



To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	19 February 2015
From	Marta Kielich	Pages	79
Subject	ORG Half Year Results for the period ended 31 December 2014		

We attach the following documents relating to Origin Energy's Results for the half year ended 31 December 2014:

1. ASX Appendix 4D & Interim Financial Statements
2. Directors' Report including the Operating Financial Review

Regards

Marta Kielich
Company Secretary

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Origin Energy Limited and its Controlled Entities

Appendix 4D

31 December 2014

Origin Energy Limited and its Controlled Entities

Appendix 4D

Results for announcement to the market

31 December 2014

				31 December 2014 \$million	31 December 2013 \$million
Revenue	down	4%	to	6,950	7,238
Net (loss)/profit for the period attributable to members of the parent entity	down	108%	to	(25)	322
Basic earnings per share	down	108%	to	(2.3)¢	29.3¢
Diluted earnings per share	down	108%	to	(2.3)¢	29.1¢
				31 December 2014 \$	30 June 2014 \$
Net tangible asset backing per ordinary security	up	0%	to	\$6.58	\$6.56
Dividends				Amount per security	Franked amount per security at
Interim dividend determined subsequent to 31 December 2014				25 cents	nil
Previous corresponding period (31 December 2013)				25 cents	nil
Record date for determining entitlements to the dividend				26 February 2015	
Dividend payment date				31 March 2015	
Brief explanation of any of the figures reported above or other item(s) of importance not previously released to the market.					
Refer to the attached Directors' Report and Operating and Financial Review for explanations.					
Discussion and Analysis of the results for the half year ended 31 December 2014.					
Refer to the attached Directors' Report and Operating and Financial Review for commentary.					

Origin Energy Limited and its Controlled Entities

Interim Financial Statements
31 December 2014

Origin Energy Limited and its Controlled Entities

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Directors' Declaration
Independent auditor's review report

Origin Energy Limited and its Controlled Entities
Interim income statement
for the half year ended 31 December

	Note	2014 \$million	2013 \$million
Revenue		6,950	7,238
Other income	3(a)	194	388
Expenses	3(b)	(6,866)	(7,009)
Share of results of equity accounted investees	7(b)	(41)	(3)
Interest income	3(c)	42	11
Interest expense	3(c)	(229)	(272)
Profit before income tax		50	353
Income tax (expense)/benefit	4	(49)	19
Profit for the period		1	372
Profit for the period attributable to:			
Members of the parent entity		(25)	322
Non-controlling interests		26	50
Profit for the period		1	372
Earnings per share			
Basic earnings per share	16	(2.3) cents	29.3 cents
Diluted earnings per share	16	(2.3) cents	29.1 cents

The interim income statement should be read in conjunction with the accompanying notes to the interim financial statements.

Origin Energy Limited and its Controlled Entities
Interim statement of comprehensive income
for the half year ended 31 December

	2014 \$million	2013 \$million
Profit for the period	1	372
Other comprehensive income		
<i>Items that will not be reclassified to the income statement</i>		
Actuarial gain on defined benefit superannuation plan	-	6
<i>Items that may be reclassified to the income statement</i>		
Foreign currency translation differences for foreign operations	325	356
Available for sale financial assets		
Valuation gain taken to equity	6	3
Cash flow hedges		
Reclassified to income statement	20	4
Transferred to carrying amount of assets	-	(1)
Effective portion of changes in fair value	134	(18)
Net loss on hedge of net investment in foreign operations	(85)	(53)
Total items that may be reclassified to the income statement	400	291
Total other comprehensive income for the period, net of tax	400	297
Total comprehensive income for the period	401	669
Total comprehensive income attributable to:		
<i>Items that will not be reclassified to the income statement</i>		
Members of the parent entity	-	6
Non-controlling interests	-	-
	-	6
<i>Items that may be reclassified to the income statement</i>		
Members of the parent entity	329	477
Non-controlling interests	72	186
	401	663
Total comprehensive income for the period	401	669

The interim statement of comprehensive income should be read in conjunction with the accompanying notes to the interim financial statements.

Origin Energy Limited and its Controlled Entities

Interim statement of financial position as at

		31 December 2014	30 June 2014
	Note	\$million	\$million
Current assets			
Cash and cash equivalents		224	228
Trade and other receivables		2,247	2,565
Inventories		288	287
Other financial assets, including derivatives	6	454	379
Income tax receivable		34	-
Assets classified as held for sale		3	2
Other assets		144	127
Total current assets		3,394	3,588
Non-current assets			
Trade and other receivables		6	6
Inventories		86	106
Other financial assets, including derivatives	6	3,546	1,806
Investments accounted for using the equity method	7(b)	6,452	6,325
Property, plant and equipment		11,859	11,742
Exploration and evaluation assets		1,806	1,120
Development assets		145	-
Intangible assets		6,278	6,203
Other assets		46	44
Total non-current assets		30,224	27,352
Total assets		33,618	30,940
Current liabilities			
Trade and other payables		2,227	2,260
Interest-bearing liabilities		363	337
Other financial liabilities, including derivatives	8	617	603
Provision for income tax		2	41
Employee benefits		206	248
Provisions		111	104
Total current liabilities		3,526	3,593
Non-current liabilities			
Trade and other payables		181	397
Interest-bearing liabilities		11,720	9,025
Other financial liabilities, including derivatives	8	1,256	1,316
Deferred tax liabilities		1,016	883
Employee benefits		35	31
Provisions		623	566
Total non-current liabilities		14,831	12,218
Total liabilities		18,357	15,811
Net assets		15,261	15,129
Equity			
Share capital	9	4,561	4,520
Reserves		539	170
Retained earnings		8,454	8,754
Total parent entity interest		13,554	13,444
Non-controlling interests		1,707	1,685
Total equity		15,261	15,129

The interim statement of financial position should be read in conjunction with the accompanying notes to the interim financial statements.

Origin Energy Limited and its Controlled Entities
Interim statement of changes in equity

\$million	Share capital	Share-based payments reserve	Foreign currency translation reserve	Hedging reserve	Available-for-sale reserve	Retained earnings	Non-controlling interests	Total equity
Balance as at 1 July 2014	4,520	139	132	(100)	(1)	8,754	1,685	15,129
Other comprehensive income	-	-	191	157	6	-	46	400
(Loss)/Profit	-	-	-	-	-	(25)	26	1
Total comprehensive income/(expense) for the period	-	-	191	157	6	(25)	72	401
Dividends paid (refer note 5)	-	-	-	-	-	(276)	(50)	(326)
Movement in share capital (refer note 9)	41	-	-	-	-	-	-	41
Share-based payments	-	15	-	-	-	1	-	16
Total transactions with owners recorded directly in equity	41	15	-	-	-	(275)	(50)	(269)
Balance as at 31 December 2014	4,561	154	323	57	5	8,454	1,707	15,261
Balance as at 1 July 2013	4,441	106	(10)	(19)	(4)	8,769	1,511	14,794
Other comprehensive income/(expense)	-	-	166	(14)	3	6	136	297
Profit	-	-	-	-	-	322	50	372
Total comprehensive income/(expense) for the period	-	-	166	(14)	3	328	186	669
Dividends paid (refer note 5)	-	-	-	-	-	(275)	(46)	(321)
Movement in share capital	44	-	-	-	-	-	-	44
Share-based payments	-	15	-	-	-	-	-	15
Total transactions with owners recorded directly in equity	44	15	-	-	-	(275)	(46)	(262)
Balance as at 31 December 2013	4,485	121	156	(33)	(1)	8,822	1,651	15,201

The interim statement of changes in equity should be read in conjunction with the accompanying notes to the interim financial statements.

Origin Energy Limited and its Controlled Entities
Interim statement of cash flows
for the half year ended 31 December

	Note	2014 \$million	2013 \$million
Cash flows from operating activities			
Cash receipts from customers		8,111	8,394
Cash paid to suppliers		(6,987)	(7,236)
Cash generated from operations		1,124	1,158
Income taxes paid		(83)	(76)
Net cash from operating activities		1,041	1,082
Cash flows from investing activities			
Acquisition of property, plant and equipment		(262)	(231)
Acquisition of exploration and development assets		(791)	(56)
Acquisition of other assets		(118)	(86)
Acquisition of businesses, net of cash acquired	11	-	(25)
Payment received on settling pre-existing arrangements with acquired Eraring Energy entity	11	-	300
Investments in joint ventures/associates		(27)	(15)
Interest received from equity accounted investees		58	-
Interest received from other parties		-	9
Net proceeds from sale of non-current assets		-	87
Repayment of loans to equity accounted investees		-	(1,437)
Loans to equity accounted investees		(1,470)	-
Net cash used in investing activities		(2,610)	(1,454)
Cash flows from financing activities			
Proceeds from borrowings		8,658	7,813
Repayment of borrowings		(6,563)	(6,587)
Interest paid		(256)	(254)
Dividends paid by the parent entity		(235)	(231)
Dividends paid to non-controlling interests		(50)	(46)
Net cash from financing activities		1,554	695
Net (decrease)/increase in cash and cash equivalents		(15)	323
Cash and cash equivalents at the beginning of the period		228	308
Effect of exchange rate changes on cash		11	9
Cash and cash equivalents at the end of the period		224	640

The interim statement of cash flows should be read in conjunction with the accompanying notes to the interim financial statements.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

1. Statement of significant accounting policies

Origin Energy Limited (the company) is a Company domiciled in Australia. The interim financial statements of the Company for the half year ended 31 December 2014, comprise the Company, its controlled entities and the consolidated entity's interest in joint operations and joint ventures (together referred to as the consolidated entity).

The interim financial statements were approved by the Board of Directors on 18 February 2015.

The interim financial statements do not include all of the information required for a full annual financial report, and should be read in conjunction with the financial statements of the consolidated entity for the full year ended 30 June 2014.

The financial statements of the consolidated entity as at and for the year ended 30 June 2014 are available upon request from the company's registered office at Level 45, Australia Square, 264 - 278 George Street, Sydney NSW 2000 or at <http://reports.originenergy.com.au>.

(a) Statement of compliance

The interim financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

(b) Basis of preparation

The interim financial statements are presented in Australian dollars, which is the functional currency of the Company and the majority of the controlled entities in the consolidated entity. Unless otherwise stated all reference to '\$' refers to Australian dollars.

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial statements have been rounded off to the nearest million dollars, unless otherwise stated.

The accounting policies applied by the consolidated entity in these interim financial statements are the same as those applied by the consolidated entity in its financial statements for the full year ended 30 June 2014.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

(c) Accounting estimates and judgements

Estimates and underlying assumptions are reviewed on an ongoing basis. The basis of estimation for the period and the key areas where estimates have been applied is consistent with the basis described in the financial statements for the full year ended 30 June 2014.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

2. Segments

(a) Operating segments

The operating segments have been presented on a basis consistent with the information that is provided internally to the Managing Director who is the chief operating decision maker for the consolidated entity. The segments are:

Energy Markets - Australian energy retailing, associated products and services; power generation in Australia; and LPG operations in Australia, the Pacific, Papua New Guinea and Vietnam.

Exploration & Production - Gas and oil exploration, development and production in Australia, New Zealand and International areas of interest.

LNG - The consolidated entity's 37.5 per cent investment in Australia Pacific LNG includes current domestic operations, the Australia Pacific LNG coal seam gas to LNG export project as well as the consolidated entity's LNG Upstream Operator activities.

Contact Energy - The consolidated entity's investment in its 53.1 per cent owned New Zealand controlled entity. Contact Energy Limited is involved in energy retailing, associated products and services, and power generation in New Zealand.

Corporate - Corporate activities that are not allocated to other operating segments and business development activities outside of the consolidated entity's existing operations.

The Managing Director receives financial information on the segment result of each operating segment so as to assess the performance of each segment, including the items excluded from segment result and underlying consolidated profit by segment, and a reconciliation of the statutory consolidated profit to the underlying consolidated profit.

Segment result represents underlying earnings before interest and tax (EBIT) for the Energy Markets and Exploration & Production segments. Net financing costs and tax expense/(benefit) are allocated to the LNG, Contact Energy and the Corporate segments in measuring segment result.

Origin Energy Limited and its Controlled Entities
Notes to the interim financial statements

2. Segments (continued)

(a) Operating segments (continued)
for the half year ended 31 December

Segment results:

	Energy Markets		Exploration & Production		LNG⁽¹⁾		Contact Energy		Corporate		Consolidated	
\$million	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue												
Total segment revenue	5,489	5,850	424	525	-	-	1,125	1,007	-	-	7,038	7,382
Intersegment sales elimination ⁽²⁾	-	-	(85)	(140)	-	-	(3)	(4)	-	-	(88)	(144)
Total revenues from external customers	5,489	5,850	339	385	-	-	1,122	1,003	-	-	6,950	7,238
Underlying Earnings before interest, tax, depreciation and amortisation (EBITDA)⁽³⁾	617	505	208	302	39	35	234	232	(18)	8	1,080	1,082
Depreciation and amortisation expense	(151)	(133)	(143)	(140)	(10)	(8)	(92)	(82)	-	-	(396)	(363)
Share of interest, tax, depreciation and amortisation of equity accounted investees	-	-	-	-	(25)	(25)	-	-	-	-	(25)	(25)
Underlying Earnings before interest and tax (EBIT)	466	372	65	162	4	2	142	150	(18)	8	659	694
Net financing costs					-	-	(49)	(40)	(56)	(68)	(105)	(108)
Income tax expense					-	-	(27)	(31)	(144)	(130)	(171)	(161)
Non-controlling interests							(36)	(42)	(1)	(2)	(37)	(44)
Segment result and underlying consolidated profit	466	372	65	162	4	2	30	37	(219)	(192)	346	381
Items excluded from segment result and underlying consolidated profit for the period (refer note 2(b)):												
(Decrease)/increase in fair value of financial instruments	(27)	(123)	(78)	(106)	(274)	2	(17)	14	(9)	(4)	(405)	(217)
Disposals, dilutions and impairments	193	357	(73)	-	-	-	-	20	-	(51)	120	326
LNG related items	-	-	-	-	(189)	(272)	-	-	-	-	(189)	(272)
Other	(6)	(60)	-	12	-	-	(16)	(15)	(8)	(7)	(30)	(70)
Tax and non-controlling interests on items excluded from segment result					125	80	19	(12)	(11)	106	133	174
Impact of items excluded from segment result and underlying consolidated profit net of tax	160	174	(151)	(94)	(338)	(190)	(14)	7	(28)	44	(371)	(59)
Statutory (loss)/profit attributable to members of the parent entity											(25)	322

⁽¹⁾ The LNG segment includes the consolidated entity's LNG Upstream Operator. Costs incurred and recoveries received in relation to the consolidated entity's role as LNG Upstream Operator are recharged to APLNG in accordance with the Shareholders Agreement. Costs incurred and related recoveries are allocated to the LNG and Corporate segments consistent with the segment which incurred the underlying expenses. Given the nature of the recovery mechanism, costs may be incurred in periods different to when recoveries are received from APLNG.

⁽²⁾ Intersegment pricing is determined on an arm's length basis. Intersegment sales are eliminated on consolidation. The Exploration & Production segment sells gas and LPG to the Energy Markets segment and LPG to Contact Energy. Contact Energy sells electricity to the Exploration and Production segment.

⁽³⁾ Underlying EBITDA includes the consolidated entity's share of underlying EBITDA of equity accounted investees of \$29 million (2013: \$26 million). Refer note 7(b) for further details.

Origin Energy Limited and its Controlled Entities
Notes to the interim financial statements

2. Segments (continued)

(a) Operating segments (continued)

Other segment information: as at \$million	Energy Markets		Exploration & Production		LNG		Contact Energy		Corporate		Consolidated	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014
Assets												
Segment assets	12,246	12,475	4,938	4,061	291	254	6,161	6,068	234	151	23,870	23,009
Investments accounted for using the equity method (refer note 7(b))	-	-	-	-	6,232	6,154	-	-	220	171	6,452	6,325
Cash and funding related derivatives and current and deferred tax assets					2,444	974	33	12	819	620	3,296	1,606
Total assets	12,246	12,475	4,938	4,061	8,967	7,382	6,194	6,080	1,273	942	33,618	30,940
Liabilities												
Segment liabilities	(2,257)	(2,626)	(1,274)	(1,325)	(359)	(283)	(347)	(337)	(361)	(383)	(4,598)	(4,954)
Other financial liabilities, interest bearing liabilities and funding related derivatives and tax liabilities					(6,612)	(5,059)	(2,373)	(2,310)	(4,774)	(3,488)	(13,759)	(10,857)
Total liabilities	(2,257)	(2,626)	(1,274)	(1,325)	(6,971)	(5,342)	(2,720)	(2,647)	(5,135)	(3,871)	(18,357)	(15,811)
Acquisitions of non-current assets (includes capital expenditure) ⁽¹⁾	131	549	981	522	-	-	44	244	85	87	1,241	1,402

⁽¹⁾ Cash contributions to Australia Pacific LNG are not treated as acquisitions as they represent loans to Australia Pacific LNG of \$1,470 million by way of Mandatory Redeemable Preference Shares rather than an increase in Origin's investment in Australia Pacific LNG.

Origin Energy Limited and its Controlled Entities
Notes to the interim financial statements

2. Segments (continued)

**(b) Reconciliation of underlying consolidated profit to statutory profit
for the half year ended 31 December**

\$million	2014				2013			
	Gross	Tax	Non- controlling Interests	Net	Gross	Tax	Non- controlling Interests	Net
(Loss)/Profit attributable to members of the parent entity				(25)				322
Items excluded from segment result and underlying consolidated profit attributable to members of the parent entity:								
Decrease in fair value of financial instruments	(405)	121	5	(279)	(217)	64	(5)	(158)
Disposals, dilutions and impairments	120	(38)	-	82	326	(97)	(2)	227
LNG related items	(189)	44	-	(145)	(272)	81	-	(191)
Other	(30)	(5)	6	(29)	(70)	132	1	63
Total of items excluded from segment result and underlying consolidated profit	(504)	122	11	(371)	(233)	180	(6)	(59)
Underlying consolidated profit attributable to members of the parent entity				346				381

Refer note 2(c) for further detail on these items.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

2. Segments (continued)

(c) Explanatory notes to the reconciliation of underlying consolidated profit to statutory profit

Decrease in fair value of financial instruments

Change in fair value of financial instruments relates to instruments that are effective economic hedges but do not qualify for hedge accounting or have some ineffectiveness.

