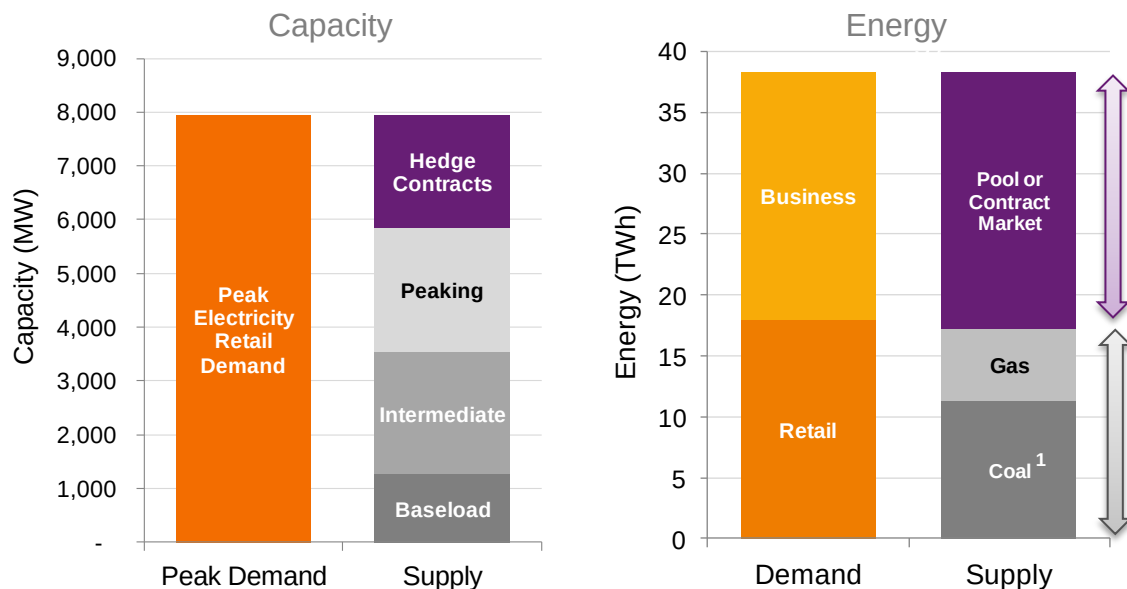


There is a window of opportunity to build over the next five years which will be more economic than paying the penalty on the scheme

In a market which is expected to remain oversupplied Origin has a competitive cost of electricity through its flexible generation portfolio with a short position to the pool ...



Origin's Generation Flexibility



Origin has the flexibility to run:

- Coal generation – base, intermediate
- Gas generation – base, intermediate, peaking
- Peaking distillate generation
- Pumped-storage hydro generation
- Purchase from the market

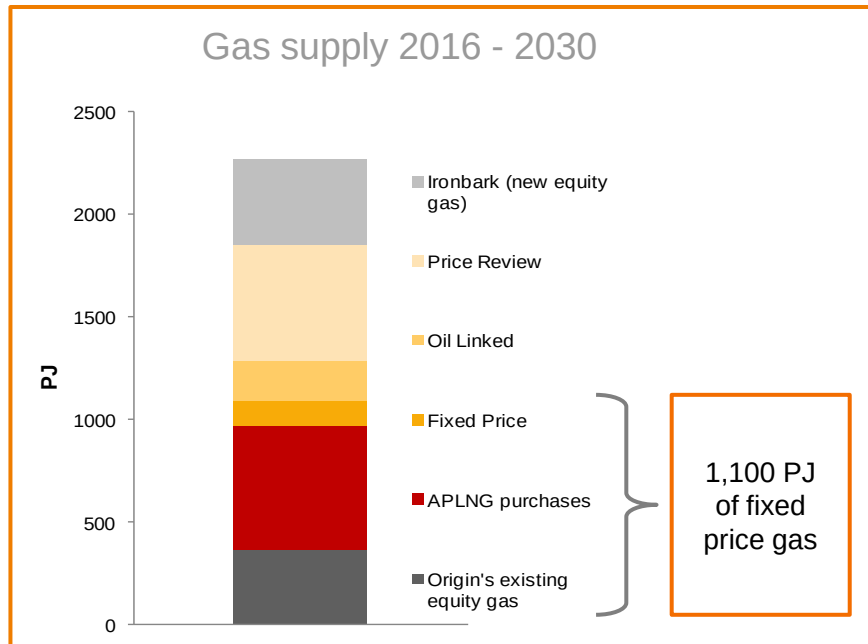
- Limited coal exposure
- Sufficient capacity for \$0/MWh short-run renewables to come into the portfolio
- Renewables complement existing peaking fleet, together with call back options under gas sales contracts
- Gas portfolio can ramp up from minimum generation levels to capacity within one hour

... combined with a peaking fleet of over 3,000 MW and flexible call back options under gas sales contracts that will add significant value as the level of renewable generation in the NEM grows

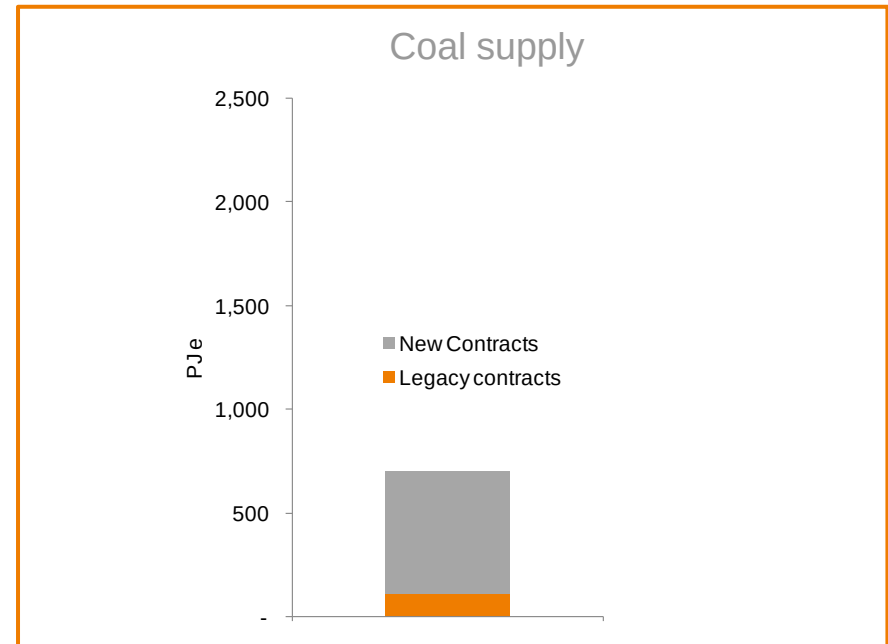
Origin's fuel position is heavily weighted to gas where market prices are increasing \$3.50/GJ+



