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| To | Company Announcements Office | Facsimile | 1300 135 638 |
| Company | ASX Limited | Date | 9 April 2010 |
| From | Bill Hundy | Pages | 69 |
| Subject | SUSTAINABILITY REPORT | | |

In accordance with Listing Rule 3.17 please find attached the 2009 Sustainability Report which is being sent to Origin Energy shareholders who have elected to receive it.

Regards

A handwritten signature in black ink, appearing to read "Bill Hundy".

Bill Hundy
Company Secretary


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Foundations for the future

STRATEGY PERFORMANCE GROWTH

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At Origin, our commitment to sustainability influences the decisions we make and the ways in which we interact with our key stakeholders: employees, customers, investors and communities. We judge our success by the value we create from the resources that come under our control. We distribute this value to our stakeholders while being mindful of the sustainability of our business, and the impact of our activities on the environment and the communities in which we operate.

Scope:

Welcome to Origin's eighth Sustainability Report. The objective of this report is to provide an understanding of our financial, environmental and social performance as it affects our key stakeholders.

Unless otherwise stated, this document reports on the sustainability performance of the activities and assets operated by Origin for the 12 months to 30 June 2009. All monetary amounts in the report are in Australian dollars, unless otherwise indicated.

In this report, Origin has made a number of changes to the way greenhouse gas emissions are calculated and reported, to align with new legislative requirements and internationally accepted protocols, and to provide greater transparency.

To help our readers compare our performance with that of other companies, this report has been compiled using the G3 guidelines of the Global Reporting Initiative (GRI) and follows the format of our 2008 Sustainability Report, which was released in December 2008. See page 58 for the G3 reference table.

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Our Commitments, Principles and Values

Our Purpose:

We will be the leading, most trusted and admired energy provider in Australia and New Zealand. We will find opportunities across the energy supply chain. We will create more value through realising the benefits of integration. We will be at the forefront of sustainable practices, contributing to a positive future for our customers, our communities, our investors and ourselves. **Together we can make a difference.™**

Our Commitments

Our commitments to our key stakeholders are to:

- Deliver market leading performance for shareholders by identifying, developing and operating value creating businesses across the energy supply chain.
- Deliver value to customers by developing and procuring competitive sources of energy and related products and services that better meet customers' energy needs.
- Create a rewarding workplace for employees by encouraging personal development, recognising good performance, inducing teamwork and fostering equality of opportunity.
- Respect the rights and interest of the communities in which we operate by working safely and being mindful of, and attentive to, the environmental and social impact of the resources, products and services we use or provide to others.

Our Principles

- We conduct ourselves and our business with due care and in accordance with relevant laws and regulations. We have an overriding duty to ensure the health and safety of our employees, and to minimise the health, safety and environmental impacts on our customers and the communities in which we operate.
- We will add value to the resources that come under our control.
- The value we create will be distributed to stakeholders recognising the need to ensure the sustainability of our business, and its impact on the environment and the communities in which we operate.
- When faced with choices, we make decisions knowing they will be subject to scrutiny. We should be able to demonstrate the soundness of our decisions to all stakeholders.
- We encourage diversity and expression of ideas and opinions but require alignment with the company's commitments, principles and values and the policies established to implement them.

Our Values

Origin's values describe behaviours that the company expects employees to demonstrate in their actions and the decisions they make in pursuing the outcomes we are committed to achieving. Our values are:

- **Caring** – We care about our impact on customers, colleagues, the community, environment and shareholders.
- **Listening** – We listen to the needs of others, knowing that an unfulfilled need creates the best opportunities.
- **Learning** – We constantly learn and implement new and better ways, sharing information and ideas effectively.
- **Delivering** – We deliver on the commitments made in all areas of performance.

A message from the Managing Director



Grant King, Managing Director

The 2009 financial year was one to remember. Unprecedented volatility in global financial markets led to severe economic slowdown in most of the world's major developed economies. While Australia has avoided recession, unemployment increased during the year and the finances of many Australian families were impacted by declines in stock market valuations and the collapse of a number of companies with significant exposure to debt markets. Many Australian companies experienced a lack of liquidity and there was a sharp increase in the number of equity raisings as companies sought to pay down debt and reduce gearing levels.

In a year that so challenged the economic sustainability of many Australian companies, the highlight for Origin was the ConocoPhillips transaction in October 2008 that established Australia Pacific LNG. Australia Pacific LNG, owned 50-50 by Origin and ConocoPhillips, is targeting a Final Investment Decision (FID) for a coal seam gas to liquefied natural gas project in Queensland by late 2010. The investment by ConocoPhillips as part of that deal, which included an upfront cash payment of \$6.9 billion and an additional \$2.3 billion to enable Australia Pacific LNG to reach FID, has been a major factor in Origin closing the financial year with no net debt and with cash reserves and undrawn committed debt facilities of \$5.3 billion.

Origin ended the 2009 financial year with the economic foundations for sustainable growth firmly in place. With growth and opportunity, however, and with many of our customers, communities and investors struggling in the current economic climate, significant choices and challenges confronted us during the year and will continue to do so in the year ahead.

OVERVIEW

While the year was marked by economic uncertainty, it was also a year of considerable uncertainty for companies affected by climate change policy. The Renewable Energy Target was passed by federal parliament after the close of the financial year, thereby creating a more certain investment environment for renewable technologies such as wind, solar and geothermal. The future of the Carbon Pollution Reduction Scheme (CPRS) is less clear.

The CPRS is the government's proposed mechanism for introducing an economy-wide price on carbon. Without a carbon price, there is no incentive for electricity generators to shift over time from carbon-intensive coal to lower-emission fuels such as gas for base-load electricity. Without such a shift, there is no chance of Australia meeting its emission reduction goals. The uncertain investment environment is also reducing the incentive for companies to invest in the long-term base-load electricity required to meet Australia's projected long-term growth in demand. During the year, Origin was very active in the policy debate around these issues, through industry associations, directly with government and in the public arena. One measure

of our commitment to contributing to this debate is that our CPRS Green Paper submission was cited in the subsequent White Paper more times and on a wider range of topics than that of any other company.

The health and safety of our people continues to be Origin's highest priority. Our intention is to provide a safe working environment for all employees and contractors. While we achieved improvements in safety performance among employees during the past year, regrettably the safety performance of our contractors did not match our own performance and consequently our overall safety performance deteriorated. As a result, no pay-outs were made during the year under our Employee Share Plan, which is only triggered when our safety targets are met. There were signs towards the end of the year that work to identify contributing causes and actions taken as a result had started to improve our safety performance. We must build on these early signs of progress in 2010.

Origin continued to provide customers with a range of ways to reduce or offset their carbon emissions, and remained the market leader in accredited green energy sales. Our total customer base for GreenPower and Green Gas increased 21 per cent over the reporting period. At the end of the reporting period, we served 36 per cent of all Green Power customers. Sales of carbon offsets and solar rooftop products also increased, with more than 7.5MW of photovoltaic (PV) installations completed over the year, an increase of 200 per cent on the prior year. We established a new business unit – Origin Solutions – to bring together people from our carbon, serviced hot water and energy services areas, to provide a one-stop service for business customers looking to simplify and improve their energy management. Work with Connex on train stations across Melbourne, for example, resulted in lighting re-fits that have cut energy consumption and greenhouse gas emissions by over 15 per cent.

“Continuing to deliver attractive returns while building the foundations for future growth will be at the core of Origin's sustainability over the coming decade, just as it has been over the last ten years.”

Reporting on sustainability

In our 2007 sustainability report we laid out sustainability objectives and accompanying five year strategies for each of our four key stakeholder groups: investors, customers, employees and communities. In 2007 and then again in 2008 we described for each strategy a series of actions to be completed over the following 12 months. Throughout this year's report we continue this approach, assessing our progress on last year's actions and describing new actions for the 2010 financial year.

Our sustainability report is available in an increasingly interactive form on our website, at <http://reports.originenergy.com.au>. We will be taking further steps next year to move our sustainability report online, allowing us to streamline the printed version of the report.

A MESSAGE FROM THE MANAGING DIRECTOR

In a year that was difficult for some in the community, Origin's community investments grew to \$5 million as measured by the London Benchmarking Group, just over half in the form of payment support through our *Power On* program to customers having trouble paying bills. We also ran pilot programs to test the application of lessons learned from the *Power On* program with vulnerable members of the community outside our customer base. We began a financial stability and energy efficiency program in January 2009 in partnership with the Aborigine Advancement League in Thornbury, Victoria, and in December 2008 launched a partnership with the Salvation Army's Indigenous Ministry in Ipswich, Queensland, to assist in the delivery of the Ministry's Transitional Housing Program.

In addition to these and other new small-scale programs, we continued to grow our major community investment initiatives. The energy safety and energy savings programs we provide for schoolteachers in Victoria, Queensland and South Australia were rolled out to New South Wales. The community skills scholarships we provide in our coal seam gas communities in south-central Queensland more than doubled to support 32 apprentices this year and we also extended the reach of our driver safety program in regional Queensland.

LOOKING FORWARD

Continued expansion of the company will bring very real challenges in the 2010 financial year. So too will the broader economic environment, which has adversely affected many of our stakeholders.

Our highest priority for 2010 will be improving our safety performance, targeting a 25 per cent improvement. We will also be among the small number of Australian companies that set public targets in the area of gender diversity.

The introduction of the Renewable Energy Target and potentially increased clarity around the CPRS will have implications for Origin's market-leading suite of retail products that help customers make a voluntary contribution to the fight against climate change. While seeking to maintain or increase market share in Green Gas, GreenPower and voluntary offsets, at the same time we will continue to work with government on the policy detail of the CPRS, to help create a sustainable policy framework that acknowledges the direct contribution that our customers can make to addressing climate change by purchasing our products.

Competitive pricing and reliable customer service will continue to be important in attracting and retaining retail customers. A major focus for the 2010 financial year will be continuation of the three-year Retail Transformation and Transition program, designed to improve our billing systems and customer service capability. While this program will not be completed in the coming year, we have set targets for ourselves for the year of a greater than 10 per cent reduction in ombudsman complaints and of halving the average time taken to clear retail customer enquiries not resolved at the first point of contact.

The combination of challenging economic circumstances and the increasing impact of our major development projects on specific communities will make our community engagement and investment activities a particular area of focus in the year ahead. We are committing in this year's report to a fundamental review and upscaling of our community investment program, which includes matched donations and employee volunteering, and of the associated governance arrangements. We are also committing to increased investment in dedicated on-the-ground representation in local communities around our major projects.

February 2010 marks the tenth anniversary of Origin's listing on the ASX. Since listing, Origin shareholders have enjoyed Total Shareholder Returns of 1,306 per cent, which equates to a compound annual growth rate of 30 per cent⁽¹⁾. We will be marking our anniversary in a way that engages existing employees and involves some of the external stakeholders who have travelled with us on our journey so far. Continuing to deliver attractive returns while building the foundations for future growth will be at the core of Origin's sustainability over the coming decade, just as it has been over the last ten years.

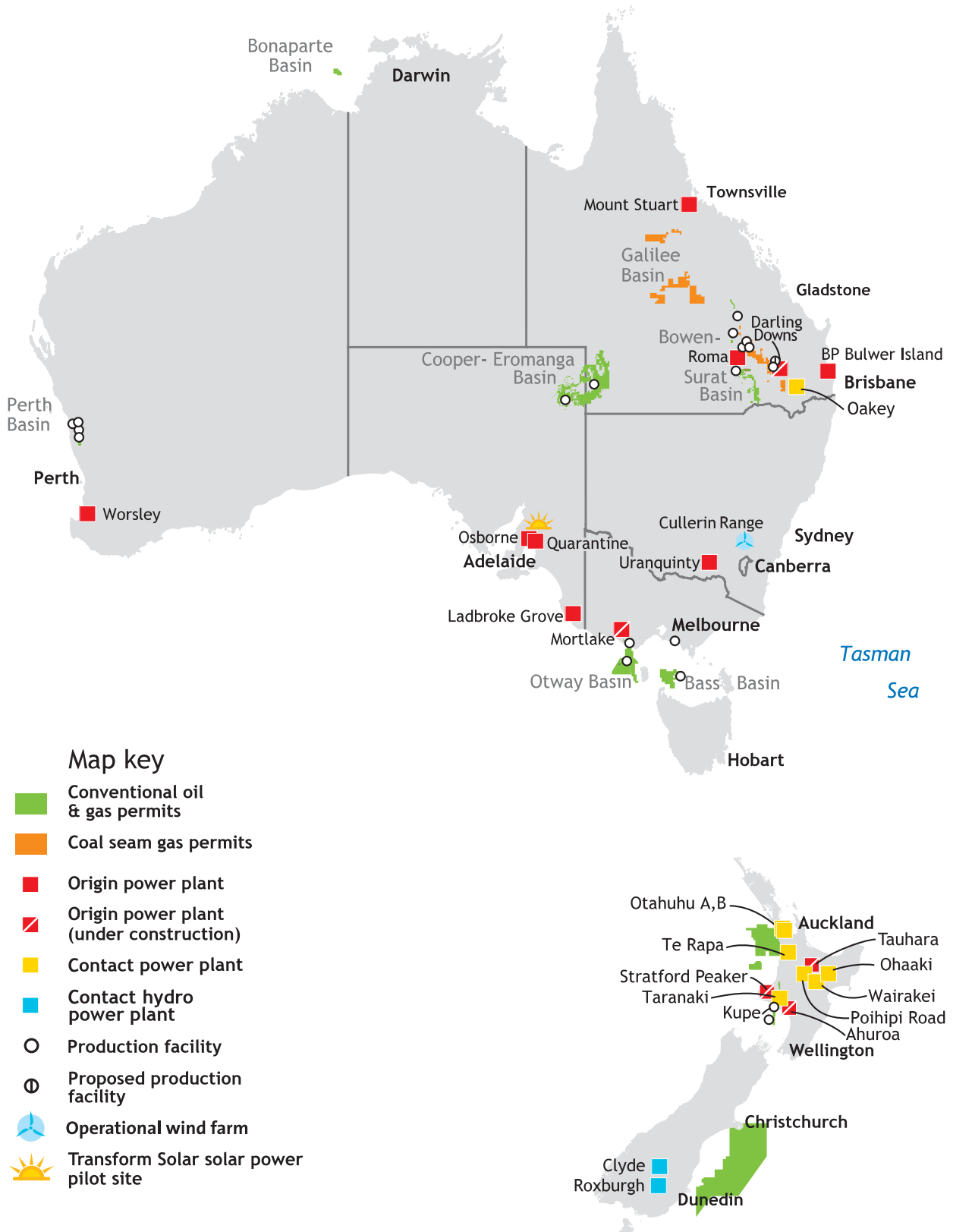


Grant King
Managing Director

(1) For the period from 21 February 2000 to 19 February 2009.

Assets and Operations

Origin has an extensive portfolio of assets and operations across Australia and New Zealand.



Snapshot of our business

ASX TOP 20

ASX Top 20 by market capitalisation

4,198

Employees across Australia, New Zealand and the Pacific^A

130,000+

Shareholders

3 million

Customers across Australia

500,000+

Green energy customers

19%

Share of the electricity market*

29%

Share of the gas market*

1,494 MW

Operated Generation capacity

2,000 MW

Total potential wind development portfolio

4,484 PJe

2P reserves[†]

51.4%

Interest in Contact Energy, one of New Zealand's largest integrated energy companies

All figures as at 30 June 2009. ^A Excluding Contact Energy. * Share of customers in the south eastern Australian market, which comprises South Australia, Victoria, New South Wales and Queensland. [†] 2P reserves directly attributable to Origin and inclusive of Australia Pacific LNG interest.



Clyde hydro electricity generation, New Zealand.

Australasia's leading integrated energy business

Origin has a 50 per cent interest in the country's largest coal seam gas reserves, a growing portfolio of generation assets and a strong retail business.

Strength through integration

Origin operates in the competitive segments of the Australasian energy industry. Our integrated business model spanning Exploration and Production, Generation and Retail enables us to better manage risk through natural hedges, and enhances the range of growth opportunities available to the business.

Our exploration and production portfolio targets gas resources close to markets so that we can quickly and effectively develop and monetise any discovery. Together with our domestic operations, we are working with ConocoPhillips in a joint venture seeking to deliver one of Australia's largest coal seam gas to liquefied natural gas export projects in Queensland.

The Darling Downs Power Station, which will be commissioned in 2010, will be powered by gas from our coal seam gas fields. It will be the largest combined cycle gas turbine plant in Australia,

delivering base-load electricity with roughly half the emissions of Queensland's black coal-fired power stations.

Origin has also developed a substantial portfolio of renewable energy opportunities, with options in wind, geothermal and solar photovoltaic energy.

Through our retail business, we service approximately 3 million customers with natural gas, electricity and LPG across Australia and the Pacific. We are Australia's clear leader in green energy sales with more than 500,000 green energy customers and 36 per cent of the national GreenPower market.

Origin also owns a 51.4 per cent interest in Contact Energy, one of New Zealand's largest integrated energy companies.

Origin is headquartered in Sydney, New South Wales.

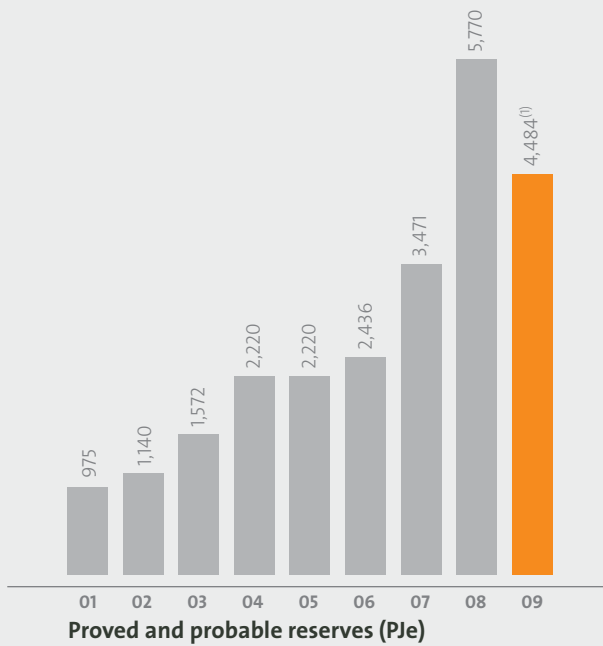
Our integrated strategy provides a natural hedge against market risks and enhances the range of growth opportunities available to the business.



