



ASX/Media Release

30 April 2020

Quarterly Report March 2020

Origin Energy (Origin) has released its Quarterly Report for the period to 31 March 2020, covering the performance of its Integrated Gas and Energy Markets divisions.

Integrated Gas

- Australia Pacific LNG production stable following record production last quarter.
- Revenue down 12 per cent from December quarter driven by sales mix, with lower contracted LNG sales partially offset by higher spot LNG and domestic sales.
- The first price review under Australia Pacific LNG's long-term contract with Sinopec has been completed, with no change to the contract price.
- Origin increased Beetaloo Basin interest to 77.5 per cent and agreed changes to the joint operating agreement, providing greater control over future activity.

Energy Markets

- Electricity volume down 7 per cent on March 2019 quarter: Retail volumes down 11 per cent due to milder weather as well as lower usage from solar uptake and efficiency, and lower customer numbers; Business volumes down 3 per cent due to expiration of contracts.
- Gas volume down 1 per cent on March 2019 quarter: Retail volumes rose 12 per cent due to cooler weather in Victoria and higher customer numbers and usage; gas used in generation fell 10 per cent reflecting lower electricity prices.
- Demand impacts of COVID-19 to date are in line with assumptions for FY2020 guidance.

Origin CEO Frank Calabria said, "I'm incredibly proud of how our people have responded to COVID-19 and, in particular, I acknowledge those working in the field, at power stations and delivering LPG in roles critical to maintaining energy supply for our customers and communities. Our customer service teams are also working hard to make sure our customers having financial difficulties get the support they need.

"In Energy Markets, we are already seeing an initial impact from the pandemic on electricity demand, which along with milder weather and lower customer numbers and usage, contributed to lower volumes compared to this time last year.

"Australia Pacific LNG continues to deliver stable and reliable production following a record December quarter, and there was a strong increase in gas sales to the domestic market, ensuring local businesses including manufacturers were well supplied.

"Reflecting our positive view of the potential of the resource, we have increased our interest in the Beetaloo Basin to 77.5 per cent and agreed changes to the joint operating agreement, providing greater control over the timing, direction and budgets for future project activity. We announced a temporary pause to exploration activity as a result of COVID-19, and look forward to when we can recommence activity," Mr Calabria said.



Quarterly results overview

	Unit	Mar-20	Dec-19	% Mvt	Mar-19	% Mvt	FYTD-20	FYTD-19	% Mvt
Integrated Gas – Share of APLNG									
Production	PJ	66.8	67.6	(1%)	63.3	6%	200.8	190.6	5%
Commodity Revenue	\$m	628.5	716.5	(12%)	763.9	(18%)	2,033.3	2,145.2	(5%)
Energy Markets									
Electricity sales	TWh	8.7	8.3	5%	9.3	(7%)	25.7	27.5	(7%)
Natural gas sales	PJ	57.7	57.2	1%	58.5	(1%)	192.0	206.5	(7%)
Corporate									
Origin capex & Investments	\$m	130	167	(22%)	134	(3%)	396	328	21%

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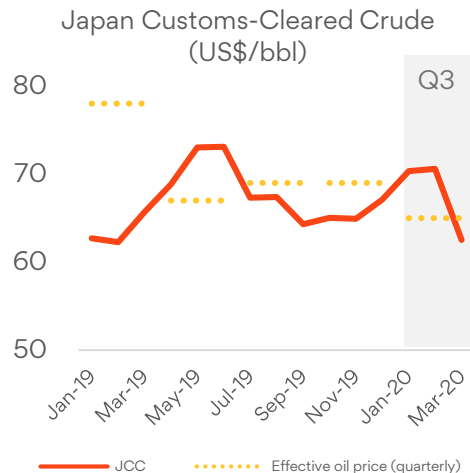
Origin Energy