Large portion of fixed priced gas in Origin's supply position



Coal currently contracted to 2022, with options to increase at low prices

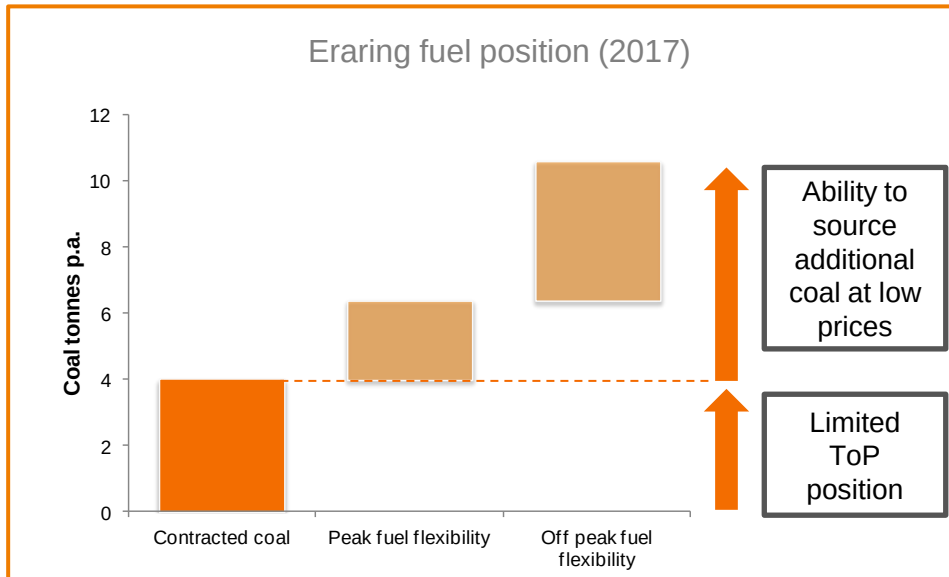


Origin is short coal, with flexibility to take more coal at low prices

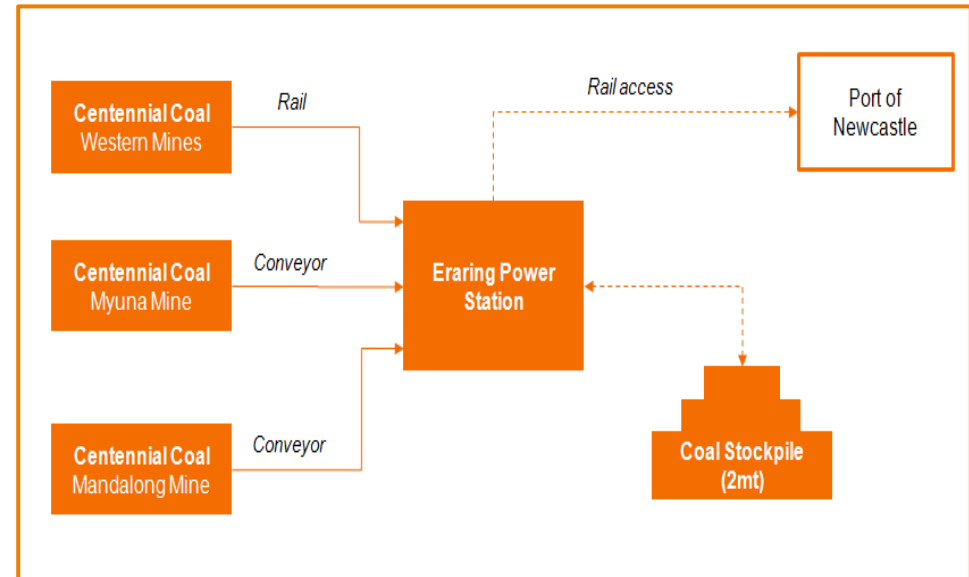
Eraring's fuel position is contracted at less than 40% of its total capacity with high quality coal



Power station flexibility

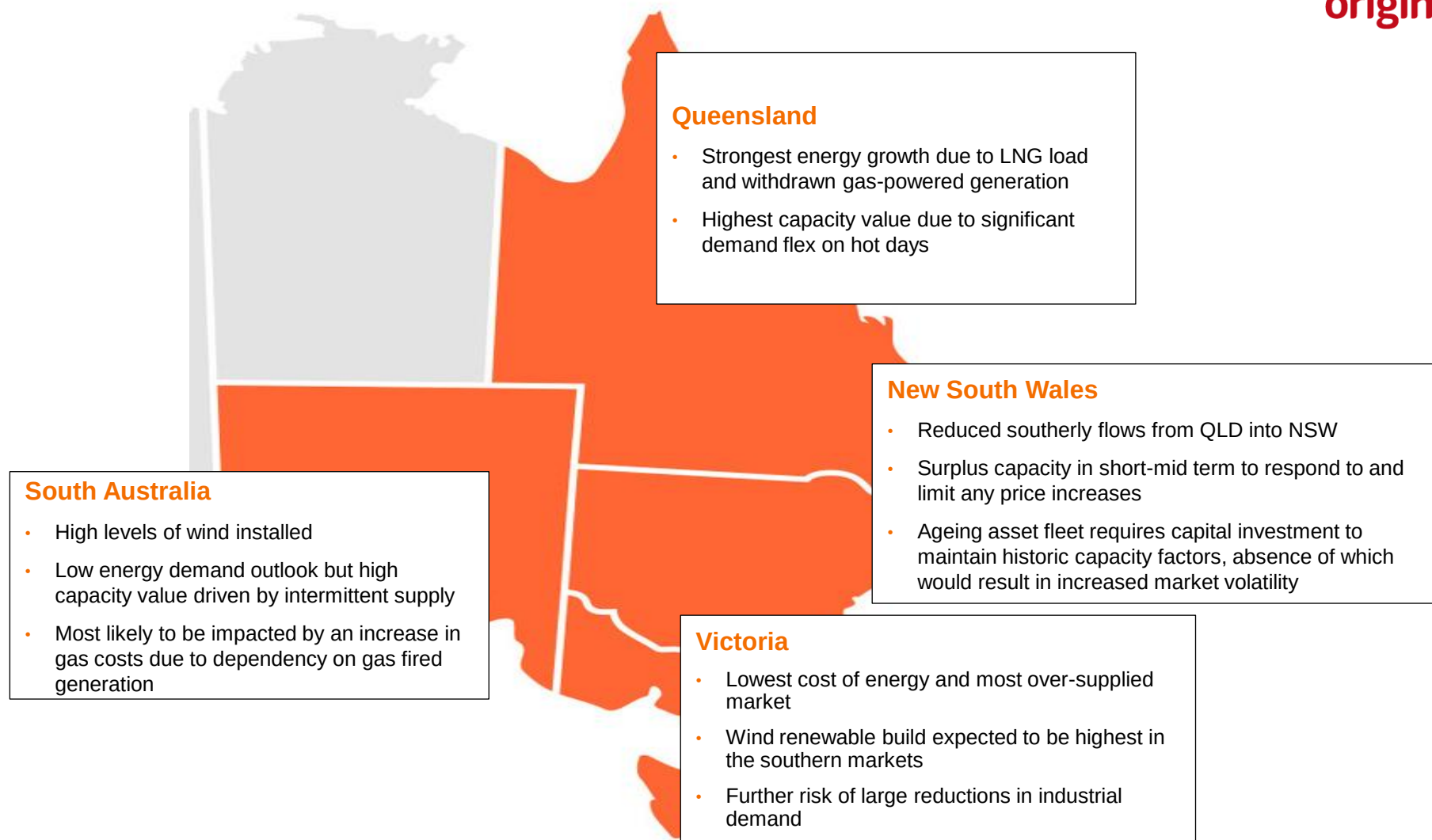


Coal supply flexibility & increased ability to stockpile



- Upgraded coal handling infrastructure, including rail unloader and coal stockpile (additional 2 mt capacity), enabling Origin to take advantage of coal supply opportunities
- From 2017, 4mtpa firm coal contracted to 2022
- High quality coal lowering ongoing maintenance costs and avoiding requirement for significant ongoing capital expenditure

Across the NEM energy costs are expected to be highest in Queensland given LNG load and gas price increase



The Victorian outlook remains subdued with a significant level of over-supplied brown coal generation

Generation Operations

David Smales, General Manager Generation

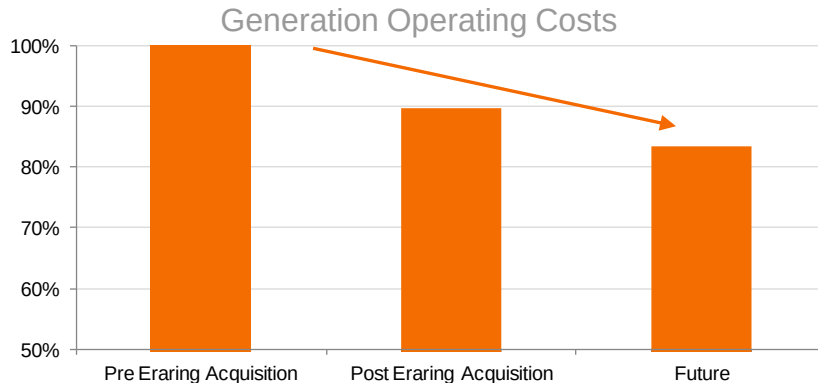
Continuing to increase performance and lower costs through the development and execution of effective asset management strategies



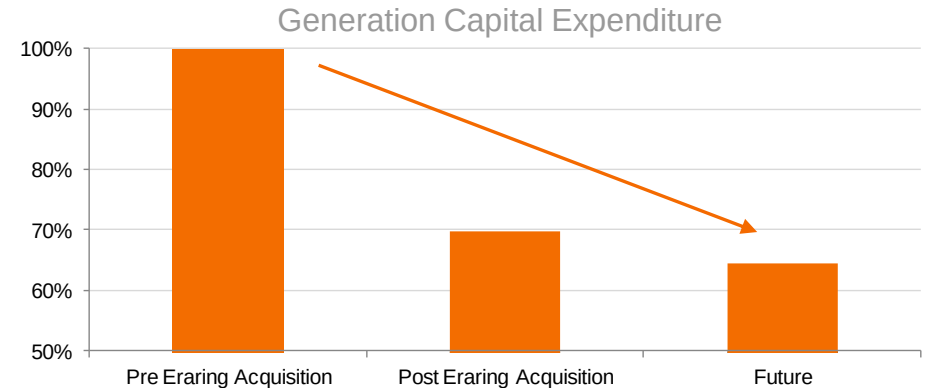
Continued execution of asset management strategies to maintain portfolio flexibility and performance at lowest optimal cost