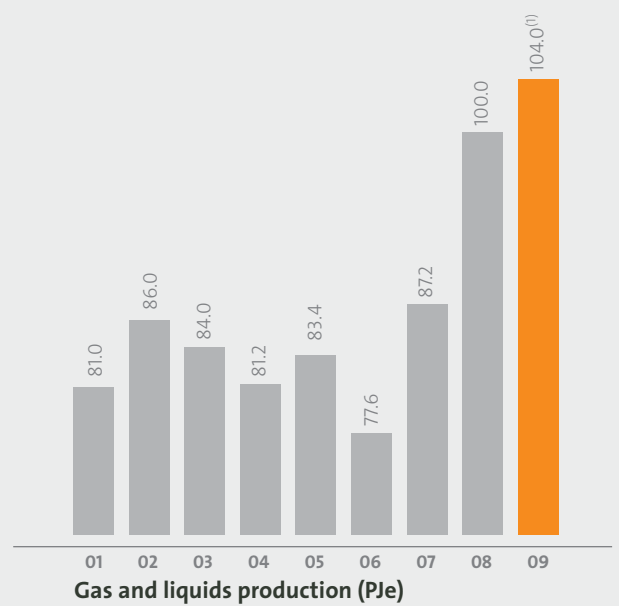
Key metrics

The following graphs demonstrate the growth of the Origin business over time.

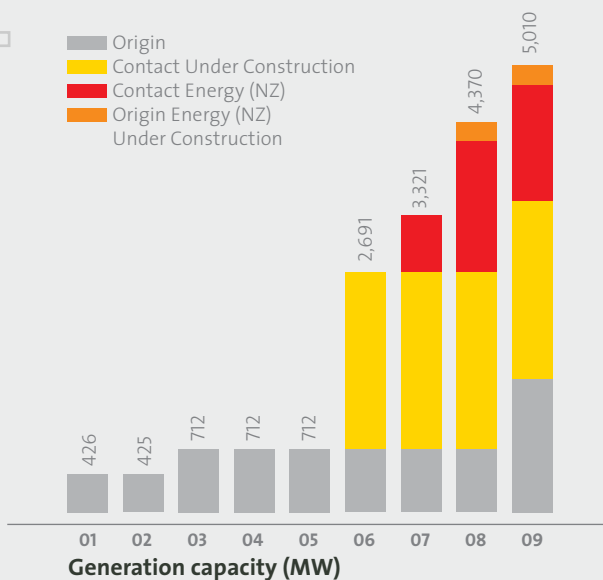
Reserves



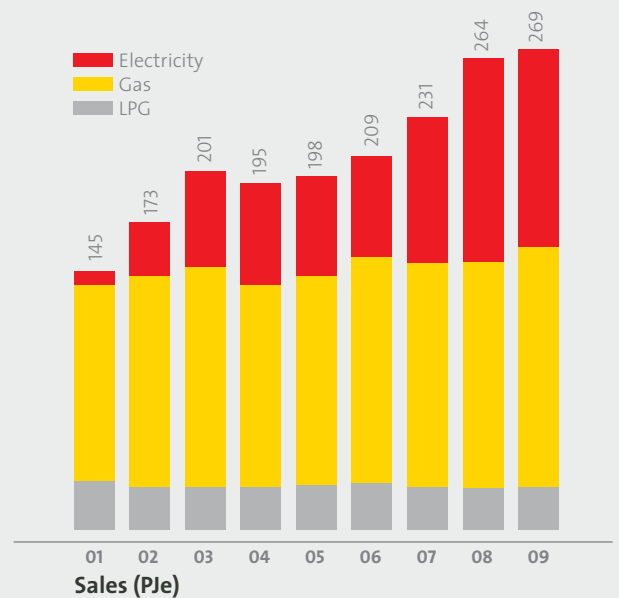
Production



Generation



Retail



All figures for the year to 30 June. (1) Reflects the dilution of Origin's interests in its CSG assets as part of the Australia Pacific LNG transaction.

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Our sustainability objectives and strategies

For each of our key stakeholder groups – investors, customers, employees, communities – we describe rolling five-year strategies (2007-12) on these pages.

FIVE YEAR STRATEGIES

INVESTORS

Maintain an investment grade credit rating.
Provide shareholder returns in the top quartile of comparable companies.

EMPLOYEES

Achieve a Total Recordable Incident Frequency Rate (TRIFR) of 4.

EMPLOYEES

Maintain a working environment in which our employees are engaged, believe that Origin is a great place to work and recommend Origin as a great place to work.
Eliminate barriers to employment, development and workplace opportunities so that our workforce attracts and represents diversity from the communities in which we operate.
Encourage and recognise employee-led sustainability initiatives.

EMPLOYEES

Embed environmental leadership in all training and decision making processes.

COMMUNITIES

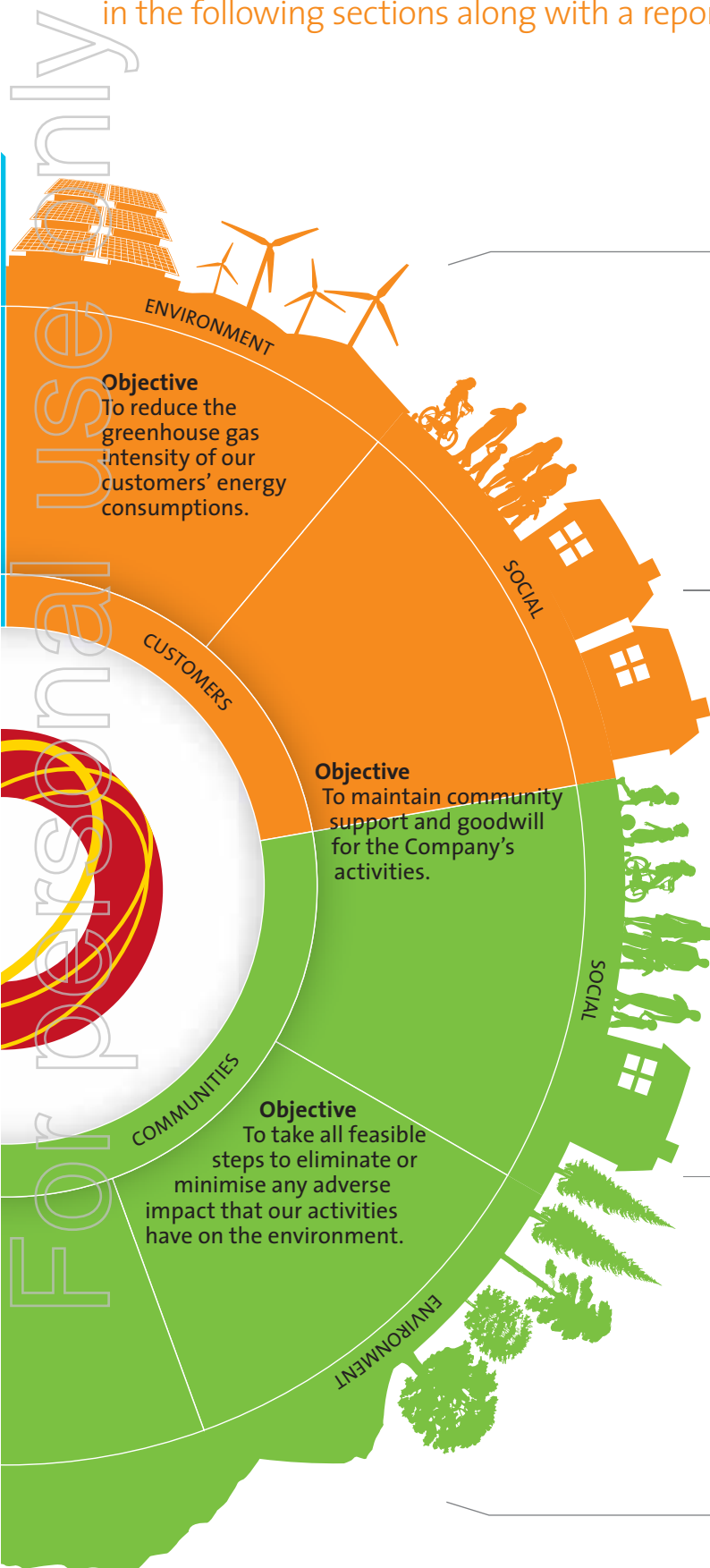
Contribute to a policy and industry response to climate change that delivers an effective pricing regime for carbon.
Reduce the greenhouse gas emissions intensity of our electricity supply chain to 10 per cent less than the National Electricity Market by 2020.

OBJECTIVES



Specific actions for the next 12 months to pursue these strategies are laid out in the following sections along with a report against the actions set for 2009.

FIVE YEAR STRATEGIES



Objective
To reduce the greenhouse gas intensity of our customers' energy consumptions.

CUSTOMERS

Be recognised as the leading provider of green energy products.
Increase our sales of low carbon intensity products to 10 per cent of our total supply chain greenhouse gas emissions by 2012.

CUSTOMERS

Lead industry policy on access and hardship response.
Proactively resolve customer complaints. Reduce Ombudsman complaints by 30 per cent.

Objective
To maintain community support and goodwill for the Company's activities.

COMMUNITIES

Actively consult with the community at all locations where Origin has a material impact.
Achieve positive community relationships through regular, open and transparent communication with host communities.

Objective
To take all feasible steps to eliminate or minimise any adverse impact that our activities have on the environment.

COMMUNITIES

Identify opportunities for the reduction and re-use of waste.
Rehabilitate or look for opportunities to offset land that we have disturbed.

COMMUNITIES

Reduce the greenhouse gas emissions intensity of our gas production by 15 per cent by 2012.
Reduce or offset all greenhouse gas emissions from our non-energy producing sites using a mix of carbon offsets and GreenPower.

Our customers

Our Commitment Deliver value to customers by developing and procuring competitive sources of energy and related products and services that better meet customers' energy needs.

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Overview



We will be the leading, most trusted and admired energy provider in Australia and New Zealand.

In a year in which debate over the proposed Carbon Pollution Reduction Scheme highlighted the issue of climate change, Origin continued to provide products and advice for customers wishing to reduce their carbon impact and improve their energy efficiency at home and in the workplace. We also launched a new business unit – Origin Solutions – to help business customers simplify their energy management and reduce the environmental impact of their operations.

Deterioration of economic circumstances presented challenges for many of our customers this year. We engaged with customer representatives on hardship issues through our National Customer Consultative Council, and provided more than \$2.6 million to support customers in financial difficulty with payment plans, incentives and advice through our market-leading *Power On* program.

Below average churn

Origin ended the year with our total customer numbers largely unchanged at approximately 3 million. Of these 3 million customers, 1,738,000 are electricity, 868,000 are gas and 346,000 are LPG.

Our “churn” rate – the percentage of our customers who changed supplier during the year – was lower than the industry average in most of our major markets, at 17 per cent.

We were proud to be ranked in the Top 20 of the Best Australian Brands 2009 by Interbrand, in our first decade as a retailer operating under the Origin brand.

Market leader in accredited retail green energy products

Origin continued to be the leader in accredited green energy sales through 2009, with 36 per cent of all GreenPower customers⁽¹⁾. In 2009, Origin’s GreenPower and Green Gas customer base grew 21 per cent to more than 500,000 customers.

Solar sales continued to experience strong growth in fiscal 2009 with the solar installation business performing more than 1,000 installations in some months. Origin sold in excess of 7.5 MW of solar photovoltaic (PV) during the reporting period, an increase of 200 per cent on the previous year.

Sales of offsets through our Carbon Reduction Scheme™ increased overall, particularly offsets bundled with our Green Gas products. However, demand for standalone offsets – that is offsets that are not bundled with our energy products – decreased in the reporting period. This was due in part to the economic downturn and market uncertainty caused by the unresolved Carbon Pollution Reduction Scheme policy debate.

Transforming our delivery capability

Origin continues to invest in our long-term capability to better understand and service our customers. To that end, we have embarked on a significant program of systems improvement and cultural change which we know as Retail Transformation and Transition.

As part of that program, we have partnered with global IT services business, WIPRO, to transition to an integrated SAP billing and customer management platform. When complete, the project is expected to improve customer service and allow better use of technology such as SMS and internet to engage with customers.

Process improvement and business simplification activities across marketing, sales and operations commenced during the period, with system and process blueprinting design to be completed in 2010. Business readiness, data management and appropriate change management planning is in progress, before the system build commences. Delivery of the complete Retail Transformation and Transition project will be completed over the next three years.

A total of 158 Origin employees has transferred to WIPRO as part of the program, with almost 100 more to transfer by December 2009.

Increase in Ombudsman cases

Our goal for the reporting period was to reduce the number of Ombudsman complaints from fiscal 2008 levels. Unfortunately we did not achieve our goal and received 3.9 complaints per 1,000 customers. However, there is evidence of this trend improving towards the end of the reporting period. Looking to 2010, we will seek to reduce the number of Ombudsman complaints and will target 3.5 Ombudsman complaints per 1,000 customers.

Another goal was to reduce the average time taken to respond to customer enquiries. The average time taken to resolve a customer enquiry when we couldn’t do so at first point of contact improved from 16 days at the end of 2008 to just over five days at end of 2009.

(1) According to the latest official GreenPower report.

Half a Million Helping Hands



Origin green ambassador Jamie Durie and kids celebrate 500,000 green energy customers.

In May 2009, Origin reached an important milestone – a total of more than 500,000 GreenPower and Green Gas customers. To celebrate, we partnered with Conservation Volunteers Australia to help clean up 500,000 square metres of land around the Great Barrier Reef and Brisbane's Moreton Bay – one square metre for every customer account.

The ten projects included activities such as tree planting, weeding, seed collection, re-vegetation, algae control, rubbish removal and debris collection. This program follows on from the celebrations of our 100,000 customer milestone in 2007, which saw us planting 100,000 trees in Victoria and South Australia, and the propagation and release of 250,000 native fish into the Murray-Darling Basin in 2008 to celebrate our 250,000 green energy customer milestone.

Origin Solutions

In April 2009, a new Retail business unit called Origin Solutions was launched to help simplify energy management for our business customers. The group, which draws on the talents of people from our Carbon, Serviced Hot Water and Energy Services teams, offers solutions to even the most complex energy and climate change challenges faced by Australian businesses.

As a result, businesses working with Origin Solutions can reduce their carbon emissions and minimise the environmental impact of their operations.

The Origin Solutions team provides services such as:

- audits, energy usage intelligence and consultancy;
- infrastructure project management;
- efficient and sustainable solutions;
- infrastructure design and delivery; and
- bulk and serviced hot water.

An example of the immediate impact of this team is demonstrated by its recent work with Connex in Victoria. Our Origin Solutions lighting expert assessed various train stations across their network to see if customers felt more visible and therefore safer, when white lighting was used instead of the existing yellow lights. As a result, new lighting at re-fitted stations has cut energy consumption and greenhouse gas emissions by over 15 per cent – equivalent to reducing CO₂ by 134 tonnes per annum.

A number of large clients nationally are already using our energy management and sustainability solutions, including Adelaide Brighton Cement in South Australia, NRMA in New South Wales, the Fifteen restaurant in Melbourne and Q1, the world's tallest residential tower on the Gold Coast.

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Building Solar Cities – Central Victoria



A solar installation

Origin is a consortium member of the Central Victorian Solar City project, which is part of the Australian Government's \$94 million Solar Cities program being trialled in seven locations across Australia. We will be working with our suppliers on the installation, commissioning and maintenance of two 300 kW solar PV facilities in Ballarat and Bendigo.

Each park is expected to generate enough renewable energy to provide 150 households with an amount of solar power that is approximately the equivalent of these households each installing a 2 kW solar PV system on their roof.

These activities reflect our commitment to offering sustainable energy options to the community to help it reduce its carbon emissions and their impact on the environment. Once completed, the Solar Parks will cover in excess of 30,000 square metres combined, the approximate size of three soccer fields or two Australian Rules ovals.

Building Solar Cities – Adelaide



Solar rooftop panels

Origin is offering two new electricity tariffs, Time of Use and Critical Peak, as part of the Adelaide Solar Cities project. These tariffs will come with a new smart meter that provides consumers with information that allows them to monitor and potentially control their electricity usage.

Origin will also be trialling an in-home display in approximately 300 houses to determine if there is strong community interest in customers directly controlling their electricity usage by accessing live electricity and other data within their homes.

Origin will be encouraging all Solar Citizens to take on our current GreenPower product offering, Green Your Home; providing solar PV to existing houses who do not require finance under the project; and will also roll out home energy audits to customers who are experiencing hardship and are eligible under Origin's existing *Power On* program.

Aside from providing products to the project, Origin is also responsible for providing data management, liaison with the Australian Greenhouse Office, and finance management and all marketing for the Adelaide Solar Cities project. We also provide the call centre and are responsible for overall project management.

Dealing with hardship

When times are tough, our *Power On* program helps customers who are finding it difficult to pay their energy bills.

The economic downturn saw our highest ever number of customers turning to us for support in paying their bills.

Since 2003 we have been improving the way we listen to and respect the needs of our customers in financial difficulty. The *Power On* program provides a number of flexible options for customers including payment plans, payment incentives and energy efficiency advice. We also provide more holistic support for customers experiencing chronic financial challenges.

This year, we assisted 23,127 customers compared with 19,682 in the prior year, representing an increase of more than 17 per cent. The increase has been driven by customers requiring short term assistance, such as more time to pay. Consequently, in the reporting period we provided more than \$2.6 million in payment support to customers experiencing financial difficulties.

We work together with the London Benchmarking Group to formally assess and verify the value of our community investment through *Power On*.