Quarterly Report

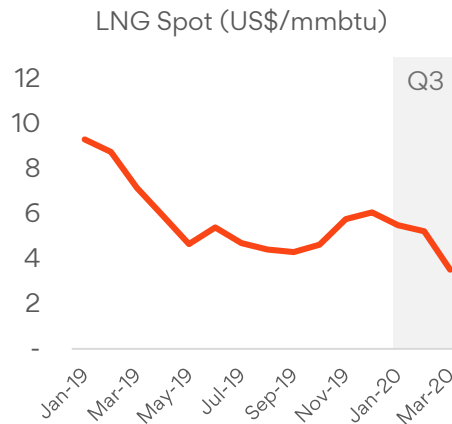
March 2020



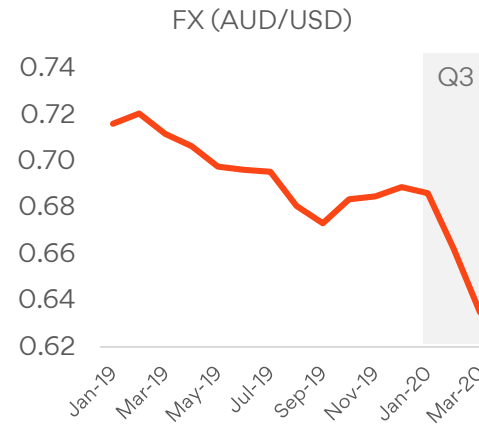




Source: Petroleum Association of Japan, Refinitiv



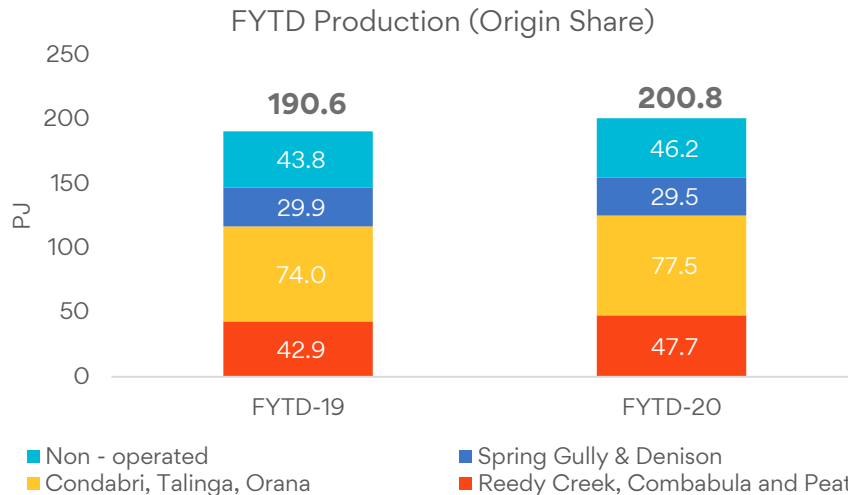
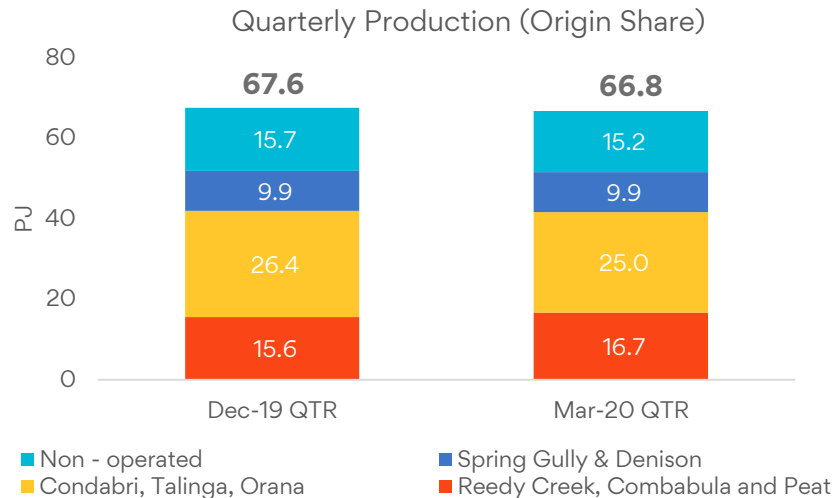
Source: IHS Markit¹



- APLNG's effective oil price in the Mar-20 quarter was US\$65/bbl (A\$99/bbl), down from US\$69/bbl (A\$100/bbl) in the Dec-19 quarter and US\$78/bbl (A\$109/bbl) in the Mar-19 quarter.
- FY2020 APLNG related JCC oil exposure has now been fully priced in at US\$68/bbl.
- Both JCC and Spot LNG prices in USD softened in the Mar-20 quarter as a result of demand weakness linked to COVID-19 with some of the USD price impact offset by a weaker AUD.

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APLNG continues to deliver strong production



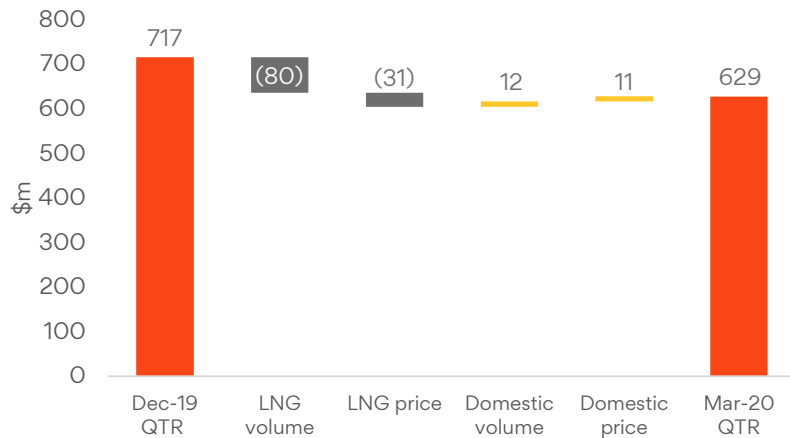
- Mar-20 production down 0.8 PJ (1%) from Dec-19 quarter
 - production impacted by wet weather restricting access for workovers and minor non-operated unplanned outages
 - partially offset by stronger field performance and reduced planned maintenance at Reedy Creek, Combabula and Peat

- FYTD-20 production up 10.2 PJ (5%) from prior year
 - improved operated and non-operated field performance with higher well availability and facility reliability
 - commissioning of the Eurombah Reedy Creek Interconnect (ERIC) pipeline in July 2019 which improved utilisation of processing capacity

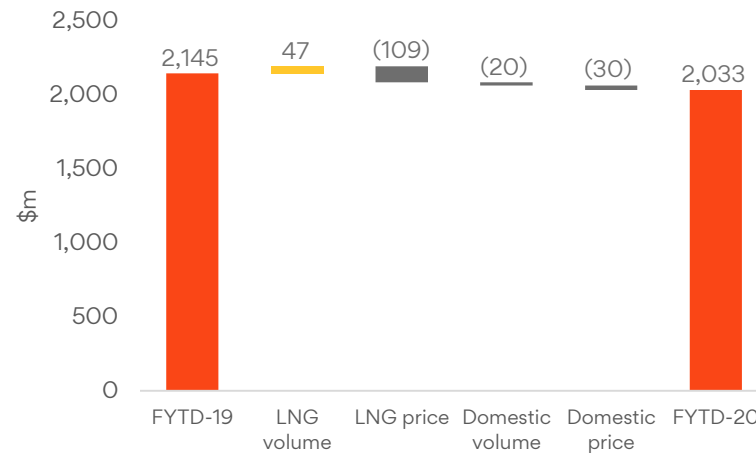
APLNG revenue down 12% from prior quarter



Mar-20 QTR vs Dec-19 QTR (Origin Share)