Disposals, dilutions and impairments

\$million	2014		2013	
	Gross	Tax	Gross	Tax
Gain on disposal of TAWN, Contact assets and other assets	-	-	22	(7)
Net gain on settlement of GenTrader arrangements (refer note 11)	-	-	357	(90)
Release of unfavourable contract liability ⁽¹⁾	193	(58)	-	-
Disposals and dilutions	193	(58)	379	(97)
Investments accounted for using the equity method (refer note 7)	-	-	(51)	-
Property, plant and equipment ⁽²⁾	(73)	20	(2)	-
Impairments	(73)	20	(53)	-
Total disposals, dilutions and impairments	120	(38)	326	(97)

⁽¹⁾ As a result of the renegotiation of the Smithfield Power Purchase Agreement (PPA), a net amount of \$193 million has been released from the original contract liability to reflect the revised end date of the PPA.

⁽²⁾ In the half year ended 31 December 2014, the consolidated entity recorded an impairment of \$73 million (tax expense \$20 million) in relation to NZ Onshore property, plant and equipment.

LNG related items

\$million	2014		2013	
	Gross	Tax	Gross	Tax
Net financing costs not able to be capitalised ⁽¹⁾	(82)	25	(153)	46
Share of unwinding of discounted receivables within Australia Pacific LNG (refer note 7(c))	-	-	5	-
Share of tax expense on translation of foreign denominated long term tax balances	(33)	-	(7)	-
Foreign currency loss ⁽²⁾	(63)	19	(117)	35
Australia Pacific LNG pre-production costs not able to be capitalised	(11)	-	-	-
	(189)	44	(272)	81

⁽¹⁾ \$82 million (2013: \$153 million): net financing costs incurred by the consolidated entity in funding the Australia Pacific LNG project. The interest would be capitalised if the development project was completed by the consolidated entity, rather than being held via an equity accounted investment.

⁽²⁾ \$63 million foreign currency loss (2013: \$117 million loss) incurred by the consolidated entity and Australia Pacific LNG predominantly in relation to the funding of Australia Pacific LNG.

Origin Energy Limited and its Controlled Entities
Notes to the interim financial statements

2. Segments (continued)

(c) Explanatory notes to the reconciliation of underlying consolidated profit to statutory profit (continued)

Other

\$million	2014		2013	
	Gross	Tax	Gross	Tax
Retail business transformation costs and NSW Energy assets transition costs ⁽¹⁾	(22)	6	(62)	19
IT transformation costs	(6)	2	-	-
Corporate transaction costs	(2)	-	(8)	2
Tax (expense)/benefit on translation of foreign denominated long term tax balances	-	(13)	-	8
Tax benefit on unbilled income ⁽²⁾	-	-	-	103
	(30)	(5)	(70)	132

⁽¹⁾ Retail business transformation and NSW Energy assets transition costs of \$22 million relate to the acquisition of Eraring Energy Pty Limited of \$6 million and the costs incurred by Contact Energy on its Retail transformation project of \$16 million. In the prior period, \$62 million relates to the Energy Markets' and Contact Energy's Retail transformation projects (\$19 million) and transition costs (\$43 million) integrating the acquired NSW Government Energy Retail and Eraring generation businesses.

⁽²⁾ During the prior period the consolidated entity and the Australian Taxation Office agreed to a revised approach for assessing unbilled revenue whereby the income tax treatment is now consistent with the accrual method used for accounting. As a result, a previously recorded deferred tax liability was reversed resulting in an income tax benefit of \$103 million recorded as an item excluded from underlying profit in the prior period.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

3. Profit for the half year ended 31 December

	Note	2014 \$million	2013 \$million
(a) Other income			
Net (loss)/gain on sale of other assets		(1)	26
Net gain on settlement of GenTrader arrangements	11	-	357
Release of unfavourable contract liability	2(c)	193	-
Other income		2	5
Total other income		194	388
(b) Expenses			
Raw materials and consumables used, and changes in finished goods and work in progress		(5,021)	(5,415)
Labour related expenses		(438)	(408)
Exploration (expense)/benefit		(13)	7
Depreciation and amortisation expense		(398)	(363)
Impairment of assets	2(b)	(73)	(53)
Decrease in fair value of financial instruments	2(b)	(405)	(217)
Net foreign exchange loss		(62)	(114)
Other expenses		(456)	(446)
Expenses		(6,866)	(7,009)
(c) Net financing costs			
Interest income			
Other parties		-	11
Interest income related to Australia Pacific LNG		42	-
		42	11
Interest expense			
Other parties		(95)	(109)
Impact of discounting on long term provisions		(10)	(10)
Interest expense related to Australia Pacific LNG funding		(124)	(153)
		(229)	(272)
Net financing costs		(187)	(261)
Net financing costs excluding interest expense related to Australia Pacific LNG funding⁽¹⁾		(105)	(108)
Financing costs capitalised		51	48

⁽¹⁾ Disclosure is provided to enable reconciliation to net financing costs included in the segment analysis in note 2(a).

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

4. Taxation

The current half year tax expense of \$49 million and prior period tax benefit of \$19 million resulted in an effective statutory tax rate expense of 98 per cent (2013: 5 per cent benefit) compared to the corporate rate of 30 per cent. In the current half year this was primarily due to the tax expense on foreign currency translation of deferred taxes on long term assets held by foreign denominated operations.

During the prior half year the consolidated entity and the Australian Taxation Office agreed to a revised approach for assessing unbilled revenue whereby the income tax treatment is now consistent with the accrual method used for accounting. As a result, a previously recorded deferred tax liability was reversed resulting in an income tax benefit of \$103 million recorded as an item excluded from underlying profit for the half year ended 31 December 2013.

5. Dividends paid for the half year ended 31 December

	2014 \$million	2013 \$million
Final dividend of 25 cents per share, unfranked, paid 26 September 2014 (2013: Final dividend of 25 cents per share, unfranked, paid 27 September 2013).	276	275

6. Other financial assets, including derivatives as at

	31 December 2014 \$million	30 June 2014 \$million
Current		
Derivative financial instruments	116	178
Environmental scheme certificates	257	134
Available-for-sale financial assets	77	67
Other financial assets	4	-
	454	379
Non-current		
Derivative financial instruments	948	690
Environmental scheme certificates	120	115
Available-for-sale financial assets	34	27
Mandatory Redeemable Cumulative Preference Shares issued by Australia Pacific LNG	2,444	974
	3,546	1,806

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

7. Investments accounted for using the equity method

(a) Investments summary for the half year ended 31 December

	Reporting date	2014 Ownership interest (%)	2013
Joint venture entities			
Australia Pacific LNG Pty Ltd ⁽¹⁾	30 Jun	37.5	37.5
Energia Andina S.A. ⁽²⁾	31 Dec	49.9	40.0
Energia Austral SpA ⁽³⁾	31 Dec	34.0	29.6
Gas Industry Superannuation Pty Limited ⁽⁴⁾	30 Jun	-	50.0
KUBU Energy Resources (Pty) Limited	30 Jun	50.0	50.0
OTP Geothermal Pte Ltd	31 Dec	50.0	50.0
PNG Energy Developments Limited ⁽⁵⁾	31 Dec	50.0	50.0
Rockgas Timaru Ltd	31 Mar	50.0	50.0
Transform Solar Pty Ltd	30 Jun	50.0	50.0
Venn Energy Trading Pte Limited	31 Mar	50.0	50.0

⁽¹⁾ Australia Pacific LNG is a separate vehicle and provides the consolidated entity rights to a share of the net assets of the entity. Operating, management and funding decisions require the unanimous support of the Foundation shareholders, which includes the consolidated entity. Accordingly, joint control was deemed to exist and the consolidated entity has classified the investment in Australia Pacific LNG as a joint venture.

⁽²⁾ The consolidated entity determined joint control existed for this arrangement as key decisions require super majority (4 directors) approval, with the consolidated entity entitled to appoint 2 of the 5 directors. The consolidated entity's ownership interest increased to 49.9 per cent in the current reporting period due to additional contributions made to the Energia Andina joint venture to fund the acquisition of a 40 per cent interest in the Javiera joint venture.

⁽³⁾ The consolidated entity determined joint control existed for this arrangement as key decisions require super majority (4 directors) approval, with the consolidated entity entitled to appoint 2 of the 5 directors. The consolidated entity's ownership interest is subject to change between reporting periods due to equity contributions made to the joint venture.

⁽⁴⁾ During the half year ended 31 December 2014 Gas Industry Superannuation Pty Limited was deregistered.

⁽⁵⁾ The consolidated entity's \$51 million investment in PNG EDL was impaired during the prior period.

Origin Energy Limited and its Controlled Entities
Notes to the financial statements

7. Investments accounted for using the equity method (continued)

(b) Results of equity accounted investees

as at

\$million	31 December 2014				31 December 2013			30 June 2014
	Share of EBITDA	Share of interest, tax, depreciation and amortisation (ITDA)	Share of net profit	Equity accounted investment carrying amount	Share of EBITDA	Share of interest, tax, depreciation and amortisation (ITDA)	Share of net profit	Equity accounted investment carrying amount
Australia Pacific LNG joint venture ⁽³⁾	11	(52)	(41)	6,232	25	(27)	(2)	6,154
Other joint venture entities ⁽³⁾	-	-	-	220	(1)	-	(1)	171
Total	11	(52)	(41)	6,452	24	(27)	(3)	6,325
Consolidated entity's share of items recorded in Australia Pacific LNG treated as items excluded from underlying consolidated profit ⁽¹⁾	18	27	45		2	2	4	
Total excluding the consolidated entity's share of items recorded in Australia Pacific LNG treated as items excluded from underlying consolidated profit⁽²⁾	29	(25)	4		26	(25)	1	

⁽¹⁾ The consolidated entity's share of items recorded in Australia Pacific LNG treated as items excluded from underlying consolidated profit is detailed in this note 7(c).

⁽²⁾ Disclosure is provided to enable the reconciliation to share of interest, tax, depreciation and amortisation of equity accounted investees included in the segment analysis in note 2(a).

⁽³⁾ Australia Pacific LNG's summary financial information is separately disclosed in this note 7(c). Results of "other" joint venture entities are immaterial.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

7. Investments accounted for using the equity method (continued)

(c) Investment in Australia Pacific LNG Pty Ltd

The consolidated entity's interest in the results of Australia Pacific LNG are included in the operating segment "LNG" (refer note 2), along with the consolidated entity's LNG Upstream Operator activities.

A summary of Australia Pacific LNG's financial performance for the periods ended 31 December 2014 and 31 December 2013, and its financial position as at 31 December 2014 and 30 June 2014 follows:

for the half year ended 31 December

	2014	2014	2013	2013
	\$million	\$million	\$million	\$million
	Total APLNG	Origin interest	Total APLNG	Origin interest
Operating revenue	196		237	
Operating expenses	(119)		(164)	
EBITDA	77	29	73	27
Depreciation and amortisation expense	(63)		(63)	
Interest income	3		3	
Interest expense	(16)		(6)	
Income tax benefit/(expense)	11		(1)	
Segment result for the period	12	4	6	2
Post-tax items excluded from segment result:				
Net unwinding of discounted receivables from shareholders	-	-	12	5
Net foreign exchange loss	(3)	(1)	(5)	(2)
Tax expense on translation of foreign denominated tax balances	(87)	(33)	(19)	(7)
Pre-production costs not able to be capitalised	(28)	(11)	-	-
Total post-tax items excluded from segment result	(118)	(45)	(12)	(4)
Net loss for the period	(106)	(41)	(6)	(2)
Other comprehensive income	381	143	75	28
Total comprehensive income	275	102	69	26

Origin Energy Limited and its Controlled Entities
Notes to the interim financial statements

7. Investments accounted for using the equity method (continued)

(c) Investment in Australia Pacific LNG Pty Ltd (continued)
as at

	31 December 2014 \$million	30 June 2014 \$million
Summary statement of financial position of Australia Pacific LNG		
Cash and cash equivalents	338	228
Other current assets	685	546
Current assets	1,023	774
Property, plant and equipment	32,802	27,148
Exploration, evaluation and development assets	1,700	1,358
Other non-current assets	179	64
Non-current assets	34,681	28,570
Total assets	35,704	29,344
Other current liabilities	1,877	1,532
Current liabilities	1,877	1,532
Bank loans - secured	9,598	8,042
Payable to shareholders	6,517	2,597
Other non-current liabilities	1,081	817
Non-current liabilities	17,196	11,456
Total liabilities	19,073	12,988
Net assets	16,631	16,356
Consolidated entity's interest of 37.5 per cent	6,237	6,134
Consolidated entity's own costs	25	25
Impact of Mandatorily Redeemable Cumulative Preference Shares elimination ⁽¹⁾	(30)	(5)
	6,232	6,154

⁽¹⁾ The consolidated entity has invested in Mandatorily Redeemable Cumulative Preference Shares (MRCPS) issued by Australia Pacific LNG. The MRCPS are issued progressively on a partly paid basis, and are paid up through contributions to Australia Pacific LNG in satisfaction of its cash requirements. The MRCPS is required to be recognised as a financial liability by Australia Pacific LNG and a financial asset by the consolidated entity due to the mandatory redemption feature. The consolidated entity recognises the MRCPS dividend as interest revenue in the consolidated entity's income statement. The proportion attributable to the consolidated entity's own interest (37.5%) is eliminated through the equity accounted investment balance as Australia Pacific LNG capitalises interest expense associated with the MRCPS.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

8. Other financial liabilities, including derivatives as at

	31 December 2014 \$million	30 June 2014 \$million
Current		
Derivative financial instruments	113	165
Environmental scheme surrender obligations	504	422
Other financial liabilities	-	16
	<u>617</u>	<u>603</u>
Non-current		
Derivative financial instruments	1,256	1,316
	<u>1,256</u>	<u>1,316</u>

9. Share capital

	6 months to 31 December 2014 \$million	12 months to 30 June 2014 \$million
Issued and paid-up capital		
1,106,310,149 (June 2014: 1,103,645,753) ordinary shares, fully paid	<u>4,561</u>	<u>4,520</u>
Ordinary share capital at the beginning of the period	4,520	4,441
Shares issued:		
• 2,624,622 (June 2014: 5,531,820) shares in accordance with the Dividend Reinvestment Plan	41	79
• 39,774 (June 2014: 152,062) shares in accordance with the Long Term Incentive Plan	-	-
Total movements in ordinary share capital	<u>41</u>	<u>79</u>
Ordinary share capital at the end of the period	<u>4,561</u>	<u>4,520</u>

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as determined from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the company, ordinary shareholders rank after creditors, and are fully entitled to any proceeds of liquidation.

The company does not have authorised capital or par value in respect of its issued shares.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

10. Notes to the interim statement of cash flows

for the half year ended 31 December

	2014 \$million	2013 \$million
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(a) Reconciliation of cash and cash equivalents

Cash included in the interim statement of cash flows includes cash on hand, at bank and short-term deposits, net of outstanding bank overdrafts.

(b) The following non-cash financing and investing activities have not been included in the statement of cash flow:

Issue of shares in respect of the Dividend Reinvestment Plan	41	44
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11. Business combinations

31 December 2014

There were no business combinations during the half year ended 31 December 2014.

30 June 2014

During the year ended 30 June 2014, the consolidated entity completed the acquisition of 100 per cent of Eraring Energy Pty Limited ("Eraring Energy") under a sale and purchase agreement with the New South Wales Government ("The State"). The acquisition was successfully completed on 1 August 2013 and provided the consolidated entity ownership of the Eraring Power Station and Shoalhaven Scheme, adding flexibility in the operation of the consolidated entity's generation portfolio.

Cash purchase consideration of \$50 million⁽¹⁾ was paid on the completion date, and was subsequently adjusted for the settlement of working capital and other balances as part of the completion statement mechanism (-\$2 million) and the settlement of a payable amount in respect of the previously existing GenTrader agreements (-\$19 million) in January 2014. Net of these adjustments the purchase consideration was \$29 million. Considering the acquired cash balance (\$25 million), the net cash impact from the acquisition was \$4 million. The fair value of net identifiable assets acquired was \$29 million, taking into account goodwill recorded of \$172 million.

As part of the acquisition, the consolidated entity effectively settled the GenTrader agreements and the Cobbora Coal Supply Agreement which was entered into while Eraring Energy was owned by the State.

The GenTrader agreements were settled at the acquisition date at their fair value resulting in the derecognition of deferred tax liabilities of \$317 million and reduction in goodwill of \$260 million. The consolidated entity also received a payment of \$300 million from the State in respect of the cancellation of the Cobbora Coal Supply Agreement. The settlement of the pre-existing relationships resulted in a gain of \$357 million recognised in "other income" in the income statement. The gain has been recorded as an item excluded from underlying profit (refer note 2(c)).

⁽¹⁾ The cash purchase consideration of \$50 million paid on completion reflects a total purchase price of \$659 million net of the balance of prepaid capacity charges and funds prepaid on deposit with the State of \$609 million, in relation to the existing GenTrader arrangements.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

12. Contingent liabilities and assets

Details of other contingent liabilities where the probability of future payments is not considered remote, are set out below. Provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement. Details of contingent liabilities and contingent assets, which the directors consider should be disclosed, have also been included.

as at

	31 December 2014 \$million	30 June 2014 \$million
Bank guarantees - unsecured	306	328
Letters of credit - unsecured	23	22
	329	350

The bank guarantees and letters of credit disclosed have primarily been provided by the consolidated entity in favour of the Australian Energy Market Operator Limited to support its obligations to purchase electricity from the National Electricity Market.

The consolidated entity has provided guarantees for certain contractual commitments of its joint ventures. The consolidated entity has disclosed its share of these contractual commitments in note 13.