The learnings from the *Power On* program are now being applied to other projects across the Origin network, for example:

- a financial stability and energy efficiency program began in January 2009 in partnership with the Aborigine Advancement League (AAL) in Thornbury, Victoria;
- in December 2008 we began a partnership with the Salvation Army's Indigenous Ministry in Ipswich, Queensland to assist in the delivery of the Ministry's Transitional Housing Program. The program helps homeless families to secure temporary accommodation. Origin provides direct financial support to the program as well as energy efficiency and management advice; and
- throughout November 2008, in conjunction with the Queensland Council of Social Services (QCOSS), Origin undertook a number of community briefing sessions in Brisbane, Ipswich and Logan to provide access information regarding our *Power On* program.

Our Energy Audit program works in conjunction with *Power On* and supports customers to manage their energy use and bills in the long-term. Recognising how important this approach was to our customers in Victoria, we expanded the program into both South Australia and Queensland in 2008 in partnership with UnitingCare Wesley and Lifeline.

Our Hospital Financial Counselling program, which is also run in conjunction with *Power On*, is widely available and has been operating since 2005. It provides counselling assistance to families whose finances are impacted by illness, with established locations at Melbourne, Horsham, Mildura and Brisbane, where we work in partnership with local community agencies.

Fewer disconnections

In 2009, there was a reduction in the number of customers who were disconnected. This reflects in part the impact of the *Power On* program, and lower defaults. From our customer base of around 3 million natural gas, electricity and LPG customers, 9,629 customers were disconnected, compared to 14,329 in the prior year – a decrease of 33 per cent.

National Customer Consultative Council

The National Customer Consultative Council was established in 2003 as a forum where issues of mutual importance to our customers and the community could be discussed.

Chaired by Phil Craig, General Manager, Retail, 2009 Council members included representatives from Adult Multicultural Education Services, Environment Victoria, Australian Council of Social Securities, Australian Industry Group, Consumer Utilities Advocacy Centre, Hanover Welfare Services, Kildonan UnitingCare, Queensland Consumers Association and UnitingCare Wesley.

Council members met quarterly in the past year. Discussions focused on financial hardship issues facing customers and, increasingly, the area of sustainability and what it means for customers.

The meetings give us a chance to listen to independent organisations and hear their perspective on how to provide safety nets for customers who can't afford to pay their energy bills. The Council members also exchanged opinions and provided valuable feedback in relation to regulatory matters such as pricing deregulation, advanced interval metering, the Carbon Pollution Reduction Scheme, and the residential energy efficiency scheme.

Our customers scorecard

| Five year Strategy | What we said | How we went | FY10 Actions |
|---|--|--|---|
| <p>Be recognised as the leading provider of green energy products.</p> | <p>Maintain appropriate accreditation for our green energy products and ensure they are highly rated by independent assessment programs.</p> | <ul style="list-style-type: none"> All Carbon and Renewable Energy accreditations were maintained. No independent assessment program was conducted in the industry in fiscal 2009. | <ul style="list-style-type: none"> Maintain Origin's industry-leading market share in GreenPower and Green Gas. Develop 'Next Generation Green' products that remain affordable and relevant in a post Carbon Pollution Reduction Scheme and Renewable Energy Target environment. Take steps to develop an Australian leadership position in assessing carbon offset projects. |
| | <p>Improve the levels of recognition by customers that Origin cares for the environment and provides the leading green energy products.</p> | <ul style="list-style-type: none"> In the year to March 2009, 40 per cent of Origin's residential customers associated Origin with caring about the environment, down from 46 per cent at March 2008. Quarterly Brand Tracker surveys continued to show that both Origin customers and non-Origin customers recognise Origin as the energy retailer that most cares about the environment. | |
| | <p>Use Retail Transformation program to improve online product sales and delivery, reducing our impact on the environment.</p> | <ul style="list-style-type: none"> Retail Transformation has commenced and we are developing strategies for online services. We have also focused on promoting electronic payment methods and direct debits – 48 per cent of customers are now paying via these methods. | |
| <p>Increase our sales of low carbon intensity products to 10 per cent of our total supply chain greenhouse gas emissions by 2012.</p> | <p>Increase customers signed to accredited green energy to 600,000 by June 2009.</p> | <ul style="list-style-type: none"> We finished the year with just over 500,000 customers. We remain the clear market leader in accredited green energy products, with over 400,000 green electricity customers across four states and approximately 36 per cent of the national GreenPower electricity market. The remaining 100,000 are Green Gas customers. | <ul style="list-style-type: none"> Increase solar PV sales by at least 25 per cent to 10,000 kW by end of fiscal 2010. More than double solar hot water and heat pump sales to 4,500 units. Achieve 2,500 customers on unique tariff products such as Critical Peak Pricing and Time of Use as part of the Solar Cities program. |
| | <p>Increase business and corporate sales of green energy to 370,000 tonnes of CO₂-e of green and carbon sales.</p> | <ul style="list-style-type: none"> Origin sold approximately 212,000 tonnes of CO₂-e of green energy discretionary products to our business customers in difficult economic conditions. | |
| | <p>Increase carbon offset sales to 300,000 tonnes by June 2009.</p> | <ul style="list-style-type: none"> The full year volume for stand-alone carbon offset sales through our Retail business was 124,000 tonnes as a result of the loss of some tenders. | |
| | <p>Increase solar PV sales to 3,000 kW by June 2009.</p> | <ul style="list-style-type: none"> Origin sold in excess of 7,500 kW of solar PV in fiscal 2009, an increase of 200 per cent on 2008. | |

OUR CUSTOMERS

| Five year Strategy | What we said | How we went | FY10 Actions |
|--|---|---|--|
| Lead industry policy on access and hardship response. | Benchmark the <i>Power On</i> Program against other energy sector hardship policy initiatives. | <ul style="list-style-type: none"> The <i>Power On</i> program was formally benchmarked via our membership of the London Benchmarking Group. | <ul style="list-style-type: none"> Expand our Energy Audit program for hardship customers by maintaining current eligibility criteria in the face of increasing financial hardship among our customer base. |
| | Roll out <i>Power On</i> communications to Queensland community organisations. | <ul style="list-style-type: none"> The roll out was completed in November 2008 and was followed by community briefing sessions in Brisbane, Ipswich and Logan in conjunction with the Queensland Council of Social Services. | |
| | Roll out Origin's Energy Audit program to South Australia and Queensland. | <ul style="list-style-type: none"> The Energy Audit program was introduced in South Australia in November 2008 and Queensland in March 2009 via UnitingCare, Wesley and Lifeline. | |
| Proactively resolve customer complaints. Reduce Ombudsman complaints by 30 per cent. | <ul style="list-style-type: none"> Reduce number of Ombudsman complaints from 2007/08 levels. | <ul style="list-style-type: none"> At June 2009, we received 3.9 complaints per 1,000 customers, representing an increase from the 2.9 complaints per 1,000 customers received in the prior year. | <ul style="list-style-type: none"> Target 3.5 Ombudsman complaints per 1,000 customers by June 2010. Reduce to two days the average time taken to clear customer enquiries not resolved at the first point of contact. |
| | <ul style="list-style-type: none"> Reduce the average time taken to respond to customer enquiries. | <ul style="list-style-type: none"> Average time to clear customer enquiries not resolved at the first point of contact improved from 16 days at July 2008 to just over five days at end of June 2009. | |

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Our communities

Our Commitment Respect the rights and interest of the communities in which we operate by working safely and being mindful of, and attentive to, the environmental and social impact of the resources, products and services we use or provide to others.

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Origin's Kevin Maloney at the Queensland Pongamia tree plantation

Overview



Origin believes in engaging with landowners like Rex Smith, from Wallumbilla, to ensure that farming and grazing activities can co-exist with our energy projects.

We will be at the forefront of sustainable practices, contributing to a positive future for our communities.

The breadth of Origin's activities brings us into contact with diverse communities right across Australia and requires engagement with community representatives ranging from governments and national media through to local communities and individuals.

We engaged, in particular through the year, with government and the media around the emerging regulatory framework for addressing climate change, and worked with regional communities, particularly around our coal seam gas operations, on local environment issues ranging from disposal of waste water to weed control and the noise and visual impact of our operations. We report in this section both on our engagement efforts and on the impact of our own operations on these issues.

We continued to engage with community representatives on social issues, and increased the direct contribution we make, financially and through the volunteer efforts of our employees, on issues such as financial hardship, energy safety and conservation, road safety and the education and training of young people.

GOVERNMENT AND MEDIA

The response to the global challenge of climate change is a policy area where Origin has skills and knowledge to contribute to the public debate, and where active participation is likely to be in the best long term interests of our investors, our customers and the broader community.

In 2009 we engaged with all levels of government directly and through industry associations on issues such as the Carbon Pollution Reduction Scheme (CPRS), the Renewable Energy Target and national policy frameworks for energy efficiency and distributed generation. Our Managing Director Grant King appeared at the Senate Select Committee on Climate Policy, and senior executives spoke at a number of public events throughout the year on issues relating to carbon, renewable energy and energy efficiency policy.

We also made a range of public and private efforts to increase the awareness among policy makers of the critical contribution that natural gas can make in the short to medium term in reducing global emissions from electricity generation, for example by co-authoring a joint Origin/Santos opinion editorial in the *Australian Financial Review* and co-funding an engagement strategy by the Australian Petroleum Production and Exploration Association.

One measure of our commitment to contributing to the national policy debate is that our CPRS Green Paper submission was cited in the subsequent White Paper more times and on a wider range of topics than that of any other company.

ENVIRONMENT

Whether dealing with community representatives at the national level or in local and regional areas, environmental issues are always a core concern. In the following section, we report on Origin's greenhouse gas emissions and on our broader environmental performance.

Greenhouse gas emissions

During the year, we reviewed our reporting boundaries and methodologies to better reflect the structure and activities of our business and to align with new legislative requirements. This has extended our reporting boundaries to include contractor operations across the group, emissions relating to land and sea transport in the Pacific, and major construction activities in Australia and New Zealand.

These changes are detailed as footnotes below the greenhouse gas inventory on page 54. Where possible, changes to reporting boundaries have also been applied to historical data. Some methodological changes cannot be applied to previous years' data and as a result some emissions data for this reporting period may not be directly comparable to previous years.

National Greenhouse and Energy Reporting

The Australian Government's National Greenhouse and Energy Reporting System (NGERS) commenced on 1 July 2008. Under this scheme, reporting is mandatory for companies that meet certain energy and greenhouse gas emission thresholds. It also provides detailed guidance on the methodologies for monitoring and measuring greenhouse gas emissions. Origin easily triggers these reporting thresholds and submitted its Report to the Department of Climate Change prior to 31 October 2009.

Greenhouse gas inventory and intensity

We continue to report our greenhouse gas emissions on both an equity-share and operational control basis. As in previous years, the greenhouse inventories of our operated Upstream Oil and Gas and Generation businesses have been independently verified by Ernst & Young.

On an operational control basis, our total emissions (Scope 1 +2) increased 17 per cent from 1,146 kt CO₂e to 1,343 kt CO₂e. The primary cause was a 76 per cent increase in emissions across our Generation business, largely from the acquisition of the Uranquinty Power Station, expansion of capacity at the Quarantine Power Station and use of 'ramp-up' gas produced at Spring Gully at the Roma Power Station. The emissions intensity of the Generation business including Contact Energy reduced by 14 per cent to 171.6 kt CO₂e/PJ. This result was influenced by reduced production

OUR COMMUNITIES

at our more emissions intensive Mt Stuart Power Plant. The emissions intensity of our Upstream Oil and Gas operations decreased by 8.0 per cent to 9.2 kt CO₂e/PJ on an operational control basis.

Total emissions (Scope 1 + 2) on an equity accounted basis decreased by 2 per cent to 3,228 kt CO₂e. Our Upstream Oil and Gas business emissions increased by 6 per cent to 1,139 kt CO₂e due to the Otway Gas Project coming online. This was partially offset by the dilution of Origin's interests in our coal seam gas assets due to the joint venture with ConocoPhillips during the year. The average intensity of the Upstream Oil and Gas business increased by 0.9 per cent to 10.9 kt CO₂e/PJ.

Origin purchases accredited GreenPower to supply 20 per cent of the electricity requirements for our non-energy producing sites. Carbon Offsets are sourced from independently verified accredited projects for the remaining 80 per cent of electricity consumption and for all emissions due to business travel. This is done under Origin's Carbon Reduction Scheme™, which includes a mix of renewable energy as well as other solutions such as energy efficiency and carbon sequestration.

During the year, the total emissions across our supply chain decreased by 2.6 per cent to 48.1 MtCO₂-e primarily as a result of reduced sales arising from the prevailing economic conditions.

Greenhouse gas reduction opportunities

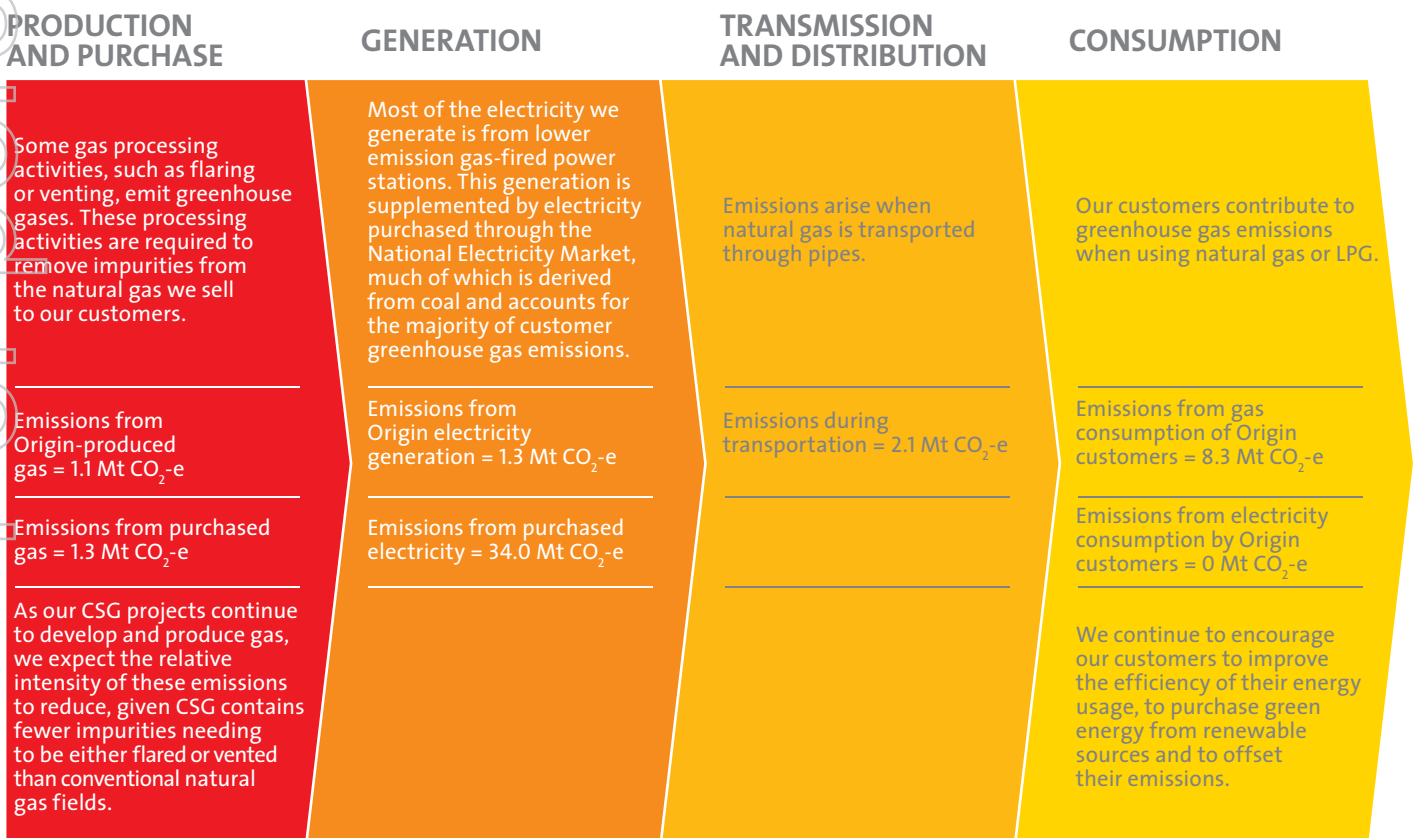
Origin has committed to undertaking detailed engineering analysis of key projects at nominated sites to reduce the greenhouse gas emissions and energy consumption of our activities.

Last year through the Carbon Efficiency Program, Origin's Upstream Oil and Gas business identified project opportunities capable of delivering energy savings.

A number of opportunities from the total of 240 ideas are scheduled for detailed assessment in our fiscal 2010 works program, including:

- use of compressed air to run instruments rather than fuel gas;
- establishing compressor performance monitoring;
- recovery of tanker waste gas from load out systems;
- conversion of vent systems to flare systems;
- thermographic scanning of lagged vessels and pipes;
- investigating the sequestration of CO₂ into exhausted gas reservoirs;
- monitoring and optimising hot oil usage; and
- optimising stripping gas rates.

GREENHOUSE GAS EMISSIONS ACROSS THE SUPPLY CHAIN



Reportable environmental incidents

In the past year, we focused on improving our environmental management practices to reduce the impact that our operations and activities have on the environment.

There were no fines or prosecutions for health, safety and environment (HSE) related offences during the reporting period.

For the reporting period, there were three reportable environmental incidents.

- Upstream Oil and Gas's Talinga project (December 2008). This involved the unauthorised clearing of approximately 10 juvenile plants of a species of acacia listed as vulnerable under the Commonwealth Environmental Protection and Biodiversity Conservation (EPBC) Act. Upstream Oil and Gas notified the relevant regulatory agencies of the incident, and implemented immediate additional on-site environmental awareness training as part of the overall management response. Training was implemented and site-based procedures reviewed.
- Jingemina (March 2009). This site received an Environmental Field Notice from the WA Department of Environment and Conservation for breaching Regulation 4(2) of the Environmental Protection (Unauthorised Discharges) Regulations 2004 for excessive black smoke emissions due to an engine malfunction. The engine was repaired immediately and the issue resolved.
- Kupe Gas Project (April 2009). An inspection notice was issued by Taranaki Regional Council due to non-compliance with the resource Consent. The non-compliance involved a temporary discharge of discoloured water with non-toxic suspended solids content into the Herekawe Stream. Flocculant was added to clear the water. There was no fine or any follow-up action associated with this event.