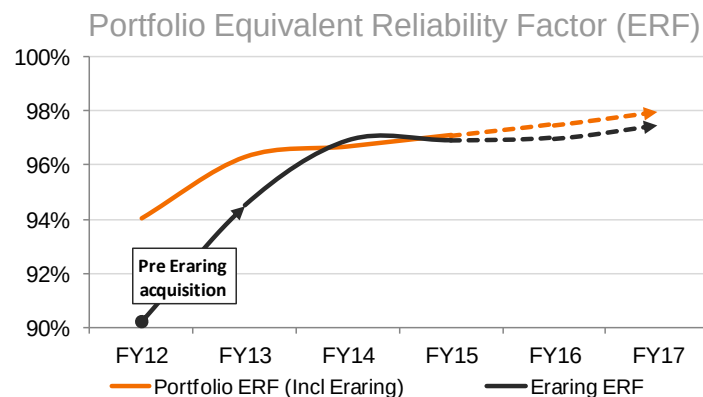
Controlling & optimising costs



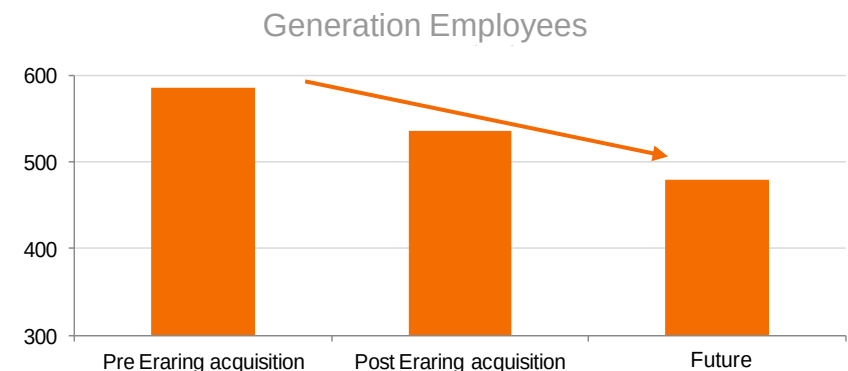
Lowering capital requirements



Increasing asset performance



Improving productivity

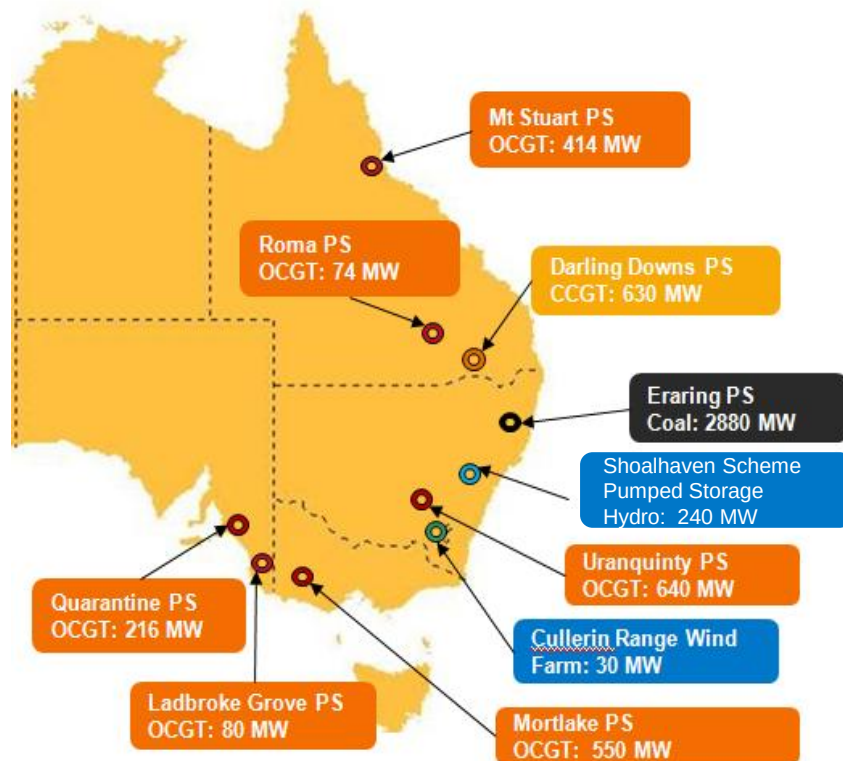


Focused on achieving further reductions in operating cost and capital expenditure from current levels of approximately \$220m and \$95m respectively

Origin's Generation portfolio provides flexibility, scale and diversity to support a competitive cost of electricity whilst also leveraging gas transportation capability

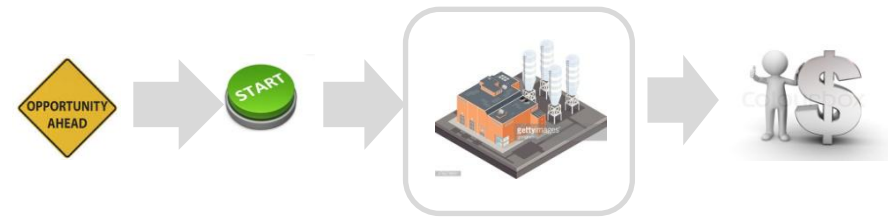


A highly flexible Generation Portfolio with scale¹

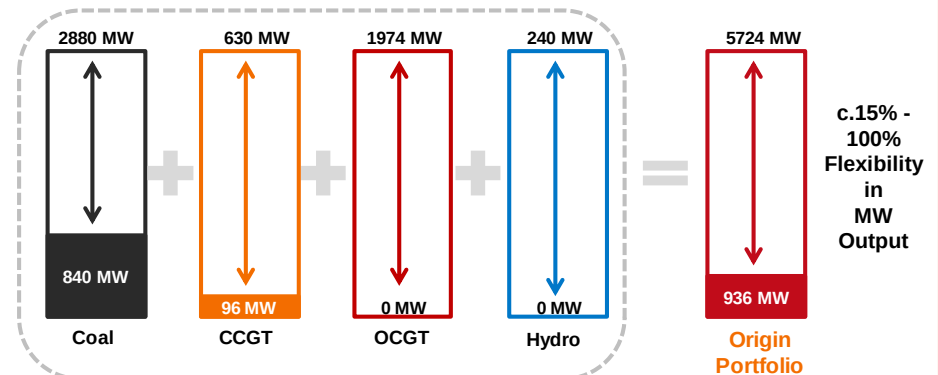


A proven capability to capitalise on market opportunities

From minimum output to maximum output in less than 1 hour²



Flexibility to vary output by circa 85% across a load range³



(1) Origin's 6GW power generation portfolio consists of 5.7GW of Owned and Operated (O&O) assets and three Joint Venture Companies (50% ownership, non-operated).
 (2) With all power stations in service and operating at minimum output (c.1.8GW), Origin's O&O Portfolio is technically capable of achieving maximum output (c.5.7GW) in circa 52 minutes.
 (3) Minimum load in this example relates to having all power stations generating minimum stable output (and with the Hydro power station at zero output). Excludes Cullerin Range WF & JV's.

Eraring continues to make a significant contribution to Origin's Generation portfolio and lowers its overall cost of energy

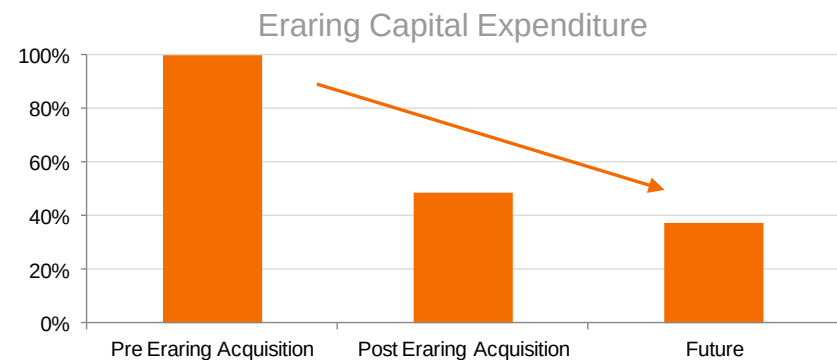
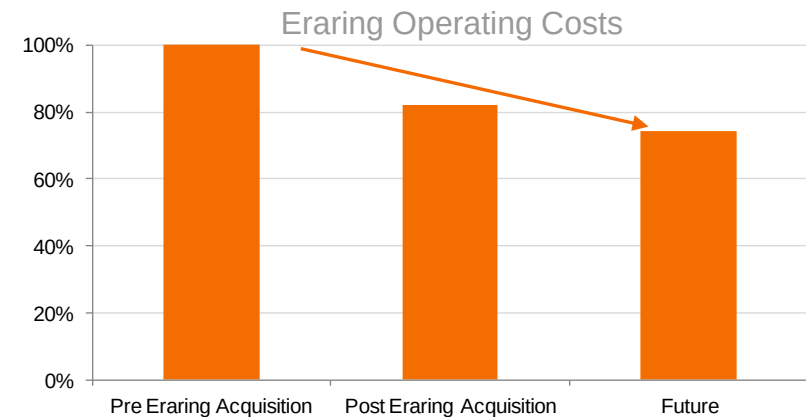


Improving asset management performance

- Achieved 37% improvement in safety performance
- Integration into portfolio concluded ahead of schedule
- Benefits delivered in excess of the acquisition case
- Mid-life capital investment program concluded by end of FY2017
- Continued focus on improving cost and efficiency



Contributing to Origin's lower cost of energy



Origin's gas fleet continues to underpin the portfolio's strong performance track record, responding well to rapidly emerging market opportunities