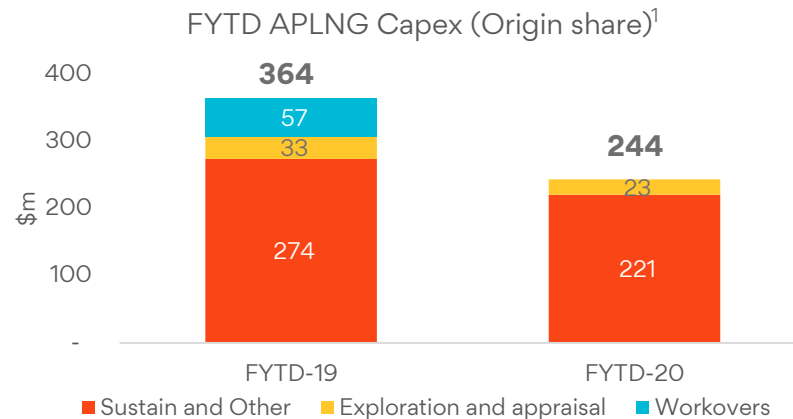
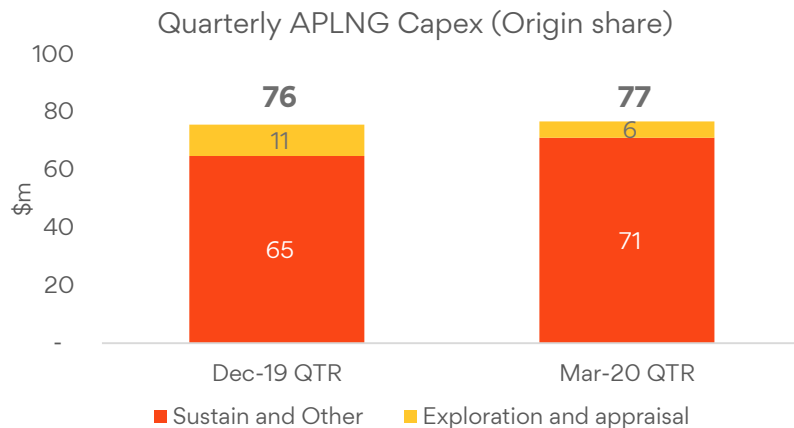
FYTD-20 vs FYTD-19 (Origin Share)



- APLNG revenue down 12% on Dec-19 quarter with lower LNG sales partially offset by higher domestic sales
 - LNG revenue was down 17% due to lower LNG nominations (with Downward Quantity Tolerance exercised in CY2020) and lower realised prices
 - Domestic gas revenue was up 39% due to a higher proportion of short term sales in the mix

- FYTD APLNG revenue down 5% from prior year
 - LNG revenue was down 3% driven by softer A\$ commodity prices partially offset by higher contract nominations
 - Domestic gas revenue was down 18% due to less short term sales as well as lower gas prices

APLNG capital expenditure (Origin share)

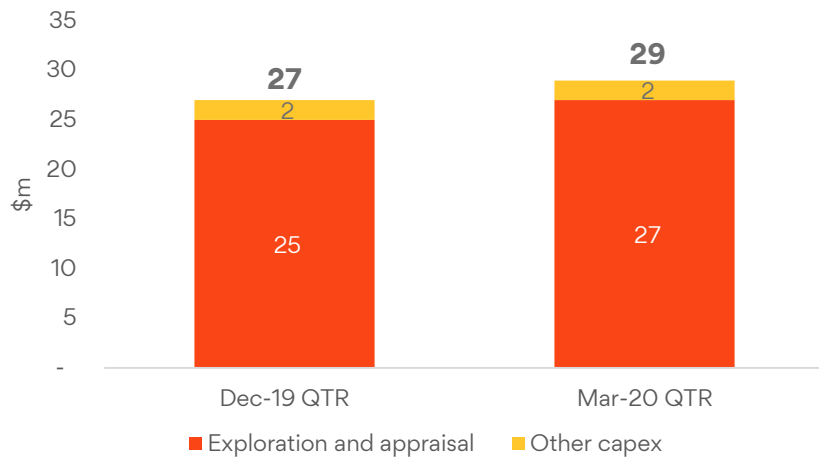


- E&A spend in the quarter primarily related to two Condabri Deep pilot wells and production testing of South Burunga 2.
- Sustain and other capex is relatively stable with Dec-19 quarter benefiting from a \$19 million claim settlement in respect of initial project construction work, offset by less activity in the Mar-20 quarter due to wet weather.

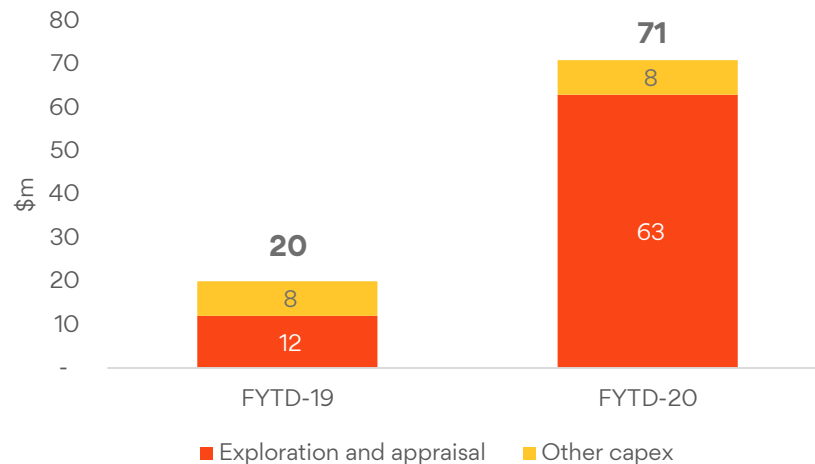
As expected, FYTD-20 sustain and other capex was down \$53 million (Origin share) on FYTD-19 driven by lower operated spend primarily related to infrastructure with the ERIC pipeline build in FYTD-19, \$19 million benefit in FYTD-20 related to settlement of a claim in respect of initial project construction work and lower non-operated spend due to lower well development activity.