There were 12 environmental incidents involving loss of primary containment of 100 litres or greater. Substances spilled include hydrocarbons, condensate, diesel, lube oil, hydraulic oil, produced water, chemicals and drilling mud and cuttings. In the largest

reported spill at Denison's Rolleston operations (Qld), 13,000 litres of condensate leaked into an interceptor pond and the condensate was subsequently recovered. The environmental consequences of the reported spills were assessed to be minor, with the exception of a diesel spill at the Talinga drill site, where about 200 litres of diesel was spilled. The area was cleaned up and residual contaminated material removed.

NO_x and SO_x emissions

Oxides of Nitrogen (NO_x) are typically produced during combustion processes, while oxides of sulphur (SO_x) are emitted during the combustion of process gas and fuels containing sulphurous compounds. We report annually on our NO_x and SO_x emissions from the main production and generation facilities as part of Australia's National Pollutant Inventory (NPI).

In the reporting period, NO_x emissions at our Generation sites increased by 93 per cent to 865,000 kg/yr. The increase is largely due to the acquisition of the Uranquinty Power Station, and a 223 per cent increase in gas usage at Roma Power Station from use of ramp up gas from Spring Gully. At our Upstream Oil and Gas facilities, our NO_x emissions increased by approximately 14 per cent from 5,736,000 to 6,528,000 kg/yr.

This was driven by increased fuel combustion in the reporting period, particularly with increased activity at the Talinga processing facility and with the Talooona gas plant coming on line.

At our Generation sites this year, our SO_x emissions decreased by 37 per cent from 5,970 to 3,755 kg/yr. This reduction was primarily due to lower production at Mt Stuart Power Station, which burns aviation kerosene and has the highest SO_x emissions of all our generation assets.

At our Upstream Oil and Gas facilities, SO_x emissions more than doubled from 970 kg/yr to 2,030 kg/yr. This reflects a significant increase in fuel consumption in line with the development activities at our Talinga, Yolla, Spring Gully and Denison facilities.

Australia Pacific LNG

The Australia Pacific LNG project was declared 'significant' by the Queensland Co-ordinator General in April 2009. Australia Pacific LNG is a joint venture between Origin and global energy company ConocoPhillips to build a coal seam gas to liquefied natural gas export project.

The project consists of:

- further development of Australia Pacific LNG's coal seam gas fields;
- a gas transmission pipeline to the Queensland coast; and
- a gas processing plant and associated facilities where the gas will be cooled and liquefied for shipping overseas.

The Co-ordinator General's declaration allowed the draft Terms of Reference to be set for an Environmental Impact Statement (EIS) in July 2009. Public comments for the Terms of Reference closed on 12 October 2009.

EIS provides the community with information on the need for the project and its potential social and environmental effects. It also provides a process for demonstrating how a project has been planned and can be managed to protect and enhance environmental and social values. It is only following thorough impact assessment and consultation, required under the EIS process, that the project will be able to move forward with making specific applications for project approvals.

UPDATE: Since the completion of this report, Australia Pacific LNG's EIS was lodged with the Queensland Government (January 2010).

OUR COMMUNITIES

Low impact exploration



The Envirovibe in action

During the reporting period, Origin took an innovative approach to a Land Seismic Exploration Program, covering about 500 seismic line kms over the Australia Pacific LNG coal seam gas fields, in order to minimise land disturbance.

The survey was Australia's first Envirovibe seismic survey to be completed over a large region. With a weight of approximately 6,500 kg, the Envirovibe is smaller, more fuel efficient and more agile than the commonly used 20,000-40,000 kg vibroseis trucks. The feasibility of using Envirovibe on a large scale was established following extensive testing of the equipment by Origin last year.

The survey set new standards in minimising environmental impact and improving efficiency of seismic data acquisition in the Surat-Bowen basin. Notable achievements of the survey were:

- no HSE incidents;
- significantly reduced environmental impact; and
- over two times the productivity of previous Origin surveys.

Innovation drives 25% reduction in BassGas emissions

As Australia's leading integrated energy company, Origin considers emissions of greenhouse gases into the atmosphere to be our most significant environmental challenge.

Our aim is to grow our business in a less greenhouse gas intensive manner and we continue to explore new and innovative strategies to address this challenge. One initiative introduced in fiscal 2009 was the plan to capture more than one quarter of the carbon dioxide (CO₂) output of the Lang Lang BassGas gas plant for commercial re-use.

Working with our joint venturers in the BassGas project, AWE and CalEnergy, we signed an agreement with Air Liquide to supply CO₂ to a new recovery unit which will be constructed at the Lang Lang gas plant in Gippsland, Victoria. The CO₂ recovered will be purified and liquefied and can then be re-used for various purposes including fire fighting, wine making, soft drink carbonation, food preservation and freezing.

From 2010, the \$20 million Air Liquide CO₂ recovery unit will re-use CO₂ reducing overall CO₂ emissions from Lang Lang by 25 per cent.

The amount of CO₂ that will be captured annually for re-use is equivalent to the annual greenhouse gas emissions of more than 21,000⁽¹⁾ cars or 4,900 Australian homes⁽²⁾.

Lang Lang production
facility, Victoria

(1) Calculation based on greenhouse gas emissions from the petrol use of an average medium petrol-fuelled car with an engine size between 1.8 and 3 litres, travelling 13,900 kms each year. Source: Australian Bureau of Statistics, Survey of Motor Vehicle Use Average Kilometres Travelled, 31st October 2006.

(2) Calculation based on an average Australian home which produces over 14 tonnes of greenhouse gas emissions annually. Source: www.environment.gov.au/settlements/gwci/households.html.

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Water usage

Overall water usage decreased by nine per cent on the previous year.

Origin is implementing a number of programs and initiatives aimed at reducing water consumption. We encourage our site and corporate office managers to identify and implement locally based initiatives to achieve an overall objective of reduced water usage.

These initiatives include water usage monitoring on sites and efforts to improve water containment, development of infrastructure to enable use of stormwater for onsite irrigation, capture and re-use of rainwater, and the planting of low maintenance, low water usage gardens.

In our corporate offices in Melbourne and Sydney, initiatives such as waterless urinals, water efficient tapware and shower fittings have been successfully introduced to minimise water usage.

CSG associated water

The total volume of wastewater disposed in the reporting period increased by 42 per cent on last year. The bulk of this increase came from increases in the production of associated water from our Upstream Oil and Gas facilities.

Associated water is a by-product of CSG development. In the past year, we continued to focus on exploring opportunities to put the produced water to beneficial use. In last year's Sustainability Report, we outlined details of the journey we had been on for managing water for our Spring Gully facility in Queensland. This year, we continued that journey by creating a first large-scale, self-irrigating crop of Pongamia trees.

The Pongamia is a deciduous legume tree that grows to about 15-25 metres in height. It was chosen because of its ability to be fully utilised and recycled, down to the last leaf. Its potential uses include biofuel and as protein meal for stock feed. Other benefits of using Pongamia include its rapid growth and hardiness.

A pilot planting of the crop was established at our Spring Gully property, north of Roma in south central Queensland in May 2008, and the scaled-up project will test the potential to provide the basis for several new and sustainable industries for Queensland.

The Spring Gully associated water management strategy resulted from intensive research and community consultation about possible commercial and beneficial uses of CSG water.

CSG Brine

Reverse osmosis (RO) removes salts from waste water produced by our coal seam gas operations, turning what was seen as waste water into a new surface water resource.

The brine from RO treatment has relatively high salinity levels. In fiscal 2009 Origin commissioned an external consultant to conduct a study into the opportunities for the disposal of the saline water produced by our CSG production activities.

The study considered the re-use and disposal of saline water in the following ways: crystallisation for sale or disposal; processing, and further use of the saline ponds for alternative business.

The study identified opportunities for which further studies and trials will be progressed in the next financial year as identified in our commitments for fiscal 2010.

Waste management

Over the past year, our sites have improved their reporting of waste and recycling. Most sites have established or updated waste inventories in support of site waste management plans.

Drilling muds and cuttings are the largest source of waste (by volume) from our operations and last year we commissioned a consultant to undertake a study into beneficial re-use options for drilling muds and cuttings. The study provided a comprehensive overview of the constituents of drilling muds used, and found several potential options for beneficial re-use of the muds. We are now moving to detailed studies for on-site management of drilling muds and cuttings. If successful, this will then lead to field trials in fiscal 2010.

The total weight of general waste generated in the reporting period was 10,452 tonnes, an increase of 28 per cent on the previous year. Of this figure, 1,474 tonnes – or 14 per cent – was recycled.

The total waste oil generated during the period was 598 kilolitres, which is a 164 per cent increase on the prior year, primarily due to increased activity in Upstream Oil and Gas coal seam gas operations. We recycled 474 kilolitres, or approximately 79 per cent of the total waste oil generated during the period.

Upstream Oil and Gas also recorded a significant increase in the quantity of hazardous waste generated – 1,833 tonnes – almost all of which was sent to recycling facilities. Almost all of our hazardous waste is reported as being recovered and recycled.

Biodiversity and land management

Biodiversity and land management are important components of our community investment and environmental management practices. We aim to manage our environmental impact on the community and consult relevant local stakeholders as part of the planning and development of new initiatives, assets or acquisitions. Every community is different, and therefore our biodiversity and land management initiatives are broad in scope and impact.

Origin projects integrate environmental management into their development including design, pre-construction, construction, post-construction and rehabilitation.

Projects are planned and assessed to identify areas of ecological significance and necessary environmental approvals are obtained. Management actions are applied to ensure that ecological values are maintained and any detrimental impacts minimised. This is achieved through the completion of desktop and field investigations. Management actions are adapted specifically to meet the sustainability outcomes for each individual site.

In 2009, we completed phase one of a biodiversity offset trial to be established in Queensland. This involved the development of a scientific trial to be implemented in 2010. This trial will underpin our ongoing biodiversity initiatives and is expected to inform how best to re-establish biodiversity in the most effective and efficient manner.

OUR COMMUNITIES

During the reporting period, there was an increase in newly disturbed and rehabilitated land, primarily due to our Kupe and Talinga development projects. The reduction in land area leased/owned during the financial year is mainly attributed to the divestment of the Katnook gas production facility.

Closure plans and provisions

As of 30 June 2009, the Beharra Springs and Jingemia gas plants, Kupe Gas Project and Uranquinty Power Station reported having formal site closure plans in place. Financial provisions have been made to cover the future cost of closure at all sites. Total reported financial provision for closure of Origin's sites exceeds \$105 million.

Legacy sites

There was a significant amount of activity relating to historic gas manufacturing sites during the year, namely:

- Remediation works at the former Broken Hill gasworks site have been completed to the satisfaction of the NSW Environmental Protection Authority (EPA);
- Remediation and rehabilitation of the gasholder area at the former Rockhampton gasworks site were completed and approved by a Qld EPA approved auditor;
- The Risk Assessment in respect of the former Port Pirie gasworks site was updated and the assessment confirmed that there are no unacceptable risks present at the site; and
- Site specific environmental management plans for all sites were reviewed and updated so that they reflect the most up to date data for every site. These plans have been provided to occupants of historic gas manufacturing sites to help ensure continued environmental awareness.

COMMUNITY ENGAGEMENT

Origin collaborates with communities in long-term partnerships to help build positive and enduring relationships with our neighbours, customers and employees.

Over the past year, the cost of Origin's contribution to these partnerships was \$5 million, focusing on schools energy efficiency and safety programs, local initiatives with our neighbours in regional communities, and employee volunteering. An emerging area of focus for Origin is increasing our engagement with indigenous communities in the areas in which we operate.

We take a grassroots approach to community engagement and collaborate with our partners to respond to issues meaningful to both them and us.

Helping our next generation save energy

This year participation in our schools energy efficiency and safety programs has grown to more than 500,000 students.

This growth is largely due to the popularity of Energy Safety Week, a free program that helps kindergarten and primary school students learn how to prevent household accidents with gas and electricity. The 2009 theme for the program was energy safety in the kitchen and students participated in activities such as safe cooking demonstrations and the creation of energy safety signs. The program continues to achieve real results with around 80 per cent of surveyed parents saying their child behaved more safely as a result of the 2008 program.

In addition to providing classroom resources for teaching energy efficiency, this year we have launched a new online game to help primary school students improve energy efficiency at home. Energy Force challenges students aged 8-12 to capture a group of energy wasting baddies, while they learn about energy efficiency.

Regional community partnerships

In communities where we have major operations, we consult with our neighbours to collaborate on partnerships that address local needs.

Over the last year our focus has been on expanding our community partnerships in central southern Queensland, where we're working with the community to deliver our coal seam gas to liquefied natural gas project with joint venture partner ConocoPhillips.

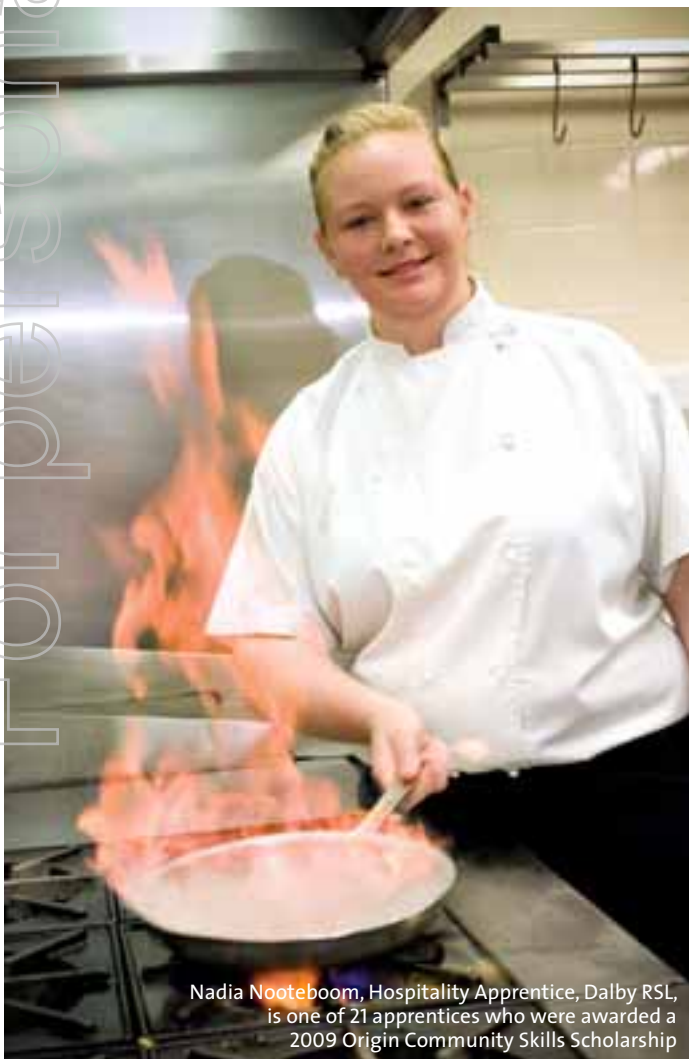
We doubled our Community Skills Scholarship program, and this year offered 21 apprenticeships worth up to \$13,500 each to take up the trade of their choice. We also established a Community Skills Scholarship mentor network, to help the recipients meet and learn from their peers and local business leaders, and continued to support their employers with financial incentives to release their apprentice for training and to volunteer in the community.

Through our Young Driver Training program we also offered parents the chance to join their children for a practical driving session for the first time. This year, more than 200 students from eight local schools participated, learning about hazard avoidance and the consequences of driving under the influence of drugs or alcohol. This program is widely accessible through subsidies we provide – families are asked to contribute just \$40 of a total \$280 cost. Since inception more than 500 people have now taken part in this hands-on program.

In Cullerin in NSW, where we recently began operating our first wind farm, we have been working with our neighbours to understand how we can collaborate with a range of local groups. Our first projects include our employees volunteering to conduct a series of presentations for local schools on wind power and contributing to the Breadalbane community hall.



Students from Our Lady of the Southern Cross College and Dalby State High School participated in Origin's Young Driver Training program.



Nadia Nooteboom, Hospitality Apprentice, Dalby RSL, is one of 21 apprentices who were awarded a 2009 Origin Community Skills Scholarship

Responding to natural disasters

When Australia experienced its worst ever natural disaster during the Black Saturday Bushfires in February 2009, Origin provided assistance in the form of time, money and goods.

Origin donated \$100,000 to our charity partner, the Salvation Army, to help fund their efforts to provide meals, clothing, financial aid, shelter and counselling for those affected by the fires.

Our people responded with overwhelming generosity, donating clothing and over \$73,000, which Origin matched dollar for dollar. Using these funds the Salvation Army was able to purchase a bushfire support vehicle. Many employees also took fully-paid volunteer leave to donate blood or volunteer their services with relevant support agencies, such as the Red Cross.

We also offered support to our customers affected by the bushfires by:

- Waiving all debts associated with fire damaged houses;
- Establishing a bushfire relief priority phone line;
- Suspending all sales and marketing activity in impacted and adjacent areas;
- Establishing a special support team within our National Contact Centre; and
- Using our community partnership network to provide hardship services to impacted customers in affected areas.

In fact, 120 team members in our Melbourne and Adelaide customer contact centres volunteered to take calls on behalf of the Red Cross and processed almost \$900,000 worth of donations from the public. One Melbourne-based employee also took a week of paid volunteer leave to support their local Country Fire Authority (CFA) and we are aware that other Origin employees who are volunteer firefighters also contributed their time.

We are currently working with government agencies and our charity partners to develop a preventative partnership to support these communities over the long term.

Community complaints and concerns

Origin values its reputation in the community and therefore treats complaints seriously.