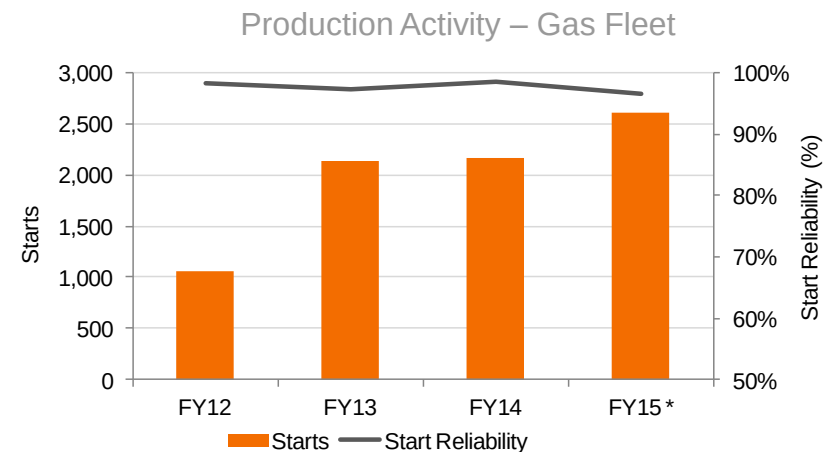
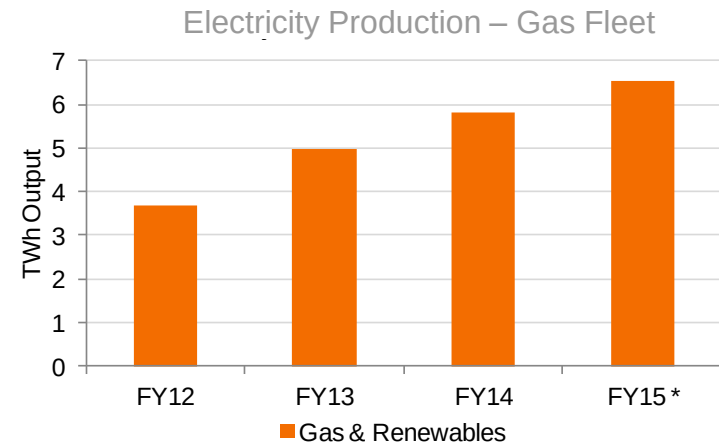


Improving asset management performance

- Summer availability >99% over the last four years
- Start Reliability maintained under heavy utilisation
- Lifecycle costs materially reduced through:
 - active asset management and condition assessment
 - component life extension and optimisation
- Operating costs effectively controlled
- Capital program is driven by utilisation (hours &/or starts)



Sustained high performance and flexibility



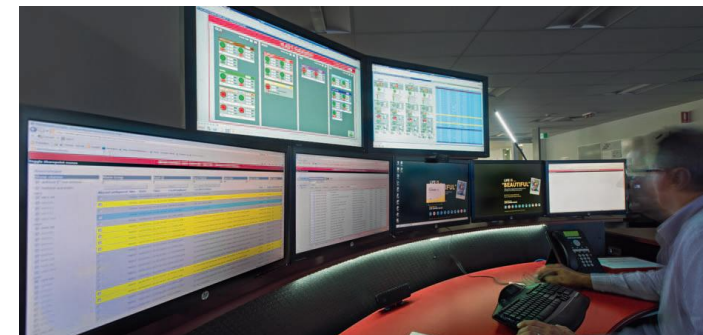
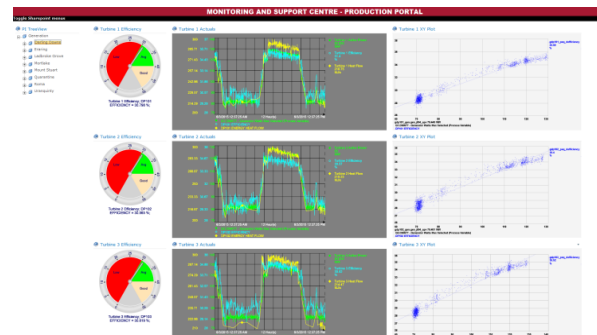
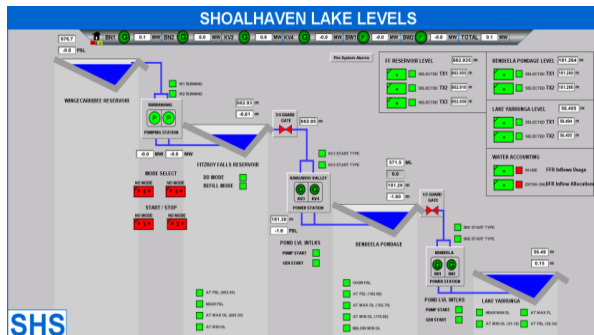
Generation's Monitoring & Support Centre underpins asset management strategies and operating model, providing systemic ongoing performance improvement across the portfolio



Leveraging technology to help drive performance

- Smart power generation **data & analytics**, reducing **commercial** and **technical** risk, by:
 - Supporting fact-based decision-making in a complex and fast-moving operating environment
 - Developing insights & creating innovative performance improvement opportunities
- **Leveraging information & technology** to deliver performance improvement, via:
 - Predictive failure avoidance, focussed on minimising &/or eliminating future commercial losses
 - Rapid response and fully coordinated failure recovery from unplanned production events
 - Condition monitoring and risk-based optimisation

Employing industry-leading asset management practices

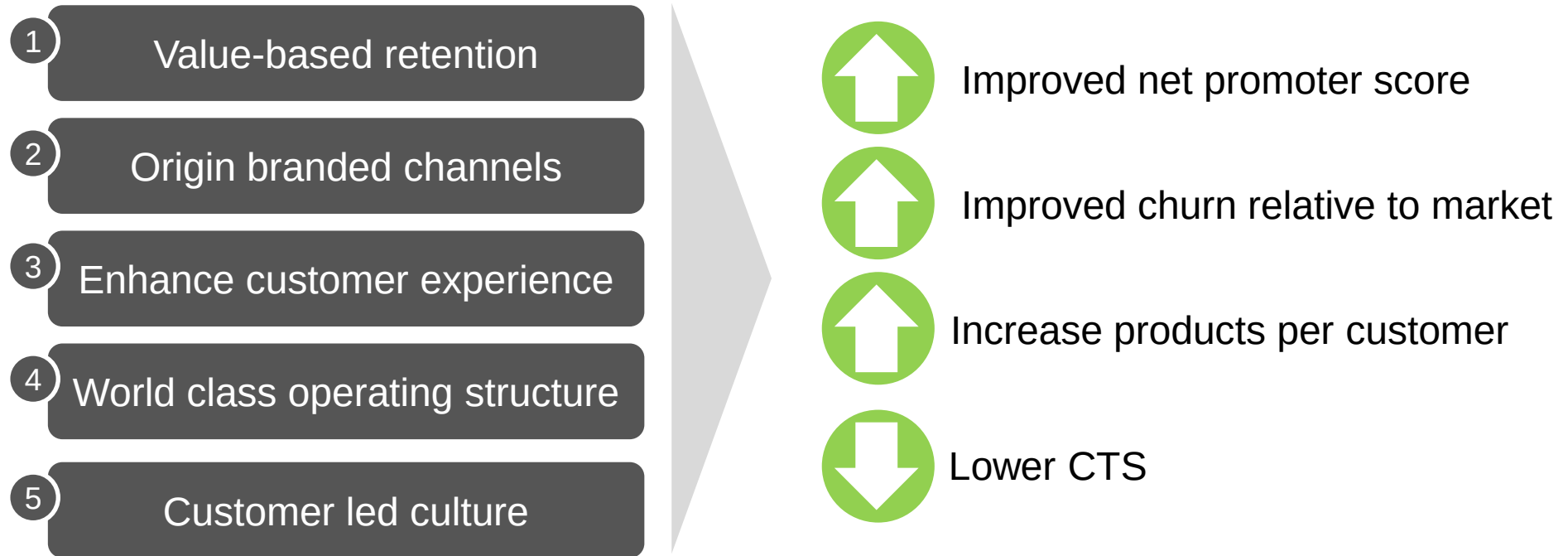


Building Loyalty and Trust

Rebekah O'Flaherty, General Manager Marketing, Sales & Service

Jon Briskin, General Manager Retail Customer Operations

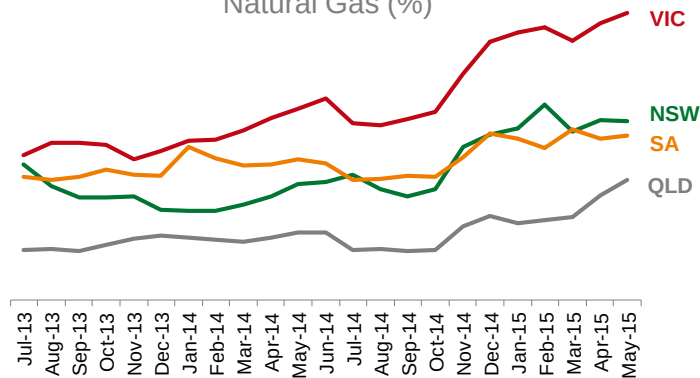
Continued execution of Origin's customer agenda, improving loyalty and trust while lowering cost to serve



Competition today is predominantly price led. Origin will continue to meet the market on discounts to defend market share



