



CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING

16 OCTOBER 2019

Welcome (slide 1)

Good morning friends and colleagues.

This is my sixth year of addressing you as chair at our AGM. I always look forward to these occasions.

Origin's performance (slide 2)

Today, I want to focus on six topics, ranging across the general and the specific.

It is always good to kick off by congratulating management on a strong performance in FY2019. Frank will go into this in more detail in his report. But I might just call out four headlines:

1. Underlying profit increased 42 per cent year on year, as increased Australia Pacific LNG earnings offset headwinds in the Energy Markets business;
2. Operating cash flow improved 35 per cent;
3. Net debt was reduced by \$1.1 billion; and
4. We paid dividends for the year of 25 cents per share, fully franked.

This leads me onto the role of business, a topic that has generated some controversy and comment recently.

Origin's position (slide 3)

At Origin, we believe that we have a role to play in improving society, by addressing the needs of all stakeholders. Our shareholders are best served by us also being obsessive about our customers, by promoting a culture where our people are engaged, and where our business partners can deal with us in a spirit of mutual benefit.

We operate in a community (slide 4)

We operate not in a vacuum, but in a community, where we will support and respect the views of that community, whether it be on diversity, climate change, LGBTIQ, same-sex marriage, or support for Aboriginal and Torres Strait Islander peoples.

I personally believe it is vital for Aboriginal and Torres Strait Islander Australians to have, as many have argued so passionately, a voice in constitutional recognition and empowerment.

Origin is currently consulting with our Traditional Owners to listen to their views on what is proposed.

We respect that others may have different views to us, and we are happy in a democracy, to debate that constructively.

We are also allowing a reasonable discussion today of all the resolutions that have been requisitioned by a group of shareholders, and showing the proxy votes, despite the fact that the special resolution did not succeed, and we are therefore under no obligation to discuss the advisories.

We do so, believing that this is an important part of creating a robust and healthy corporate governance landscape.

Shareholder resolutions (slide 5)

Having said that let me reinforce the views of your board; the shareholder resolutions have been requisitioned by two small groups of shareholders representing less than 0.02 per cent of Origin's shares.

They do not reflect the views of the vast majority of shareholders, nor of your board. We have said publicly that many of the assertions lack scientific rigour, peer review, or are simply incorrect.

Leading position on ESG (slide 6)

In fact, we are proud at Origin of the leading position we have taken on environmental, social and governance matters. We were the first Australian company to set emissions reduction targets that have been independently validated and approved by the Science Based Targets initiative.

This ensures that our targets are consistent with the goals of the Paris Agreement, to hold global average temperature rises to well below 2°C above pre-industrial levels by 2100. And these approved targets will require re-validation every five years from 2025.

We were the first energy company in the world in 2015 to sign up to seven commitments under the We Mean Business coalition.

And in 2017, we published a scenario analysis examining our generation portfolio's resilience to climate change risk under a 2°C scenario.

Portfolio resilience (slide 7)

You will be pleased to note that Origin is ensuring the resilience of our company by playing a leadership role in Australia's carbon reduction. We are doing this by:

- committing to exit coal fired generation by 2032;
- pursuing a renewables and storage target of 25 per cent by 2020;
- utilising our strong gas position as a lower emissions firming fuel;
- empowering customers with cleaner, smarter energy solutions; and
- publicly advocating for stable policy on carbon emissions reduction.

Moreover, we are not content to rest on our laurels. The ambition of the Paris Agreement is to hold global warming to 1.5°C. This morning we have published a paper setting out what a 1.5°C scenario would look like for Origin's generation portfolio. We have structured our portfolio around a low-emissions future and our report gives us confidence that Origin is well-positioned under this scenario.

As one of Australia's largest energy companies serving more than four million customers, Origin has a responsibility to lead the effort to decarbonise the Australian economy and advocate on behalf of our customers for the policies and targets required more broadly to achieve this.

Strategic priorities (slide 8)

Now let me move to the next item on my agenda which is the strategic priorities that the board and management are focused on.