At 31 December 2014, the consolidated entity holds a 37.5 per cent interest in Australia Pacific LNG (an equity accounted joint venture of the consolidated entity) and currently the consolidated entity provides shareholder guarantees in excess of its 37.5 per cent shareholding in relation to certain contractual commitments relating to Australia Pacific LNG. A process remains ongoing amongst ConocoPhillips, Sinopec, Australia Pacific LNG and the consolidated entity to amend the relevant guarantees to either remove Origin as guarantor or to reflect each shareholder's proportionate shareholding in Australia Pacific LNG.

Australia Pacific LNG has secured US\$8.5 billion through a project finance facility. At 31 December 2014, Australia Pacific LNG has drawn down US\$8.1 billion under the project finance facility covering capital expenditure, fees and interest. The consolidated entity guarantees its proportionate share of amounts drawn down under the facility during the construction phase of the project (37.5 per cent share at 31 December 2014 being US\$3.0 billion).

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

12. Contingent liabilities and assets (continued)

The consolidated entity has given to its bankers letters of comfort in respect of financial accommodation provided from time to time by the banks to certain partly-owned controlled entities of the consolidated entities.

Warranties and indemnities have been given and received by entities in the consolidated entity in relation to environmental liabilities for certain properties as part of the terms and conditions of divestments and acquisitions.

A number of sites within or previously owned/operated by the consolidated entity have been identified as contaminated. These properties are subject to ongoing environmental management programs to ensure appropriate controls are in place and clean-up requirements are implemented. For sites where the requirements can be assessed and costs estimated, the estimated cost of remediation has been provided for.

Certain entities within the consolidated entity are subject to lawsuits and claims by various parties as well as audits and reviews by government or regulatory bodies. In most instances it is not possible to reasonably predict the outcome of these matters.

The consolidated entity, as a participant in certain joint arrangements, is liable for a share of all liabilities incurred by these joint arrangements in proportion to its equity interest in them. In some circumstances, the consolidated entity may incur more than its proportionate share of such liabilities, but will have the right to recover the excess liability from the other joint arrangement participants.

As part of the acquisition of a 40 per cent interest in two offshore exploration permits in Western Australia's Browse Basin, the consolidated entity agreed to pay cash consideration of US\$75 million contingent upon a project Final Investment Decision (FID) and US\$75 million contingent upon first production. The consolidated entity will pay further contingent consideration of up to US\$50 million upon first production if 2P reserves, at the time of FID, reach certain thresholds. These obligations have not been provided for at the reporting date as they are dependent upon uncertain future events not wholly within the consolidated entity's control.

Deed of cross guarantee

Under the terms of ASIC Class Order (CO) 98/1418 (as amended by CO 98/2017) certain wholly-owned controlled entities have been granted relief from the requirement to prepare audited financial statements. Origin Energy Limited has entered into an approved deed of indemnity for the cross-guarantee of liabilities with those controlled entities.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

13. Commitments as at

	31 December 2014 \$million	30 June 2014 \$million
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At the reporting date, the consolidated entity has contracted but not provided for the following commitments:

Capital expenditure commitments	319	77
Joint venture commitments ⁽¹⁾	1,510	2,317

The above commitments include amounts payable within one year of:

Capital expenditure commitments	218	61
Joint venture commitments	1,346	1,919

⁽¹⁾ Included in the joint venture commitments above is an amount of \$1,174 million (30 June 2014: \$2,024 million) relating to the consolidated entity's 37.5 per cent share of Australia Pacific LNG's commitments.

14. Financial instruments

Carrying amounts versus fair value

Except as noted below the carrying amounts of financial assets and liabilities are reasonable approximations of their fair values.

At 31 December 2014 the consolidated entity has the following financial instruments which are not measured at fair value in the interim statement of financial position.

	Fair value hierarchy level	Carrying value		Fair value	
		31 December 2014 \$million	30 June 2014 \$million	31 December 2014 \$million	30 June 2014 \$million
Assets					
Other financial assets	2	2,444	974	2,556	994
Liabilities					
Bank loans - unsecured	2	2,009	1,279	2,072	1,331
Bank loans - secured	2	225	236	228	241
Capital markets borrowings - unsecured	2	9,453	7,476	9,658	7,931
Interest bearing non-current borrowings		11,687	8,991	11,958	9,503

Financial risk management

The consolidated entity's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2014.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

14. Financial instruments (continued)

Fair value estimation

The consolidated entity has an established control framework with respect to the measurement of fair values.

The fair values of financial instruments traded in active markets (such as available-for-sale securities) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets held by the consolidated entity are the current bid prices for the assets.

The fair values of forward foreign exchange contracts are determined using quoted forward exchange rates at the reporting date.

The fair values of commodity option contracts which are regularly traded are determined based on the most recent available transaction prices for the same or similar instruments.

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. The consolidated entity uses valuation techniques consistent with the established valuation methodology and general market practice applicable to each instrument/market. Quoted market prices or dealer quotes for similar instruments are used for long-term debt.

The fair values of interest rate swaps and cross currency interest rate swaps are calculated using the present value of the estimated future cash flows of these instruments.

The fair values of commodity swaps and futures are calculated using the present value of the estimated future cash flows using available market forward prices.

Certain of the electricity derivatives utilised by the consolidated entity are not regularly traded and there are no observable market prices or transactions for equivalent or substantially similar instruments. Valuation techniques are required in order to estimate the fair value of such instruments. The valuation techniques estimate the fair value of the avoided cost of physical assets at the valuation date required to achieve an equivalent risk management outcome for the consolidated entity, taking into account all relevant variables including capital costs, fixed and variable operating costs, efficiency factors and asset lives.

The consolidated entity has forward sold a portion of its future oil and condensate production through a structured derivative instrument. The fair value of the derivative is measured with reference to the relevant observable market oil forward prices, foreign exchange rates and discount rates. As a result of the structured nature of the instrument, certain risk premium and credit variables utilised in the valuation model are unobservable.

Valuation techniques require the use of a range of variables and assumptions. Maximum use is made of all relevant independent and observable market data when selecting variables and developing assumptions for valuation techniques.

Each instrument is discounted at the market interest rate appropriate to the instrument.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

14. Financial instruments (continued)

Fair value estimation (continued)

The following key variables are used where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument:

- appropriate market pricing data (for the relevant underlying interest rates, foreign exchange rates or commodity prices);
- discount rates; and
- credit risk of the consolidated entity or counterparty where appropriate.

For these derivative instruments, each of these variables are taken from observed market pricing data at the valuation date and therefore these variables represent those which would be used by market participants to execute and value the instruments.

Fair value hierarchy

The table below summarises the financial instruments carried at fair value by valuation method. The different levels in the hierarchy are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly (as prices) or indirectly (derived from prices).
- Level 3: one or more key inputs for the instrument are not based on observable market data (unobservable inputs).

	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
as at 31 December 2014				
Derivative financial assets	-	696	368	1,064
Environmental scheme certificates	377	-	-	377
Available-for-sale financial assets	111	-	-	111
Total financial assets carried at fair value	488	696	368	1,552
Derivative financial liabilities	-	(862)	(507)	(1,369)
Environmental scheme certificates surrender obligations	(504)	-	-	(504)
Total financial liabilities carried at fair value	(504)	(862)	(507)	(1,873)
as at 30 June 2014				
Derivative financial assets	-	495	373	868
Environmental scheme certificates	249	-	-	249
Available-for-sale financial assets	94	-	-	94
Total financial assets carried at fair value	343	495	373	1,211
Derivative financial liabilities	-	(850)	(631)	(1,481)
Environmental scheme certificates surrender obligations	(422)	-	-	(422)
Total financial liabilities carried at fair value	(422)	(850)	(631)	(1,903)

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

14. Financial instruments (continued)

Fair value hierarchy (continued)

Transfers between hierarchy levels are expected to occur when there is a change in the observability of a pricing input, or a change in valuation technique. The consolidated entity recognises transfers between levels of the fair value hierarchy as of the beginning of the reporting period during which the transfer has occurred.

There were no transfers between the fair value hierarchy levels during the interim period ending 31 December 2014.

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy:

	\$million
Balance as at 1 July 2014	(258)
New instruments in the period	-
Net gain recognised in the statement of comprehensive income	196
Net loss from financial instruments at fair value through profit or loss	(77)
Balance as at 31 December 2014	(139)

Although the consolidated entity believes that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing the critical assumptions such that the resultant change in the ultimate fair value per unit of volume were to increase or decrease by 10 per cent would have the following effects:

for the half year ended 31 December 2014

	Effect on profit or loss	
	Favourable \$million	(Unfavourable) \$million
Derivative assets	27	(27)
Derivative liabilities	61	(61)

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the model values using expected cash flows and risk-adjusted discount rates based on the probability weighted average of the consolidated entity's ranges of possible outcomes. These are shown in the table above. Key inputs and assumptions used in the models at 31 December 2014 include:

Items impacting the expected cash flows

- **Forward commodity prices:** The consolidated entity uses both observable external market data and internally derived forecast data for forward commodity prices in the valuations of certain Level 3 instruments.
- **Physical generation plant variables:** The consolidated entity uses relevant variables from the valuation of physical generation assets with equivalent risk management outcomes as inputs to the valuation of certain Level 3 instruments. The key variables are new build capital costs, operating costs and plant efficiency factors.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

14. Financial instruments (continued)

Fair value hierarchy (continued)

Items impacting the discount rate

- **Risk-free discount rate:** The discount rates applied to the cash flows of the consolidated entity are based on the observable market rates for risk-free interest rate instruments for the appropriate term.
- **Credit adjustment:** The consolidated entity applies an observable entity or counterparty discount or credit spread curves to the discount rate depending on the asset/liability position of a financial instrument. Where a counterparty specific credit curve is not observable a proxy curve is applied, taking into consideration the credit rating of the counter party and its industry.

Gain/(loss) on initial recognition of financial instruments

The consolidated entity defers day one gains or losses arising on all applicable instruments in the statement of financial position on inception and recognises them in the income statement over the life of the instrument based on the profile of the present value at inception.

as at	31 December 2014 \$million
Derivative assets	
Opening balance - gain	124
Recognised in the interim income statement	(12)
Closing balance - gain	112
Derivative liabilities	
Opening balance - gain	9
Recognised in the interim income statement	-
Closing balance - gain	9

Significant funding transactions

for the half year ended 31 December 2014

On 16 September 2014 the consolidated entity issued €1 billion Hybrid Capital Securities on the Luxembourg Exchange which were swapped into A\$1.4 billion. The net proceeds of the issue were used to repay existing long-term debt, some of which had been drawn to fund the acquisition of interests in the two exploration permits in the Browse Basin.

The hybrid securities mature after 60 years and can be redeemed at years 5 and 10 or on any interest payment date thereafter.

The hybrid pays fixed semi-annual interest at a rate of 4.0 per cent per annum for the first 5 years and thereafter at reset rates in accordance with the terms and conditions. After hedging to Australian dollars, the cost to Origin will be 7.9 per cent per annum for the first 5 years.

In December 2014, the consolidated entity amended \$6.6 billion of syndicated loan facilities to reduce the interest rate margin, extend the maturities and increase the limit of the facilities by \$750 million to \$7.4 billion. The interest cost of the bank loan facilities was reduced by 0.3 per cent per annum and flexibility was added with increased USD drawdown capacity. The terms of the bank loan facilities were extended by 16 months to December 2018 and December 2019 respectively.

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

14. Financial instruments (continued)

Significant funding transactions (continued) for the year ended 30 June 2014

On 21 August 2013 the consolidated entity completed a \$7.4 billion debt refinancing with terms of 4 years and 5 years. The consolidated entity subsequently accepted and recognised an oversubscription of \$1.2 billion. These syndicated facilities were used to refinance existing bank debt facilities. As part of the refinancing the consolidated entity's standard banking terms have been renegotiated and the consolidated entity's debt maturity profile has been extended. The interest rate of the new bank debt facility is in line with the cost of existing bank debt.

On 4 October 2013 the consolidated entity completed the pricing and allocation of €800 million eight year medium term notes (Euro Notes). The Euro Notes have a coupon rate of 3.5 per cent and will mature in October 2021. The proceeds have been swapped into Australian dollars. The proceeds were used to repay certain drawn amounts under the \$7.4 billion syndicated bank loan facility and have been used to fund its contribution to Australia Pacific LNG and for general corporate purposes.

On 9 October 2013 the consolidated entity completed the pricing and allocation of US\$800 million five year senior unsecured notes (US\$ Notes) in the United States 144A market. The US\$ Notes have a coupon rate of 3.5 per cent and will mature in October 2018. The proceeds have been swapped into Australian dollars. The proceeds were used to repay certain drawn amounts under the \$7.4 billion syndicated bank loan facility and have been used to fund its contribution to Australia Pacific LNG and for general corporate purposes.

15. Changes in controlled entities

Acquisition of controlled entities

No entities were acquired during the half year ended 31 December 2014.

On 1 August 2013 the consolidated entity acquired 100 per cent of Eraring Energy Pty Limited and its 100 per cent owned subsidiary Eraring Energy Services Pty Limited (refer note 11).

Incorporation/registration of entities

Origin Energy Retail No. 1 Pty Limited and Origin Energy Retail No. 2 Pty Limited were incorporated/registered during the half year ended 31 December 2014.

Origin Energy LNG Holdings Pte Limited and Origin Energy Generacion Chile SpA were incorporated/registered during the half year ended 31 December 2013.

Disposal of entities

No entities were deregistered during the half years ended 31 December 2014 and 31 December 2013.

Name changes during the period

During the half year ended 31 December 2014 Speed-E-Gas (NSW) Pty Ltd changed its name to Origin Energy LPG Retail (NSW) Pty Limited.

The following name changes occurred during the half year ended 31 December 2013:

Eraring Energy Pty Limited to Origin Energy Eraring Pty Limited

Eraring Energy Services Pty Limited to Origin Energy Eraring Services Pty Limited

Origin Energy Limited and its Controlled Entities

Notes to the interim financial statements

16. Earnings per share

for the half year ended 31 December

	2014	2013
Earnings per share based on statutory consolidated profit		
Basic earnings per share	(2.3) cents	29.3 cents
Diluted earnings per share ⁽¹⁾	(2.3) cents	29.1 cents
Earnings per share based on underlying consolidated profit		
Underlying basic earnings per share	31.3 cents	34.6 cents
Underlying diluted earnings per share	31.1 cents	34.5 cents
Weighted average number of shares used as the denominator	2014	2013
	Number	Number
Number of ordinary shares for basic earnings per share calculation	1,105,030,389	1,099,662,987
Effect of executive share options, performance share rights and deferred share rights on issue	8,717,701	6,224,003
Number of ordinary shares for diluted earnings per share calculation	1,113,748,090	1,105,886,990

Reconciliation of earnings used in calculating basic and diluted earnings per share based on statutory profit

	2014	2013
	\$million	\$million
Profit for the period	1	372
Less: Profit attributable to non-controlling interests	(26)	(50)
Earnings used in calculating earnings per share	(25)	322

Refer note 2(b) for a reconciliation of underlying consolidated profit used in calculating earnings per share based on underlying consolidated profit.

⁽¹⁾ The effect of executive share options, performance share rights and deferred share rights on issue have been excluded in calculating the diluted earnings per share as they were anti-dilutive, considering the consolidated entity was in a loss position for the half year ended 31 December 2014.

17. Subsequent events

Dividends

Since the end of the interim period, the directors have determined to pay an interim dividend of 25 cents per share, unfranked, payable 31 March 2015.

The financial effect of this dividend has not been brought to account in the interim financial statements for the half year ended 31 December 2014 and will be recognised in subsequent financial statements.

Other than the matter described above, no other item, transaction or event of a material nature has arisen since 31 December 2014 that would significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial periods.

Director's Declaration

In the opinion of the directors of Origin Energy Limited (the Company):

1. The interim financial statements and notes are in accordance with the *Corporations Act 2001 (Cth)*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance, for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and other applicable accounting standards and the *Corporations Regulations 2001 (Cth)*.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Gordon M Cairns, Chairman
Director

Sydney, 19 February 2015



Independent auditor's review report to the members of Origin Energy Limited

We have reviewed the accompanying interim financial report of Origin Energy Limited, which comprises the consolidated interim statement of financial position as at 31 December 2014, consolidated interim income statement and consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the interim period ended on that date, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Origin Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Origin Energy Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Alison Kitchen'.

Alison Kitchen
Partner

Sydney

19 February 2015

Directors' Report for the six months ended 31 December 2014

In accordance with the *Corporations Act 2001*, the Directors of Origin Energy Limited (Company) report on the Company and the consolidated entity Origin Energy Group (Origin), being the Company and its controlled entities, for the half year ended 31 December 2014 ("the period"). The Operating and Financial Review forms part of this Directors' Report.

Directors

The names of the Directors of the Company holding office during the half year ended 31 December 2014 and up until the date of this Report are as follows:

Gordon M Cairns (Chairman)
Grant A King (Managing Director)
John H Akehurst
Bruce G Beeren (retired 22 October 2014)
Maxine N Brenner
Bruce W D Morgan
Karen A Moses
Ralph J Norris
Helen M Nugent

Review of Operations

A review of the operations and results of operations of Origin during the period is set out in the Operating and Financial Review, which is attached and forms part of this Directors' report.

Dividend

The Directors have determined to pay an interim unfranked dividend of 25 cents per share which will be paid on 31 March 2015 to shareholders on record on 26 February 2015 (compared with an unfranked dividend of 25 cents per share in the prior corresponding period).

Lead Auditor's Independence Declaration

The lead auditor's independence declaration made under Section 307C of the *Corporations Act 2001* is attached to and forms part of the Directors' Report for the half year ended 31 December 2014.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Consolidated Interim Financial Statements and Directors' Report have been rounded off to the nearest million dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



Mr Gordon M Cairns
Chairman

Sydney, 19 February 2015



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Origin Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'Alison Kitchen'.

Alison Kitchen
Partner

Sydney

19 February 2015



ORIGIN ENERGY

Operating and Financial Review

For the half year ended 31 December 2014

This report is attached to and forms part of the Directors' Report.

Important Information

This Operating and Financial Review (OFR) contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events and future financial prospects. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements, and the outcomes are not all within the control of Origin. Statements about past performance are not necessarily indicative of future performance.