In the reporting period, we received a total of 19 complaints from the communities in which we operate. This is a decrease of 39 per cent on the previous year. The complaints ranged from noise, odours and lighting to the road safety behaviour of our employees and contractors.

Complaints are recorded by relevant managers, and affected people are consulted as we act to improve conditions wherever possible.

During the year, on some occasions, some of Origin's facilities experienced noise complaints. These facilities included a power station and gas processing facilities. This is a concern for Origin and a matter we have taken seriously. As part of our normal business practice we have continued to resolve these matters. We also continue to work with the relevant neighbours and authorities.

Origin recognised for its commitment to road safety



Origin's Kupe Gas Project awarded the New Zealand Transport Agency's Road Safety Innovation and Achievement Award

During the year, Origin's Kupe Gas Project received a major award for its innovative Road Safety Campaign, which has helped to ensure over 900 people a day travel safely to and from work on Taranaki's roads.

The Project was awarded the New Zealand Transport Agency's Road Safety Innovation and Achievement Award – for the organisation that has shown the most outstanding commitment to encouraging safe driving practices, implementing road safety policies and demonstrating positive results.

The campaign tactics included a 'NZ road regulations' induction for overseas people who visit the site – focusing particularly on the subtle differences in road rules between New Zealand and Australia, defensive driver training for all employees, banning all visitors who arrive in New Zealand on overnight flights from driving on the day they arrive, and providing mini vans and buses to reduce the number of employees driving their own vehicles.

Community skills scholarship program receives a boost



Harrison Ellis, Electrical Apprentice with Condamine Electric Company, was one of 21 apprentices to receive an Origin Community Skills Scholarship in 2009

This year we re-affirmed our commitment to communities in central southern Queensland with a major boost to our Community Skills Scholarship program.

Twenty one local apprentices were awarded scholarships worth up to \$13,500 each, bringing the total number of apprentices supported through the program to 32.

The scholarships will help the apprentices to develop careers in their home towns and take up trades desperately needed in the community – outside the oil and gas industry.

Nineteen-year-old Bryan Vincent joined the program in 2007 and is currently working for Westlands Engineering in Roma.

"The support I've received has made a big difference to me and means that I can stay in the local area to build my career," Bryan said.

"It's great to see that scholarships are given to people wanting to make a go of it outside the oil and gas industry. I'm doing a fitter and turner apprenticeship, but there are others in the program who are training to be hairdressers, chefs, boiler-makers, electricians, plumbers and carpenters."

The program now also offers recipients the chance to participate in quarterly mentor networking sessions, where they will get to meet their peers and local business people. The sessions include seminars on topics such as how to create a budget and starting a small business.

Energy Force online game short-listed for award



Students at Meadow Heights Primary School (VIC), received a visit from energy wasters the Freeze Brothers, to celebrate the launch of Energy Force.

Origin has developed a new online educational initiative to help children aged 8-12 learn about energy efficiency in a fun, interactive and safe online environment. Energy Force was one of five nominations for the award for best educational interactive media at the Australian Interactive Media Association awards⁽¹⁾.

The game teaches students about saving energy and builds on the energy efficiency knowledge developed through Origin's schools programs. To date more than 500,000 students in New South Wales, Queensland, South Australia and Victoria have participated in our schools programs.

Set in a fictional spy agency, Energy Force challenges players to find and capture a series of energy wasting bad guys. Players are encouraged to save energy and participate in energy efficiency quizzes to earn extra points throughout the game.

The game features 10-year-old Olivia Hawker, daughter of Melbourne based employee Brent Hawker, as baddie J9 the Whiz Kid. Olivia won the opportunity through an internal competition and attended a professional photo shoot where she was transformed into her character J9.

Olivia said it was a fun experience. "My character is really naughty – she likes practical jokes and wastes energy by leaving her computer on all the time. It's cool to be in a game that all my friends get to play," she said.

Energy Force can be played at www.energyforcegame.com.au.

(1) At the time of publication, the winner had not been announced.

OUR COMMUNITIES

Working with indigenous communities

Origin engages extensively with the Aboriginal Traditional Owners in the areas in which we conduct development and exploration, particularly in Queensland and Victoria.



Iwi engagement in New Zealand.

We acknowledge the importance of identifying and protecting Aboriginal Cultural Heritage as part of our business operations in rural and remote areas.

In 2009, we developed an Indigenous Engagement Strategy which we will begin implementing in 2010. This strategy will cover a number of key areas including employment, training, education, enterprise partnerships and capacity building within the indigenous communities in our areas of operation.

During the reporting period, we have made progress on a number of pilot programs in Queensland that have helped inform this strategy.

Aboriginal Heritage Officers

Assessing cultural heritage is an integral part of our activities where we operate, and Origin engages indigenous representatives to undertake cultural heritage assessments for our activities. In Queensland, Origin employs 100 casual Aboriginal Heritage Officers in the Upstream Oil and Gas business.

Community Skills Scholarships

This program assists people who wish to undertake an apprenticeship to gain employment as well as offering financial assistance throughout their apprenticeship. While the program has been open to all applicants, this year Origin allocated positions specifically for indigenous apprentices and subsequently awarded a carpentry apprenticeship to a young indigenous man from Miles. We intend to continue to provide designated places for indigenous apprentices and aim to increase the uptake within the community over time.

Traineeships

In fiscal 2009, two young indigenous women joined our Roma office as trainees in administration and warehousing and inventory. At the end of their traineeships there is the opportunity to move into full-time employment with Origin or pursue other employment opportunities or study.

School based traineeship

Origin has been the catalyst in establishing a joint venture with Arrow Energy, Queensland Gas Company and Santos to explore school based traineeships for indigenous students.

Over a three year period, a total of 16 indigenous students will complete the program. The industry group will evaluate this initiative towards the end of the three year period with a view to determining if there is sufficient community interest in continuing the program and possibly expanding it to additional areas in which the companies operate.

Capacity building initiatives for indigenous communities

We support a number of initiatives within local indigenous communities including the Black on Track programs in Dalby and St. George. This program is aimed at Aboriginal men who need help to get their lives back on track. Over 13 weeks, the program helps to address issues such as self-healing, regaining respect, and overcoming issues such as drug and alcohol dependence, domestic violence and anger management. The program aims to help these men gain control of their lives and re-enter the workforce.

We also contribute towards National Aboriginal and Islander Day Observance Committee celebrations and this year donated to celebrations in Roma, Rockhampton, Mitchell and Brisbane.

Iwi engagement, New Zealand

We continue to work closely with the Maori people across our Upstream Oil and Gas operations in New Zealand and in particular have worked closely with the Iwi tribe on the development of the Kupe Gas Project.

The Kupe Gas Project is located within the overall rohe (district) of Nga Ruahine Iwi, and in particular within the rohe of two Hapu groups, Ngati Manuhiakai and Ngati Tu. Meetings with both Hapu groups resulted in the development of protocol agreements which outline the process for ongoing consultation and communication between parties as well as addressing any other matters as deemed necessary. The area holds significant cultural and historic interest with many Pa sites existing in pre-European times, the remains of which are visible today.

Cultural awareness training formed part of the induction received by our staff and contractors. Representatives of the Hapu were employed to observe topsoil removal when constructing the production station, horizontal directional drilling, sales gas pipeline and condensate export pipeline.

Our communities scorecard

| Five year Strategy | What we said | How we went | FY10 Actions |
|---|---|---|---|
| Contribute to a policy and industry response to climate change that delivers an effective pricing regime for carbon. | Maintain active participation and advocacy in the development of the CPRS, the national energy efficiency strategy and the mandated Renewable Energy Target. | <ul style="list-style-type: none"> Origin's submission to government on the CPRS was cited more often and on more topics than any other company or industry association in the subsequently published CPRS White Paper. We also participated actively in the public debate of the Renewable Energy Target and a range of other carbon-related policy issues. | <ul style="list-style-type: none"> Increase the understanding among Australian policy makers of the advantages of natural gas for lowering global carbon emissions. Participate actively in the development of effective national policy frameworks for (a) an emissions trading scheme (b) distributed generation and energy efficiency and (c) voluntary climate change action. Access government funding to support investment in new technologies. |
| | Increase the understanding and the recognition by Australian policy makers of the role of natural gas in lowering global carbon emissions. | <ul style="list-style-type: none"> We co-authored a joint Origin/Santos CEO article in <i>The Australian Financial Review</i>, co-funded an industry communication effort to senior policy makers, and our CEO and other executives spoke at a number of private and public functions through the year . | |
| | Access government funding to support investment in new technologies. | <ul style="list-style-type: none"> Origin received \$1.0 million in government grants and subsidies, related primarily to a range of solar initiatives. | |
| Reduce the greenhouse gas emissions intensity of our electricity supply chain to 10 per cent less than the National Electricity Market by 2020. | Expand generation capacity in technologies which have an emissions profile >10 per cent lower than the National Electricity Market average. | <ul style="list-style-type: none"> All major capacity expansions for the year (Cullerin Range Wind Farm, Uranquinty Power Station and the Quarantine expansion) produce electricity at an emissions intensity >10% lower than the National Electricity Market average. | <ul style="list-style-type: none"> Expand generation capacity in technologies which have an emissions profile >10 per cent lower than the National Electricity Market average. More than double our investment in exploration for new sources of gas. Expand investment in identifying new sources of renewable energy. |
| Reduce the greenhouse gas emissions intensity of our gas production by 15 per cent by 2012. | Continue to integrate carbon value considerations into acquisition of assets valued at more than \$50 million and into projects involving expenditure of more than \$50 million. | <ul style="list-style-type: none"> We continued to price carbon into all major capital investment decisions. | |
| | Extend energy and greenhouse gas assessments to all upstream facilities and progress development of the top eight efficiency opportunities identified in the fiscal 2008 assessments. | <ul style="list-style-type: none"> We completed an assessment of carbon reduction opportunities at our five highest-emission sites (Denison Trough, Surat, Spring Gully and Peat gas fields in Queensland and BassGas in Victoria), identifying 240 potential opportunities for more detailed assessment. | |
| Reduce or offset all greenhouse gas emissions from our non-energy producing sites using a mix of carbon offsets and GreenPower. | Offset carbon emissions from our acquired electricity, at non-energy producing sites and from employee car and air travel. | <ul style="list-style-type: none"> Origin used 2,759 MWh of accredited GreenPower (equivalent to 20 per cent of our total electricity use) and offset 27,359 tCO₂-e (representing offsets against 80 per cent of our electricity use and 100 per cent of car and air travel). | <ul style="list-style-type: none"> Continue to offset carbon emissions from our acquired electricity at non-energy producing sites and from employee car and air travel. |
| | Pilot the draft global standard for Supply Chain Accounting and Reporting developed through the GHG Protocol initiative. | <ul style="list-style-type: none"> Origin is contributing to standards development which is progressing to schedule, with road testing available to complete in 2010. | |
| | Convert two diesel tankers from our LPG business to a lower emissions fuel source. | <ul style="list-style-type: none"> Two diesel trucks were converted to operate on a combined diesel/LPG mix. | |

OUR COMMUNITIES

| Five year Strategy | What we said | How we went | FY10 Actions |
|---|---|--|--|
| Identify opportunities for the reduction and re-use of waste. | Investigate opportunities for the reduction and beneficial use of drilling waste. | <ul style="list-style-type: none"> A study undertaken into beneficial re-use options for drilling muds identified several potential options, for which detailed studies will now be carried out. | <ul style="list-style-type: none"> Develop an industry-leading cumulative impact model for CSG ground water capable of providing an industry wide view of CSG water impacts in southern Queensland. Conduct a large scale trial of the use of CSG water to maintain a plantation of Pongamia trees, to better understand the potential of Pongamia oils as a bio-fuel for transport. |
| Rehabilitate or look for opportunities to offset land that we have disturbed. | <p>Commence pilot project for biodiversity restoration at Spring Gully.</p> <p>Continue responsible management of contaminated sites, and develop remediation and development strategies where appropriate.</p> | <ul style="list-style-type: none"> Project scope developed, phase 1 of project implemented. Significant milestones were met at the former Broken Hill and Rockhampton gasworks sites, with the completion of remediation works. Further investigative work and groundwater monitoring programs continued at various other sites. | <ul style="list-style-type: none"> Expand use of the Envirovibe technology wherever possible to reduce the environmental impact of seismic exploration. Co-fund new research into the cumulative industry-wide impacts on biodiversity of the CSG to LNG industry in our coal seam gas areas. |
| Actively consult with the community at all locations where Origin has a material impact. | Implement a comprehensive stakeholder engagement plan for Origin's CSG to LNG development project. | <ul style="list-style-type: none"> The CSG to LNG stakeholder plan was completed and its implementation is ongoing – activities have ranged from public consultation workshops through to support for scholarships and driver training programs. Stakeholder management plans have also been completed for the construction and/or operation of: Mortlake Power Station, Cullerin Range Wind Farm, Uranquinty Power Station, Kupe Gas Project and the development of Stockyard Hill wind farm. | <ul style="list-style-type: none"> Appoint at least one dedicated community engagement professional at every major Origin site and establish local offices or “shopfronts” in selected communities, to provide an accessible physical presence. Develop and trial a diagnostic tool for understanding the attitudes of communities around prospective wind development sites. Undertake a comprehensive information and consultation program across our coal seam gas communities and use this to inform suitable commitments to those communities in the APLNG Environmental Impact Statement. Launch the Origin Foundation, to consolidate and expand our philanthropic activities in the community under a separate governance structure that includes independent directors. |
| Achieve positive community relationships through regular, open and transparent communication with host communities. | Complete survey of major host/local communities in which Origin operates. | <ul style="list-style-type: none"> Surveys carried out in key communities around our CSG operations and amongst certain communities potentially impacted by the wind farm developments. | <ul style="list-style-type: none"> Launch the Origin Foundation, to consolidate and expand our philanthropic activities in the community under a separate governance structure that includes independent directors. |

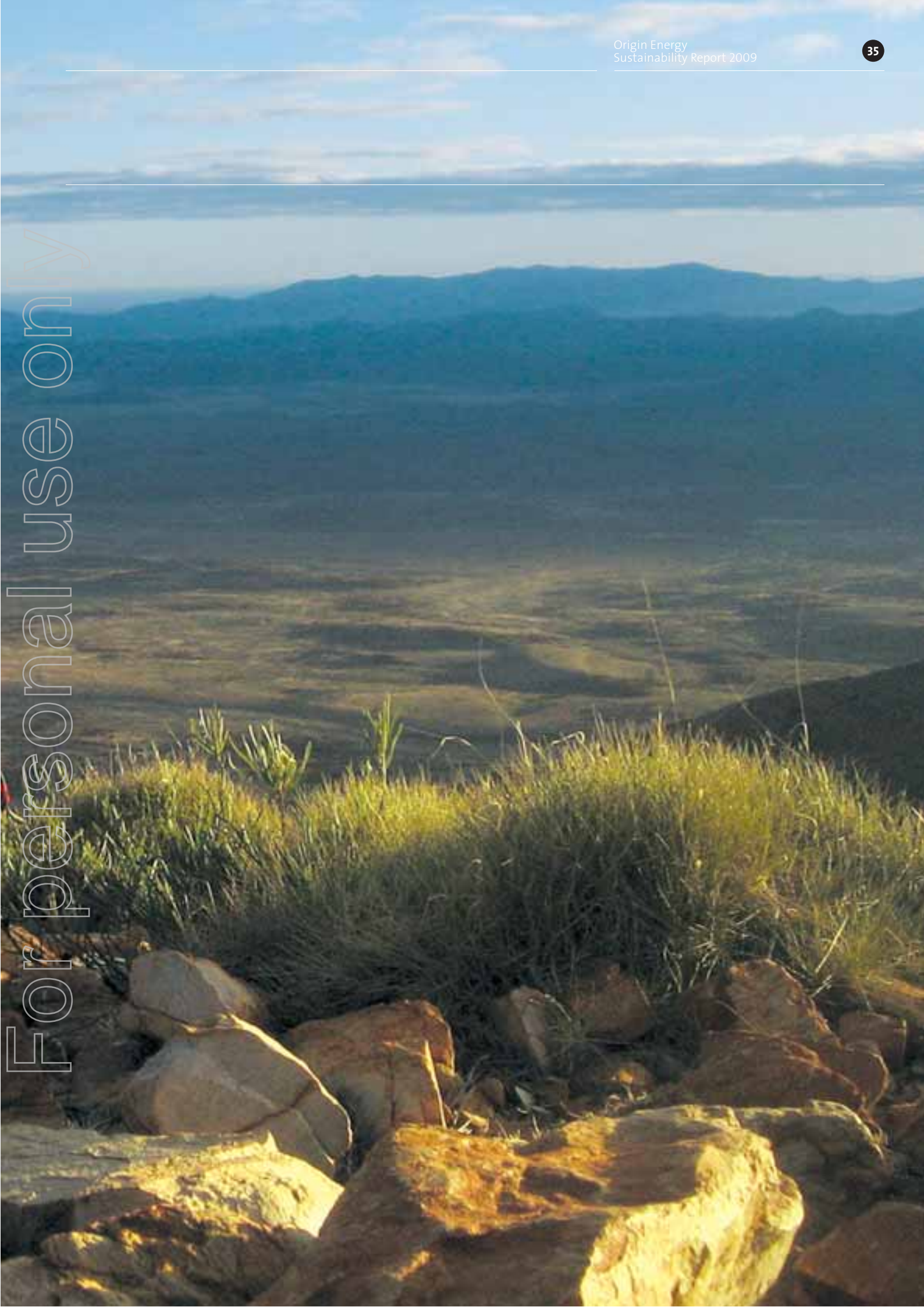
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Our employees

Our Commitment Create and maintain a rewarding workplace for employees by encouraging personal development, recognising good performance, valuing teamwork and fostering equality of opportunity.

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Overview



Christine Santhiapillai,
Business analyst,
volunteered at the Oxfam
Trailwalker in Melbourne

The continued efforts, skills and dedication of our people are key to our success.