The first of these is transforming our Energy Markets business by:

- enhancing the customer experience through digitisation;
- lowering the cost of energy through productivity; and
- responding to decarbonisation through our commitment to a target for renewables and storage to account for 25 per cent of our generation capacity by 2020.

We are doing so in an environment where energy policy is sadly lacking, which makes investment difficult to justify.

The second strategic priority is to grow our resource position in Integrated Gas. Our investment in Australia Pacific LNG provided \$943 million in cash flow to Origin in FY2019, and we are now turning our attention to the Beetaloo Basin in the Northern Territory where we operate and have a 70 per cent interest in shale gas permits with liquids potential.

To give you some context of the potential significance of this project, Origin holds exploration permits in the Northern Territory, about 600 kilometres south-west of Darwin, that cover 18,500 square kilometres, with initial appraisal indicating a very large natural gas resource of outstanding potential, with 6.6 trillion cubic feet recognized as a contingent resource.

We have now commenced Stage 2 of an exploration program and in FY2020, we expect to spend around \$100 million appraising two independent, potentially liquids-rich gas plays.

This project has the potential to not only provide greater domestic energy security, and support local industry, but also to provide substantial opportunities for local Traditional Owners and their communities.

Let me also be clear in saying that any future production developments in the Beetaloo Basin will only be undertaken by Origin following negotiation of a Production Agreement with the Traditional Owners, as recognised by the Northern Land Council.

Given the huge importance to us of this investment I thought you might like to see a short video that details our Beetaloo exploration project.

(Beetaloo video)

I would also like to acknowledge one of our Traditional Owners from that video, Gordon Jackson, who is here with us today.

When I was recently in the Beetaloo to meet with our Traditional Owners, it was made clear to me that only they can speak on behalf of their land. And they asked me if they could do so at our AGM, a request that I thought was reasonable and appropriate.

It is my pleasure to invite Gordon to the podium.

(Gordon Jackson addresses the AGM)

Thank you very much for that powerful message, Gordon.

Returning to the strategic priorities that Origin is focused on, the third of which is to deliver our business objectives within a disciplined capital management framework:

- We have reduced net debt by \$1.1 billion over the previous financial year to \$5.4 billion;
- Enabling us to pay a final dividend of 15 cents per share, fully franked, on top of the interim dividend of 10 cents per share; and
- Origin's credit rating was recently upgraded by both Standard & Poor's and Moody's to BBB and Baa2, respectively.

Our stated policy going forward is to target an ordinary dividend payout range of 30-50 per cent of free cash flow per annum.

Integral to the above is our continued productivity drive, and you will hear more from Frank shortly on our priorities there.

At the same time, we know we have a role to play in supporting communities, and I wanted to briefly mention the terrific work of our philanthropic Origin Foundation.

Next year, the Foundation turns 10, and over its initial decade, it has contributed more than \$25 million to not-for-profit organisations with a focus on education.

The Foundation has supported more than 25,000 students across the country, with a focus on students from rural and regional locations, Aboriginal and Torres Strait Islander children, and on programs that promote and encourage diversity in Science, Technology, Engineering and Maths.

Your board is incredibly proud of the work the Foundation achieves each year. And we aren't the only ones who think so. The work of the Foundation was recognised at the Workplace Giving Excellence Awards, winning Gold in the 'Best Pro Bono / Volunteering' category, and by GoodCompany as Australia's number one workplace to give back this year.

Culture (slide 9)

Finally, the board is diligent in ensuring we have the appropriate culture at Origin. This starts with us, as a board demonstrating the appropriate tone from the top. We do this by having robust external assessments of board and individual director performance, with a follow-up development plan.

We have extensive site visits that enable us to gauge our HSE culture first-hand, but also to gain perspective and "smell the roses", and foster a learning environment.

We have a strong risk management culture, embedded in our Risk Committee, and executed by our Risk team.

During 2019, we had the benefit of reviewing the findings of the Hayne Royal Commission, and with a debrief from Jillian Broadbent from the prudential regulator's inquiry into the Commonwealth Bank.

This was followed by a deep dive into conduct risk, and consequence management. We were pleased with the overall results, but with some clear areas for improvement.

