



ASX/Media Release

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Origin announces sale of entire interest in Contact Energy

Origin Energy Limited (Origin) today announced that it has entered into an underwriting agreement for the sale of the 53.09 per cent shareholding in New Zealand Stock Exchange listed Contact Energy Limited (Contact) held by its New Zealand wholly owned subsidiaries. The transaction has been underwritten at a fixed price of NZ\$4.65 per share (Sale).

The fully underwritten Sale, which will be conducted via a bookbuild process while Contact shares are in trading halt, will provide approximately NZ\$1.8 billion in net proceeds to Origin which will be used to repay debt and redeem NZ\$200 million of redeemable preference shares issued by Origin Energy Contact Finance No.2 Limited. A notice of redemption for the preference shares will be issued shortly after settlement of the Sale.

Origin Managing Director, Grant King said, "Today's announcement is consistent with Origin's stated intention to continue to take action to reduce operating and capital costs, realign debt across group entities, and, where appropriate, divest assets. The proceeds from the Sale will provide increased financial flexibility in the short to medium term."

Origin expects that, on completion of the Sale, Origin's credit rating from Standard & Poor's will remain unchanged at BBB- (stable) while the credit rating from Moody's will be revised from Baa2 (negative outlook) to Baa3 (stable), reflecting their view of a reduction in earnings diversity. Origin notes that while Contact's earnings have been consolidated into Origin's accounts, Origin's access to Contact's cash flow has been limited to 53.09 per cent of dividends.

Origin Executive Director Finance & Strategy, Ms Karen Moses said "This transaction provides a genuine reduction in financial risk through the repayment of Origin's debt as well as the deconsolidation of Contact's debt."

"The expected revision of Origin's rating to Baa3 (stable) will harmonise the ratings from Moody's and Standard & Poor's and does not have a material impact on Origin," Ms Moses said.

Origin will continue to hold upstream production and exploration interests in New Zealand.

Settlement for the transaction is expected to occur on 10 August 2015. Due to US regulatory considerations, Origin will not be commenting further on the transaction until settlement has occurred.



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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Contact shares have not been, nor will be, registered under the U.S. Securities Act of 1933, as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Contact shares may not be offered or sold in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the Sale may be sent or distributed to persons in the United States.

ABOUT ORIGIN ENERGY

Origin Energy (ASX: ORG) is the leading Australian integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. A member of the S&P/ASX 20 Index, the Company has approximately 6,900 employees and is a leading producer of gas in eastern Australia. Origin is Australia's largest energy retailer servicing 4.3 million electricity, natural gas and LPG customer accounts and has one of the country's largest and most flexible generation portfolios with approximately 6,010 MW of capacity, through either owned generation or contracted rights.

Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth across the energy industry. Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest 2P CSG reserves base.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.

For more information go to www.originenergy.com.au