Neither the Company nor any of its subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) (the "Relevant Persons") makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statement. The forward looking statements in this OFR reflect views held only at the date of this report and except as required by applicable law or the ASX Listing Rules, the Relevant Persons disclaim any obligation or undertaking to publicly update any forward looking statements, or discussion of future financial prospects, whether as a result of new information or future events.

This OFR and Directors' Report refer to Origin's interim financial results, including Origin's Statutory Profit and Underlying Profit. Origin's Statutory Profit contains a number of items that when excluded provide a different perspective on the financial and operational performance of the business. Income Statement amounts, presented on an underlying basis such as Underlying Profit, are non-IFRS financial measures, and exclude the impact of these items consistent with the manner in which the Managing Director reviews the financial and operating performance of the business. Each underlying measure disclosed has been adjusted to remove the impact of these items on a consistent basis. A reconciliation and description of the items that contribute to the difference between Statutory Profit and Underlying Profit is provided in Section 3.1 of this OFR.

Certain other non-IFRS financial measures are also included in this OFR. These non-IFRS financial measures are used internally by management to assess the performance of Origin's business and make decisions on allocation of resources. Further information regarding the non-IFRS financial measures is included in the Glossary in Appendix 2 of this OFR. Non-IFRS measures have not been subject to audit or review. Certain comparative amounts from the prior corresponding period have been re-presented to conform to the current period's presentation.

Disclosures of Origin and Australia Pacific LNG's reserves and resources are as at 30 June 2014. These reserves and resources were announced on 31 July 2014 in Origin's Annual Reserves Report for the year ended 30 June 2014 (Annual Reserves Report). Origin confirms that it is not aware of any new information or data that materially affects the information included in the Annual Reserves Report and that all the material assumptions and technical parameters underpinning the estimates in the Annual Reserves Report continue to apply and have not materially changed.

Petroleum reserves and contingent resources are typically prepared by deterministic methods with support from probabilistic methods. Petroleum reserves and contingent resources are aggregated by arithmetic summation by category and as a result, proved reserves (1P reserves) may be a conservative estimate due to the portfolio effects of the arithmetic summation. Proved plus probable plus possible (3P reserves) may be an optimistic estimate due to the same aforementioned reasons.

Some of Australia Pacific LNG CSG reserves and resources are subject to reversionary rights to transfer back to Tri-Star a 45% interest in Australia Pacific LNG's share of those CSG interests that were acquired from Tri-Star in 2002 if certain conditions are met. Approximately 22% of Australia Pacific LNG's 3P CSG reserves as of 30 June 2014 are subject to the reversionary rights. If reversion occurs this may mean that the uncommitted reserves that are subject to reversion are not available for Australia Pacific LNG to sell or use after the date of reversion. Origin has assessed the potential impact of reversionary rights associated with such interests based on economic tests consistent with these reserves and resources and based on that assessment does not consider that reversion will impact the reserves and resources quoted in the Annual Reserves Report. In October 2014, Tri-Star commenced proceedings against Australia Pacific LNG claiming that reversion has occurred. Australia Pacific LNG intends to defend the claim.

Origin Energy Operating and Financial Review for the half year ended 31 December 2014

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1. Financial and Operating Highlights

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
Statutory Results¹:			
External revenue	6,950	7,238	(4)
Statutory Profit/(Loss)	(25)	322	N/A
Statutory earnings per share	(2.3¢)	29.3¢	N/A
Items excluded from Underlying Profit	(371)	(59)	529
Underlying Results¹:			
Underlying Profit	346	381	(9)
Underlying earnings per share	31.3¢	34.6¢	(10)
Underlying EBITDA	1,080	1,082	-
Interim dividend per share – unfranked	25.0¢	25.0¢	-
Ordinary shares on issue at period end (million shares)	1,106	1,101	-
Cash flows from operating activities	1,041	1,082	(4)
Group OCAT	905	1,038	(13)
Group OCAT Ratio	10.7%	9.6%	11
Capital expenditure (including acquisitions)	1,248	460	171
Origin's cash contribution to Australia Pacific LNG ²	1,412	1,437	(2)
Total Recordable Injury Frequency Rate	4.8	5.3 ³	(9)
Total Production excluding APLNG (PJe)	42	51	(19)

- Statutory Loss of \$25 million (decreased by \$347 million), comprising Underlying Profit of \$346 million (decreased by \$35 million) more than offset by a loss relating to items excluded from Underlying Profit¹ of \$371 million (increased by \$312 million). The loss relating to items excluded from Underlying Profit primarily reflects the non-cash impact of the recent depreciation of the Australian Dollar on the fair value of financial instruments and debt, and interest expense which would otherwise be capitalised if the Australia Pacific LNG project was held by Origin rather than via an equity accounted investment.
- Underlying Profit of \$346 million was down 9% or \$35 million. Underlying EBITDA was stable at \$1,080 million, driven mainly by a 22% or \$112 million increase in contribution from Energy Markets to \$617 million, offset by a 31% or \$94 million decrease in contribution from Exploration & Production to \$208 million. This result was primarily due to Origin maximising the use of ramp gas that has become available during the start up of LNG production in Queensland. As anticipated, this has allowed Origin to use less gas from its own production, with the consequential reduction in liquids production, which together with lower liquids prices, has substantially reduced contribution from liquids production in this period. This forgone gas and liquids production will be produced in subsequent periods.
- Group OCAT of \$905 million down 13% or \$133 million primarily due to a \$114 million lower working capital benefit reflecting the net impact of carbon payments across the years under the Clean Energy Act 2011, which has now been repealed.
- Capital expenditure was \$1,248 million, including \$686 million for the Poseidon acquisition, compared with \$460 million in the prior corresponding period.
- Origin's cash contribution to Australia Pacific LNG, net of interest income received on Mandatorily Redeemable Cumulative Preference Shares, was \$1,412 million. Project progress on Upstream was 90% complete and on Downstream was 86% complete at 31 December 2014 and is on track for completion of Train 1 in mid calendar year 2015 and sustained production of LNG from Train 1 from the first quarter of the 2016 financial year and from Train 2 in mid financial year 2016.
- Interim dividend was determined at 25.0 cents unfranked, consistent with prior periods.

¹ Refer to Glossary in Appendix 2 for definitions of terms set out in the table.

² Origin's cash contribution to Australia Pacific LNG for the current period is net of \$58 million of interest income (31 December 2013: \$Nil) received on Mandatorily Redeemable Cumulative Preference Shares (the mechanism by which remaining funding to Australia Pacific LNG will be provided by the shareholders of Australia Pacific LNG in proportion to their equity interest). Interest on the Mandatorily Redeemable Cumulative Preference Shares is paid to shareholders twice per annum based on a fixed interest rate.

³ TRIFR for the rolling 12 months to 31 December 2014 has been revised from the previously reported 5.4 to 5.3 due to retrospective data updates.

- Improved safety performance was reflected in a 9% reduction in Total Recordable Injury Frequency Rate from 5.3 to 4.8.
- The repeal of the Clean Energy Act 2011 was implemented in the current period. The removal of passed-through carbon cost resulted in a commensurate decrease in Origin's revenue.

2. Origin's Business Strategy

As at 31 December 2014, there have been no material changes to the description of Origin's business strategy contained in the 2014 financial year OFR released on 21 August 2014.

While the Company's strategy has not changed, the Company is responding to a material fall in oil prices by modifications to the priorities which are in place to pursue this strategy. These priorities are covered in detail in Section 5.

3. Review of Financial Performance

3.1 Underlying financial performance⁴

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
External revenue	6,950	7,238	(4)
Underlying EBITDA	1,080	1,082	-
Underlying depreciation and amortisation	(396)	(363)	9
Underlying share of interest, tax, depreciation and amortisation of equity accounted investees	(25)	(25)	-
Underlying EBIT	659	694	(5)
Underlying net financing costs	(105)	(108)	(3)
Underlying Profit before income tax and non-controlling interests	554	586	(5)
Underlying income tax expense	(171)	(161)	6
Non-controlling interests' share of Underlying Profit	(37)	(44)	(16)
Underlying Profit	346	381	(9)
Items excluded from Underlying Profit	(371)	(59)	529
Statutory Profit/(Loss)	(25)	322	N/A
Underlying earnings per share	31.3¢	34.6¢	(10)

A detailed analysis of the underlying performance of the business by operating segment is provided in Section 6.

External revenue

External revenue decreased by 4% or \$288 million to \$6,950 million driven by a decrease in revenue of \$424 million following the repeal of the Clean Energy Act 2011 and lower revenues from Exploration & Production, more than offsetting an increase in Natural Gas sales in Energy Markets and higher revenue at Contact Energy from higher generation volumes and higher average prices.

Underlying EBITDA

Underlying EBITDA was stable at \$1,080 million reflecting a higher contribution from Energy Markets of \$112 million. This was driven by expanding Retail Natural Gas and Electricity margins and the use of available ramp gas in Queensland, which supported increased Business gas sales and increased power generation, with the latter helping to maintain a stable portfolio cost of electricity despite increased market prices. The increased contribution from Energy Markets was offset primarily by lower liquids production and liquids prices in Exploration & Production as the availability of ramp gas allowed Origin to use less gas from its own production, with the consequential reduction in associated liquids production. This forgone gas and liquids production will be produced in subsequent periods.

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
Energy Markets	617	505	22
Contact Energy	234	232	1
Exploration & Production	208	302	(31)
LNG	39	35	11
Corporate	(18)	8	N/A
Underlying EBITDA	1,080	1,082	-

⁴ Refer to Glossary in Appendix 2 for definitions of terms in the table.

Underlying depreciation and amortisation

Underlying depreciation and amortisation increased by 9% or \$33 million to \$396 million. This was primarily due to previous capital investments in Eraring and Shoalhaven power stations and retail systems in Energy Markets and the completion of Te Mihi and Retail Transformation in Contact Energy.

Underlying share of interest, tax, depreciation and amortisation of equity accounted investees

Underlying share of interest, tax, depreciation and amortisation of equity accounted investees was stable at \$25 million.

Underlying net financing costs

Underlying net financing costs decreased by 3% or \$3 million to \$105 million.

Underlying income tax expense

Underlying tax expense increased by 6% to \$171 million. The Underlying effective tax rate⁵ was 31% (27%, 31 December 2013).

Underlying Profit

Underlying Profit decreased by 9% or \$35 million to \$346 million. Underlying Profit is derived from Statutory Profit and excludes the impact of certain items that do not align with the manner in which the Managing Director reviews the financial and operating performance of the business.

Items excluded from Underlying Profit

Reconciliation Half year ended 31 December 2014 (\$ million)	EBITDA	D&A	Share of ITDA	EBIT	Net financing costs	Tax	Non- controlling Interests	NPAT
Statutory equivalent measure	687	(398)	(52)	237	(187)	(49)	(26)	(25)
Decrease in fair value of financial instruments	(405)	-	-	(405)	-	121	5	(279)
Disposals, dilutions and impairments	120	-	-	120	-	(38)	-	82
LNG related items	(80)	-	(27)	(107)	(82)	44	-	(145)
Other	(28)	(2)	-	(30)	-	(5)	6	(29)
Less total excluded items	(393)	(2)	(27)	(422)	(82)	122	11	(371)
Underlying measure	1,080	(396)	(25)	659	(105)	(171)	(37)	346
Underlying Basic EPS (cps)								31.3

Fair value measurement of financial instruments (-\$279 million post-tax) primarily relating to foreign exchange impact on the forward sale of oil and condensate (-\$55 million) and cross currency derivatives primarily used to support the funding of Australia Pacific LNG (-\$205 million).

Disposals, dilutions and impairment of assets (+\$82 million post-tax), comprising:

- +\$135 million benefit as Origin released an unfavourable contract liability following the renegotiation of a power purchase agreement and gas supply agreement with Marubeni's Smithfield gas fired power station, bringing forward the expiry of the agreements to 2017 from 2027; and

⁵Refer to Glossary in Appendix 2.

- -\$53 million of impairments of New Zealand onshore assets.
This impairment follows a thorough review of all underlying assumptions used to assess the carrying values of all assets including current market expectations of interest rates, commodity prices and foreign exchange assumptions.

LNG related items (-\$145 million post-tax), primarily comprised of:

- -\$57 million net financing costs comprising interest expense on the average debt balance relating to the funding of Australia Pacific LNG, interest income received on Mandatorily Redeemable Cumulative Preference Shares and the benefit realised from the bring forward of positive fair value on existing cross currency swaps. The net financing costs would otherwise be capitalised if the development project was held by Origin rather than via an equity accounted investment;
- -\$44 million foreign currency loss predominantly in relation to foreign currency denominated funding associated with the development of Australia Pacific LNG;
- -\$33 million representing Origin's share of Australia Pacific LNG's tax expense on translation of foreign-denominated tax balances; and
- -\$11 million pre-production costs unable to be capitalised.

3.2 Interim dividend – 25.0 cps unfranked

An interim unfranked dividend of 25.0 cents per share will be paid on 31 March 2015 to shareholders of record on 26 February 2015. Origin shares will trade ex-dividend from 24 February 2015.

Due to the impact of development projects, including Australia Pacific LNG, Origin does not expect to have sufficient franking credits to frank the interim dividend. The conduit foreign income component of the interim dividend is nil.

The Dividend Reinvestment Plan (DRP) will apply to this dividend. No discount will be applied in the calculation of the DRP price. The DRP price of shares will be calculated as the arithmetic average of the daily volume weighted average market price during a period of ten trading days commencing on the third trading day immediately following the Record Date. The last election date for the DRP is 27 February 2015. Shares issued under the DRP will rank equally with other fully paid ordinary shares of the Company.

4. Review of Cash Flows

4.1 Statement of cash flows

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (\$m)	Change (%)
Cash and cash equivalents at the start of the period	228	308	(80)	(26)
Cash flows from operating activities	1,041	1,082	(41)	(4)
Cash flows used in investing activities	(2,610)	(1,454)	(1,156)	80
Cash flows (used in)/from financing activities	1,554	695	859	124
Net increase in cash and equivalents	(15)	323	(338)	(105)
Effect of foreign exchange rates on cash	11	9	2	22
Cash and cash equivalents at end of the period	224	640	(416)	(65)

Cash flows from operating activities of \$1,041 million were down \$41 million on the prior corresponding period. Section 4.2 includes further commentary of Origin's Operating Cash Flow after Tax (OCAT) measure.

Cash flows used in investing activities (primarily capital and investment expenditure) was \$2,610 million, an increase of \$1,156 million primarily due to the \$686 million acquisition expenditure on the Poseidon exploration permits in the offshore Browse Basin and the receipt of \$300 million in the prior period for the cancellation of the Cobbora Coal Supply Agreement not repeated in the current period. Section 4.3 provides more details on Origin's investing activities during the period.

Cash flows from financing activities include net cash flows relating to Origin's funding activities, including the payment of interest and dividends. Cash flows from financing activities increased by \$859 million primarily to fund the acquisition of the Poseidon permits in the Browse Basin and Australia Pacific LNG partially offset by cash flows generated from operations. Section 4.4 provides more details on Origin's funding initiatives during the period.

4.2 Operating Cash Flow After Tax (OCAT)

The key difference between Group OCAT and statutory cash flows from operating activities is that Group OCAT includes stay-in-business capital expenditure and Origin's share of Australia Pacific LNG's OCAT and excludes cash items excluded from Underlying Profit.

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (\$m)	Change (%)
Underlying EBITDA	1,080	1,082	(2)	-
Change in working capital	103	217	(114)	(53)
Stay-in-business capital expenditure	(142)	(125)	(17)	14
Share of APLNG OCAT less EBITDA	(47)	(30)	(17)	57
Exploration expense	13	(7)	20	N/A
NSW acquisition-related liabilities	(15)	(50)	35	(70)
Other	(4)	27	(31)	N/A
Tax paid	(83)	(76)	(7)	9
Group OCAT⁶ (including share of APLNG)	905	1,038	(133)	(13)
Net interest paid	(198)	(245)	47	(19)
Free cash flow⁷	707	793	(86)	(11)
Productive Capital⁶	16,979	16,174	805	5
Group OCAT Ratio⁶	10.7%	9.6%		11

⁶ Refer to Glossary in Appendix 2.

Group OCAT decreased by 13% or \$133 million to \$905 million due to a lower working capital benefit of \$114 million reflecting the net impact of carbon payments across the years under the Clean Energy Act 2011, which has now been repealed.

Net interest paid of \$198 million was down \$47 million as additional interest paid on higher average Net Debt balances (+\$84 million) was more than offset by the benefit realised from bringing forward the positive fair value on existing cross currency swaps as these swaps were reset to the market rates in March 2014 (-\$77 million) and the receipt of interest income (-\$58 million) on Mandatorily Redeemable Cumulative Preference Shares issued by Australia Pacific LNG.

Free cash flow available for distributions to shareholders and funding growth decreased by 11%, or by \$86 million, to \$707 million.

One of Origin's internal measures of performance is the Group OCAT Ratio which is an indicator of the cash returns Origin is generating from Productive Capital.

Productive Capital in the business, calculated on a 12-month weighted average basis, increased by 5% or \$805 million to \$16,979 million primarily due to the completion of Contact Energy's Te Mihi Power Station in May 2014 and its Retail Transformation project in April 2014 and the foreign exchange impact on translation of Contact Energy's Productive Capital.

Group OCAT for the 12 months ended 31 December 2014 increased by 11% or \$189 million to \$1,908 million due to lower tax paid driven by timing differences arising on payment of tax instalments. The Group OCAT ratio for the 12 months ended 31 December 2014 was 10.7%, up from 9.6% at 31 December 2013.

4.3 Capital expenditure and Origin's cash contributions to Australia Pacific LNG⁷

In the period, Origin invested \$2,660 million, comprising \$1,248 million of capital expenditure on the existing businesses and \$1,412 million of cash contributions to Australia Pacific LNG, net of Mandatorily Redeemable Cumulative Preference Shares interest income received from Australia Pacific LNG. This compares with \$1,897 million invested in the prior corresponding period, comprising \$460 million of capital expenditure and \$1,437 million of cash contributions to Australia Pacific LNG.