Origin's purpose and values (slide 10)

But above all, our culture is determined by our purpose and values.

We want to get energy right for our customers, communities and planet. We will do this by enshrining our values into the way we work: teamwork, customer-first, caring, innovating and holding ourselves to account.

Not only will we judge ourselves by what we do in three buckets (financial, customer and people) but our remuneration outcomes will be modified by how well we adhere to these values.

In conclusion, ladies and gentlemen, a solid year for Origin in a tough external environment. This solid performance is due to the leadership of Frank and his team, the hard work of all our people at Origin and to the diligence and contestability of my board colleagues.

I would like to thank all of them on your behalf, and reassure you that we remain ambitious and optimistic for the future of Origin.

Gordon Cairns



CEO AND MANAGING DIRECTOR'S ADDRESS

ANNUAL GENERAL MEETING

16 October 2019

Good morning and thank you for coming to our AGM today. I'm proud to say that in 2019, Origin delivered a strong operational and financial performance across our two businesses.

Our result this financial year was the culmination of three years of focus and effort right across our business to strengthen performance, reduce debt and deliver returns to our shareholders, as noted by Gordon.

I am extremely proud of what we have achieved in 2019 and I'm pleased to be able to provide this update on how your business has performed.

Progress on our commitments

Origin comprises two strong cash generating businesses: Integrated Gas and Energy Markets.

This year, our Integrated Gas business benefited from higher commodity prices, cost efficiencies and continued reliable production at Australia Pacific LNG, delivering a 51 per cent increase in underlying earnings to \$1.9 billion.

With both LNG trains running in steady state, we have focused strongly on achieving efficiencies to allow us to be a low-cost operator competitive with US shale. This focus has seen us halve our well costs and reducing our operating costs by more than 20 per cent in order to deliver \$500 million in cost reductions. We have implemented a flatter, asset-led model and looked at how we could realise further efficiencies in our upstream operations – finding a better way without compromising our operational performance.

In targeting these efficiencies in the gas business, we focused on well design, streamlining maintenance and reducing overheads. I'm pleased to be able to report to you today that we achieved our targets to get the cost per vertical well down to \$1.2 million per well and operating expenses to \$1 per gigajoule of gas.

As the Chairman has noted, our investment in APLNG continues to perform strongly for Origin, this year contributing \$943 million in cash to Origin.

Over the last 12 months we have faced significant headwinds in our Energy Markets business, with a highly competitive retail market and regulatory intervention presenting a range of challenges.

The price relief we delivered for customers and the continued impact of retail competition impacted on earnings in electricity, with underlying EBITDA in Energy Markets down \$77 million from FY2018 to \$1.6 billion.

Origin is transforming our Energy Markets business to enhance the customer experience and to counter the impacts of re-regulation and heightened competition in the retail business.

We are focussing on measures to improve customer experience, including upgrading our digital interfaces to make it easier and more convenient for our customers to understand their usage and manage their accounts. We are also in the process of simplifying our retail business by targeting cost savings of greater than \$100 million by FY2021, and growing new revenue streams in centralised energy services, solar and storage and broadband.

Increasing supply in the energy market is one of the ways that Origin can help to improve affordability for customers. Over the year, we delivered record generation at our Eraring Power Station and introduced almost 500 megawatts of new contracted renewables. We are on track to meet our target for more than 25 per cent of our owned and contracted generation capacity to come from renewables and storage by 2020.

Disappointingly, however, after many years of improved safety performance across Origin, our Total Recordable Injury Frequency Rate (TRIFR) increased to 4.5, from a record low 2.2 last year. This is an unacceptable outcome, and our leadership team is focused on improving our performance in 2020 and ensuring our people return home to their families safely every day, which is our absolute priority.

The strong performance of our two businesses enabled a further \$1 billion of debt to be paid down in the 2019 financial year. Our net debt was sitting at \$5.4 billion as at 30 June 2019, which is at the lower end of our target capital structure range.

This put Origin in the position to recommence dividends to you, our shareholders, and also to pursue selective growth opportunities, including the purchase of embedded networks business OC Energy and a small equity interest in data business, Intertrust.