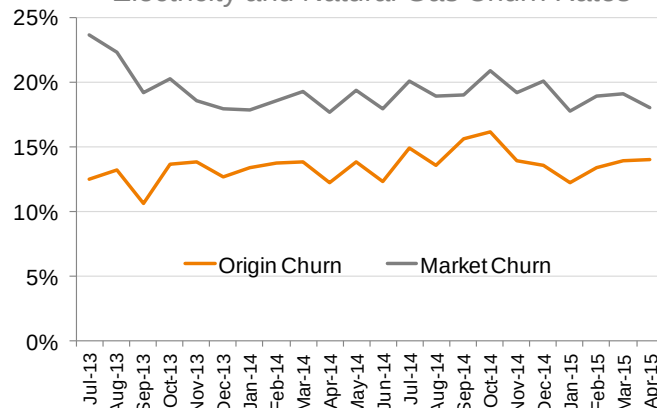
Origin's Average Signed Discount Offers for Electricity and Natural Gas (%)



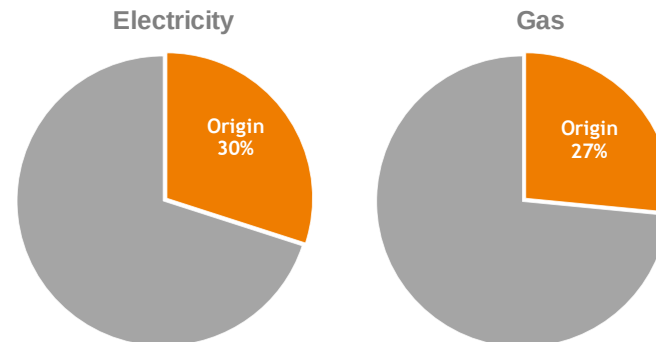
Competitor offers in market



Electricity and Natural Gas Churn Rates



Electricity and Natural Gas Market Share

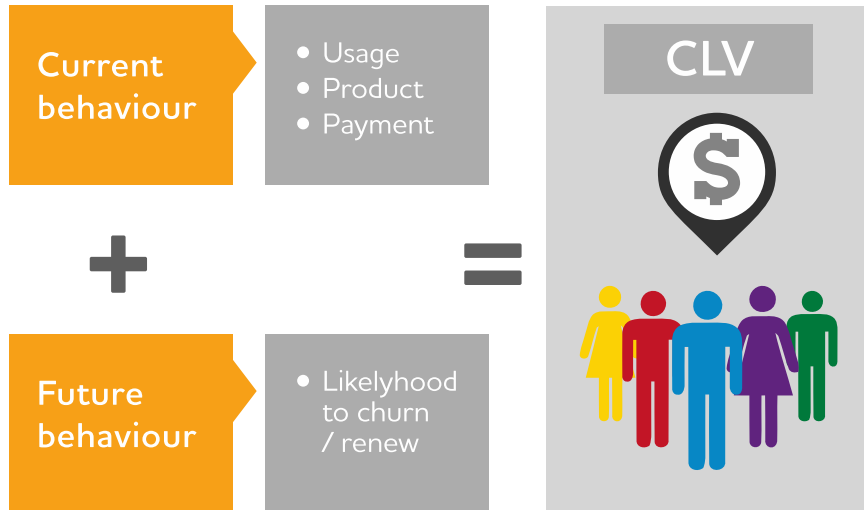


Origin must continue to execute the customer agenda to build loyalty and trust, the most powerful mitigant to the impacts of a highly competitive market

Data and analytics enable identification of high value customers, providing a basis upon which Origin tailors offers and service levels



Based on Customer Lifetime Value



Proactive retention of all customers
Differentiated treatments based on customer value

Delivering benefits for customers and Origin



In a competitive market, proactive retention is key to improving the customer experience, improving churn relative to market and lowering cost to serve

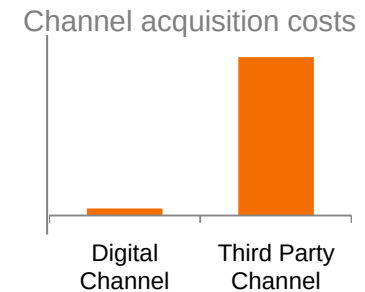
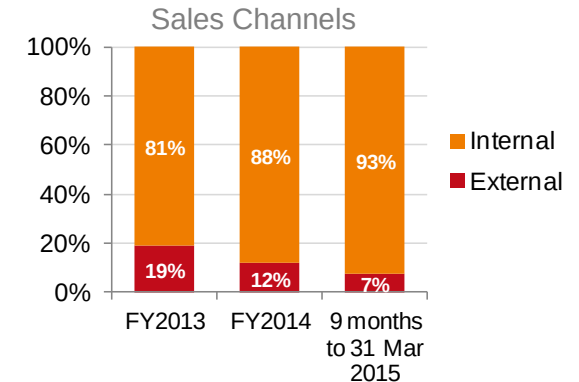
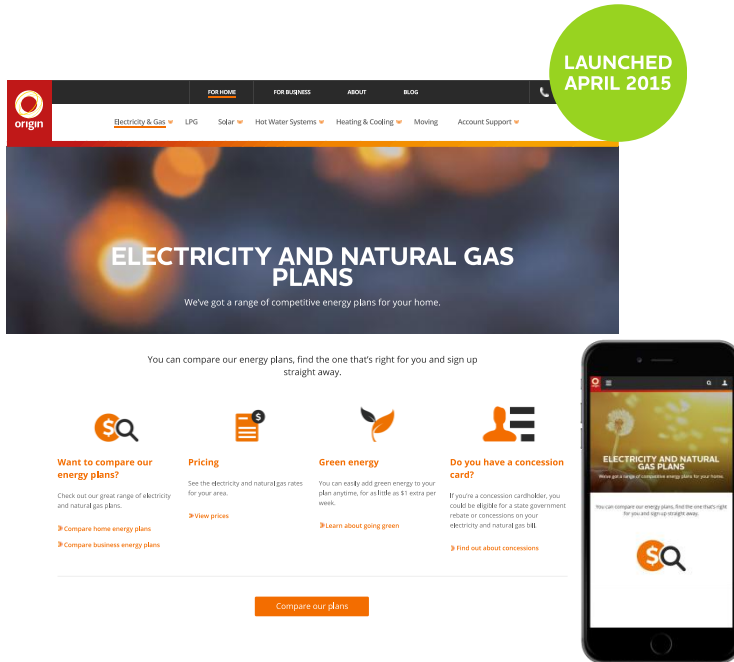
Origin's digital platform and sales / service operating model has enabled customers to use Origin branded channels as the channel of choice



New integrated digital capability

Dedicated sales and service centres

Higher internal sales channel mix



Acquiring and retaining customers through our own channels

Lower cost



Better customer experience



Deeper customer relationships



Enhanced brand and reputation

Origin is moving towards an 'OMNI' customer experience ...



Customer able to stop, start, continue their journey seamlessly, across many channel types...

... offering customers greater flexibility and enabling an integrated experience across channels with deeper customer insight

Origin is improving communication with its customers



Simpler, shorter communications

New single fuel contract

- 3 page contract pack (2 sheets of paper)

New dual fuel contract

- Same product both fuels
- 4 page contract pack (3 sheets of paper)

Translucent, concise, easy to understand

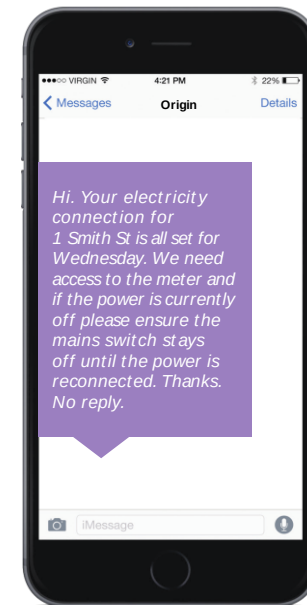
Keeping customers informed

Bill due reminder



5% improvement in on time payment behaviour

Connection reminder



34 point improvement in Net Promoter Score for new connections

There will be further opportunities to improve customer interactions through continued investment in data and analytics

Executing on the Retail Transformation project has enabled Origin to improve operational metrics and bad debt exposure

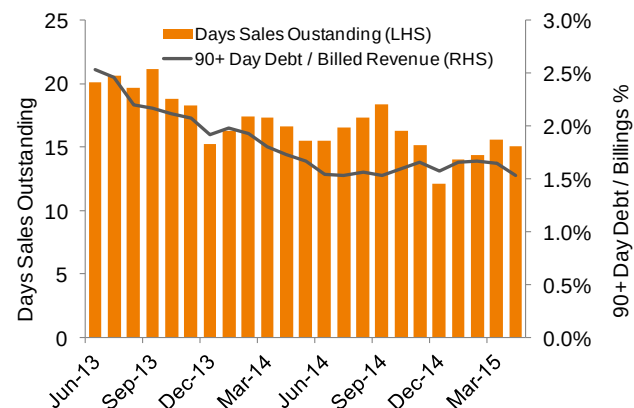


Improving our operational performance

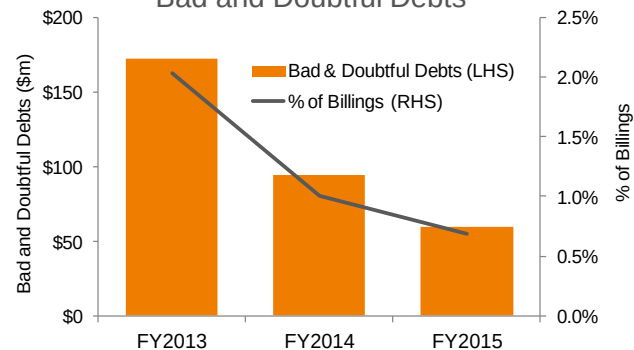
	Jun 13		May 15
Calls per customer	1.6	▶	1.1
Ombudsman complaints (per 1,000 customers)	9.0	▶	4.9
Customers registered on MyAccount	183k	▶	967k
Customers taking up eBilling	157k	▶	900k
Customers choosing Direct Debit	390k	▶	680k