Capital expenditure (including capitalised interest)

Total capital expenditure on the existing businesses (including acquisitions) was \$1,248 million, up 171% from \$460 million⁸ in the prior period.

Stay-in-business capital expenditure was \$142 million, up 14% from \$125 million.

Growth capital expenditure was \$420 million (which includes \$51 million of capitalised interest), compared with \$335 million in the prior period. This included expenditure of \$20 million or more in the following areas:

- Energy Markets – \$62 million in total:
- Exploration & Production – \$261 million in total, including:
 - o Cooper Basin - \$81 million;
 - o Halladale - \$54 million;
 - o Browse Basin - \$41 million;
 - o Ironbark – \$29 million;

⁷ The capital expenditure above is based on cash flow amounts rather than accrual accounting amounts, and includes growth and stay-in-business capital expenditure, capitalised interest, acquisitions and Origin's cash contributions to Australia Pacific LNG (via both loan repayments to Australia Pacific LNG and the issue of Mandatorily Redeemable Cumulative Preference Shares by Australia Pacific LNG to Origin).

⁸ Includes \$50 million for the acquisition of Eraring Energy Pty Ltd on 1 August 2013 for a net cash payment of \$4 million, reflecting a cash purchase consideration of \$50 million less settlement adjustments of \$21 million and acquired cash balance of \$25 million. The cash purchase consideration of \$50 million paid on completion reflects a total purchase price of \$659 million net of the balance of prepaid capacity charges and funds prepaid on deposit with the NSW Government of \$609 million, in relation to the existing GenTrader arrangements.

- Contact Energy – \$32 million in total; and
- Corporate – \$65 million in total, including international development and IT.

Capital expenditure on acquisitions was \$686 million for the acquisition of the Poseidon exploration permits in the offshore Browse Basin.

Origin's cash contributions to Australia Pacific LNG

During the current period, Origin's cash contribution to Australia Pacific LNG to fund its activities, net of the Mandatorily Redeemable Cumulative Preference Shares interest income received from Australia Pacific LNG, was \$1,412 million, compared to the cash contributions of \$1,437 million made in the prior corresponding period.

4.4 Funding and capital management

Origin completed a number of funding initiatives during the period to extend its debt maturity profile and improve its liquidity position.

In September 2014, Origin issued €1 billion (\$1.4 billion) of hybrid capital securities swapped into Australian dollars. The hybrid has been treated as debt for accounting purposes and has received 50% equity credit from both Standard & Poor's and Moody's. Proceeds from the hybrid issuance were used to finance Origin's \$686 million acquisition of a 40% interest in two offshore exploration permits, WA-315-P and WA-398-P, the Poseidon permits in the offshore Browse Basin. The balance of the proceeds was used to repay debt.

In December 2014, Origin amended \$6.6 billion of syndicated loan facilities to reduce the interest rate margin, extend the maturities and increase the limit of the facilities by \$750 million to \$7.4 billion. The interest cost of the bank loan facilities was reduced by 0.30% per annum and flexibility was added with increased US Dollar drawdown capacity. The terms of the bank loan facilities were extended by 16 months to December 2018 and December 2019 respectively.

As at 31 December 2014, Origin has \$5.2 billion of committed undrawn debt facilities and cash (excluding Contact Energy and bank guarantees). This liquidity position, together with free cash flow from the existing business, will be used to support Origin's remaining funding contribution to Australia Pacific LNG and other business initiatives.

The total amount drawn down by Australia Pacific LNG from its project finance facility during the period was US\$329 million. Capitalised interest on the project finance facility of US\$140 million has been recognised during the current period. At 31 December 2014, US\$8,097 million of the total US\$8,500 million project finance facility had been drawn.

Origin either holds debt denominated in, or hedges debt to, Australian dollars, US dollars and NZ dollars to match the currency denomination of cash flow receipts and the functional currency of its various businesses.

Share capital

During the current period, Origin issued an additional 2.66 million shares, raising a total of \$41 million including 2.62 million shares under the DRP, and 0.04 million shares issued as a result of the exercise of long-term employee incentives.

The total number of shares on issue was 1,106 million at 31 December 2014.

The weighted average number of shares used to calculate basic EPS at 31 December 2014 increased by 5 million to 1,105 million from 1,100 million at 31 December 2013.

Net Debt

Net Debt for the consolidated entity increased by 30% or \$2,725 million to \$11,859 million from \$9,134 million at 30 June 2014. The increase in net debt is primarily due to Origin's cash contribution to Australia Pacific LNG, net of the Mandatorily Redeemable Cumulative Preference Shares interest income received (\$1,412 million), capital expenditure including capitalised interest (\$1,248 million, of which \$686 million related to the Poseidon acquisition), net cash dividend payment (\$285 million), interest and tax payments (\$339 million) and the non-cash fair value and foreign currency translation movements of debt (\$621 million), partially offset by cash flows generated from operations (\$1,124 million).

The non-cash fair value and foreign currency translation movements of debt of \$621 million is primarily driven by the impact of foreign currency movements on US dollar denominated debt and cross currency derivatives used to match expected US dollar earnings from Australia Pacific LNG.

Equity

Shareholders' Equity⁹ increased by 1% (+\$132 million) from \$15,129 million at 30 June 2014 to \$15,261 million at 31 December 2014. The increase is predominantly due to reserve movements including foreign currency and hedging (+\$369 million), movement in share capital (+\$41 million), and an increase in non-controlling interests' share of equity movements (+\$22 million), partially offset by the Statutory Loss of \$25 million and dividends paid by the parent entity (-\$276 million).

Gearing Ratio¹⁰

The following table provides the calculation of the Gearing Ratio based on the reported Net Debt and the reported Shareholders' Equity:

As at	31 December 2014	30 June 2014
Net Debt as reported (\$m)	11,859	9,134
Shareholders' Equity as reported (\$m)	15,261	15,129
Net Debt to (Net Debt + Shareholders' Equity)	44%	38%

4.5 Interest rates

Origin's Underlying average interest rate incurred on debt for the current year was 5.9%, unchanged from the prior corresponding period. Underlying net financing costs used to calculate the Underlying average interest rate include: interest on Origin's Australian Dollar, US Dollar and New Zealand Dollar debt obligations, Contact Energy's New Zealand dollar denominated debt, as well as commitment fees incurred on undrawn committed debt facilities associated with Origin's underlying business.

Net interest incurred on drawn debt and commitment fees paid on undrawn committed debt facilities, which act to support Origin's funding commitments to Australia Pacific LNG, are excluded from Underlying net financing costs (refer to Section 3.1) and from the interest rate quoted above. This amounted to \$57 million post-tax and would otherwise be capitalised except for Origin's investment in Australia Pacific LNG being equity accounted (\$107 million, prior corresponding period).

As at 31 December 2014, Origin held cash and cash equivalents of \$224 million compared with \$228 million at 30 June 2014.

Approximately 68% of Origin's consolidated debt obligations are fixed to 30 June 2015 at an average rate of 5.8% including margin.

⁹Refer to Glossary in Appendix 2.

¹⁰Refer to Glossary in Appendix 2.

5. Prospects and Outlook for Future Financial Years

5.1 Prospects

The 2015 and 2016 financial years are transitional years for Origin as the energy markets businesses mature and LNG production in Queensland commences.

During this period Origin's key priorities are to:

- Improve returns in the energy markets businesses;
- Deliver growth in the natural gas and LNG businesses;
- Grow capabilities and increase investments in renewable energy; and
- Maintain adequate funding and effective capital management.

Notwithstanding the significant reduction in oil prices over the past few months these priorities remain appropriate albeit with some modifications reflecting the lower than previously expected growth in revenues, earnings and cash flow that will occur should oil prices remain at current depressed levels.

In the first half of the 2015 financial year, lower oil prices did not have a material impact on Origin's earnings. Looking forward, lower oil prices will impact Origin in a number of different ways, driven primarily by the fact that LNG prices are linked to oil prices. As LNG production ramps up in Queensland, East Coast gas prices will move to export parity, albeit at a lower level than previously expected if current low oil prices persist.

Origin does not expect that lower oil prices will reduce the demand for gas on the East Coast of Australia as LNG production ramps up through the 2015/2016 period and expects to see its share of gas production and sales grow significantly over the next few years in its upstream and energy markets businesses.

In the Energy Markets business in Australia, the increased gas sales and higher gas prices, which were major contributors to higher earnings in this business in the first half of the 2015 financial year, are expected to continue into the second half of the current year and subsequent years. In particular gas sales to LNG projects will commence as these projects come online and will contribute to higher earnings, albeit at lower levels than previously expected.

In the existing Exploration & Production business, lower oil prices will materially reduce earnings from Origin's oil and condensate production for the balance of the current year, however, will have little impact on earnings from 1 July 2015 as a result of the forward sale of oil and condensate¹¹. Origin's earnings on a large proportion of its oil and condensate production will reflect the fixed price under the forward sale transactions, which represents the prevailing average forward oil price at the time of executing the transactions of US\$89/bbl, discounted to US\$62.40/bbl to reflect the receipt of the sales proceeds upfront.

To the extent that Origin's gas production is exposed to the effect of lower oil prices on the export parity pricing of gas, Origin still expects gas prices to rise but to lower levels than previously anticipated.

As the Australia Pacific LNG project commences sustained production from the first quarter of the 2016 financial year, if oil prices remain at current spot prices, the linkage of LNG prices to oil prices will significantly reduce the increase in contributions from Australia Pacific LNG relative to prior expectations. At current market expectations of oil prices, consistent with forward prices stepping up to US\$85/bbl (real 2014) from the 2018 financial year, the economics of Origin's investment in Australia Pacific LNG remain robust and the Project is still expected to deliver substantial increases in Origin's earnings and cash flow. The first full year of production from both LNG trains will be the 2017 financial year.

In this changed environment, with the fall in oil prices potentially reducing growth in earnings and cash flow relative to prior expectations, the continued implementation of Origin's key priorities will be moderated to conserve cash flow and accelerate cost reductions.

¹¹In the 2013 financial year Origin entered into agreements to sell approximately 60% of its future oil and condensate over a 72 month period commencing 1 July 2015. Upon entry into the agreements, Origin received \$482 million.

To this end, Origin has or will:

- continue to limit capital expenditure in the energy markets businesses and is continuing to benefit from previous investments in retail systems as development activities are completed and planned efficiencies are realised;
- limit capital expenditure in the existing Exploration & Production business to permit and joint venture commitments and projects that increase gas production into growing gas demand in Australia;
- continue the good progress on achieving the planned \$1 billion per annum reduction in Australia Pacific LNG's upstream total cost structure as it transitions from project delivery to operations, which will take costs to levels consistent with previous guidance¹²;
- actively review opportunities to defer capital expenditure on sustain and exploration activities in Australia Pacific LNG over the next few years;
- recombine Exploration & Production and LNG as the upstream development phase for Australia Pacific LNG nears completion;
- further constrain spend on international development activities; and
- accelerate cost reductions through investment in new systems and technology at an enterprise level.

Improving returns in the energy markets businesses

In the energy markets businesses, Origin expects to improve returns by:

- continuing to increase the contribution from Natural Gas, driven by expanding margins and increasing share of Retail gas markets and the commencement of gas sales agreements to other LNG projects as they come online. As LNG production commences in Queensland, the availability of ramp gas will decline and Origin will once again call on its own gas production;
- managing margins and customer position amidst continued competition and discounting and continued but moderating decline in average Electricity consumption, due to energy efficiency trends and solar penetration. Whilst current levels of churn will have an impact on Electricity customer accounts, this is expected to be offset by gains in Natural Gas customer accounts and the continued convergence of Electricity and Natural Gas Gross Profit per customer;
- improving operating costs in Energy Markets and Contact Energy from the realisation of benefits from investments in retail systems and head count reduction;
- continuing to limit capital expenditure to increase cash generation; and
- driving customer experience improvements and extending the range of energy products and services, including the launch by Energy Markets of a retail solar PV product with no upfront costs to customers.

Delivering growth in the natural gas and LNG businesses

LNG

Australia Pacific LNG continues to make good progress on the delivery of the CSG to LNG project and was 90% complete on the Upstream and 86% on the Downstream parts of the project as at 31 December 2014. As of 31 December 2014, \$23.8 billion¹³ had been spent. Australia Pacific LNG remains on track for sustained production of LNG from Train 1 expected to be achieved from the first quarter of the 2016 financial year and Train 2 in mid financial year 2016. Estimated costs to complete are not expected to be materially different from budget¹⁴.

In the current oil price environment, Australia Pacific LNG is actively reviewing opportunities to defer capital expenditure on sustain and exploration activities. Australia Pacific LNG is transitioning from development to operations and is focused on delivering ongoing reductions in the project's total cost structure as planned.

¹² As provided in the Update on Amended Loan Facilities and Australia Pacific LNG on 11 December 2014.

¹³ Includes an unfavourable foreign exchange translation impact of A\$339 million relative to project cost estimates announced in February 2013, which were based on 31 December 2012 exchange rates.

¹⁴ As announced in February 2013, based on December 2012 exchange rates.

Exploration & Production

As foreshadowed in August 2014, the availability of ramp gas in Queensland allowed Origin to use less gas from its own production and invest in growing production for the 2016 financial year.

BassGas is expected to return to full and increased production when the Yolla-5 and Yolla-6 development wells enter into production during the 2015 calendar year.

The appraisal and development focus is on bringing forward projects with the highest returns and shorter payback periods. The success of the Speculant-1 and Senecio-3 exploration wells has resulted in the prioritisation of these potential developments ahead of other opportunities. The development of Speculant and Halladale is expected to increase production in the Otway Basin in the near term.

Additional capital investments will be limited to meeting permit and joint venture commitments, including the acquisition of seismic in the Canterbury Basin in the second half of the financial year.

Growing capabilities and increasing investment in renewable energy

Origin continues to focus on growing its capabilities and increasing its investment in renewable energy, with a focus on market-driven solar, geothermal and hydro opportunities.

Origin is limiting spend to a modest level of investment in renewable energy opportunities in Chile and Indonesia. In Chile, Origin increased its investment in Energia Andina by 9.9% to 49.9%. At the same time, Energia Andina acquired a 40% stake in the 69 MW Javiera solar project, which is currently under construction in Chile's Atacama Desert, with commercial operations scheduled to begin in the second half of the 2015 financial year. In Indonesia, OTP successfully negotiated and signed a power purchase agreement for the Sorik Marapi project in North Sumatra.

Maintain adequate funding and effective capital management

Given the potential for lower oil prices to reduce the expected increase in Origin's earnings and cash flow, Origin is focused on:

- delivering increasing distributions to shareholders in line with the expected increase in Origin's earnings and cash flow following the first full year of production from both LNG trains in the 2017 financial year;
- maintaining adequate liquidity to fund Origin's remaining cash contribution to Australia Pacific LNG;
- maintaining an investment grade credit rating; and
- limiting investments in gas and renewables to higher returning projects.

5.2 Outlook

During the remainder of the 2015 financial year and through to the 2016 financial year, Origin expects:

- continued increasing contribution from Energy Markets, driven by the strength of the Natural Gas business, including the commencement of gas sale agreements to other LNG projects. The impact of renewed competitive intensity in the electricity business may delay improvements in contributions from Electricity in the 2015 and 2016 financial years. Origin made a final carbon payment of \$300 million in January 2015 which will reduce cash flow for the second half of the 2015 financial year;
- stable earnings from Contact Energy and increasing cash flow reflecting the benefits of completing its investment in geothermal generation and retail transformation;
- reduced contribution from Exploration & Production in the second half of the 2015 financial year as a result of lower liquids prices. Production for the second half of the 2015 financial year is expected to be broadly in line with the first half, notwithstanding scheduled shut-downs at BassGas and Otway to invest in increasing production for the 2016 financial year. Earnings from the majority of oil and condensate production in the 2016 financial year will not be impacted by the movements in oil price and will reflect the fixed price of US\$62.40/bbl;

- higher net corporate costs due to the timing of cost recoveries from Australia Pacific LNG in the 2015 financial year;
- growth capital expenditure¹⁵ in the existing businesses to reduce from a currently estimated \$1.5 billion in the 2015 financial year to around \$900 million in the 2016 financial year;
- sustained production of LNG from Train 1 from the first quarter of the 2016 financial year and from Train 2 in mid financial year 2016. Production from both trains at planned capacity is expected to occur in the second half of the 2016 financial year, and the first full year of production from both trains in the 2017 financial year; and
- estimated project cost for Australia Pacific LNG to the start of Train 2 production to be not materially different from the budget estimates¹⁶. Origin expects its remaining funding contribution to Australia Pacific LNG from 1 January 2015 until the start of Train 2 production, when Australia Pacific LNG is expected to become self-funding, to be around \$2 billion. This remaining cash contribution estimate is dependent on the commencement of the first LNG shipment from Train 1 and Train 2, the price of LNG, the volume of gas sold to third parties during the ramp up period and the level of discretionary expenditure on exploration, appraisal and sustain phase activities.

¹⁵ Excluding capitalised interest.

¹⁶ As announced in February 2013, based on December 2012 exchange rates.

6. Review of Segment Operations

6.1 Energy Markets

Origin's Energy Markets business is an integrated provider of energy solutions to retail and wholesale markets in Australia and in the Pacific. Energy Markets has a diverse portfolio of gas and coal supply contracts, operates one of Australia's largest, most flexible and diverse generation portfolios with 6,010 MW of generation capacity, and, as Australia's leading electricity, gas and LPG retailer, continues to increase its product and service offerings to customers.

The repeal of the carbon scheme was implemented successfully in the current period. The removal of passed-through carbon costs resulted in a \$424 million decrease in Total Segment Revenues. The prior corresponding period has been restated to exclude the passed-through carbon impact for ease of comparison.