At Origin we are committed to providing a safe and rewarding workplace for our people, to recognising and rewarding good performance and to promoting diversity.

Employee safety performance improved over the year, but contractor safety performance deteriorated. Actions taken during the year had started to improve safety results by the final quarter.

Combined employee and contractor numbers grew by approximately 15 per cent over the year, and employee turnover was lower. A number of new formal and informal development programs were rolled out, and there was a significant increase in the amount of volunteering by our people in their local communities.

Each of these highlights is described in more detail in the pages that follow.

CONTINUED FOCUS ON EMPLOYEE HEALTH AND SAFETY

In line with Origin's first Principle, we consider ourselves to have an overriding duty to ensure the health and safety of our people. Safety is our first priority. Our goal is for everyone to go home safely at the end of their working day.

Health and safety is about caring for ourselves and caring for each other, and respecting the rights of all Origin people and contractors to work in a safe environment each day.

Origin's primary safety performance measure is the Total Recordable Incident Frequency Rate (TRIFR), which represents the number of recordable incidents per million hours worked.

Over the year, we achieved an improvement in safety performance among our employees, with TRIFR decreasing from 7.1 in 2008 to 5.8 in 2009. Regrettably, however, our contractor TRIFR increased

from 10.5 to 12.9. The overall result for the reporting period was 9.1 compared to our company target of 6.8, a deterioration from 8.5 in 2008.

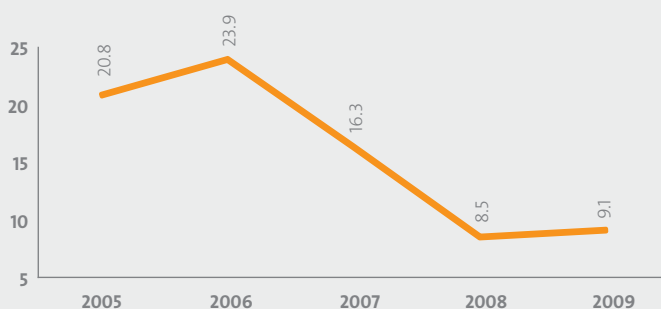
There were signs towards the end of the year that work to identify contributing causes and actions taken as a result had started to improve our safety performance. Nevertheless, this is a disappointing result given the importance we place on safety in our workplace.

As Origin grows, we increasingly rely on contractors to help build our business. Contractors now account for more than half of the total hours worked on Origin projects. When it comes to safety, we do not treat contractors differently to our people – we want everyone to return home safely at the end of the day. This is one of the reasons we choose to recognise continuously improving safety performance through our Employee Share Plan. Under the scheme, employees with more than 12 months' service may be awarded up to \$1,000 in Origin shares if we meet our company-wide safety target. As we did not meet our safety target for 2009, no employee payouts were awarded under the scheme during the period.

Origin's Lost Time Case Frequency Rate (LTCFR) was 1.9 Lost Time Cases per million hours worked. This represents a 34 per cent improvement compared with last year's LTCFR of 2.9.

There were 27 lost time cases reported in the period and a total 447 days of work lost through injuries, an average of 16.6 days for each case. The average for the previous year was 10.5 days.

There were no fatalities recorded in Origin's workplaces during the reporting period.



Total Recordable Incident Frequency Rate

Note: TRIFR is the number of employee and contractor Lost Time Cases, Restricted Work Cases and Medical Treatment Cases per million hours worked.

OUR EMPLOYEES

SAFETY IS OUR FIRST PRIORITY

Safety continues to be our number one priority and in the past year we achieved many safety performance milestones across our business.

Our Generation business has doubled output in the past two years. During this time, it achieved 250,000 hours with zero harm.

In the past year, we had an 85 per cent improvement in the safety performance within our Retail business, which includes both office-based workers and those in the field installing solar panels and working directly with customers.

Our Rimu production station in New Zealand is now six years injury free, and at Kupe, also in New Zealand, we have won two road safety awards for helping to prevent road-related accidents among workers and visitors.



In the coming year we will implement strategies for improved overall safety performance. For more information about our ongoing efforts to promote safety in the workplace see *Communicating safety* below.

Communicating safety

Our central safety principle is that if a job cannot be done safely, then it should not be undertaken. Empowering the individual to stop work in an unsafe environment, to talk about safety and to share responsibility for managing their own safety is critical to achieving our objective of zero harm.

Communication activities promoting safety happen at a company-wide level (Safety Week, distribution of DVDs, Energysen internal newsletter, safety performance target updates and company broadcasts) as well as more targeted communication within different business units which cascades through to site level.

Communication channels include newsletters, employee broadcasts, videos, site visits, onsite and offsite training.

During Safety Week we conducted company-wide presentations of a DVD featuring environmental issues and initiatives from across the business. There have also been a number of employee

broadcasts during the reporting period that have addressed the timely communication of specific environmental activities and initiatives within Origin's operational and retail businesses.

Other notable safety initiatives during the reporting period included:

- hosting our inaugural Health, Safety and Environment Conference in Melbourne in October 2008; and
- selecting and implementing an IT system to provide support for the management of incidents and risks across the company.

Driver and Vehicle Safety initiatives

Our safety program includes a number of initiatives aimed at preventing road accidents as our staff travel to and from their workplace. These include:

- competency and training requirements assessments;
- driver education and training programs;
- contractor management procedures and pre-qualification requirements; and
- fatigue management guidelines.

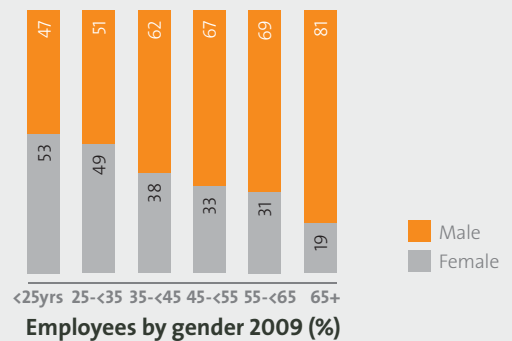
Recently, our efforts to promote road safety in New Zealand were recognised with a national award for the Kupe Gas Project. See the Our Communities section on page 29 for further information.

A GROWING WORKFORCE

Origin employee numbers increased 7 per cent over the past year to 4,198⁽¹⁾. In the same period, recorded contractor numbers increased from 3,285 to 4,166, an increase of more than 26 per cent compared to the prior year. The increase in both Origin employee and contractor numbers reflects the ongoing growth of the company, including several major development projects currently in progress – the Darling Downs Power Station, Talinga Project and Mortlake Power Station.

The majority of our workforce, 91.5 per cent, is employed full-time, with the remaining 8.5 per cent part-time or casual.

(1) Excluding Contact Energy.



During the reporting period the rolling annual average number of hours worked by employees and contractors increased by 40 per cent from 10 million hours to more than 14 million hours. This reflects the ongoing growth of our business to support the delivery of a number of projects and initiatives.

Collective agreements directly cover 26.5 per cent of our people. We continue to support our undertaking to our people and their respective unions to notify them of any operational changes which may affect them as soon as such a decision is made.

Improvement in employee turnover

Origin's voluntary turnover rate in the reporting period was 9.6 per cent (excluding our Customer Call Centre), down from 12.3 per cent the prior year. The CCC turnover rate was 31.3 per cent, down from 42.0 per cent in the prior year. The stronger turnover performance is partly a result of our investment in development initiatives to ensure our people have the right skills and the right opportunities to support the continued development of the company. It should be noted that this result may have also been positively impacted by the economic downturn and the importance placed on job security. The turnover rate for female employees was slightly higher than males in the reporting period, which reverses last year's trend.

The amount of change in employee roles at Origin stabilised significantly with 61 per cent of employees remaining in the same role as in the prior year, compared to 43 per cent in fiscal 2008. During the reporting period, the number of internal transfers or promotions was down 1 per cent to 13 per cent, while the proportion of employees recruited externally decreased significantly to 26 per cent, down from 43 per cent in 2008. This reflects the quality of internal candidates, our preference to promote from within the business, and the strength and diversity of the development opportunities we are able to offer our people.

Workers Compensation

Workers Compensation claims have generally improved during the past year as evidenced by:

- o the number of claims as a percentage of employees continued to decline, despite the growth in Origin over the past four years; and

- o the total cost of claims decreased 13 per cent compared with the prior corresponding period last year.

Fines, Prosecutions and Notices

There were no fines or prosecutions for health, safety and environment-related offences during 2009.

Four instances of regulatory non-compliance were reported during the period. Two of these involved regulatory authorities issuing Improvement Notices and the third resulted in a Caution Notice being issued.

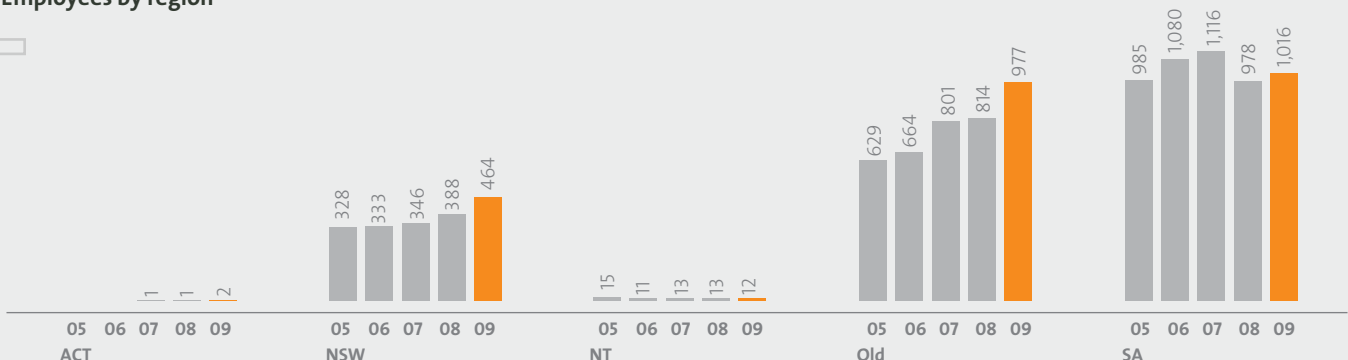
- o LPG, Coffs Harbour: Workcover NSW issued an Improvement Notice on the cylinder dock. The details of the improvement notice related to worn boards on the dock which were fixed the same day. Workcover lifted the improvement notice the next day.
- o Exploration and Production, BassGas: National Offshore Petroleum Safety Association (NOPSA) issued a Caution Notice regarding BassGas exceeding the number of helicopter flights that had been quoted in the Safety Case.
- o Exploration and Production, BassGas: NOPSA issued an Improvement Notice for Operating the Facility on contravention of the Safety Case (Yolla) for the use of a storm choke in place of a Surface Controlled Sub Surface safety valve. NOPSA granted an extension until late 2009, during which time the wells were shut down and returned to their original design.
- o Exploration and Production, Jingemina: WA Department of Environment and Conservation issued an Environmental Field Notice for breaching Regulation 4(2) of the Environmental Protection (Unauthorised Discharges) Regulations 2004 for excessive black smoke emissions due to an engine malfunction. The cause of the incident has been rectified.

ENGAGEMENT, DIVERSITY AND DEVELOPMENT

Employee engagement

Our objective for the reporting period was to conduct a follow up survey to the 'Making a Difference' culture and engagement survey conducted in May 2008. While the follow up survey was not undertaken during the reporting period, all of the appropriate planning for the 2010 survey was completed.

Employees by region



OUR EMPLOYEES

A number of initiatives are underway aimed at driving improvements in our employee engagement, including:

- o training programs and planning tools for managers and employees to enhance the quality of career planning discussions and outcomes;
- o development of a curriculum of programs aimed at improving the capability of our people managers;
- o improving the capability of both managers and employees to enhance the performance appraisal experience; and
- o implementation of a program to better communicate business performance and objectives to employees.

Equal opportunity and diversity initiatives

We aim to attract and retain the most skilled and talented people to enable us to achieve our goals in the diverse communities in which we operate. A key component of this attraction and retention strategy is our set of equal opportunity and diversity initiatives.

Females account for 40.8 per cent of our workforce, and they hold 26.0 per cent of management positions. Across each pay grade the difference between male and female average salaries varies within plus-or-minus five per cent. We continue to monitor pay equity as part of our annual review processes.

Origin pays specific attention to the career needs of women who are currently in, or seeking to join, management roles. Development programs target women's development early in their career, as well as those with more established careers.

Additionally, during the reporting period we:

- o commenced work on developing a gender diversity plan with the support of senior executives;
- o extended succession planning processes further into our business;
- o introduced a graduate induction program involving 37 graduates; and
- o updated our mentoring programs and 'buddying' programs for new employees and introduced them into the business.

We are committed to introducing in fiscal 2010 a gender diversity strategy that includes targets.

Increasing development opportunities for our people

The proportion of our workforce participating in individual development planning increased to 89 per cent, up from 80 per cent in the prior year. This is an integral part of our performance management program.

During the reporting period, full-time employees received an average of 16.7 hours of training, part-time employees received 10.6 hours and casual employees received 6.8 hours. This is in addition to informal coaching and on-the-job development.

We had 213 staff participating in our leadership programs in 2009.

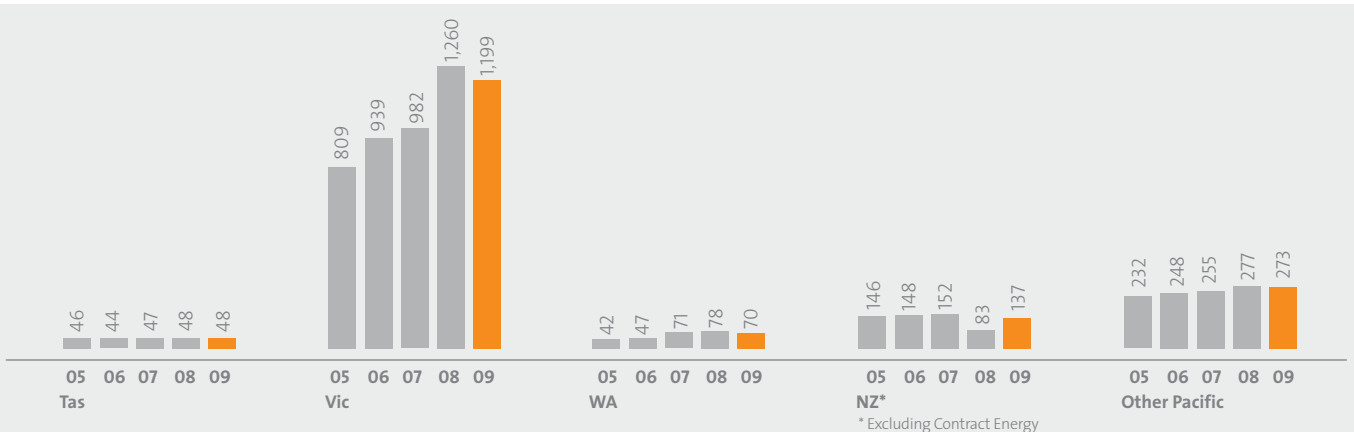
We also offer a number of programs to help our people prepare for and return from parental leave, which helps them to manage changes in their home and work life. Employees wishing to pursue further education can also access our Educational Assistance Policy, which provides financial support to eligible employees.

In the reporting period we saw an increase in the number of employees receiving benefits from the Employee Assistance Program. This reflects in part how the challenging economic conditions during 2009 have directly impacted our employees.

Code of Conduct training

To help bring our Commitments, Principles and Values to life, our people are required to complete Code of Conduct training. The Code outlines the standards of behaviour expected of our employees and has the endorsement of the Board and senior executives.

The training covers important areas such as Equal Employment Opportunities, discrimination and harassment prevention, human rights issues, bullying prevention, drug and alcohol use, conflicts of interest, continuous disclosure, Dealing in Securities and Trade Practices. In 2009, 95 per cent of our people required to complete Code of Conduct training participated in the course. Similarly high levels of participation were reported in Trade Practices training (94 per cent) and the Dealing in Securities Trading course (98 per cent).





FLU VACCINATION PROGRAM

Between April and June 2009, we carried out our second workplace influenza vaccination program with some positive improvements on last year.

Uptake of the vaccination program was very positive, with 1,021 people or 24 per cent of employees participating this year.

The major change to the 2009 program was the introduction of an online booking system where employees were able to choose their own appointment times, and where data could be captured for analysis, including business unit, location and email address. This ensured simple and efficient management of the vaccination program.

HEALTH AND WELLNESS

The health and wellness of our people and our contractors is very important to us. We provide a range of programs and support to our people to improve health and safety both in the workplace and away from work. These include company-wide programs such as drugs and alcohol awareness training, fatigue management and awareness, and deep vein thrombosis prevention.

We also offer a range of programs dealing with health, hygiene and safety topics that are specific to our businesses. These include:

- occupational health risk assessments;
- monthly occupational health talks;
- skin cancer awareness;
- understanding office safety;
- headset hygiene; and
- workstation ergonomic assessments.

OUR PEOPLE MAKING A DIFFERENCE IN THE COMMUNITY

As part of our commitment to creating a positive and engaging workplace for our people, we are proud to offer fully paid volunteer leave to help make a difference with our community partners.

In the past year, we established relationships with two new volunteering partners – Habitat for Humanity and Conservation Volunteers Australia – and reaffirmed our partnerships with Oxfam Australia, the Salvation Army and The Big Issue. There was an 83 per cent increase in participation in volunteering during the reporting period. Volunteering activities included:

- building energy efficient houses for low income families;
- mentoring people who are long-term unemployed as they look for work;
- tree planting, weed removal and clean up events;
- street soccer training sessions with people re-engaging with society through The Big Issue; and
- fundraising events for Oxfam Australia, for example the 100km Oxfam Trailwalker fundraising and fitness challenge.

Employee volunteering surveys show that more than 95 per cent of employees participating in these programs think our community initiatives make Origin a great place to work. Some 71 per cent of employees said the ability to volunteer during work hours made them more inclined to continue working for Origin.