Favourable movement in core metrics to date

Days Sales Outstanding and 90+ Day Debt to Billed Revenue Ratio



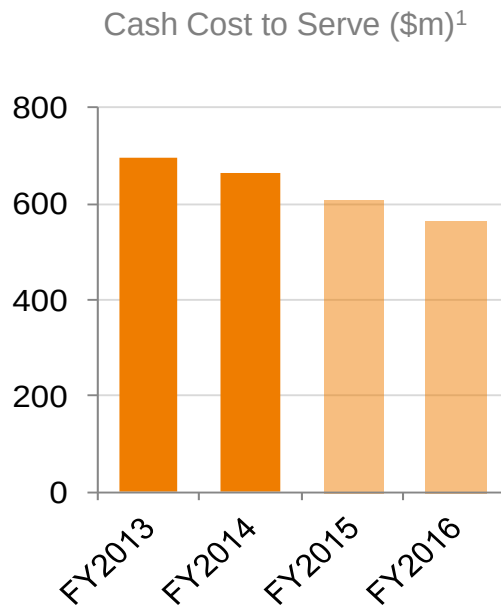
Bad and Doubtful Debts



Benefits of Retail Transformation are evident in reducing cost to serve



Cash cost to serve down ...



... with further reduction from

- Continued reduction in bad and doubtful debts
- More efficient and streamlined credit collections processes
- Reduction in call volumes
- Increased customer experience leading to less complaints
- BPO re-negotiation
- Continued improvement in back office processes

Cash cost to serve is on target to reduce \$30m in FY2015, with a further \$50m improvement expected in FY2016

Building loyalty and trust starts with our people, and our cultural transformation is well under way



Reward & recognition tied to customer experience

SUCCESS is

Recognise someone who's been a success

success 1. the accomplishment of one's goals **2.** the attainment of an achievement **3.** a performance marked by ability, triumph, excellence.

Nominate now at originsuccessis.com.au

The poster features a small inset image of a person's face with the text "SUCCESS is PUTTING A SMILE ON OUR CUSTOMERS' FACE" and a small Origin logo in the top right corner.

NPS operating model

TUNING IN AND TAKING OWNERSHIP

Manager Toolkit
Leaders guide to Net Promoter System (NPS) and building Customer Advocacy.

TUNE IN | TAKE OWNERSHIP | THINK CUSTOMER

The poster features a large white graphic of a boombox with a radio antenna on a green background. The Origin logo is in the top right corner.

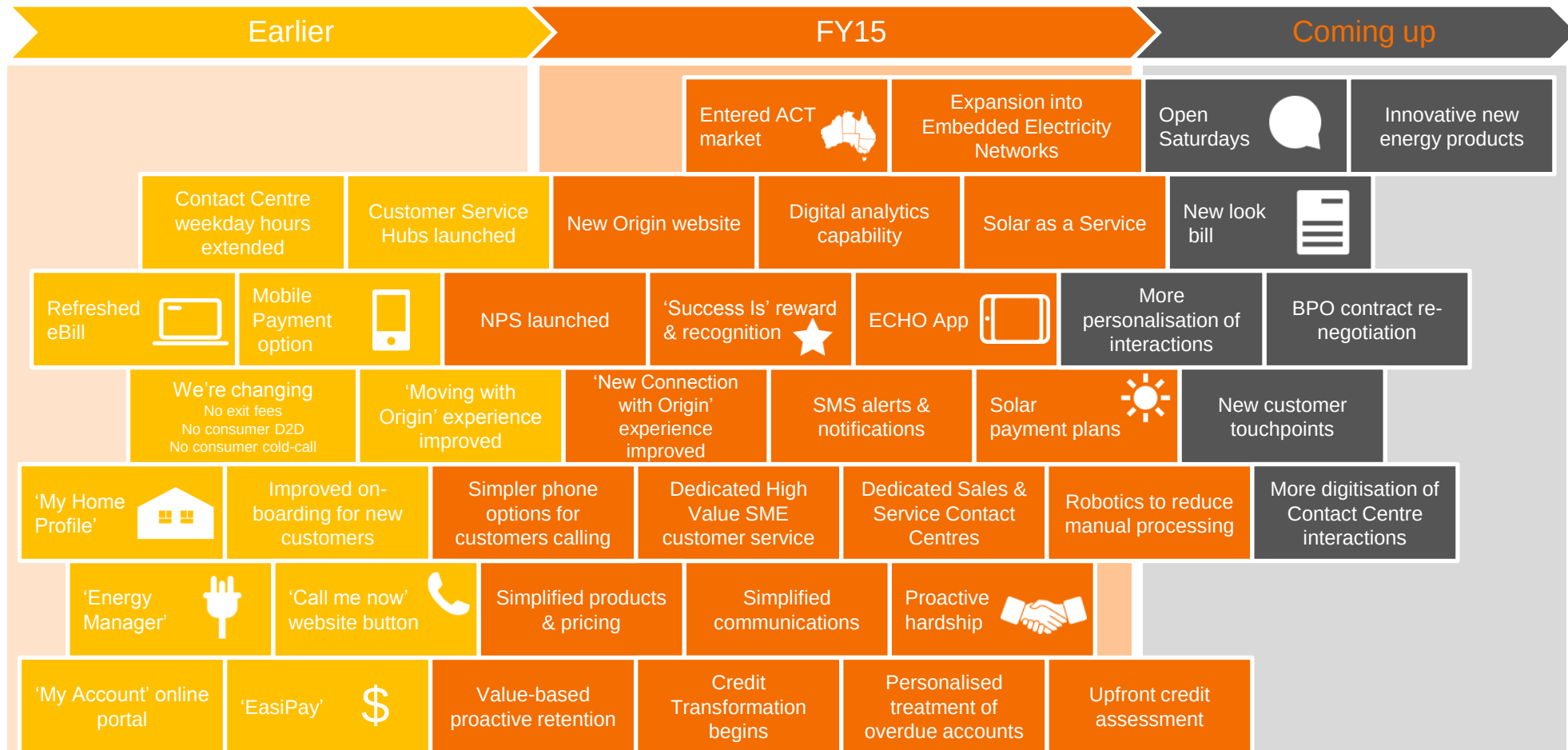
New ways for our people to help our customers

ECHO MOBILE APP IS HERE

Download the ECHO mobile App so you've always got help at hand for customers.

The poster features a man and a woman looking at a smartphone. A small image of the ECHO mobile app is shown in the bottom left corner. The Origin logo is in the top right corner.

Origin's journey to build customer loyalty and trust continues



Origin continues to grow the core energy business into new areas

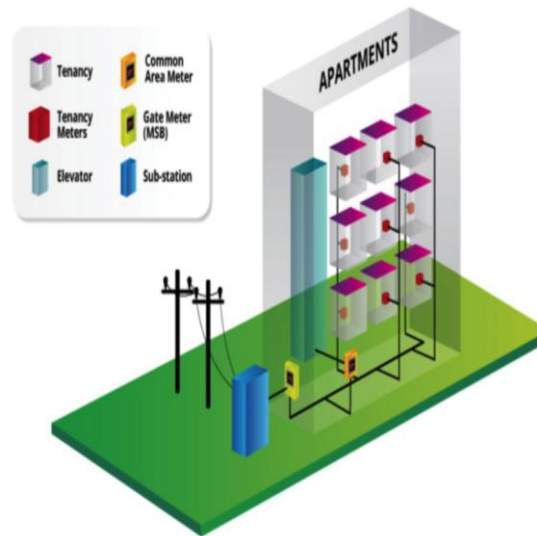


Entered ACT market



- Entered ACT market September 2014
- 6,600+ customers
- 50% accounts on dual fuel
- 25% of sales online

Growing Origin water and embedded energy solutions



- Leading provider of centralised hot water services to high density residential developments in Australia
- Now offering embedded energy solutions

Growing multi product holdings



- Offering our customers a complete basket of energy solutions

Building loyalty and trust not only improves retention and cost to serve, its a necessary foundation for extending into other products and services, including Solar

The background of the slide is a photograph of a modern call center. In the foreground, a young man with dark hair, wearing a blue button-down shirt and a headset, is smiling at the camera. To his right, a woman with short dark hair, wearing a black and white patterned blazer over a black top and a headset, is also smiling. They are seated at white desks with black monitors. In the background, other employees are visible working at similar desks. There are large potted plants on the desks and a red storage bin in the lower right corner.

Leveraging our Capability

Deepening knowledge of the customer enabled through growing capabilities in data and analytics



Core data sources ...

Digital

Product

Meter

Weather

Other external

... together with core platforms ...