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
Total Segment Revenue ¹⁷	5,489	5,426 ¹⁸	1
Underlying EBITDA	617	505	22
Segment Result	466	372	25
Operating cash flow	639	659	(3)
Growth capital expenditure	62	67	(7)

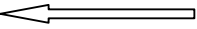
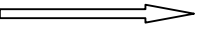
- Underlying EBITDA up 22% or \$112 million to \$617 million mainly due to margin expansion in Electricity and Natural Gas, and higher Natural Gas sales volumes.
- Operating Cash Flow down 3% or \$20 million at \$639 million as higher Underlying EBITDA performance was offset by a lower working capital benefit reflecting the net impact of carbon payments under the Clean Energy Act 2011, which has now been repealed.
- Natural Gas and Electricity Cash Cost to Serve reduced by \$4 per customer following improvements in billing and collections and lower acquisition and retention cost achieved by leveraging internal sales capability.
- Underlying EBIT margin increased from 7.9% to 9.6%.
- Segment Result up 25% or \$94 million to \$466 million driven by the increase in Underlying EBITDA. The segment result includes a depreciation expense of \$151 million (up 14% from the prior corresponding period) due to previous capital investments in the Eraring and Shoalhaven power stations and retail systems.
- Net loss of 32,000 Electricity and Natural Gas customer accounts.
- Continued customer experience improvements including extended call centre hours, SMS customer updates, rollout of Origin's digital platform and internal acquisition channels.
- Growth capital expenditure reduced by 7% to \$62 million following the completion of the Retail Transformation Program.

¹⁷ Refer to Glossary in Appendix 2.

¹⁸ \$5,850 million in the period ended 31 December 2013, including \$424 million of passed through carbon costs.

6.1.1 Segment financial performance

Summary Financial and Operational Performance

Half year ended 31 December 2014	Natural Gas	Electricity	Solar and Energy Services	LPG
Revenue (\$m) ^{19,20}	829 (21%)	3,611 (0%)	50 (16%)	354 (2%)
Cost of goods sold (\$m)	(611) (15%)	(2,929) (-2%)	(32) (20%)	(258) (-1%)
Gross Profit (\$m)	219 (44%)	683 (8%)	17 (10%)	96 (13%)
Total operating costs (\$m)	 (399) (5%) 			
Underlying EBITDA (\$m)	617 (22%)			
Underlying EBIT (\$m)	466 (25%)			
Underlying EBIT Margin (%)	9.6% (December 2013: 7.9% ²¹)			
Volumes sold ²²	70 PJ (23%)	19 TWh (-4%)	N/A	223 kT (15%)
Period-end customer accounts ('000)	1,064 (4%)	2,816 (-3%)	N/A	382 (2%)
Average customer accounts ('000) ²³	1,048 (5%)	2,843 (-2%)	N/A	383 (1%)
Gross Profit per customer (average accounts, \$)	209 (37%)	240 (11%)	N/A	252 (12%)
Underlying EBITDA per customer (average accounts, \$)	 151 (24%) 	N/A		72 (36%)
Underlying EBIT per customer (average accounts, \$)	117 (26)%		N/A	34 (165%)

Higher contributions from all business units, particularly Electricity and Natural Gas, delivered a 22% increase in Energy Markets Underlying EBITDA to \$617 million.

Natural Gas Gross Profit increased by 44% or \$67 million driven by an expansion in retail unit margins as East Coast gas prices rose relative to Origin's legacy priced gas supply portfolio, (+\$42 million), and higher Business volumes (+\$25 million).

Electricity Gross Profit increased by 8% or \$51 million driven by an expansion in retail unit margins (+\$46 million). Retail volumes remain flat from the prior corresponding period as higher volumes from the return to average winter weather conditions were offset by continued energy efficiency trends and solar PV penetration, and customer losses due to increased competition.

LPG Gross Profit increased by 13% or \$11 million to \$96 million with lower wholesale gas supply cost and higher volumes.

The Non-Commodity segment has been renamed Solar and Energy Services. Solar and Energy Services Gross Profit increased by 10% or \$2 million to \$17 million.

Total Operating Costs were up 5% or \$20 million. Cash Cost to Serve was down \$19 million (6%). This was offset by the non-cash Transitional Services Arrangement (TSA) provision of \$30 million reducing cost in the prior corresponding period. Customer experience remains a priority for the retail business with key operational improvements during the period and increased sales through internal channels. See section 6.1.5.

¹⁹ Energy Markets Total Segment Revenue includes pool revenue from the sale of electricity when Origin's internal generation portfolio is dispatched, including power purchase agreements. These pool revenues, along with associated fuel costs, are netted off in Electricity cost of goods sold.

²⁰ Energy Markets Total Segment Revenue includes revenue from the sale of gas swaps to major customers and pass-through TUOS charges to customers at no margin. These revenues are netted off with the associated cost in Natural Gas cost of goods sold.

²¹ Excluding carbon impact of 0.7%. Reported as 7.2% in the prior corresponding period.

²² Does not include internal sales for Origin's generation portfolio (period ended 31 December 2014: 30.8 PJ; period ended 31 December 2013: 25.3 PJ). Units explained in Glossary in Appendix 2.

²³ Average Customer Accounts is calculated as the average of the month-end customer numbers for each month of the year.

Origin's customer position declined by 32,000 Electricity and Natural Gas customer accounts in the current period. Customer losses were driven by continued strong retail competition in Victoria and increasing competition in NSW, with 60,000 Electricity customer account losses. This was offset by an increase of 28,000 Natural Gas customer accounts, primarily in NSW and Queensland.

Energy Markets' Underlying EBIT margin increased from 7.9% at 31 December 2013 to 9.6% in the current period. The Underlying EBIT margin for the Electricity and Natural Gas businesses increased from 8.5% at 31 December 2013 to 10.3% in the current period, representing the improving margins in these two segments.

6.1.2 Natural Gas

Half year ended 31 December	2014	\$/GJ	2013 ²⁴	\$/GJ	Change %	Change (\$/GJ)
Volumes Sold (PJ)	100.7		82.1		23	
Retail (Consumer & SME)	22.5		22.4		0	
Business (C&I & Trading)	47.5		34.4		38	
Total external volumes	69.9		56.8		23	
Internal Sales (Generation)	30.8		25.3		22	
Revenue (\$m)	829	11.9	683	12.0	21	(0.2)
Retail (Consumer & SME)	514	22.9	449	20.1	14	2.8
Business (C&I & Trading) ²⁵	315	6.6	234	6.8	35	(0.2)
Cost of goods sold (\$m)	(611)	(8.7)	(531)	(9.4)	15	0.6
Network Costs	(325)	(4.7)	(307)	(5.4)	6	0.7
Energy Procurement Costs	(285)	(4.1)	(225)	(4.0)	27	(0.1)
Gross Profit (\$m)	219	3.1	152	2.7	44	0.4
<i>Gross Margin %</i>	26.4%		22.2%		19	
Period-end customer accounts ('000)	1,064		1,023		4	
Average customer accounts ('000)	1,048		1,017		3	
\$ Gross profit per customer (average accounts, \$)	209		150		40	

Natural Gas sales volumes were up 23% or 19 PJ to 101 PJ with Business sales increasing by 13 PJ or 38%, reflecting Origin's ability to source and transport additional ramp gas available in Queensland to customers, and internal sales used for generation increasing by 5 PJ. Retail volumes remain flat with higher sales volumes from growth in customer accounts and the return to average winter weather conditions, offset by market revisions to prior period volumes.

Retail revenue per gigajoule increased by \$2.80/GJ as retail tariffs increased reflecting rising East Coast gas prices. Energy Procurement Costs remained broadly flat compared to the prior corresponding period as available ramp gas purchased in Queensland during the period replaced gas purchased from Origin's Exploration & Production business in the prior period at similar prices.

²⁴ Prior corresponding period restated to exclude the impact of carbon for comparative purposes.

²⁵ Business Revenue and Energy Procurement Costs for the period ended 31 December 2013 have been re-stated to remove pass-through TUOS charges to customers at no margin.

Gross Profit per gigajoule increased 15% from \$2.70/GJ to \$3.10/GJ reflecting the benefit of Origin's legacy priced gas supply position relative to market price movements. Gross Profit per customer increased by 40% or \$59 to \$209 per customer with a \$29 per customer increase from the expansion of Retail unit margin and the remainder of the increase driven by higher Business sales volumes.

Retail Natural Gas volumes sold

Half year ended 31 December (PJ)	2014	2013	Change (PJ)	Change (%)
NSW	3.9	3.0	0.9	31
Victoria	13.9	14.9	(1.0)	(6)
Queensland	1.5	1.3	0.2	15
South Australia	3.1	3.2	(0.1)	(4)
Total Retail volumes sold	22.5	22.4	0.1	0

6.1.3 Electricity

Half year ended 31 December	2014	\$/MWh	2013 ²⁶	\$/MWh	Change %	Change (\$/MWh)
Volumes Sold (TWh)	18.7		19.5		(4)	
Retail (Consumer & SME)	9.1		9.1		(0)	
Business	9.6		10.4		(8)	
Revenue (\$m)	3,611	193.2	3,621	185.4	(0)	(7.8)
Retail (Consumer & SME)	2,457	270.1	2,336	256.4	5	13.7
Business	1,132	118.0	1,256	120.6	(10)	(2.6)
Externally contracted Generation	22		28		(22)	
Cost of goods sold (\$m)	(2,929)	(156.7)	(2,989)	(153.0)	(2)	(3.7)
Network Costs	(1,853)	(99.2)	(1,816)	(93.0)	2	(6.1)
Wholesale Energy Costs	(968)	(51.8)	(1,057)	(54.1)	(8)	2.4
Generation Operating Costs	(107)	(5.8)	(115)	(5.9)	(7)	0.1
Energy Procurement Costs	(1,075)	(57.5)	(1,172)	(60.0)	(8)	2.5
Gross Profit (\$m)	683	36.5	632	32.4	8	4.1
<i>Gross Margin %</i>	18.9%		17.5%		8	
Period-end customer accounts ('000)	2,816		2,906		(3)	
Average customer accounts ('000)	2,843		2,916		(2)	
\$ Gross profit per customer (average accounts, \$)	240		217		11	

Electricity sales volumes declined by 0.8 TWh to 18.7 TWh driven by a decline in Business volumes due to a high level of market competition. Retail Electricity sales volumes were flat with the return to average winter weather conditions offset by the decline in energy usage per household, from the continuing but moderating impact of energy efficiency and solar PV penetration, and customer losses.

²⁶ Prior corresponding period restated to exclude the impact of carbon for comparative purposes.

Increases in Retail revenue per megawatt hour reflect higher retail tariffs to recover increases in network charges, not being eroded by discount spend. The improvement in Energy Procurement Costs of \$2.5/MWh primarily reflects the reduction in passed-through green costs. Origin's underlying cost of energy remained broadly flat despite increased market prices, reflecting improved generation returns with the utilisation of available ramp gas in Queensland and lower operating costs due to timing of maintenance activities at Eraring.

Origin reduced discount offers to customers in the first quarter of the current period. As market competition intensified during the period, contributing to the loss of 60,000 Electricity customer accounts, Origin responded with competitive market offers in the second quarter of the 2015 financial year.

Gross Profit per megawatt hour was up 13% or \$4.1/MWh to \$36/MWh and Gross Profit per customer was up 11% or \$23 per customer to \$240 per customer due to the increase in tariffs being more than sufficient to recover higher network costs and not eroded by discount spend.

Retail Electricity volumes sold

Half year ended 31 December (TWh)	2014	2013	Change (TWh)	Change (%)
NSW	4.5	4.5	0.0	1
Victoria	1.6	1.7	(0.1)	(4)
Queensland	2.5	2.6	(0.1)	(3)
South Australia	0.4	0.4	0.0	2
Total Retail volumes sold	9.1	9.1	(0.0)	(0)

6.1.3.1 Internal generation portfolio

Performance of the generation portfolio, including contracted plant is summarised below:

Half year ended 31 December 2014	Nameplate Plant Capacity (MW)	Type ⁽¹⁾	Equivalent Reliability Factor	Capacity Factor	Electricity Output (GWh)	Pool Revenue (\$m)	Pool Revenue (\$/MWh)
Eraring ⁽²⁾	2,880	Black coal	96.9%	59%	7,463	278	37
Darling Downs	630	CCGT	99.0%	71%	1,964	88	45
OCGT plant	1,974	OCGT	98.2%	15%	1,276	70	55
Shoalhaven	240	Pump/Hydro	86.5%	3%	33	2	61
Cullerin Range	30	Wind	89.7%	33%	43	1	23
Internal Generation	5,754		97.1%		10,779	439	41
Externally Contracted (50% share)	332	Cogen.	99.7%	90%			
TOTAL	6,010		95.7%				

(1) OCGT = Open cycle gas turbine; CCGT= Closed cycle gas turbine.

(2) Availability for Eraring= Equivalent Availability Factor (which takes into account de-ratings).

(3) For Osborne, Origin holds a 50% share and contracts 100% of the output.

During the period, Origin's generation fleet was operated to take advantage of ramp gas available in the Queensland market prior to the start-up of LNG operations and favourable pool prices in New South Wales. Origin generated 10.8 TWh of electricity from its internal generation portfolio (compared with 7.7 TWh in the prior corresponding period), including 3.2 TWh from its Natural Gas fuelled generation plant. Total generation represented 58% of Origin's 19 TWh of Electricity volumes sold, up 18% from the prior corresponding period.

Origin used 31 PJ of Natural Gas volumes for its internal generation (+5.5 PJ from the prior corresponding period). Origin also contracted 1.2TWh from wind power purchase agreements.

6.1.4 Natural Gas, Electricity and LPG customer accounts

Closing Electricity and Natural Gas customer accounts were down by 32,000 accounts or 0.8%, including a reduction of 60,000 Electricity customer accounts and an increase of 28,000 Natural Gas accounts.

Customer account movement

Customer Accounts ('000)	31 December 2014			30 June 2014			Change
	Electricity	Natural Gas	Total	Electricity	Natural Gas	Total	
NSW ²⁷	1,305	228	1,532	1,335	216	1,551	(18)
Victoria	583	478	1,061	604	471	1,075	(14)
Queensland	762	154	916	770	147	917	(1)
South Australia ⁸	166	204	370	167	202	369	1
Total	2,816	1,064	3,880	2,876	1,036	3,912	(32)

Electricity customer account losses primarily occurred in NSW (-30,000) and Victoria (-21,000) due to rising competitive activity in NSW and continued high levels of competition in Victoria. Natural Gas wins primarily occurred in NSW (+12,000), Queensland (+7,000) and Victoria (+7,000).

With an increased Natural Gas customer base, Origin is well positioned to benefit from an expansion in gas margins as East Coast gas prices increase. This is being evidenced by an increase in Natural Gas Gross Profit per customer by \$59 to \$209, of which \$29 is attributable to retail gas margin expansion.

As at 31 December 2014, Origin held 1,211,000 dual fuel (Electricity and Natural Gas) customer accounts, an increase of 14,000 accounts from 30 June 2014.

As at 31 December 2014, Origin had 382,000 LPG customer accounts, down 1,000 accounts relative to 30 June 2014.

²⁷ Australian Capital Territory (ACT) customer accounts are included in New South Wales. Northern Territory customers are included in South Australia.

6.1.5 Operating costs

Half year ended 31 December	2014	2013	Change	Change %
Cash cost to serve¹ (\$ per average customer account²)	(81)	(85)	4	(5)
Cost to maintain (\$ per average customer account ²)	(69)	(72)	3	(3)
Cost to acquire/retain (\$ per average customer account ²)	(12)	(13)	1	(8)
Natural Gas & Electricity operating cost (excl. TSA provision unwind) (\$m)	(313)	(332)	19	(6)
Maintenance Costs (\$m)	(267)	(281)	15	(5)
Acquisition & Retention costs (\$m)	(47)	(51)	4	(9)
TSA provision unwind (\$m)	-	30	(30)	n/a
Total Natural Gas & Electricity operating costs (\$m)	(313)	(302)	(11)	4
LPG operating costs (\$m)	(69)	(65)	(4)	6
Solar and Energy Services operating costs (\$m)	(17)	(12)	(5)	40
Total Operating Costs (\$m)	(399)	(379)	(20)	5

¹ Origin includes within its cost to serve all costs associated with servicing and maintaining customers, all customer acquisition and retention costs. Maintenance costs include billing, credit and collections.

² Customer wins (1H15: 259,000; prior period: 294,000) and retains (1H15: 626,000; prior period: 437,000) and represents Cost to Serve per average customer account on a cash basis.

Total Natural Gas & Electricity operating costs

The cash cost to serve has reduced by \$19 million (\$4 per customer) to \$313 million. The lower cash cost to serve is primarily a result of leveraging Origin's digital capability to improve customer experience at lower costs and reduced acquisition costs through retention activities, and continued improvements in debt collection performance. The lower cash cost to serve is comprised of a reduction in acquisition and retention costs (-\$4 million), and a reduction in cost to maintain (-\$15 million).

Further operational improvements were achieved since the prior corresponding period evidenced by Ombudsmen complaints reducing to 4.9 (per 1000 customers) down from 7.3, and customer satisfaction increasing to 70% from 60%. Bad debt expense as a percentage of Total Natural Gas and Electricity Revenue has reduced to 0.81% from 1.05%. Operational improvements have also allowed the call centre processes to be streamlined, leading to a 24% reduction in the number of staff required to service customers over the last twelve months.

The focus on digital capability continues to reduce the reliance on higher cost external sales channels for customer acquisitions, with 93% of sales now delivered through Origin's internal channels, up from 86% in the prior corresponding period. The number of customers utilising the digital platform services have also increased, including a 129% increase in e-billing customer accounts, 243% increase in 'My account' customers and 24% increase in direct debit customers.

6.2 Contact Energy

This segment reports the results of Origin's controlled entity Contact Energy, which is one of the largest energy retailers and power generators in New Zealand. Origin held a 53.1% interest in Contact Energy at 31 December 2014. The segment also includes Origin's interest and tax relating to borrowings for the investment in Contact Energy.