During the year, we also established a new partnership with online giving service Karma Currency, to facilitate our Matched Giving program. Through this partnership, Origin matches employee donations to over 30 charities working towards causes including environmental protection, support for vulnerable people, disaster relief recovery and safety, and emergency services. Origin and our people donated more than \$450,000 to Australian charities in the reporting period through Matched Giving, disaster relief and team fundraising.

OUR EMPLOYEES

Employees take on the Oxfam Challenge



Sam Apps, Julia Gaylard, Anthony Joines, Kate Tuffin, Tom Hatfield, Sarah Luck, Chantal Wright and Peter Blake participated in the Oxfam Challenge

In June 2009, eight Origin employees participated in the fundraising trek of a lifetime, spending a week in Alice Springs taking part in the Oxfam Challenge, a fitness and fundraising challenge designed to raise awareness of indigenous issues.

The employee engagement initiative was offered as part of our volunteering program, which provides fully paid volunteer leave for employees to support our community partners.

As part of the experience, participants visited local community organisations and experienced Australian outback trekking on the Larapinta Trail. Prior to the trip, participants raised over \$15,000 for Oxfam Australia's indigenous programs.

Julia Gaylard, Retail Business Support, said the event was an eye-opening experience for many in the group.

"We were really lucky to visit several community organisations that are owned and controlled by the Aboriginal community. We learned a lot about the health issues facing indigenous people and how their lives have been affected by the Federal Government intervention. It made our fundraising seem all the more important," she said.

"The trip was an incredibly memorable experience for everyone who participated. It provided us with a strong sense of accomplishment."

Transformation of rooftop into an urban oasis



Rooftop garden at Origin's Collins Street office, Melbourne

Employees from Origin's National Customer Contact Centre in Melbourne celebrated World Environment Day on their new balcony garden created by the Company's celebrity 'green ambassador', Jamie Durie.

Inspired by the growing trend for green spaces within urban centres, Jamie and his team helped to transform a concrete rooftop into a contemporary urban oasis that embraces sustainable principles.

Features of the garden include:

- a 10-metre diameter area of timber decking surrounded with bench seating for use as a special event space or for employees to practice yoga or tai chi;
- lattice screens that create a wall of greenery and a sense of calm seclusion for those on the deck;
- breakout areas in the form of sunken and stepped decks;
- a more private, open-ended 'cocoon' made from 100 per cent recycled plastic and filled with handmade cushions and beanbags made from recycled advertising billboard banners;
- a barbecue and entertaining area;
- two 3,000 litre rainwater tanks for efficient plant watering;
- allergy-free native and drought tolerant plants; and
- use of innovative landscape building techniques and new materials to help save money and energy.

Our employees scorecard

| Five year Strategy | What we said | How we went | FY10 Actions |
|---|---|---|--|
| Achieve a Total Recordable Incident Frequency Rate (TRIFR) of 4. | <p>Achieve a 20 per cent improvement in TRIFR to 6.8.</p> <p>Work with CSG companies, drilling companies and contractors to identify and implement common strategies to improve contractor safety skills and industry safety performance.</p> | <ul style="list-style-type: none"> • TRIFR for employees and contractors deteriorated to 9.1. • A new contractor safety program has been developed for rollout in 2010. | <ul style="list-style-type: none"> • Set a target for 2010 of a TRIFR of 6.8 – a 25 per cent reduction on 2009. • Identify drivers of current safety performance and address them in an integrated safety strategy that sets specific three year targets in key areas such as transport, contractor safety, process safety, permit to work and safety leadership. • Commence implementation of the safety strategy. |
| Maintain a working environment in which our employees are engaged, believe that Origin is a great place to work and recommend Origin as a great place to work. | <p>Conduct a follow-up employee engagement survey.</p> <p>Develop and commence delivery of a flagship culture development program for employees.</p> | <ul style="list-style-type: none"> • A significantly expanded engagement survey has been developed for release in November 2009. • During the year, surveys of leavers and new employees have been conducted, and focus groups facilitated by an external party to better understand the role of volunteers and matched giving in employee engagement. • A pilot program was conducted during the year, which will be used to inform further development of culture development programs. | <ul style="list-style-type: none"> • Conduct a comprehensive employee engagement survey and develop programs to respond to issues identified in the survey. |
| Eliminate barriers to employment, development and workplace opportunities so that our workforce attracts and represents diversity from the communities in which we operate. | <p>Formulate and implement an organisation-wide strategy to increase diversity in management roles and non-traditional roles.</p> <p>Introduce succession and career mobility processes and systems.</p> <p>Introduce an Origin-wide graduate induction program.</p> <p>Increase the penetration of targeted mentoring, coaching and 'buddying' programs across Origin.</p> | <ul style="list-style-type: none"> • A gender diversity plan was developed and a sub-group of the executive team formed to support its implementation. A decision was then taken to strengthen the plan by the addition of public targets, and its launch delayed while research was undertaken to identify appropriate targets. • Succession planning processes have been extended into deeper levels of the organisation. • An induction program was implemented in February 2009 for onshore graduates. • Update of mentoring programs has increased and 'buddying' programs for new employees have been extended throughout Origin. | <ul style="list-style-type: none"> • Develop a gender diversity plan that sets targets. |

OUR EMPLOYEES

| Five year Strategy | What we said | How we went | FY10 Actions |
|---|--|--|--|
| Embed environmental leadership in all training and decision making processes. | <p>Develop a resource library to support the identification and assessment of Origin environmental improvement opportunities.</p> <hr/> <p>Provide updates on relevant environmental issues and activities at Origin in employee broadcasts.</p> | <ul style="list-style-type: none"> The Upstream Oil & Gas and Generation businesses conducted carbon efficiency workshops to identify opportunities for energy efficiency and greenhouse reduction improvements. We completed environmental risk registers for NZ Onshore Assets identified in June 2008 GAP Analysis. Communication on environmental issues and activities, including specific environmental activities and initiatives within our operational and retail businesses, included employee broadcasts, presentations and posters. | <ul style="list-style-type: none"> Take steps to develop an Australian leadership position in assessing carbon offset projects. |
| Encourage and recognise employee-led sustainability initiatives. | <p>Increase take up of low carbon intensity solutions by Origin employees.</p> | <ul style="list-style-type: none"> A staff offer is in development with a view to launch in 2010. | <ul style="list-style-type: none"> Set a target to increase total hours of employee volunteering on community and environment initiatives by 20 per cent from 4,780 to 5,736. |

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Our investors

Our Commitment We are committed to delivering market leading performance for shareholders by identifying, developing and operating value creating businesses across the energy supply chain.

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Overview



Origin's Cullerin Range Wind Farm, New South Wales

In fiscal 2009, despite almost unprecedented turmoil and volatility in global financial markets, we have delivered record profits and ended the year with a strong balance sheet.

In fiscal 2009, many investors saw their investments significantly decline. Many companies were forced to cut dividends and raise additional equity to pay down debt and bolster their balance sheets in order to withstand the financial turmoil.

- In contrast, Origin's equity value withstood the market decline. We announced record dividends of 50 cents per share to our investors and achieved a total shareholder return 12.7 per cent over and above the ASX100 accumulation index.

Delivering long-term value

During the reporting period, the strength and value of our business was recognised through the transformational transaction with ConocoPhillips in October 2008. ConocoPhillips invested in Origin's coal seam gas business, resulting in the formation of a joint venture with a goal of delivering one of Australia's largest coal seam gas to liquefied natural gas export projects.

As a result of the ConocoPhillips transaction and the underlying performance of the business, at 30 June 2009 Origin had no net debt, and cash reserves and undrawn committed debt facilities of \$5.3 billion. With access to this capital, the cash flows generated from the existing business and the significant pipeline of projects due to come online in the coming 12 months, Origin has laid strong foundations for future growth.

Within our existing business, a number of development projects that are due to come online are expected to contribute to Origin's financial performance during fiscal 2010. These include:

- full year contribution from the Uranquinty and expanded Quarantine power stations;
- full year contribution from the 30 MW Cullerin Range Wind Farm;
- continued development of domestic CSG production;
- initial contribution from Kupe Gas Project in New Zealand;
- 126 MW expansion of the Mt Stuart Power Station; and
- 630 MW gas fired Darling Downs Power Station.

Looking further ahead, we expect to build on the steps taken to continue to grow the business, including:

- progressing the Australia Pacific LNG joint venture with ConocoPhillips;
- substantial offshore drilling program to be undertaken;
- new pipeline and power purchase agreements;
- further investment in new gas-fired power stations; and
- further evaluation and development of our renewable energy portfolio of wind, geothermal and solar options.

Strength through integration

Our long-term focus on the exploration and development of gas resources close to key markets continued to deliver value for shareholders during the reporting period. We achieved record annual production of 104 petajoules equivalent (PJe). In addition, our annual review of reserves included a significant increase in coal seam gas reserves held by Australia Pacific LNG, with 2P reserves increasing by more than 50 per cent to 7,265 PJe, of which Origin's share is 3,636 PJe.

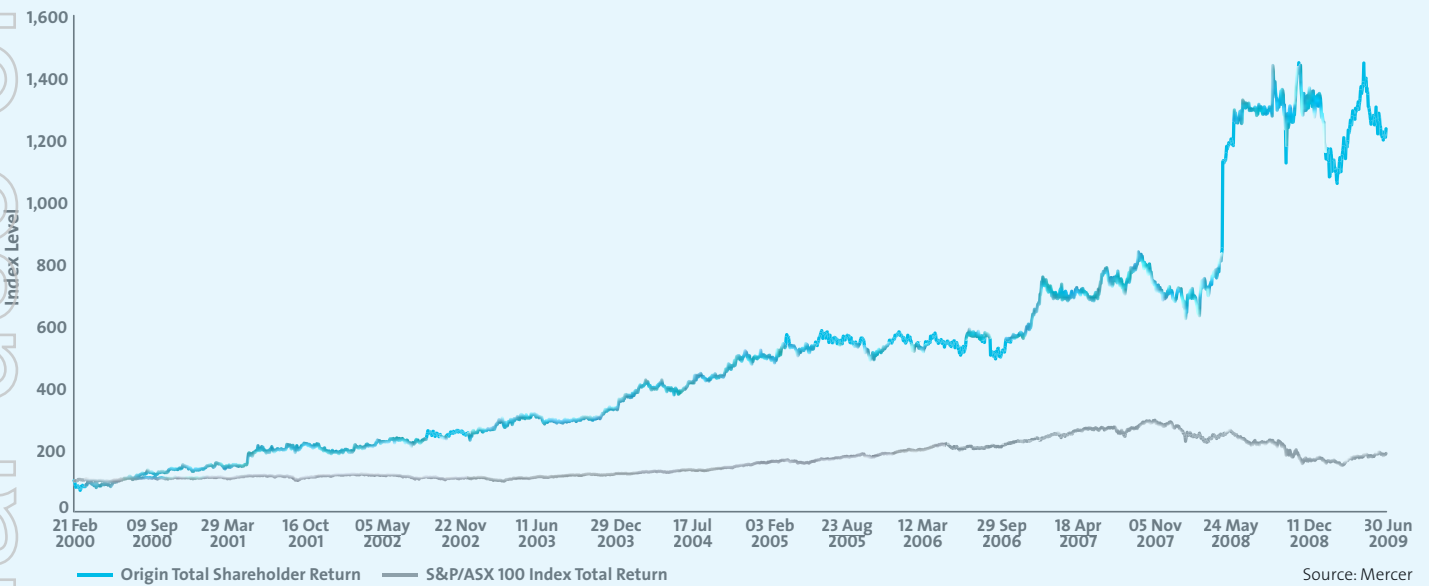
With a low carbon intensity portfolio of gas-fired and renewable assets including wind, geothermal and solar PV technologies, Origin is well placed to benefit from a carbon constrained environment. We have built a position as Australia's largest owner and developer of gas-fired power generation. During the past year, our operating power station capacity more than doubled to 1,494 MW following the completion of Uranquinty Power Station, the expansion of Quarantine Power Station and the development of our first wind farm, Cullerin Range. We have continued to invest in the development and commercialisation of SLIVER solar photovoltaic technology and hot-rock geothermal energy.

Origin is also a leading wholesaler and retailer of energy, supplying natural gas, electricity and LPG to approximately 3 million customers across Australia and the Pacific and is the clear market leader in green energy sales with more than 500,000 customers.

Full disclosure of our fiscal 2009 results can be found in Origin's Shareholder Review and Annual Report at <http://reports.originenergy.com.au>

OUR INVESTORS

Total shareholder returns compared to ASX Index



Our investors scorecard

| Five year Strategy | What we said | How we went | FY10 Actions |
|---|--|---|---|
| Maintain an investment credit rating. | Maintain a corporate credit rating of BBB+ or better. | <ul style="list-style-type: none"> Maintained Origin's corporate credit rating of BBB+ with Standard & Poor's. | <ul style="list-style-type: none"> Maintain a corporate credit rating of BBB+ or better.⁽¹⁾ |
| Provide shareholder returns in the top quartile of comparable companies.* | Establish and maintain a payout ratio of 60 per cent of Underlying Earnings. | <ul style="list-style-type: none"> We declared an annual dividend of 50 cents per share, representing a dividend payout ratio of 83 per cent of Underlying Profit. | <ul style="list-style-type: none"> Deliver shareholder returns over a rolling five-year average that are in the top quartile of comparable ASX-listed companies. |

* Amended from "Provide shareholder returns in the top third of comparable companies".

(1) Or equivalent current rating from other ratings agencies.

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Distribution of gross value added

\$8bn

Distribution of gross value added 2009

At Origin, we measure our success by the value we add to the resources that come under our control. The value we create is distributed to stakeholders recognising the need to ensure the sustainability of our business and its impact on the environment and the communities in which we operate.

In 2009 we delivered a significant increase in the gross value distributed to our stakeholders, creating \$8,223 million in value compared with \$1,447 million in the prior year. This significant increase was primarily a result of unlocking the value of our CSG assets through the Australia Pacific LNG transaction.

Investors

Our Statutory Profit was \$6.9 billion which includes a gain of \$6.7 billion from the investment by ConocoPhillips in the Australia Pacific LNG joint venture⁽¹⁾. This compares with Statutory Profit of \$517 million in the prior year.

For the year ended 30 June 2009, we reported a record Underlying Profit⁽²⁾ of \$530 million, up 20 per cent on the prior year, highlighting the continued strength of the fuel integrated generation and retail business.

At 30 June 2009, we had a net cash position, including consolidation of Contact Energy, of \$107 million. This compared with a \$3,608 million net debt balance at 30 June 2008.

(1) Origin's Statutory Profit was \$6.9 billion which includes a gain of \$6.7 billion resulting from the dilution of Origin's interest in Australia Pacific LNG following ConocoPhillips subscription for shares to form a 50:50 joint venture.

(2) Underlying Profit represents profit after tax and minority interests and before significant items.

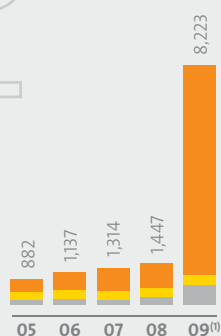
Underlying financing costs were \$32 million compared with \$220 million in the prior year reflecting the net cash position. This net cash position provides Origin with the ability to fund the future growth of the business. In keeping with our capital management objectives, we maintained a stable credit rating of BBB+ with financial ratings agencies, Standard & Poor's and Fitch Ratings.

Our adjusted equity has increased from \$4,972 million in 2008 to \$11,257 million at 30 June 2009. This increase of 126 per cent is predominantly due to the accounting profit from the Australia Pacific LNG transaction, offset by the share buyback and dividends paid.

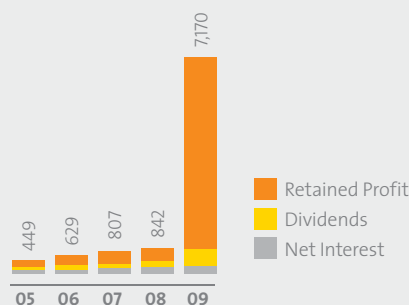
Basic earnings per share, calculated from the Underlying Profit, increased 19 per cent to 60.4 cents per share on a weighted average capital base of 877 million shares. We declared a final fully franked dividend of 25 cents per share, almost double last year's final dividend paid in October 2008. Following the Australia Pacific LNG transaction, an additional fully franked dividend of 25 cents per share was paid in November 2008 to rebase the 2008 financial year dividend to 50 cents per share.

Going forward it is our intention to target the higher annual dividend of at least 50 cents per share on a dividend payout ratio of at least 60 per cent of underlying profit. The 2009 full year dividend is therefore in line with the dividend attributable to the prior year.

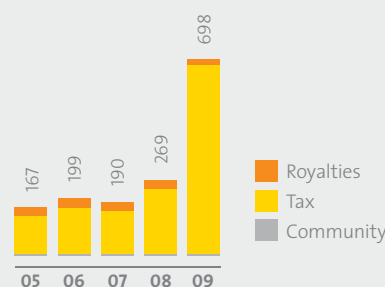
From 30 June 2005 to 30 June 2009, Origin's compound total shareholder return was 25.1 per cent per annum. This was significantly above the ASX 100 Accumulation Index, which increased by 7.7 per cent per annum compound over the same period. Refer Total Shareholder Returns chart on page 47.



Distribution of gross value added (\$m)



Capital providers (\$m)



Government and Community (\$m)

(1) Includes gain of \$6.7 billion resulting from the dilution of Origin's interest in Australia Pacific LNG.

Employees

To ensure Origin attracts and retains high quality and skilled people, our remuneration is competitively benchmarked against 20 large energy and utilities companies. It is also benchmarked against more than 300 companies representing all industries.

In fiscal 2009, we incurred \$355 million in wages, salaries and superannuation. This compared to \$336 million in the prior year. No shares were granted under the employee share plan during the reporting period, as the Company did not achieve the performance safety target required to trigger entitlement under the plan.

Retention arrangements were put in place for key people during fiscal 2009 due to the circumstances surrounding the takeover bid by the BG Group and the CSG monetisation process. A total of 235 employees had a retention arrangement as at the completion of the reporting period.