¹⁾ APLNG capex is reported on an accrual basis. For the purpose of comparability FYTD-19 workover costs have been shown separately.

Quarterly Integrated Gas - Other Capex



FYTD Integrated Gas - Other Capex



- During the Mar-19 quarter, a new horizontal section of the Kyalla well was successfully drilled, cased and cemented, water monitoring bores were installed and civil works were completed in preparation for the extended production test.

- E&A spend primarily relates to Beetaloo activity including Kyalla and Velkerri civil works, rig mobilisation and Kyalla drilling.
- Results to date from the Kyalla well demonstrate good reservoir continuity, conductive natural fractures, and continuous gas shows.



Activity paused due to COVID-19

- As announced on 26 March 2020, due to COVID-19, Beetaloo activity has been safely and temporarily paused.
- This is expected to delay Kyalla stimulation and the extended production test by at least 3 months to H1 FY2021 and delay Velkerri drilling to H2 FY2021.

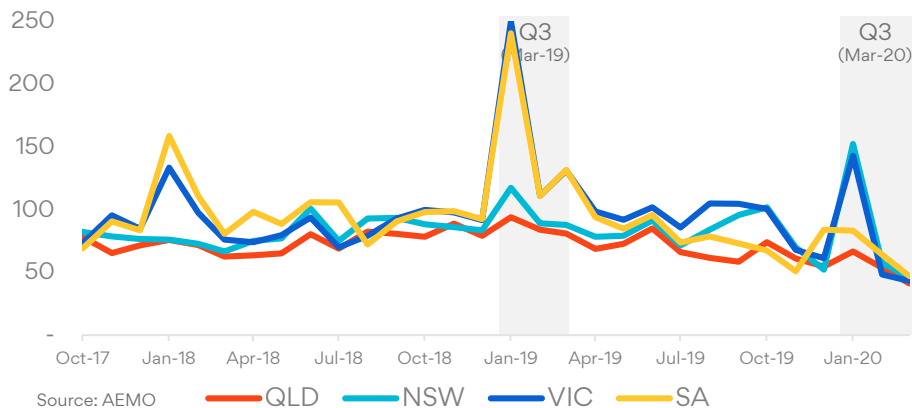
Increase share in Beetaloo joint venture

- As announced on 7 April 2020, Origin acquired a 7.5% share in the Beetaloo Basin joint venture from Falcon Oil & Gas in exchange for increasing Falcon's carry by \$25 million over a number of years.
- Joint operating agreement changes giving Origin control over the timing, direction and budgets for future activity and farm down flexibility were also agreed.

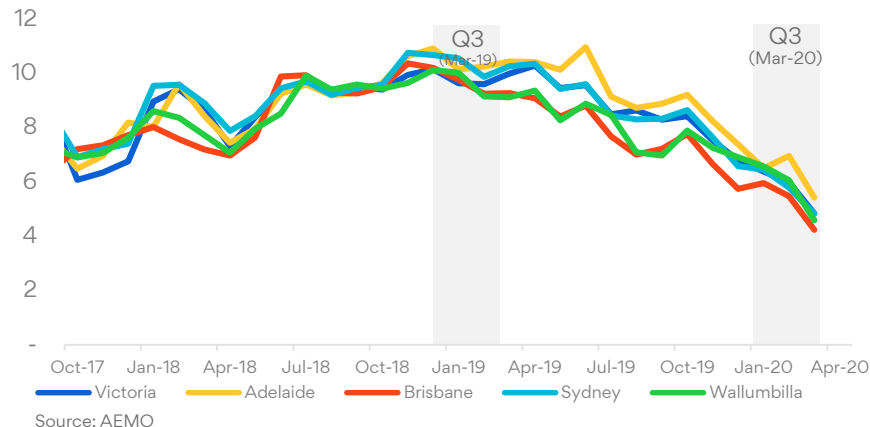
Electricity and natural gas markets



Electricity (\$/MWh)



Natural Gas (\$/GJ)



- Average NEM spot electricity price for the Mar-20 quarter was \$70.6/MWh, in-line with \$70.5/MWh in the Dec-19 quarter but down from \$127.4/MWh in the Mar-19 quarter:
 - While earlier in the quarter saw extreme heat and bushfires impacting transmission and generation, average spot prices more broadly reflect increased renewable generation, lower gas prices and milder weather generally, with lower spot prices toward the end of March caused by initial demand impacts from COVID-19.
- Average domestic spot gas price for the Mar-20 quarter was \$5.74/GJ, compared to \$7.51/GJ in the Dec-19 and \$9.82/GJ in Mar-19:
 - The decrease was driven by linkage to lower Asian and global gas prices, with lower demand and high storage levels exacerbated by initial demand impacts from COVID-19.

Mar-20 Quarter vs Mar-19 Quarter
(TWh)



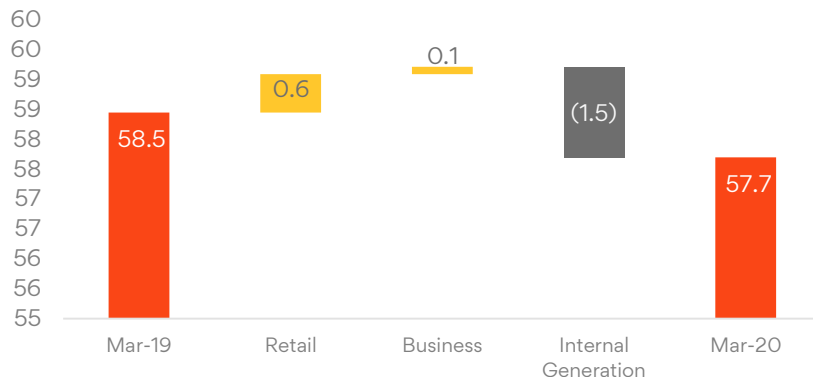
- Retail volumes down 11% on Mar-19 quarter due to milder weather (~0.2 TWh), lower usage from solar uptake, energy efficiency and initial impacts from COVID-19 (~0.1 TWh), as well as lower customer numbers and changes in customer mix (~0.1 TWh).
- Business volumes were down 3% on Mar-19 quarter due primarily to the expiration of contracts, with minimal initial impacts from COVID-19.