Financial Performance

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
Total Segment Revenue	1,125	1,007	12
External Revenue	1,122	1,003	12
Underlying EBITDA	234	232	1
Segment Result	30	37	(19)
Operating cash flow	239	183	31
Growth capital expenditure	32	81	(60)

- Underlying EBITDA decreased by 3% or NZ\$7 million to NZ\$257 million primarily due to continued competition and retail price discounting eroding tariff increases to recover increased distribution costs. This was partially offset by increased geothermal generation following the commissioning of the Te Mihi Power Station. In Australian Dollars, Underlying EBITDA increased by A\$2 million to A\$234 million²⁸ due to the favourable impact of the strengthening of the NZ dollar.
- Segment Result includes depreciation and amortisation expense of \$92 million, net financing costs of \$49 million, income tax expense of \$27 million and non-controlling interests of \$36 million.
- Operating Cash Flow increased by NZ\$52 million to NZ\$262 million with the decrease in Underlying EBITDA offset by lower working capital with lower gas storage inventory, reduced GST payments and a reduction in debtors as the new retail billing system stabilised. In Australian dollars, Operating Cash Flow increased A\$56 million to A\$239 million due to the strengthening of the NZ Dollar.
- Growth capital expenditure decreased by 60% to A\$32 million following the completion of the Retail Transformation project and the Te Mihi geothermal power station in the prior period.

²⁸ In consolidating Contact Energy's results, Origin used a monthly average exchange rate. For this year it is NZ\$1.10 to the Australian dollar, compared with NZ\$1.14 to the Australian dollar in the prior year.

6.2.1 Financial and Operational Performance

The commentary below relates to Contact Energy's financial and operating performance in New Zealand dollars.

Half year ended 31 December	2014	2013	Change (%)
Total revenue (NZ\$M)	1,240	1,148	8
Underlying EBITDA (NZ\$M)	257	264	(3)
Total generation volume (GWh)	4,812	4,738	2
Retail electricity sales (GWh)	4,317	4,332	0
Gas sales (retail and wholesale) (PJ)	2.6	2.7	(4)
LPG sales (kT)	37	35	6
Electricity customers ('000)	432	438	(1)
Gas customers ('000)	62	63	(2)
LPG customers (including franchisees) ('000)	68	66	3
Total customers ('000)	562	567	(1)
Netback (NZ\$/MWh)	83.90	87.83	(4)

Contact Energy's Underlying EBITDA decreased NZ\$7 million or 3% to NZ\$257 million.

During the current period, Contact Energy's retail electricity sales volumes were down 15 GWh to 4,317 GWh. Mass market electricity sales volumes increased by 38 GWh due to a stronger focus on small business customers and cooler average temperatures increasing per customer demand. However, the higher mass market volumes were more than offset by a reduction in commercial and industrial sales.

Gas sales volumes were down 4% to 2.6 PJ.

Netback²⁹ decreased by NZ\$4/MWh to NZ\$84/MWh with continued competition and retail price discounting eroding tariff increases to recover rising distribution costs. The period also included NZ\$1/MWh of one-off retail costs relating to distribution billing timing changes.

Cost of energy

Contact Energy's cost of energy improved by NZ\$2/MWh to NZ\$37/MWh with renewable generation increasing from 68% in the prior period to 76% following the commissioning of the Te Mihi geothermal power station. Total generation increased 74 GWh to 4,812 GWh with Te Mihi increasing geothermal generation by 392 GWh allowing further reductions in the amount of gas fired generation. The amount of gas used in generation was down by 2.5 PJ (19%).

Customers

Contact Energy's customer numbers were slightly down on the prior year due to continued intense competition and a reduction in activity during the implementation and stabilisation of the Retail Transformation project.

²⁹ Refer to Glossary in Appendix 2.

6.3 Exploration & Production

Origin has exploration and production interests principally located in eastern and southern Australia, the Browse and Perth basins in Western Australia, the Bonaparte and Beetaloo basins in Northern Territory and in New Zealand. These activities are reported within the Exploration & Production segment. Australia Pacific LNG's activities are reported separately and discussed in Section 6.4.

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
Total Segment Revenue	424	525	(19)
External Revenue ³⁰	339	385	(12)
Underlying EBITDA	208	302	(31)
Segment Result	65	162	(60)
Operating cash flow	190	245	(22)
Exploration benefit/ (expense)	(13)	7	N/A
Growth and acquisition capital expenditure	947	167	467

- Underlying EBITDA down 31% or \$94 million to \$208 million primarily due to lower liquids production and lower liquids prices, as the availability of ramp gas in Queensland allowed Origin to use less gas from its own production, with the consequential reduction in liquids production. This forgone gas and liquids production will be produced in subsequent periods.
- Segment Result includes a depreciation expense of \$143 million (up 2%).
- Operating Cash Flow decreased 22% to \$190 million due to the decrease in Underlying EBITDA, partly offset by lower working capital requirements.
- Growth capital expenditure increased by 56% to \$261 million and acquisition capital expenditure was \$686 million relating to the Poseidon exploration permits in the offshore Browse Basin.
- Successful lift of the condensate and compressor modules onto the Yolla Platform occurred at BassGas, which, when operational, will lead to extended production.
- Potentially commercial quantities of gas were discovered in the Otway Basin (Speculant-1 well) and in the Perth Basin (Senecio-3 appraisal well.)

Segment Financial Performance

Production, Sales and Revenue

Half year ended 31 December	2014	2013	Change (%)
Total Production (PJe)	42	51	(19)
Total Sales (PJe)	46	55	(17)
Commodity Sales Revenue (\$m)	392	498	(21)

Origin's share of total production decreased 9 PJe or 19% to 42 PJe in the current period. This is primarily attributable to lower production at Otway, due to lower customer nominations mainly from Origin, lower production at BassGas due to a shutdown for planned maintenance and for the heavy lift of the condensate and compressor modules onto the Yolla Platform, as well as Yolla 3 ceasing production from January 2014, partly offset by higher production at Cooper with additional wells coming online.

Sales volumes of 46 PJe were lower reflecting decreased production and lower third party purchases. Of the Total Sales of 46 PJe, internal sales to Origin decreased by 14 PJe to 11 PJe (12 PJe of the decrease represents lower Origin nominations from Otway).

³⁰The Exploration & Production Segment sells gas and LPG to the Energy Markets and Contact Energy segments on an arm's length basis. Intersegment sales are eliminated on consolidation.

Segment Revenue decreased \$101 million or 19% to \$424 million. Commodity Revenue decreased by \$106 million or 21% to \$392 million in the current period reflecting production decreases, lower sales of third party volumes from the Cooper Basin and lower condensate, LPG and crude prices, partly offset by higher gas prices.

Costs of goods sold and Stock movement

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change %
Cost of goods sold	(75)	(111)	(33)
Stock movement	(2)	3	N/A

Cost of goods sold decreased 33% to \$75 million primarily due to a decrease in third party deliveries and lower average commodity prices within the Cooper Basin.

Expenses

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change %
Royalties, tariffs and freight	(28)	(38)	(26)
General operating costs	(101)	(85)	19
Exploration expense	(13)	7	N/A
Total expenses	(142)	(116)	23

Total expenses increased 23% to \$142 million.

Royalties, tariffs and freight decreased by 26% to \$28 million, primarily due to lower sales volumes and revenue.

General operating costs increased \$16 million to \$101 million, primarily due to higher Cooper non-operated joint venture costs (\$5 million) and non-recurring rehabilitation and safety/integrity items (\$8 million).

Origin's general operating costs per unit of production increased by \$0.76/GJe, or 46% to \$2.41/GJe due to increased costs and decreased production volumes.

Exploration expense was \$13 million primarily due to Enterprise 3D marine seismic acquisition costs and the write-off of Bass Basin exploration expense in the current period.

Further information regarding production, sales volumes and revenues is provided in Origin's December 2014 Quarterly Production Report, available at www.originenergy.com.au.

Operations

Australia

Operational performance was within expectations as the availability of ramp gas in Queensland allowed Origin to use less gas from its own production and invest in sustaining future production, with production reducing 9 PJe or 22% from the prior period.

Production from Origin's offshore assets in Otway and Bass basins was 21 PJe or 33% lower than the prior corresponding period. At Otway, this was primarily attributable to lower production due to lower customer nominations from Origin's Energy Markets business. At BassGas, this was primarily due to the planned shutdown for maintenance and the heavy lift of the Condensate and Compressor modules onto the Yolla Platform in December 2014 as well as Yolla 3 production ceasing from January 2014.

On 9 December 2014, Origin announced its Speculant-1 exploration well discovered potentially commercial quantities of gas in Waarre Formation reservoirs in the Otway Basin, offshore Victoria, within the Origin operated VIC/L1(v) permit.

The Halladale field development well, Halladale-2 spudded on 18 October 2014 with anticipated completion in the June 2015 Quarter. The wells are being drilled using the rig Ensign 931.

Production from Origin's onshore assets in the central Australian Cooper Basin and Western Australia's Perth Basin was 12 PJe or 10% higher than the prior corresponding period following higher production at Cooper due to additional wells commencing production.

Within the Perth Basin, the Senecio-3 well was drilled, cased and suspended in permits L1/L2 (Origin 50% non-operated). The well successfully identified gas in the primary Senecio target (Dongara and Wagina sandstones) and also encountered new gas pools in the secondary Waitsia target of the deeper Kingia and High Cliff sandstones. Planning is in progress for the Irwin-1 exploration well in EP 320 and follow-up appraisal drilling on the Senecio/Waitsia Field discoveries. Contingent resource volumes and potential reserves will be further defined after production flow testing currently scheduled for early in the 2015 calendar year.

Pilot testing in the Ironbark field at the Duke-2 and Duke-3 pilots was successfully completed during the December 2014 Quarter.

In the non-operated Cooper Basin, a total of 56 wells were drilled during the current half year consisting of 49 development wells and 7 exploration and appraisal wells.

New Zealand

In New Zealand, Origin participates in production from both offshore (Kupe) and onshore assets in the Taranaki Basin. Origin's share of current period production from these assets was 9 PJe or 5% lower than the prior corresponding period. This result is primarily attributable to lower customer nominations at Kupe. Origin impaired the New Zealand onshore assets during the current period as referred to in Section 3.1.

In the Canterbury Basin, the forward work program variation including a seismic survey commitment in 2015 and an extension of the permit to 2021 has been approved by the regulator. Planning for a seismic survey is in progress with the survey scheduled for the March 2015 Quarter.

International exploration

In Vietnam, the processing of 2D seismic data acquired in Block 121 has been completed and interpretation of this data has commenced.

Application to relinquish the Kubu acreage in Botswana has received final approval from the Botswana Department of Energy.

6.4 LNG

The LNG segment includes Origin's equity accounted share of the results of Australia Pacific LNG, and also contains Origin's activities and transactions arising from its operatorship of the Australia Pacific LNG upstream activities.

Origin's shareholding in Australia Pacific LNG at 31 December 2014 was 37.5%, consistent with its shareholding as at 31 December 2013.

In Origin's Financial Statements, the financial performance of Australia Pacific LNG is equity accounted. Consequently, revenue and expenses from Australia Pacific LNG do not appear on a line by line basis in the LNG segment result. Origin's share of Australia Pacific LNG's Underlying EBITDA is included in the Underlying EBITDA of the LNG segment. Origin's share of Australia Pacific LNG's Underlying interest, tax, depreciation and amortisation expense is accounted for between Underlying EBITDA and Underlying EBIT in the line item "Share of interest, tax, depreciation and amortisation of equity accounted investees". As a result, Origin's share of Australia Pacific LNG's Underlying net profit after tax is included in the Underlying EBIT and Segment Result lines.

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
Total Segment Revenue	-	-	-
Underlying EBITDA ³¹	39	35	11
Segment Result	4	2	100
Origin share of operating cash flow	(18)	(2)	(800)
Origin cash contribution to Australia Pacific LNG ³²	1,412	1,437	(2)

- Underlying EBITDA increased by \$4 million to \$39 million.
- Segment Result for LNG includes depreciation expense of \$10 million (\$2 million higher than the prior corresponding period) and share of ITDA expense of \$25 million in line with the prior corresponding period.
- Project progress on Upstream was 90% complete and Downstream was 86% complete as at 31 December 2014.
- Origin's cash contribution to Australia Pacific LNG in the current period was \$1,412 million, net of the Mandatorily Redeemable Cumulative Preference Shares interest income received from Australia Pacific LNG.

Australia Pacific LNG financial performance (100% basis)

APLNG Production, Sales and Revenue

Operating Performance	Total APLNG (PJe)	Origin share (PJe)	Total APLNG (PJe)	Origin share (PJe)
	6 months ended 31 Dec 2014		6 months ended 31 Dec 2013	
Production Volumes	71	26	61	23
Sales Volumes ³³	55	21	67	25

Total Australia Pacific LNG production increased 10 PJe or 16% to 71 PJe reflecting increased production from non-operated (Kenya and Kenya East) assets.

³¹ Some of the costs incurred by Origin as Upstream Operator are depreciation costs which are recovered from Australia Pacific LNG within Underlying EBITDA. This amounted to \$10 million in the current period (\$8 million in the prior corresponding period).

³² Via the issue of mandatorily redeemable cumulative preference shares by Australia Pacific LNG to Origin in the current period and via loan repayments by Origin to Australia Pacific LNG in the prior corresponding period.

³³ Sales volumes are net of 18 PJe of capitalised sales (31 December 2013: 0 PJe)

Further information regarding production, sales volumes and revenues is provided in Origin's Dec 2014 Quarterly Production Report, available at www.originenergy.com.au.

APLNG underlying financial performance³⁴

Financial performance (\$ million)	31 December 2014		31 December 2013	
	100% APLNG	Origin share	100% APLNG	Origin share
Operating revenue	196		237	
Operating expenses	(119)		(164)	
Underlying EBITDA	77	29	73	27
D&A expense	(63)		(63)	
Net financing (expense)/income	(13)		(3)	
Income tax (expense)/benefit	11		(1)	
Underlying ITDA	(65)	(25)	(67)	(25)
Underlying Result	12	4	6	2

Australia Pacific LNG's revenue decreased by \$41 million to \$196 million due to an 18% or 12 PJe decrease in sales volumes to 55 PJe.

Australia Pacific LNG's underlying operating expenses decreased by 27% or \$45 million to \$119 million, primarily as a result of downstream pre-production costs being presented outside of underlying operating expenses in the current period and an adjustment for prior period cost allocation.

Australia Pacific LNG Project

The Australia Pacific LNG export project is a two train project with a nameplate capacity of 9 million tonnes per annum of LNG.

Australia Pacific LNG has committed LNG offtake agreements for approximately 20 years with Sinopec for approximately 7.6 million tonnes per annum and with Kansai Electric for approximately 1 million tonnes per annum.

Project performance and key milestones

At 31 December 2014, the Upstream was 90% complete and the Downstream was 86% complete, and based on overall progress of work completed to date and the project plan to completion, the project is on track to accomplish the key milestone of sustained LNG production from Train 1 from the first quarter of the 2016 financial year and from Train 2 in mid financial year 2016.

Upstream

Drilling and gathering operations are progressing in accordance with plan. As at 31 December 2014, 1,019 wells had been drilled. The drilling rate slowed during the second quarter of the 2015 financial year due to the Phase 1 drilling scope nearing completion, combined with the re-sequencing of the Sustain phase drilling program and additional drilling of exploration and appraisal wells. Well commissioning is on track to support ramp up for sustained LNG production from the first quarter of the 2016 financial year for Train 1. Maximum average well deliverability at the end of December was 1.1 TJ/d and 0.8 TJ/d at Spring Gully and Condabri respectively.

³⁴This table reflects Australia Pacific LNG's financial performance on 100% basis. The difference between Origin's share of Underlying EBITDA in this table and the Underlying EBITDA for LNG is \$10 million of depreciation in the current year (\$8 million, prior year).

Four gas processing trains had been commissioned as of 31 December 2014, including two at Condabri Central Gas Processing Facility, one at Orana and one at Reedy Creek. These four trains are available for continuous operation, with three trains producing gas for the domestic market. A further five trains are mechanically complete, two at Condabri South and one each at Orana, Reedy Creek and Condabri North. The remaining six trains, two at Eurombah Creek, one at Condabri North and three at Combabula, are progressing to schedule.

Construction of the 530 kilometres of main gas transmission pipeline and associated facilities is complete, and commissioning continued to progress to plan during the period. Pipeline spurs to gas plant facilities were commissioned during the period and are ready to deliver gas to Curtis Island when required.

During the period, the Condabri Water Treatment Facility became fully operational. In addition, the Reedy Creek Water Treatment Facility team produced the first treated water in December 2014.

Downstream

The Downstream Project is progressing with module fabrication completed and the final modules arrived at Curtis Island during the period. The Batam module yard in Indonesia was subsequently decommissioned. The Inlet Air Chiller Package was also received on Curtis Island during the period. The final Train 2 module was moved into its final location in December and has been set on its permanent foundations. John Holland, the LNG Jetty subcontractor, and Leighton, the permanent buildings subcontractor, essentially completed their scope of work and were largely demobilised from Curtis Island during the period.

Piping, electrical, instrumentation, and insulation installation activities continued during the period on Trains 1 and 2 and in the areas outside of the main gas processing infrastructure. The Tank A and B hydro tests were completed in July 2014 and August 2014 respectively and Factory Acceptance Testing was completed on the Train 2 Integrated Control Safety System. Nitrogen purge of Tank A was completed during the period, with Tank A to be ready for LNG in the third Quarter of the 2015 financial year. Work also progressed on the key installations and systems required for first gas to energise Gas Turbine Generators in the third quarter of the 2015 financial year.

The loading platform for the LNG jetty, including formworks and concreting for berthing dolphins, was completed during the period. Commissioning and Start-Up activities commenced during the period under a combined Bechtel/APLNG team.

Key Accomplishments

Upstream - Operated

The following table reports progress against the Upstream operated key goals and milestones Origin outlined in its 2014 financial year Operating and Financial Review:

Upstream Operated Goals	FY2015 Plan	Actual Progress
Orana Train 2 mechanical completion	Q2	Accomplished
Reedy Creek Train 2 mechanical completion	Q2	Accomplished
Condabri South Train 2 mechanical completion	Q2	Accomplished
First water treated at Condabri Water Treatment Facility	Q2	Accomplished
First water treated at Reedy Creek Water Treatment Facilities	Q3	Accomplished in Q2
Eurombah Creek Train 1 mechanical completion	Q3	On track

Downstream

The following table reports progress against the Downstream key goals and milestones Origin outlined in its 2014 financial year Operating and Financial Review:

Downstream Goals	FY2015 Plan	Actual Progress
Complete loading platform for LNG jetty	Q1	Accomplished
Inlet Air Chiller Package received on Curtis Island	Q1	Accomplished
LNG Tank B hydrostatic test complete	Q1	Accomplished
Complete Factory Acceptance Testing (FAT) on Train 2 Integrated Control Safety System (ICSS)	Q2	Accomplished
Last Train 2 module set	Q2	Accomplished
Energise Gas Turbine Generators (GTGs)	Q3	On track
Tank A ready for LNG	Q3	On track

Upstream - Non-operated

Upstream - QGC-operated

102 development wells were drilled during the current period in ATP 620 & ATP 648, with 44 of these wells drilled in the December Quarter. The Bellevue Central Processing Plant and the two further field compressor stations supplying it were completed in the period, and the remaining three field compressor stations in the ATP648 development catchment were ready for start up at the end of December.