...deepening our knowledge of the customer



CLV



Attitudinal Segmentation



Propensity Modelling

Leveraging Capability – Floor Walks



Leveraging our capability in SAP



Metering capability through our established Acumen Metering business



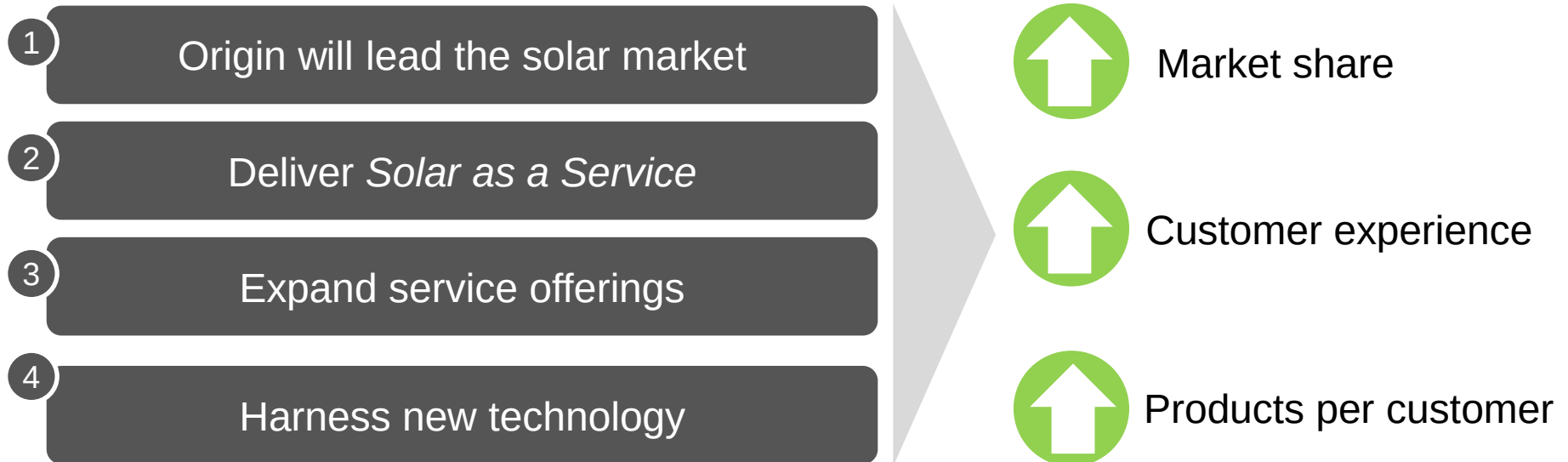
Social media managing engagement with our stakeholders



Growing Solar and Energy Services

Phil Mackey, General Manager Solar and Emerging Businesses

Growing new products and services



Solar will play a significant role in the future energy landscape; Origin aspires to be #1 in rooftop solar

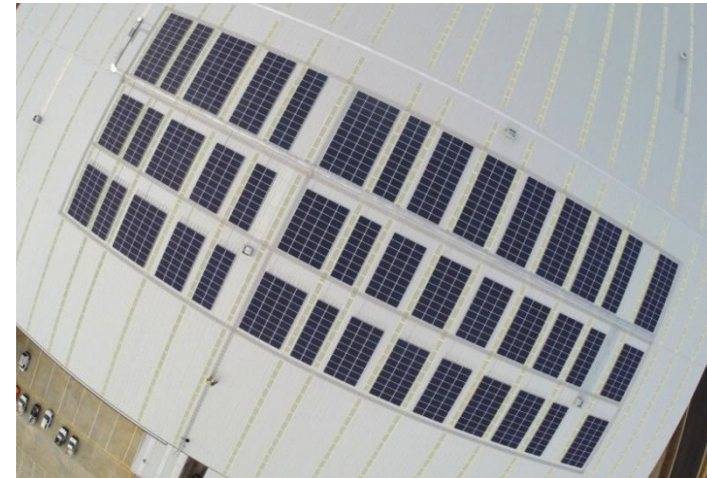


Residential



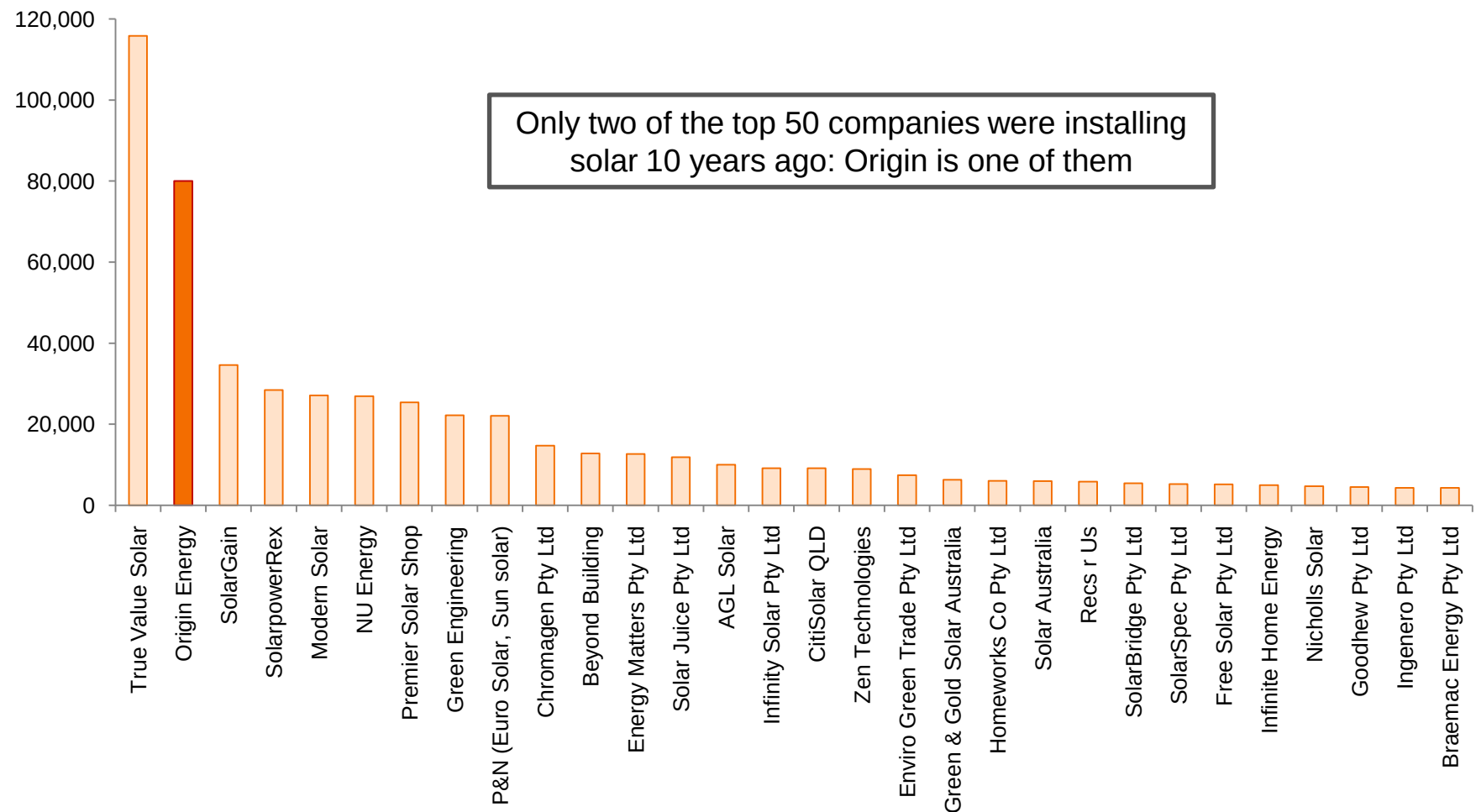
- Remaining addressable market greater than 5 million homes (owner occupied and landlord)
- Growth will be driven by falling costs and new propositions being taken to market
- PPA sales now ~50% of total daily volume following May launch

SME / Commercial



- Delivered commercial solar projects and built a substantial pipeline of which over 50% are PPA projects
- Strong value proposition for SME PPA and actively pursuing this segment
- Origin is seen as a leading credible counter party for Commercial solar

Origin's track record provides significant experience and capability



Origin remains committed to the growth of solar over the long term

Origin has been trialling, learning and building new capabilities across new energy technologies, products and business models



2002: Origin delivers its first solar offer in the Australian market

2010: Origin installs its 10,000th system. Installs first commercial systems

2014: Mitsubishi EV relationships



Solar as a Service Trial

2015: Origin >80k solar installations

>360k Retail customers with solar
Solar as a Service v2 launched

2008: Origin remote digital system design: a world first



2011: Origin first online solar sale

2005: Home products range in market

2010: Transform JV



2012: Transform discontinued

ServiceStream partnership



Nissan EV relationship and GoGet EV partnership



2004: Sliver thin film pilot factory online

2009: Cogent Energy acquired



2011: Origin 'Smart home' trial

Chargepoint EV Charging



2015: SME PPA

CHP portfolio >13MW

Battery trials



Solar as a Service creates long term relationships with our customers and delivers increased value for both parties