FYTD-20 vs FYTD-19
(TWh)



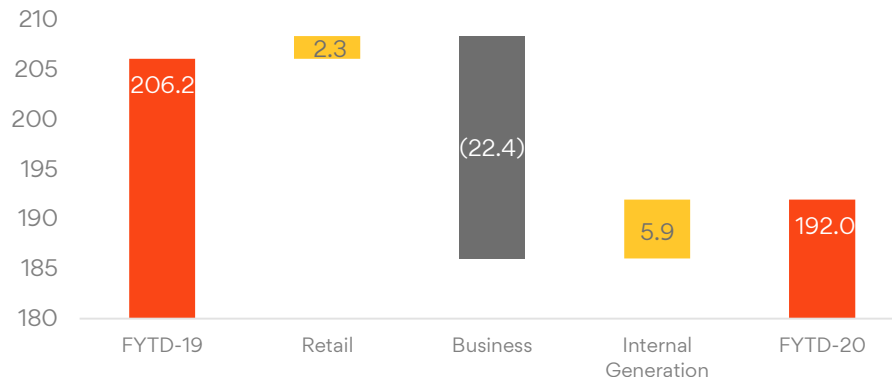
- Retail volumes down 7% on FYTD-19 due to milder weather (~0.3 TWh) lower customer numbers and changes in customer mix (~0.4 TWh), as well as lower usage from continued solar uptake, energy efficiency and initial impacts from COVID-19 (~0.2 TWh).
- Business volumes down 6% due primarily to the expiration of contracts.

Mar-20 Quarter vs Mar-19 Quarter
(PJ)



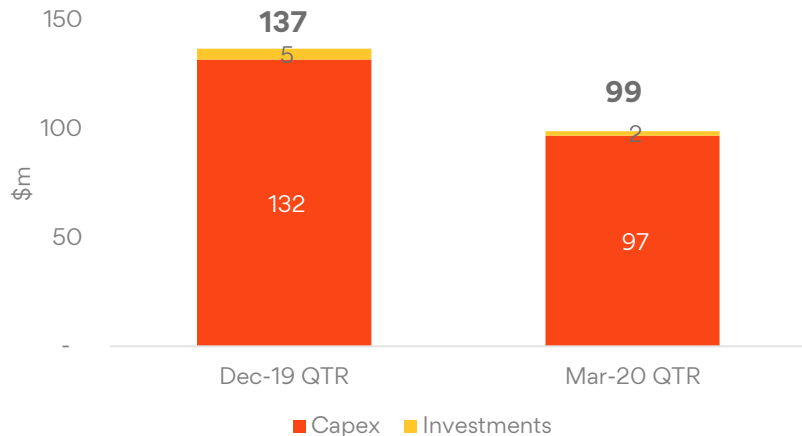
- Retail volumes up 12% on Mar-19 quarter due to cooler weather in Victoria (0.5 PJ), and higher customer numbers (0.2 PJ), partially offset by the initial impact of COVID-19 on small business (-0.1 PJ).
- Gas to generation down 10% on Mar-19 quarter reflecting lower electricity pool prices.

FYTD-20 vs FYTD-19
(PJ)



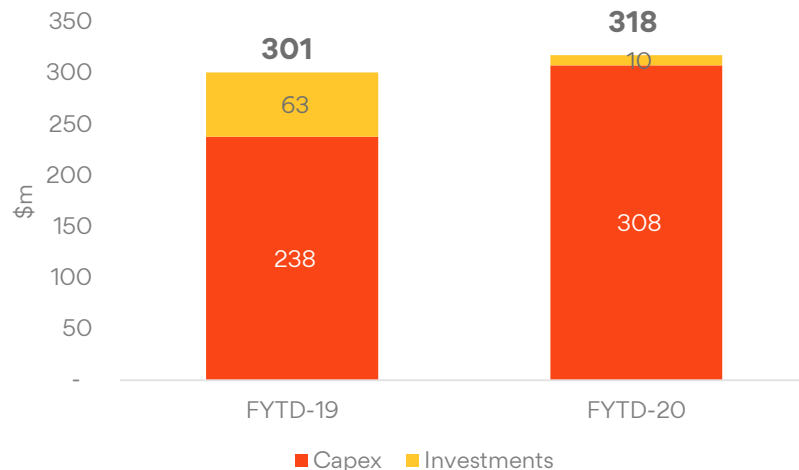
- Retail volumes up 8% on FYTD-19 due to cooler weather in Victoria (1.6 PJ), and higher customer numbers (0.8 PJ), partially offset by the initial impact of COVID-19 on small business (-0.1 PJ).
- Business volumes down 16% due to the roll-off of some short term wholesale contracts in Queensland and expiration of C&I contracts.
- Gas to generation up 16% reflecting cover for Eraring outages, and the roll-off of short term contracts in Queensland which diverted gas from generation in FYTD-19.

