



ASX/Media Release

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Response to market speculation on Australia Pacific LNG's sale and purchase agreement with Sinopec

Origin Energy Limited (Origin) notes recent speculation regarding Australia Pacific LNG's liquefied natural gas (LNG) sale and purchase agreement (SPA) with Sinopec.

Australia Pacific LNG is an incorporated joint venture between Origin (37.5%), ConocoPhillips (NYSE: COP) (37.5%), and Sinopec (25%). Australia Pacific LNG has an SPA to supply LNG equivalent to 7.6 million tonnes per annum to Sinopec.

While the specific terms of the SPA are confidential, Origin confirms that the SPA is structured as a take-or-pay agreement. As is typical under these types of agreements, there is flexibility for Origin and ConocoPhillips, through Australia Pacific LNG, to determine the start date for supply of LNG to Sinopec under the SPA. This is intended to occur after successful commissioning to ensure that the project can meet its obligations to supply cargoes under the SPA. The LNG produced during the commissioning phase will be sold under short term contracts. Australia Pacific LNG has begun to contract these commissioning cargoes.

Whilst Sinopec's take-or-pay obligation will commence on the start date determined in accordance with the SPA, the SPA does provide Sinopec with flexibility in terms of where it can take the cargoes, in order to manage the build up of key infrastructure and markets. As the SPA is structured on a Free on Board basis, any exercise of this flexibility by Sinopec would not impact Australian Pacific LNG's rights under the SPA.

Origin expects that Sinopec will fulfil its obligations under the SPA.

The Australia Pacific LNG project remains on track for sustained production from Train 1 in the second quarter of the 2016 financial year.

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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.



In New Zealand, Origin is the major shareholder in Contact Energy, a leading integrated energy company, operating geothermal, thermal and hydro generation facilities totalling 2,359 MW and servicing approximately 562,000 electricity, gas and LPG customers across both the North and South islands. Origin also operates oil and gas projects in New Zealand and holds petroleum exploration acreage in the country.

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.