Upstream - GLNG-operated

20 development wells were drilled during the period in the Fairview field, with all development wells approved under the initial Fairview development phase now commissioned. The wells are continuing to be dewatered in readiness for field ramp up. Fairview Hub Compressor 05 was handed over to operations during the period and progress was achieved on the commissioning of Fairview Hub Compressor 04.

Key Project goals and milestones for the second half of the 2015 financial year

The following table reports key goals and milestones in the near term.

Upstream Operated	H2 FY15 Plan	Downstream	H2 FY15 Plan
Condabri North GPF Train 2 mechanical completion	Q3	Introduction of first gas to the facility	Accomplished Feb 2015
950 wells commissioned	Q4	First fire of Gas Turbine Generators (GTGs)	Q3
Spring Gully pipeline compression facility mechanical completion	Q4	Commence Train 1 refrigerant loading	Q4
Eurombah Creek GPF Train 2 mechanical completion	Q1 FY16	LNG Tanks mechanical completion	Q4
Combabula GPF Train 3 mechanical completion	Q2 FY16	Sustained LNG production from Train 1	Q1 FY16

Capital expenditure and funding

The table below details Australia Pacific LNG capital expenditure (100% basis)³⁵ for the current year and cumulative to 31 December 2014.

APLNG Capital Expenditure (100% basis) ³⁶ A\$ million		Half Year to 31 December 2014	Cumulative from FID 1 to 31 December 2014
Project costs	Operated – Growth	2,475	21,378
	Non-Operated – Growth	327	2,428
		2,802	23,806 ³⁷
Capitalised O&M costs	Operated – Growth	386	
		386	
Domestic costs	Operated – Stay-In-Business	199	
	Non-Operated – Growth	170	
		369	
Exploration costs	Operated	80	
	Non-Operated	-	
		80	
Sustain costs	Operated	170	
	Non-Operated	70	
		240	
Total		3,877	
Origin cash contribution		1,412	5,961

During the current period, Origin's cash contribution to Australia Pacific LNG, net of the Mandatorily Redeemable Cumulative Preference Shares interest income³⁸ received from Australia Pacific LNG, was \$1,412 million, compared with \$1,437 million in the prior corresponding period.

The total amount drawn down by Australia Pacific LNG from its project finance facility during the current period was US\$329 million. Capitalised interest on the project finance facility of US\$140 million has been recognised during the current period. At 31 December 2014, US\$8,097 million of the project finance facility had been drawn.

Tri-Star proceedings

Some of Australia Pacific LNG CSG reserves and resources are subject to reversionary rights to transfer back to Tri-Star a 45% interest in Australia Pacific LNG's share of those CSG interests that were acquired from Tri-Star in 2002 if certain conditions are met. Approximately 22% of Australia Pacific LNG's 3P CSG reserves as of 30 June 2014 are subject to the reversionary rights. If reversion occurs this may mean that the uncommitted reserves that are subject to reversion are not available for Australia Pacific LNG to sell or use after the date of reversion. In October 2014, Tri-Star commenced proceedings against Australia Pacific LNG claiming that reversion has occurred. Origin is confident that reversion has not occurred and Australia Pacific LNG intends to defend the claim.

³⁵ Project costs include capitalised revenues and associated variable costs from production volumes of development fields in the ramp up for LNG operations. The net credit impact to project costs capital expenditure was \$46 million in the current period.

³⁶ **Project costs** include all operated and non-operated capital costs associated with the LNG project.

Capitalised O&M costs includes all operating and maintenance costs associated with the LNG project which have been capitalised and are excluded from the LNG export project cost estimates. The capitalisation of operating and maintenance costs prior to LNG start up will continue to be assessed.

Domestic costs include capital costs from Australia Pacific LNG's domestic operations, upstream non-operated capital costs associated with the supply of gas to third party LNG projects and costs associated with head office, project and system assets.

Exploration costs are attributable to exploration and appraisal activities and permit acquisition costs not related to the gas required for Phase 1 of the LNG project.

Sustain costs are attributable to all capital costs necessary to maintain the required Upstream production volumes after first commercial operations of the LNG facility.

³⁷ Includes an unfavourable foreign exchange translation impact of A\$339 million relative to project cost estimates announced in February 2013, which were based on 31 December 2012 exchange rates.

³⁸ \$58 million (31 December 2013: \$Nil).

6.5 Corporate

This segment reports corporate activities that have not been allocated to other operating segments together with business development activities outside Origin's existing operations. In particular, Origin's existing investments in Chile and Indonesia's energy sectors include interests in geothermal and hydro development.

With the exception of net financing costs and tax specifically associated with the LNG and Contact Energy segments, which are recorded in those segments, all other net financing costs and tax are recorded in the Corporate segment.

Financial Performance

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
Underlying EBITDA	(18)	8	N/A
Segment Result	(219)	(192)	14

- Higher Underlying EBITDA loss reflects higher corporate costs, lower cost recoveries from Australia Pacific LNG under the service provider agreement (given the nature of the recovery mechanisms, costs may be incurred in periods different from when recoveries are recorded) and lower cost recoveries from International Development joint ventures.
- Segment Result includes Underlying net financing costs of \$56 million and Underlying income tax expense of \$144 million.
- Origin expects lower cost recoveries from Australia Pacific LNG under the service provider agreement in the 2015 financial year compared with the prior year.

Origin has increased its equity stake in Energia Andina to 49.9%. During the current period, Energia Andina acquired a 40% equity stake in the 69 MW Javiera solar project located in Chile's Atacama Desert, partnering with US based SunEdison. The project has entered into a long term power purchase agreement to sell energy to the Las Pelambres copper mine.

In Indonesia, OTP successfully negotiated and signed a Power Purchase Agreement for the Sorik Marapi project in North Sumatra, Indonesia.

7. Risks related to Origin's Future Financial Prospects

As at 31 December 2014, there have been no material changes to the description of Risks related to Origin's future financial prospects in Section 7 of the 2014 financial year Operating and Financial Review released on 21 August 2014.

Appendix 1 – Origin's Key Financials

Half year ended 31 December	2014 (\$m)	2013 (\$m)	Change (%)
External revenue	6,950	7,238	(4)
Underlying EBITDA	1,080	1,082	-
Underlying depreciation and amortisation	(396)	(363)	9
Underlying share of interest, tax, depreciation and amortisation of equity accounted investees	(25)	(25)	-
Underlying EBIT	659	694	(5)
Underlying net financing costs	(105)	(108)	(3)
Underlying Profit before income tax and non-controlling interests	554	586	(5)
Underlying income tax expense	(171)	(161)	6
Underlying net profit after tax before elimination of Non-controlling interests	383	425	(10)
Non-controlling interests' share of Underlying Profit	(37)	(44)	(16)
Underlying Profit	346	381	(9)
Items excluded from Underlying Profit	(371)	(59)	529
Statutory Profit/(Loss)	(25)	322	N/A
Free cash flow	707	793	(11)
Group OCAT Ratio	10.7%	9.6%	11
Productive capital (12 months to 31 December)	16,979	16,174	5
Capital expenditure (12 months to 31 December)	1,248	460	171
Earnings per share – Statutory	(2.3)¢	29.3¢	N/A
Earnings per share – Underlying	31.3¢	34.6¢	(10)
Weighted average shares in basic EPS (million shares)	1,105	1,100	-
Free cash flow per share ³⁹	63.9¢	72.0¢	(11)
Interim dividend per share (unfranked)	25¢	25¢	-
As at (\$m)	31 Dec 2014	30 Jun 2014	Change (%)
Total assets	33,618	30,940	9
Net debt	11,859	9,134	30
Adjusted Net Debt ³⁵	11,451	9,138	25
Shareholders' Equity	15,261	15,129	1
Net asset backing per share	\$12.25	\$12.18	1
Net debt to net debt plus equity	44%	38%	16
Origin Cash (excluding Contact Energy)	213	217	(2)
Origin Debt (excluding Contact Energy)	10,800	8,160	32
Contact Energy Net Debt	1,272	1,191	7
Total employees (numbers) ⁴⁰	6,912	6,701	3
Total Recordable Injury Frequency Rate (TRIFR) ⁴¹	4.8	5.0	(4)

³⁹ Refer to Glossary in Appendix 2.

⁴⁰ Excludes employees from Contact Energy.

⁴¹ Reported on a rolling 12 month basis.

Appendix 2 – Glossary and Interpretation

Financial Measures

Statutory Financial Measures

Statutory Financial Measures are measures included in the Financial Statements for the Origin Consolidated Group, which are measured and disclosed in accordance with applicable Australian Accounting Standards. Statutory Financial Measures also include measures that have been directly calculated from, or disaggregated directly from financial information included in the Interim Financial Statements for the Origin Consolidated Group.

Term	Meaning
Net Debt	Total current and non-current interest bearing liabilities only, less cash and cash equivalents.
Non-controlling interest	Economic interest in a controlled entity of the consolidated entity that is not held by the Parent entity or a controlled entity of the consolidated entity.
Shareholders' Equity	Shareholders' residual interest in the assets of the consolidated entity after deducting all liabilities, including non-controlling interests.
Statutory EBIT	Earnings before interest and tax (EBIT) as calculated from the Origin Consolidated Interim Financial Statements.
Statutory EBITDA	Earnings before interest, tax, depreciation and amortisation (EBITDA) as calculated from the Origin Consolidated Interim Financial Statements.
Statutory effective tax rate	Statutory income tax expense divided by Statutory Profit before tax.
Statutory earnings per share	Statutory profit divided by weighted average number of shares.
Statutory income tax expense	Income tax expense as disclosed in the Interim Income Statement of the Origin Consolidated Interim Financial Statements.
Statutory net financing costs	Interest expense net of interest income as disclosed in the Origin Consolidated Interim Financial Statements.
Statutory Profit/Loss	Net profit/loss after tax and non-controlling interests as disclosed in the Interim Income Statement of the Origin Consolidated Interim Financial Statements.
Statutory profit before tax	Profit before tax as disclosed in the Interim Income Statement of the Origin Consolidated Interim Financial Statements.
Statutory share of ITDA	The consolidated entity's share of interest, tax, depreciation and amortisation (ITDA) of equity accounted investees as disclosed in the Origin Consolidated Interim Financial Statements.

Non-IFRS Financial Measures

This document includes certain Non-IFRS Financial Measures. Non-IFRS Financial Measures are defined as financial measures that are presented other than in accordance with all relevant Accounting Standards. Non-IFRS Financial Measures are used internally by management to assess the performance of Origin's business, and to make decisions on allocation of resources. The Non-IFRS Financial Measures have been derived from Statutory Financial Measures included in the Origin Consolidated Interim Financial Statements, and are provided in this report, along with the Statutory Financial Measures to enable further insight and a different perspective into the financial performance, including profit and loss and cash flow outcomes, of the Origin business.

The principle non-IFRS profit and loss measure of Underlying Profit has been reconciled to Statutory Profit in Section 3. The key Non-IFRS Financial Measures included in this report are defined below.

Term	Meaning
Adjusted Net Debt	Net Debt adjusted to remove fair value adjustments on borrowings in hedge relationships.
Free cash flow	Cash available to fund distributions to shareholders and growth capital expenditure.
Free cash flow per share	Free cash flow divided by the closing number of shares on issue.
Gearing Ratio	Net Debt divided by Net Debt plus Shareholders' Equity.
Gross Margin	Gross profit divided by Revenue.
Gross Profit	Revenue less cost of goods sold.
Group OCAT	Group Operating cash flow after tax (OCAT) of the consolidated entity (including Origin's share of Australia Pacific LNG OCAT).
Group OCAT ratio	(Calendar year Group OCAT - interest tax shield) / Productive Capital.
Interest tax shield	The tax deduction for interest paid.
Operating cash flow	Operating cash flow before tax.
Operating cash flow return (OCFR)	Operating cash flow / Productive Capital excluding tax balances.
Prior corresponding period	Six months ended 31 December 2013.
Prior period	Six month period ended 30 June 2014.
Productive Capital	Funds employed including Origin's share of Australia Pacific LNG and excluding capital works in progress for projects under development which are not yet contributing to earnings. Calculated on a rolling 12 month basis.
Share of ITDA	Share of interest, tax, depreciation and amortisation (ITDA) of equity accounted investees
Total Segment Revenue	Total revenue for the Energy Markets, Exploration & Production, LNG, Contact Energy and Corporate segments, including inter-segment sales, as disclosed in note 2 of the Origin Consolidated Interim Financial Statements.
Underlying average interest rate	Underlying interest expense for the current period divided by Origin's average drawn debt during the current period (excluding funding related to Australia Pacific LNG).
Underlying profit and loss measures:	Underlying measures are measures used internally by management to assess the profitability of the Origin business. The Underlying profit and loss measures are derived from the equivalent Statutory profit measures disclosed in the Consolidated Interim Financial Statements and exclude the impact of certain items that do not align with the manner in which the Managing Director reviews the financial and operating performance of the business. Underlying EBIT, Underlying EBITDA, Segment Result and Underlying Profit are disclosed in note 2 of the Origin Consolidated Interim Financial Statements. Underlying EPS is disclosed in note 16 of the Origin Consolidated Interim Financial Statements.
- Underlying Profit/Segment Result	
- Depreciation and Amortisation	
- EBIT	
- EBIT margin	
- EBITDA	
- Effective tax rate	
- EPS	
- Income tax expense / benefit	
- Net financing costs/income	
- Non-controlling interests	
- Profit before tax	
- Share of ITDA	

Non-Financial Terms

Term	Meaning
1P reserves	Proved Reserves are those reserves which analysis of geological and engineering data can be estimated with reasonable certainty to be commercially recoverable. There should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
2P reserves	The sum of Proved plus Probable Reserves. Probable Reserves are those reserves which analysis of geological and engineering data indicate are less likely to be recovered than Proved Reserves but more certain than Possible Reserves. There should be at least a 50% possibility that the quantities actually recovered will equal or exceed the best estimate of Proved plus Probable Reserves (2P).
3P reserves	Proved plus Probable plus Possible Reserves. Possible Reserves are those additional Reserves which analysis of geological and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have at least a 10% probability of exceeding the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario.
2C resources	The best estimate quantity of petroleum estimated to be potentially recoverable from known accumulations by application of development oil and gas projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. The total quantities ultimately recovered from the project have at least a 50% probability to equal or exceed the best estimate for 2C contingent resources.
Capacity factor	A generation plant's output over a period compared with the expected maximum output from the plant in the period based on 100% availability at the manufacturer's operating specifications.
Discounting	For Energy Markets, discounting refers to offers made to customers at a reduced price to the published tariffs. While a customer bill comprises a fixed and a variable portion, Origin's discounts only apply to the variable portion. In some cases, these discounts are conditional, such as requiring direct debit payment or on-time payments.
Equivalent reliability factor	Equivalent reliability factor is the availability of the plant after scheduled outages.
GJ	Gigajoule = 10^9 joules
GJe	Gigajoules equivalent = 10^6 PJe
Joule	Primary measure of energy in the metric system.
kT	kilo tonnes = 1,000 tonnes
kW	Kilowatt = 10^3 watts
kWh	Kilowatt hour = standard unit of electrical energy representing consumption of one kilowatt over one hour.
MW	Megawatt = 10^6 watts
MWh	Megawatt hour = 10^3 kilowatt hours
Netback	For Contact Energy is calculated by deducting the network, meter, levy and cost to serve costs from the retail customer tariffs.
Oil Sale Agreements	Agreements to sell a portion of future oil and condensate production from July 2015 for 72 months at prices linked to the oil forward pricing curve at the agreement date. The cash proceeds were received upfront in the 2013 financial year at a locked-in price of \$62.40/bbl.
PJ	Petajoule = 10^{15} joules
PJe	Petajoules equivalent = an energy measurement Origin uses to represent the equivalent energy in different products so the amount of energy contained in these products can be compared. The factors used by Origin to convert to PJe are: 1 million barrels crude oil = 5.8 PJe; 1 million barrels condensate = 5.4 PJe; 1 million tonnes LPG = 49.3 PJe; 1 TWh of electricity = 3.6 PJe.
TW	Terawatt = 10^{12} watts
TWh	Terawatt hour = 10^9 kilowatt hours
Watt	A measure of power when a one ampere of current flows under one volt of pressure.

Interpretation

All comparable results reflect a comparison between the current period and the prior corresponding period ended 31 December 2013, unless specifically stated otherwise. A reference to the prior period refers to the period ended 30 June 2014.

A reference to Contact Energy is a reference to Origin's controlled entity (53.1% ownership) Contact Energy Limited in New Zealand. In accordance with Australian Accounting Standards, Origin consolidates Contact Energy within its result.

A reference to Australia Pacific LNG or APLNG is a reference to Australia Pacific LNG Pty Limited in which Origin holds a 37.5% shareholding. Origin's shareholding in Australia Pacific LNG is equity accounted.

A reference to \$ is a reference to Australian dollars unless specifically marked otherwise.

All references to debt are a reference to interest bearing debt only (excludes Australia Pacific LNG shareholder loans).

Individual items and totals are rounded to the nearest appropriate number or decimal. Some totals may not add down the page due to rounding of individual components.

When calculating a percentage change, a positive or negative percentage change denotes the mathematical movement in the underlying metric, rather than a positive or a detrimental impact.

Percentage changes on measures for which the numbers change from negative to positive, or vice versa, are labelled as not applicable.