Quarterly Energy Markets capex and investments

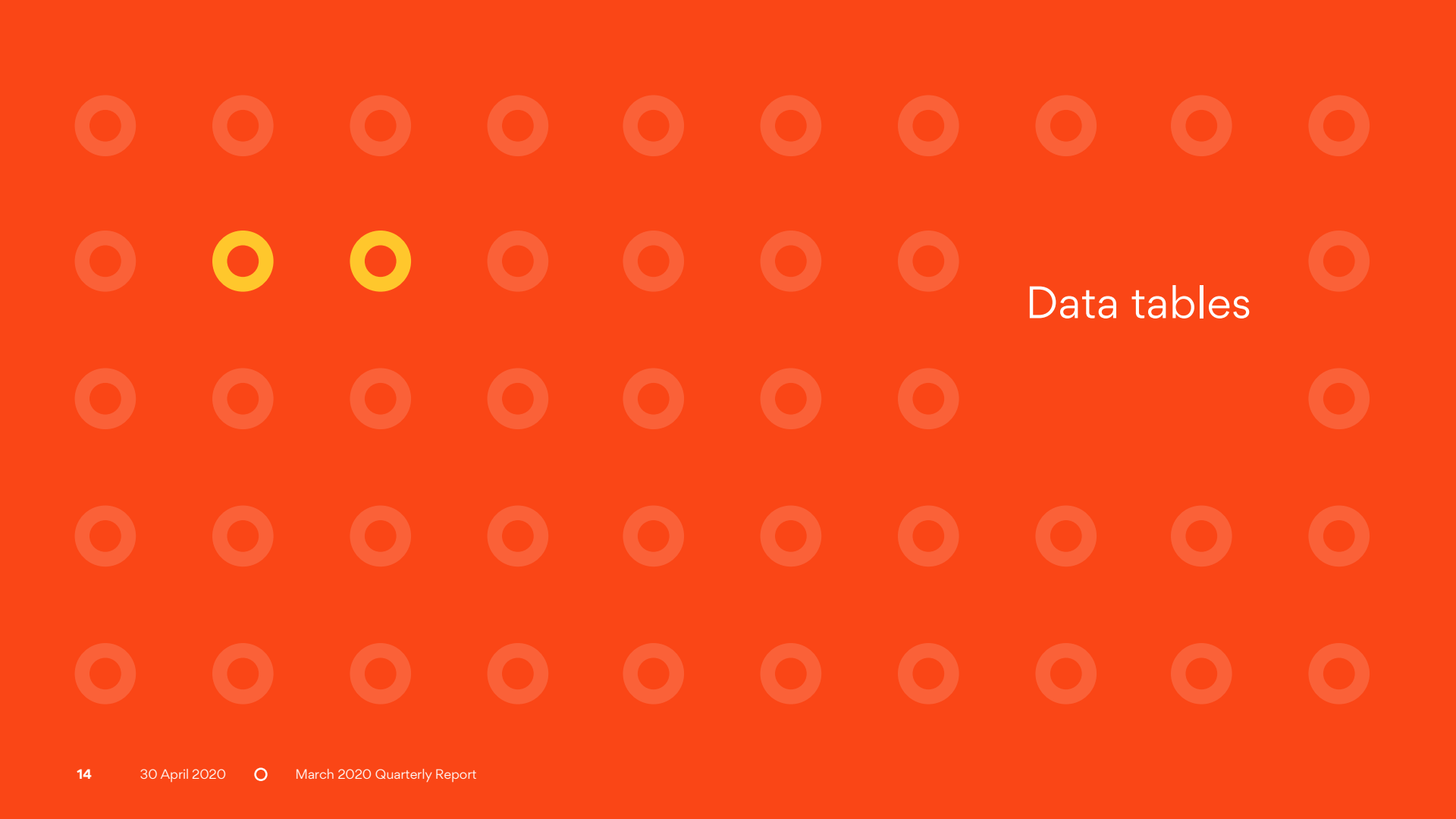


- Mar-20 capex included generation fleet maintenance, Quarantine Unit 2 repower, digital initiatives and community energy services.

FYTD Energy Markets capex and investments



- As expected, capex is up 29% or \$70 million on the prior year to date due to higher generation spend with major inspections at Eraring and Uranquinty and unplanned maintenance at Eraring and Mortlake.
- Partially offsetting this is \$53 million lower investment spend reflecting the OC Energy and Intertrust investments in FY2019.

The background of the slide is a solid orange color. Overlaid on this background is a grid of circles. There are 10 columns and 5 rows of circles. Most circles are a light orange color, matching the background. However, in the second row from the top, the second and third circles from the left are a bright yellow color, making them stand out. The text 'Data tables' is positioned to the right of the grid, centered vertically between the second and third rows.

Data tables

Integrated Gas – APLNG 100%



APLNG	Unit	Mar-20	Dec-19	% Mvt	Mar-19	% Mvt	FYTD-20	FYTD-19	% Mvt
Total production	PJ	178.1	180.2	(1%)	168.8	6%	535.6	508.4	5%
Total sales	PJe	166.0	174.4	(5%)	169.1	(2%)	509.0	510.1	(0%)
LNG									
Production	kt	2,145.7	2,420.8	(11%)	2,224.4	(4%)	6,776.4	6,519.7	4%
Sales	kt	2,138.1	2,431.4	(12%)	2,299.7	(7%)	6,734.3	6,568.3	3%
Commodity Revenue	\$m	1,455.5	1,751.9	(17%)	1,836.9	(21%)	4,811.8	4,976.8	(3%)
Average realised price	US\$/mmbtu	8.56	9.38	(9%)	10.84	(21%)	9.21	10.38	(11%)
Domestic Gas									
Sales	PJ	47.6	39.7	20%	41.7	14%	135.9	146.2	(7%)
Commodity Revenue	\$m	220.4	158.8	39%	200.1	10%	610.4	743.7	(18%)
Average realised price	\$/GJ	4.63	4.00	16%	4.80	(4%)	4.49	5.09	(12%)
APLNG capex¹									
E&A	\$m	15	29	(48%)	27	(44%)	61	88	(31%)
Sustain and Other	\$m	190	173	10%	248	(23%)	588	730	(19%)
Workovers	\$m	-	-	-	57	(100%)	-	153	(100%)

1) APLNG capex is reported on an accrual basis. For the purpose of comparability Mar-19 and FYTD-19 workover costs have been shown separately.