We will continue to look at a range of further growth opportunities, keeping in mind our commitment to disciplined capital management.

Supporting our customers and the community

We know affordability is the most pressing issue for our customers, and for that reason, our focus remains on all the actions we can take to put downward pressure on energy prices.

On 1 July 2019, we went beyond what was required with the introduction of the Commonwealth's Default Market Offer and extended the same pricing to our customers on non-discounted plans with a flat rate tariff. This move meant more than half a million residential and small business customers are now paying less for their electricity.

Our focus continues to be delivering affordable energy by running our generation assets reliably and efficiently, supporting projects to bring more renewable energy online and maintaining our competitive gas supply portfolio.

We will continue to advocate for policies that support more investment in supply, which is the only guaranteed way to sustainably lower energy prices. The energy sector is undergoing the biggest change it has seen in 150 years with the lower cost of wind and solar driving strong growth in renewables and resulting in zero or negative pricing during the day more and more often. We are responding by improving the flexibility of our generation fleet so we

can better support the growth in renewables, but reliability remains a challenge for the entire sector.

With its vast resources, Australia has a tremendous opportunity to regain a competitive advantage and achieve a lower cost of energy for customers and the businesses that rely on it every day. However, we have lost the past decade to inertia on energy policy rather than moving ahead with a coordinated plan to ensure affordable and reliable supply as wind, solar, fast-start gas and storage replace our legacy generation fleet.

We note that the Federal Government's divestment legislation – the big stick – was reintroduced to the parliament last month. While there were some improvements from what was proposed last year, we still have major concerns that this bill will result in worse rather than better outcomes. Our concern remains that interventionist policies of this nature, and the risk of unintended consequences, will not make energy more affordable nor ensure greater reliability.

We remain committed to playing our part in making energy more sustainable, reliable and affordable for our four million customers.

Purpose-led organisation

Just over a year ago, we launched our new purpose and values to align and guide the 5,500 Origin employees with our purpose of getting energy right for our customers, communities and planet.

Origin is a diverse business spanning generation, upstream gas and retail operations across the country. Every day our people engage with customers, suppliers and members of the community all over Australia, listening to how we can make energy work better for them.

Our purpose and values were developed because we wanted to make clear that every decision and action that takes place in our business – be it at a power station, in a customer-facing role, out in our gas fields, or in a corporate office – must demonstrate our principles in action.

Despite a year of substantial change impacting many teams in Origin as we sought to manage efficiencies, our employee engagement score was stable this year at 61. This score remains ahead of the average energy and utilities engagement of 56 per cent. We strive to lift engagement this year and aspire to be in the top quartile of organisations across Australia and New Zealand.

One thing I am tremendously proud of is Origin's volunteering program, GiveTime, which is administered by the Origin Foundation. When we come to work, we often work with people from similar backgrounds, or with a similar education. When we have the opportunity to get out into the community, either individually or as a team, it is one of the most rewarding things we can do in order to better understand the community in which we operate. I'm delighted to say that around 2,000 Origin employees donated their time this year, packing food, assembling Solar Buddy lights or mentoring students from disadvantaged backgrounds.

I participate in reading groups every few weeks at Gawura, a primary school for Indigenous children in inner city Sydney. As a society we need to improve Indigenous education standards so that Aboriginal children have the same opportunities as everyone else, however, on a personal level, it is simply very rewarding to see these children progress with their reading on each visit and playing a small part in that.

Outlook

The political and regulatory environment continues to be fluid. The outlook we gave at our annual results in August was premised on the basis that market conditions and the regulatory and political environments do not result in further adverse impacts on operations. On that basis, we reaffirm our guidance from our annual results in August:

Energy Markets Underlying EBITDA is expected to be in the range of \$1.35 billion to \$1.45 billion. We anticipate there will be a reduction in electricity gross profit reflecting the impacts of government default offers, lower green scheme prices flowing through to Business customer tariffs and lower customer usage.

Australia Pacific LNG production is expected to be slightly higher, at 680 to 700 petajoules. Integrated Gas expects to achieve a distribution breakeven of US\$33 to US\$36/boe.