TODAY & THE FUTURE



Solar as a Service ... 'Don't Waste Your Roof'

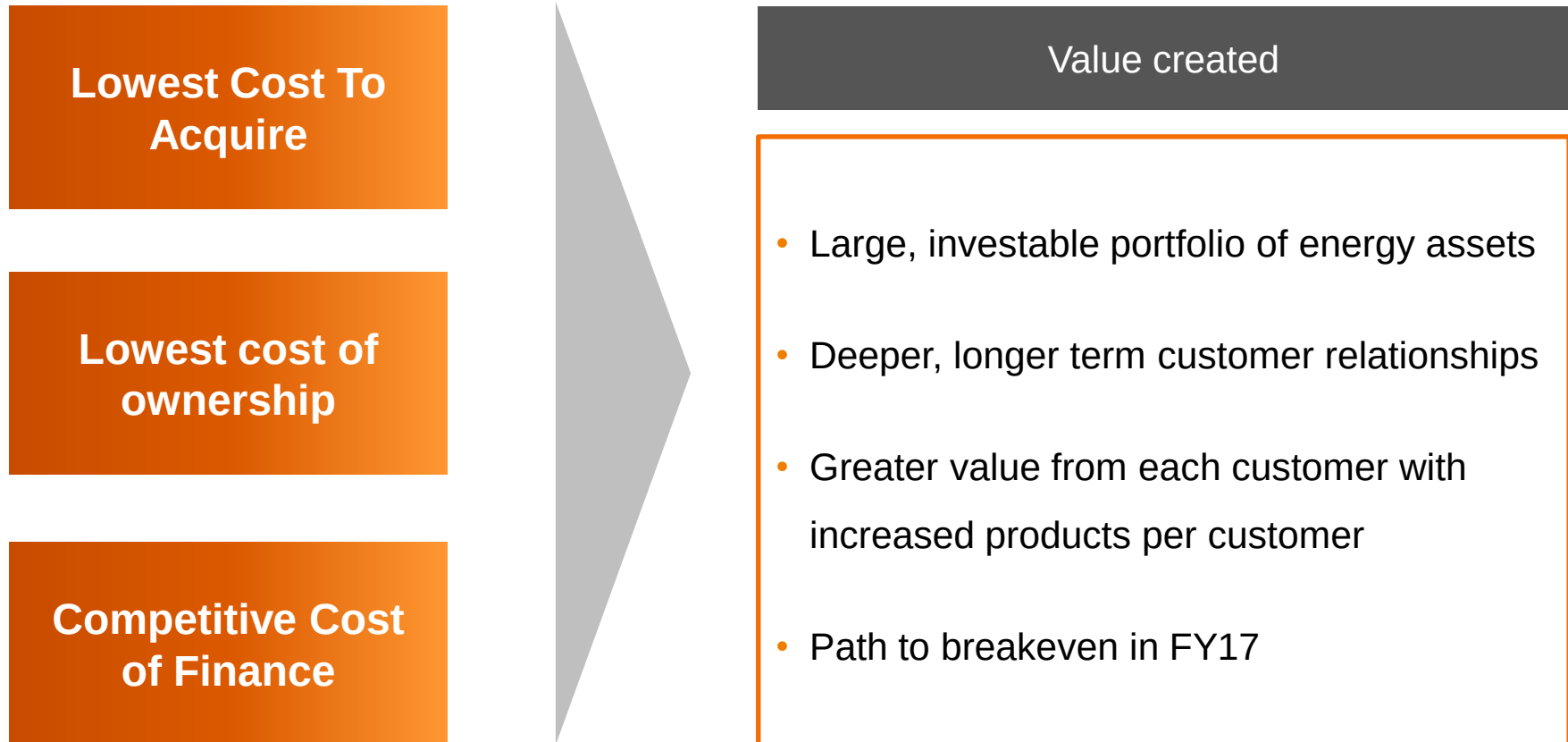
- Delivers solar at \$0 upfront - customer pays for kWh's generate
- Products offered: 7, 10 & 15 year terms for 3, 4 and 5kW products
 - Tariffs are compelling being 30-70% below NEM retail tariffs: e.g. Qld 5kW at 11c/kWh tariff
- Origin owns, maintains, monitors and services



Value Creation for customers and Origin

- Customers potential for payback from Day 1 and receive a managed service where Origin monitors and manages the asset
- Retains customer value from our existing customer base and wins new customers:
 - Delivers ~3x value (relative to direct sales) over a long term relationship with customers
 - Establishes long term relationship allowing x-sell and up-sell

Origin aspires to be #1 in the solar market by delivering on the key value drivers



Origin is leveraging its retail experience and harnessing opportunities to deliver home energy services



10 years+ experience
delivering services into
homes

Extending service offers

Moving to a deep
customer relationship

Appliances Retailing

HOT WATER SOLUTIONS



Servicing Market

EMERGENCY HOT WATER

- 24/7 emergency callouts
- ~400 thousand events per year

HEATING & COOLING SOLUTIONS



SOLAR SERVICING

- 1.4m households installed
- Inverter replacement market will grow significantly over the next three years

TODAY

Retail solar and
home appliances



TOMORROW

Retail solar and home
appliances



Services



Connected
homes

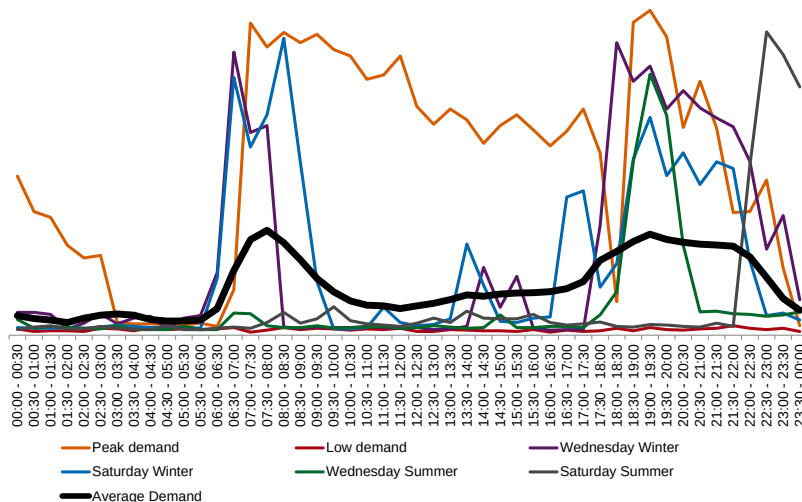


Extending into other energy services and products, including batteries



Our insights into battery use confirm that there is not one battery that fits all

- >12months of extensive analysis
- Customer needs for battery vary substantially
 - Retrofit to existing solar
 - Fit with new solar
 - Flat tariff versus Time of Use customers
- Grid defection unlikely



Origin is developing solutions that match customer need with the right battery



Conducting trial

- Installing Samsung ESS units
- 3.6kWh integrated unit
- Certified for Australia
- Queensland, NSW, SA

Product suite

- Ongoing evaluation of a range of potential suppliers
- Product selection dependent on:
 - Flexibility
 - Economics
 - Customer experience

Improving Returns in Energy Markets

Frank Calabria, CEO

Energy Markets Strategic Priorities



	Progress to date	Focus going forward
 Maximise value of the core business	✓ Increased gas margins and market share ✓ Reduced cost to serve ✓ Reduced capital and operating expenditure on generation portfolio	• Capture benefit of rising gas market • Remain competitive on cost of electricity through flexibility; pivot to renewables • Lower CTS & improve capital efficiency
 Build customer loyalty & trust	✓ Improved customer experience: complaints down; new integrated digital platform; proactive retention ✓ Improved customer satisfaction in the Business segment	• “OMNI” customer experience • Data and analytics to deliver new products and services to the consumer
 Grow new products & services	✓ Entered ACT market ✓ Acumen Metering well established ✓ Solar – consumer and business growth & PPA product launched	• Grow new solar business model, extending into batteries and other home energy services • Extend Acumen Metering capability into consumer and SME markets • Grow in embedded networks

Energy Markets is continuing to deliver improved returns by...



Expanding Natural Gas margins

- Maintain competitive cost of gas through legacy gas positions
- Maximise value of ramp gas opportunities
- Commencement of long dated and well priced gas sales contracts to other LNG projects

Maintaining Electricity margins

- Maintain competitive cost of energy through a flexible fuel and generation portfolio
- Well positioned for future development and growth

Building customer loyalty and trust

- Maintain competitive pricing
- Reduce churn
- Sell further products and services

Reducing operating costs and capital expenditure

- \$100 million reduction in Natural Gas & Electricity cash cost to serve and Generation Opex across FY2015 and FY2016
- Total capital expenditure in the core business reduced, with a further reduction of \$50 million in FY2016 to ~\$250 million

Growing Solar and Energy Services

- Become #1 in the Solar market
- Net loss of \$25 million expected in FY2016
- Breakeven by FY2017 and targeting 170 MW installed in FY2018

... with the key risk being the level of competition in retail markets

Thank you

For more information

Chau Le

Group Manager, Investor Relations

Email: chau.le@originenergy.com.au

Office: +61 2 9375 5816

Mobile: + 61 467 799 642

www.originenergy.com.au