APLNG sources of gas – APLNG 100%



Production volumes	Units	Mar-20	Dec-19	% Change	Mar-19	FYTD-20	FYTD-19
Operated							
Spring Gully	PJ	26.3	26.3	-	25.7	78.7	79.2
Peat	PJ	0.9	0.7	29%	0.7	2.3	1.7
Denison	PJ	-	-	-	0.1	-	0.5
Talinga	PJ	17.7	19.4	(9%)	18.4	56.5	55.6
Orana	PJ	17.0	17.9	(5%)	17.0	52.0	48.0
Condabri	PJ	31.9	33.0	(3%)	29.6	98.1	93.9
Combabula/Reedy Creek	PJ	43.6	40.9	7%	37.1	124.7	112.8
Total operated production	PJ	137.5	138.3	(1%)	128.5	412.4	391.7
Non-operated							
Fairview (GLNG)	PJ	8.5	8.9	(4%)	8.9	26.2	27.9
Arcadia (GLNG)	PJ	0.3	0.3	-	0.2	0.8	0.5
Angry Jungle (GLNG)	PJ	0.9	-	n/a	0.0	1.0	0.0
Anya (QGC)	PJ	0.4	0.4	-	0.5	1.3	0.7
Kenya East (QGC)	PJ	14.5	15.4	(6%)	14.9	44.6	43.1
Kenya (QGC)	PJ	15.1	16.1	(6%)	15.0	46.5	42.2
Bellevue (QGC)	PJ	0.8	0.9	(11%)	0.8	2.7	2.3
Total non-operated production	PJ	40.6	42.0	(3%)	40.3	123.1	116.7
Total upstream production	PJ	178.1	180.2	(1%)	168.8	535.6	508.4
Natural gas purchases	PJ	3.0	4.4	(32%)	6.1	13.9	27.3
Changes in Upstream gas inventory/other	PJ	(4.4)	0.2	n/a	(0.2)	(7.0)	0.6
Total sources of natural gas	PJ	176.7	184.8	(4%)	174.8	542.4	536.2

APLNG Operated Production Wells

		Avg daily production (APLNG share)		Development Wells	
				Wells drilled	Wells commissioned
Bowen	Spring Gully	289 TJ/d	Mar-20 QTR FYTD-20	6 15	6 18
	Peat	10 TJ/d	Mar-20 QTR FYTD-20	- -	- -
	Denison	0 TJ/d	Mar-20 QTR FYTD-20	- -	- -
Surat	Talinga	194 TJ/d	Mar-20 QTR FYTD-20	12 12	- -
	Orana	187 TJ/d	Mar-20 QTR FYTD-20	15 28	20 24
	Condabri	351 TJ/d	Mar-20 QTR FYTD-20	2 33	11 31
	Combabula / Reedy Creek	479 TJ/d	Mar-20 QTR FYTD-20	14 119	3 89
	TOTAL	1,510 TJ/d	Mar-20 QTR FYTD-20	49 207	40 162

APLNG uses of gas – APLNG 100%



Uses of gas	Units	Mar-20	Dec-19	% Change	Mar-19	FYTD-20	FYTD-19
LNG feed gas	PJ	129.1	145.1	(11%)	133.1	406.6	390.0
Domestic sales	PJ	47.6	39.7	20%	41.7	135.9	146.2
Total uses of natural gas	PJ	176.7	184.8	(4%)	174.8	542.4	536.2

LNG	Units	Mar-20	Dec-19	% Change	Mar-19	FYTD-20	FYTD-19
LNG Production	kt	2,145.7	2,420.8	(11%)	2,224.4	6,776.4	6,519.7
Changes in LNG inventory	kt	(7.6)	10.6	(172%)	75.3	(42.1)	48.7
Total LNG sales volume	kt	2,138.1	2,431.4	(12%)	2,299.7	6,734.3	6,568.3
LNG cargos sold	#	31	35	(11%)	33	97	94

APLNG commodity revenue	Units	Mar-20	Dec-19	% Change	Mar-19	FYTD-20	FYTD-19
LNG	\$m	1,455.5	1,751.9	(17%)	1,836.9	4,811.8	4,976.8
Domestic Gas	\$m	220.4	158.8	39%	200.1	610.4	743.7
Total Commodity Revenue	\$m	1,676.0	1,910.7	(12%)	2,037.0	5,422.1	5,720.5

Sales – APLNG average realised prices	Units	Mar-20	Dec-19	% Change	Mar-19	FYTD-20	FYTD-19
LNG	\$/GJ	12.29	13.01	(6%)	14.42	12.90	13.68
Domestic Gas	\$/GJ	4.63	4.00	16%	4.80	4.49	5.09
Average Commodity price	\$/GJe	10.09	10.95	(8%)	12.04	10.65	29.91