Capital expenditure is estimated to be \$530 to \$580 million, including increased exploration and appraisal spend in the Beetaloo Basin.

The sale of the Ironbark asset to APLNG for \$231 million, settled on 5 August 2019, will contribute to further reducing the debt balance in this financial year.

In conclusion, by focusing on getting the basics right and improving performance, we have delivered a strong result this year. Solid earnings growth helped drive a 41 per cent increase in underlying profit, which has allowed us to reinstate the dividend, and think about pursuing strategic growth opportunities in a disciplined way.

A strong result like this does not happen without the dedication and hard work of our people across the country, who have embraced a new purpose and values amidst a lot of transformation and change. I'd like to take this opportunity to thank and congratulate our people, many of whom are also shareholders, for a great year.

While 2019 was a strong year, we are not standing still. The transition underway in energy markets presents tremendous opportunities for our business and getting ahead of that change is where we are focused.

Thank you for your continued support of Origin.

Frank Calabria

Chairman's Address



Gordon Cairns, Chairman

16 October 2019



Agenda

- FY2019 performance
- Role of business
- Shareholder resolutions
- Leading position in ESG
- Strategic priorities
- Culture

Origin's position



We operate in a community

- Diversity
- Climate change
- LGBTIQ
- Same sex marriage
- Aboriginal and Torres Strait Islanders

Shareholder resolutions

- Less than 0.02% of Origin's shares
- Not representative of the views of the vast majority, nor your Board
- Many assertions lack scientific rigor, peer review or are simply incorrect

Leading position on ESG

- Science Based Targets initiative
- Consistent with Paris Agreement 2°C goal
- Validated every five years from 2025
- First energy company to sign up for We Mean Business coalition

Resilience of Origin's portfolio



Strategic Priorities

- Transforming Energy Markets
- Grow our resource position in Integrated Gas
- Disciplined capital management
- Productivity initiatives

Culture

- Tone from the top
- HSE learning culture
- Risk management
- Deep dive into conduct and consequence

Origin's purpose and values

Purpose

Getting energy right for our customers, communities and planet

Values



Work as one team, one Origin



Be the customer champion



Care about our impact



Find a better way



Being accountable

2019 AGM proxy summary as at proxy close

Resolution	For		Against		Abstain*	Proxy's Discretion	
2. Election of Mr Greg Lalicker	1,110,128,043	98.76%	3,902,458	0.35%	3,879,345	10,038,177	0.89%
3. Re-election of Mr Gordon Cairns	1,085,456,990	96.60%	28,249,453	2.51%	4,201,545	10,040,035	0.89%
4. Re-election of Mr Bruce Morgan	1,047,603,274	93.20%	66,448,850	5.91%	3,858,381	10,037,518	0.89%
5. Remuneration Report	1,093,605,673	97.36%	20,122,633	1.79%	4,397,049	9,562,872	0.85%
6. Equity grants to Mr Frank Calabria	1,090,260,593	97.00%	24,178,906	2.15%	3,715,368	9,533,360	0.85%
7. Renewal of proportional takeover provisions	1,097,103,430	97.62%	16,748,406	1.49%	4,091,965	10,004,222	0.89%
8. Change of auditor	1,111,332,510	98.92%	1,995,230	0.18%	4,460,362	10,159,921	0.90%
9.(a) Amendment to the Constitution	73,390,547	6.79%	997,987,959	92.29%	46,664,203	9,905,284	0.92%
9.(b) Transition planning disclosure	57,818,570	5.35%	1,013,828,708	93.73%	46,402,170	9,898,575	0.92%
9.(c) Informed consent	61,445,177	5.52%	1,042,693,168	93.60%	13,969,504	9,840,174	0.88%
9.(d) Public health risks of coal operations	73,755,056	6.56%	1,040,248,482	92.56%	4,091,279	9,853,206	0.88%
9.(e) Paris goals and targets	88,055,026	7.90%	1,017,351,150	91.22%	12,769,107	9,772,740	0.88%

*Votes by a person who abstains on an item are not counted in calculating the required majority on a poll

2019 Annual General Meeting



16 October 2019