Integrated Gas – Origin share



APLNG (ORG share)	Unit	Mar-20	Dec-19	% Mvt	Mar-19	% Mvt	FYTD-20	FYTD-19	% Mvt
Total production (ORG share)	PJ	66.8	67.6	(1%)	63.3	6%	200.8	190.6	5%
Total sales (ORG share)	PJe	62.3	65.4	(5%)	63.4	(2%)	190.9	191.3	(0%)
LNG (ORG share)									
Production	kt	804.6	907.8	(11%)	834.1	(4%)	2,541.2	2,444.9	4%
Sales	kt	801.8	911.8	(12%)	862.4	(7%)	2,525.4	2,463.1	3%
Commodity Revenue	\$m	545.8	657.0	(17%)	688.8	(21%)	1,804.4	1,866.3	(3%)
Average realised price	US\$/mmbtu	8.56	9.38	(9%)	10.84	(21%)	9.21	10.38	(11%)
Domestic Gas (ORG share)									
Sales	PJ	17.8	14.9	19%	15.6	14%	51.0	54.8	(7%)
Commodity Revenue	\$m	82.7	59.5	39%	75.0	10%	228.9	278.9	(18%)
Average realised price	\$/GJ	4.63	4.00	16%	4.80	(4%)	4.49	5.09	(12%)
Integrated Gas Other	Unit	Mar-20	Dec-19	% Mvt	Mar-19	% Mvt	FYTD-20	FYTD-19	% Mvt
Origin only capex									
Capex	\$m	2	2	-	4	(50%)	8	8	-
E&A	\$m	27	25	8%	6	350%	63	12	425%
Origin oil and LNG hedging/trading									
Hedge premium expense	\$m	(10.1)	(13.7)	(26%)	(4.0)	153%	(29.9)	(21.5)	39%
Gain / (Loss) on oil hedging	\$m	7.1	2.0	255%	(23.5)	(130%)	7.8	(78.9)	(110%)
Gain / (Loss) on LNG hedging/trading	\$m	(16.2)	(52.2)	(69%)	(6.2)	161%	(83.0)	(62.5)	33%
Total oil and LNG hedging/trading	\$m	(19.2)	(63.9)	(70%)	(33.7)	(43%)	(105.1)	(162.8)	(35%)

- Hedging/trading costs decreased quarter-on-quarter reflecting timing of losses on the LNG hedge position.
- FYTD-20 hedging/trading cost of \$105 million is expected to reduce during Q4 FY2020 driven by timing of option premium payments and receipts and favourable price impact on LNG hedging/trading position.

	Unit	Mar-20	Dec-19	% Mvt	Mar-19	% Mvt	FYTD-20	FYTD-19	% Mvt
Sales volumes									
Electricity – Retail	TWh	4.0	3.7	7%	4.5	(11%)	12.1	13.0	(7%)
Electricity – Business	TWh	4.7	4.5	4%	4.8	(3%)	13.6	14.5	(6%)
Natural gas – Retail	PJ	5.9	8.2	(28%)	5.3	12%	30.8	28.6	8%
Natural gas – Business	PJ	37.5	34.8	8%	37.4	0%	117.2	139.5	(16%)
Natural gas – Internal generation	PJ	14.3	14.3	-	15.8	(10%)	44.0	38.1	16%
Capex	\$m	97	132	(27%)	63	54%	308	238	29%
Investments	\$m	2	5	(60%)	59	(97%)	10	63	(84%)

Electricity sales volume (TWh)

	Mar-20 QTR		Dec-19 QTR		FYTD-20		FYTD-19	
Volumes sold (TWh)	Retail	Business	Retail	Business	Retail	Business	Retail	Business
New South Wales	1.8	2.3	1.8	2.2	5.8	6.8	6.2	7.2
Queensland	1.2	1.0	1.0	1.0	3.2	2.8	3.5	2.7
Victoria	0.6	0.9	0.6	0.9	2.1	2.6	2.3	3.2
South Australia	0.3	0.4	0.3	0.5	1.0	1.4	1.0	1.4
Total volumes sold	4.0	4.7	3.7	4.5	12.1	13.6	13.0	14.5

Natural Gas sales volume (PJ)

	Mar-20 QTR		Dec-19 QTR		FYTD-20		FYTD-19	
Volumes sold (PJ)	Retail	Business	Retail	Business	Retail	Business	Retail	Business
New South Wales	1.7	6.2	2.0	4.2	7.7	15.5	7.0	14.6
Queensland	0.7	19.1	0.7	15.8	2.4	52.2	2.4	75.3
Victoria	2.7	10.2	4.4	12.0	16.8	41.7	15.2	41.2
South Australia	0.8	2.0	1.1	2.7	4.0	7.8	4.0	8.4
External volumes sold	5.9	37.5	8.2	34.8	30.8	117.2	28.6	139.5
Internal sales (generation)		14.3		14.3		44.0		38.1
Total volumes sold		57.7		57.2		192.0		206.2

Conversion factors

LNG	0.0554 PJ/ktonnes
LNG	1.0551 GJ/mmbtu

Abbreviations

\$	Australian dollars, unless stated otherwise
APLNG	Australia Pacific LNG Pty Limited – an incorporated joint venture between Origin, ConocoPhillips and Sinopec
Barrels (bbl)	an international measure of oil production. 1 barrel = 159 litres
CSG	coal seam gas
E&A	Exploration & Appraisal
ERIC	Eurombah Reedy Creek Interconnect
FID	final investment decision
GJ	gigajoule = 10^9 joules
GLNG	Gladstone Liquefied Natural Gas
JCC	Japan Customs-cleared Crude
joule	primary measure of energy in the metric system
kbbbls	Kilo barrels = 1,000 barrels
kT	Kilo tonnes = 1,000 tonnes
LNG	liquefied natural gas
mmbbl	million barrels
mmboe	million barrels of oil equivalent
mmbtu	million British thermal units
mmscf	million standard cubic feet
mtpa	million tonnes per annum
MWh	Megawatt hour = 10^3 kilowatt hours
pa	per annum
PJ	petajoule = 10^{15} joules
PJe	petajoule equivalent, a measure used to express the volume of different petroleum products on the basis of the energy contained in the product
Spudding	to commence drilling a well
t	tonnes
TJ	terajoule = 10^{12} joules
TJ/d	terajoules per day
TWh	Terrawatt hour = 10^9 kilowatt hours
YTD	year to date