Community

In fiscal 2009, Origin received \$1.0 million in government grants and subsidies. This funding was related to a range of solar initiatives and also diesel rebates for our LPG business.

Tax payments to all levels of Australian government during the reporting period included:

- o \$235.4 million in income tax to the Commonwealth Government;
- o \$19.9 million in Goods and Services Tax;
- o \$3.4 million in Fringe Benefits Tax to the Commonwealth Government;
- o \$20.0 million in Payroll tax to state governments;
- o \$21.3 million in royalties to state governments; and
- o \$2.4 million in other taxes and charges, including stamp duties, land tax, permits and rates to state and local governments.

Where practicable, we try to source materials and supplies for our operations from locally based businesses, particularly in the rural and regional communities in which we operate.

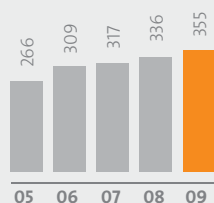
Aside from taxation, Origin's primary contributions to communities flow from the jobs we create and the business we bring to local areas. In addition, Origin makes contributions to the community to address issues of concern to society.

Each year, Origin has its community investment verified by the London Benchmarking Group (LBG), an activity that has been undertaken for the past three years. The LBG is a group of over 44 companies in Australia and New Zealand working together to measure corporate community investment. LBG's model provides a comprehensive and consistent set of measures for corporate community investment professionals to determine their company's contribution to the community.

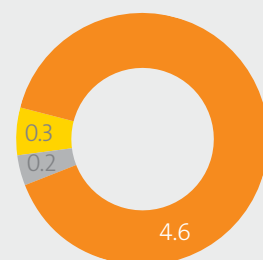
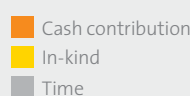
During the year, we invested more than \$5 million in communities. This included total cash contributions, the value of employee time contributions (based on the total number of volunteering hours taken) and in-kind support.

Our cash contribution amounted to more than \$4.6 million, of which \$2.6 million supported customers participating in our *Power On* program, which provides assistance to our customers who are experiencing financial difficulty. This is an increase of more than \$0.6 million on 2008 or 24 per cent and reflects, in part, how the deteriorating economic conditions have directly impacted our customers.

We also continue to take an active role in the LBG, drawing on our leadership and expertise. Origin is represented on LBG's Australia and New Zealand steering committee by Sarah Clarke, the company's Group Manager of Community Investment. Sarah was elected to the Committee in 2008.



Employee wages and salaries (\$m)



Distribution of community investment (\$m)

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DISTRIBUTION OF GROSS VALUE ADDED

| GROSS VALUE ADDED | 2009 \$ MILLION | 2008 \$ MILLION |
|---|--------------------|--------------------|
| Revenue | | |
| Exploration and Production | 352 | 381 |
| Retail | 5,869 | 5,506 |
| Generation | 24 | 40 |
| Contact Energy | 1,797 | 2,348 |
| Other | 17 | 35 |
| Total revenue | 8,059 | 8,310 |
| Inception of Australia Pacific LNG transaction | 7,385 | – |
| Net expenses (excluding stakeholders' payments) | (6,852) | (6,518) |
| Depreciation and amortisation | (369) | (345) |
| Gross value added | 8,223 | 1,447 |

| VALUE DISTRIBUTION | 2009 \$ MILLION | 2008 \$ MILLION |
|---|--------------------|--------------------|
| Employees | | |
| Total wages and salaries | 355 | 336 |
| Investors | | |
| Net Interest | 172 | 220 |
| Dividends paid to shareholders | 554 | 201 |
| Retained profit | 6,444 | 421 |
| Total returns to capital providers | 7,170 | 842 |
| Community | | |
| Community investment | 5 | 4 |
| Total community contributions | 5 | 4 |
| Income tax expense | 672 | 235 |
| Royalties to government | 21 | 30 |
| Total taxes and other government charges | 693 | 265 |
| Value distribution | 8,223 | 1,447 |

Corporate Governance

In response to feedback from our stakeholders, in this year's report we provide more information on our governance principles and practices.

Origin's Board and Management have a commitment to ensure our operations are conducted responsibly, ethically and with the highest standards of integrity as the company strives to create shareholder value.

In working to achieve our goals, we require everyone at Origin to act in accordance with the corporate governance principles and practices adopted by the Board.

Origin ensures our governance practices comply with the eight ASX Corporate Governance Council Recommendations.

Principle 1: Lay sound foundations for management and oversight

Principle 2: Structure the Board to add value

Principle 3: Promote ethical and responsible decision making

Principle 4: Safeguard integrity in financial reporting

Principle 5: Make timely and balanced disclosure

Principle 6: Respect the rights of shareholders

Principle 7: Recognise and manage risk

Principle 8: Remunerate fairly and responsibly

For comprehensive information on our fiscal 2009 performance against these Principles, see the Governance Section of the 2009 Annual Report (page 52 to 54), which can be downloaded at <http://reports.originenergy.com.au>

THE ROLE OF DIRECTORS

Board of Directors

Origin has a Board of nine directors, which meets 11 times a year, including a two-day strategic planning meeting and additional workshops to consider matters of particular relevance.

If required, additional, unscheduled, meetings are held to deal with urgent matters. During fiscal 2009, seven such additional meetings were held primarily as a result of the unsolicited approach to Origin by the BG Group. The Board also visited Company operations and met with operational management during the year.

Executive management reports to the Board at each board meeting. Each month, directors receive financial and operational reports, a health, safety and environment report and reports on all major projects in which the Company is involved. In addition, the directors receive reports from board committees and, as appropriate, presentations on opportunities and challenges for the Company.

The Board's size and composition is determined by the directors, within limits set by the Company's constitution, which requires a Board of between five and 12 directors. As at 30 June 2009, the Board comprised six independent non-executive directors, one non-executive non-independent director and two executive directors. Directors' profiles and details of their skills, experience and special expertise are set out in the Annual Report on pages 48 and 49 or at <http://reports.originenergy.com.au>

Board independence

Origin's Independence of Directors Policy requires that the Board comprises a majority of independent directors. In defining the characteristics of an independent director, the Board uses the ASX Recommendations, together with its own consideration of the Company's operations and businesses and appropriate materiality thresholds. Further details of the matters considered by the Board in assessing independence is contained in the Independence of Directors Policy which is available on the Company's website www.originenergy.com.au

On 18 August 2009, at the conclusion of its annual review of director independence, the Board formed the view that Mr Kevin McCann, Chairman, and directors Dr Roland Williams, Dr Helen Nugent, Mr Trevor Bourne, Mr Gordon Cairns and Mr John Akehurst were independent.

The Board selects and appoints the Chairman from the independent directors. The Chairman, Kevin McCann is independent and his role and responsibilities are separate from those of the Managing Director.

Committees of the Board

Four committees assist the Board in executing its duties and in considering complex and significant matters relating to audit; remuneration; health, safety and environment; and Board nominations.

Each committee has a charter which sets out its roles and responsibilities, composition, structure, membership requirements and operation. Committee meeting minutes are tabled at the following Board meeting, with additional and specific reporting requirements to the Board addressed in the committee charters.

An overview of the role of each committee follows:

Audit Committee

The Audit Committee comprises four non-executive directors of whom three are independent. The Chairman of the Board cannot chair the Audit Committee. The Chairman, Helen Nugent is an independent director. The structure and composition of the Audit Committee complies with the ASX Principles and Recommendations.

The Audit Committee oversees the structure and management systems that ensure the integrity of the Company's financial reporting. The Audit Committee reviews the Company's half-yearly and annual financial reports and makes recommendations to the Board on adopting financial statements. The Committee provides additional assurance to the Board with regard to the quality and reliability of financial information. The Committee has the authority to seek information from any employee or external party.

The internal and external auditors have direct access to the Audit Committee Chairman and, following each scheduled meeting, meet separately with the Committee without executive directors or management present.

The Committee reviews the independence of the external auditor, including the nature and level of non-audit services provided, and reports its findings to the Board every six months.

Remuneration Committee

The Remuneration Committee comprises five non-executive directors of whom four are independent, including the Chairman Trevor Bourne. The names of the members of the Remuneration Committee and their attendance at meetings of the Committee are set out in the table below.

The remuneration of non-executive directors is structured separately from that of the executive directors and senior executives.

Health, Safety and Environment Committee

The Health, Safety and Environment (HSE) Committee oversees our commitment to health, safety and environment. The Committee is chaired by Roland Williams.

The role of the Committee is to support and advise the Board to meet its responsibilities in relation to HSE-related matters arising out of the activities and operations of Origin and its related companies and the impact of those activities and operations on employees, contractors and the communities in which the Company operates.

The HSE Committee is to provide advice and make recommendations to the Board to enable it to discharge its responsibilities, having regard to the law and the highest standards of governance.

Nomination Committee

The Nomination Committee met four times during the year.

A list of the members of the Nomination Committee and their attendance at Committee meetings is set out in the Attendance to Committee Meetings table on page 53.

The Nomination Committee provides support and advice to the Board by: assessing the skills required of directors; conducting Board reviews; establishing processes to identify suitable directors; and recommending directors' appointments and re-election.

Each director other than the Managing Director is elected for a three-year term, which is renewable for further terms on the review and approval of the other directors, and re-election by shareholders at an annual general meeting.

The charter for each of our committees is available on the Company website www.originenergy.com.au

Appointment of two new directors

During the year, the Nomination Committee engaged consultants to identify or assess potential new candidates to the Board.

The Committee recommended potential new directors to the full Board, which then considered the proposed appointments in light of both the Board and the Company's present and future needs; and the applicant's skills, expertise and experience.

Through this process the Board approved the appointments of Karen Moses and John Akehurst during the financial year. Those appointees stood for election at the 2009 Annual General Meeting, which was held on 30 October 2009.

Continuous disclosure

We have adopted policies and procedures to ensure compliance with our continuous disclosure obligations, and to ensure accountability of senior management for that compliance.

We are committed to providing timely, full and accurate disclosure and to keeping the market informed with quarterly releases detailing exploration, development and production, and annual and half-yearly reports to shareholders.

Current Board Committee Membership

| COMMITTEE MEMBERSHIP | AUDIT | REMUNERATION | HEALTH, SAFETY & ENVIRONMENT | NOMINATION |
|---|----------|--------------|------------------------------|------------|
| Non-Executive Independent Directors | | | | |
| Kevin McCann | Member | Member | Member | Chairman |
| Trevor Bourne | | Chairman | Member | Member |
| Gordon Cairns | | Member | Member | Member |
| Helen Nugent | Chairman | Member | | Member |
| Roland Williams | Member | | Chairman | Member |
| John Akehurst | | | | Member |
| Non-Executive Non-Independent Director | | | | |
| Bruce Beeren | Member | Member | | Member |
| Executive Directors | | | | |
| Grant King | | | Member | |
| Karen Moses | | | | |

CORPORATE GOVERNANCE

All material matters are disclosed to the ASX immediately and subsequently to the media, as required by ASX Listing Rules. All such releases are posted on the Company website immediately after release to the exchange.

All material investment presentations are released to the ASX and are posted promptly on the Company website, along with other reports that are not material enough to be an ASX announcement. Shareholders can subscribe to a free email notification service and receive immediate notice of any announcements we release.

The Continuous Disclosure Policy and the shareholder communications strategy are available on the Company website www.originenergy.com.au

Risk management

The Board has an overarching policy governing the Company's approach to risk oversight and management and internal control systems.

The Board is responsible for ensuring appropriate risk management and internal control systems policies are implemented across the business. Origin's policies are designed to identify, assess, address and monitor strategic, operational, legal, reputational, commodity and financial risks to achieve business objectives. Specific risks are covered by insurance and Board-approved policies for hedging of interest rates, foreign exchange rates and commodities.

The Risk Management Policy is available on the Company website www.originenergy.com.au. The Board requires management to design and implement the risk management and internal control systems to manage the Company's material business risks and management reports to the Board on the whether those risks are being managed effectively.

The Board receives monthly reports on key risk areas such as health and safety, project development, commodity exposures and exchange rates. A general company-wide review of major risks is undertaken for corporate, operational and development activities. Major risks are reported to the Board, along with controls and risk mitigation plans. Management has reported to the Board that its material business risks are being managed effectively.

Risk control protocols

Origin's risk control protocols include:

- Risk Policy in place
- Health, Safety and Environment Management System describes the standards
- Risk Management Procedures and Guidelines describe the methodology and approach to risk management and responsibilities

Monitoring risk

One of the business objectives for fiscal 2009 was to monitor risk and maintain adequate risk capacity to ensure appropriate commodity risk exposure limits are in place. Risk Policy and limits are now in place with a governance and assurance system to report and check compliance. This includes our Risk Policy, Commodity Risk Management System, Commodity Risk Committee, Compliance Reports, Audit program and Management Questionnaire.

Information on Origin's policies on risk oversight and management of material business risks is available on the Company's website www.originenergy.com.au.

Board meetings and attendance

| DIRECTORS | SCHEDULED BOARD MEETINGS | | UNSCHEDULED BOARD MEETINGS | | MEETINGS OF BOARD COMMITTEES | | | | | | | |
|-----------------|--------------------------|----|----------------------------|---|------------------------------|---|--------------|---|-----|---|------------|---|
| | H | A | H | A | AUDIT | | REMUNERATION | | HSE | | NOMINATION | |
| | | | | | H | A | H | A | H | A | H | A |
| H K McCann | 11 | 11 | 7 | 7 | 4 | 3 | 3 | 1 | 4 | 4 | 4 | 4 |
| G A King | 11 | 11 | 7 | 7 | – | – | – | – | 4 | 4 | – | – |
| J H Akehurst | 3 | 2 | – | – | – | – | – | – | – | – | – | – |
| B G Beeren | 11 | 11 | 7 | 6 | 4 | 4 | 3 | 3 | – | – | 4 | 4 |
| T Bourne | 11 | 11 | 7 | 7 | – | – | 3 | 3 | 4 | 4 | 4 | 4 |
| G M Cairns | 11 | 11 | 7 | 7 | – | – | 3 | 2 | 4 | 4 | 4 | 4 |
| K A Moses | 4 | 4 | 1 | 1 | – | – | – | – | 1 | 1 | – | – |
| Dr H M Nugent | 11 | 11 | 7 | 7 | 4 | 4 | 3 | 3 | – | – | 4 | 4 |
| Dr J R Williams | 11 | 11 | 7 | 7 | 4 | 4 | – | – | 4 | 4 | 4 | 4 |

H: Number of meetings held during the time that the Director held office or was a member of the committee during the year.

A: Number of meetings attended.

Greenhouse gas inventory

| EQUITY BASIS ⁽¹⁾ | | | |
|---|--------------|--------------|--------------|
| Greenhouse Gas Emissions (Scope 1) (kt CO ₂ -e) | 2007 | 2008 | 2009 |
| Generation (incl. Contact Energy) ⁽²⁾ | 2,270 | 2,146 | 1,992 |
| LPG ⁽³⁾ | 39 | 46 | 51 |
| MDP ⁽⁴⁾ | N/A | N/A | 7 |
| Upstream Oil & Gas ⁽⁵⁾ | 1,008 | 1,075 | 1,139 |
| Networks | 226 | N/A | N/A |
| Other ⁽⁶⁾ | 6 | 3 | 3 |
| Total Scope 1 | 3,549 | 3,270 | 3,192 |
| Greenhouse Gas Emissions (Scope 2) (kt CO ₂ -e) ⁽⁷⁾ | | | |
| Energy producing sites | 5 | 5 | 12 |
| Non-energy producing sites | 25 | 22 | 24 |
| Total Scope 2 | 30 | 27 | 36 |
| Offsets and GreenPower ⁽⁸⁾ | | | |
| Scope 1 + 2 | -30 | -25 | -28 |
| Scope 3 | -11 | -13 | -13 |
| Greenhouse Gas Intensity (Scope 1 & 2 kt CO ₂ -e/PJ) | | | |
| Generation (incl. Contact Energy) | 73.1 | 69.5 | 70.0 |
| Upstream Oil & Gas | 11.6 | 10.8 | 10.9 |
| OPERATIONAL CONTROL BASIS ⁽¹⁾ | | | |
| Greenhouse Gas Emissions (Scope 1) (kt CO ₂ -e) | 2007 | 2008 | 2009 |
| Generation ⁽²⁾ | 281 | 248 | 435* |
| LPG ⁽³⁾ | 39 | 46 | 51 |
| MDP ⁽⁴⁾ | N/A | N/A | 7 |
| Upstream Oil & Gas ⁽⁵⁾ | 806 | 822 | 811* |
| Networks | 1,311 | N/A | N/A |
| Other ⁽⁶⁾ | 6 | 3 | 3 |
| Total Scope 1 | 2,443 | 1,119 | 1,307 |
| Greenhouse Gas Emissions (Scope 2) (kt CO ₂ -e) ⁽⁷⁾ | | | |
| Energy producing sites | 5 | 5 | 12 |
| Non-energy producing sites | 25 | 22 | 24 |
| Total Scope 2 | 30 | 27 | 36 |
| Offsets and GreenPower ⁽⁸⁾ | | | |
| Scope 1 + 2 | (30) | (25) | (28) |
| Scope 3 | (11) | (13) | (13) |
| Greenhouse Gas Intensity (Scope 1 & 2 kt CO ₂ -e/PJ) | | | |
| Generation | 192.6 | 199.1 | 171.6 |
| Upstream Oil & Gas | 11.0 | 10.0 | 9.2 |

* Assurance: Ernst & Young performed a limited assurance engagement in relation to the Upstream Oil & Gas and Generation businesses' greenhouse gas inventory, determined on an operational control basis in accordance with ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information. Please refer to Ernst & Young's Independent Limited Assurance Report on the Origin website (www.originenergy.com.au/sustainability) for more information regarding the scope of work and procedures that were conducted.

Notes

Methodology: For the Fiscal 2009 reporting year Origin has used emission calculation Methods 1 and 2 as prescribed in the newly enacted NGER legislation. These methods differ to those previously used by Origin and consequently some emission data for Fiscal 2009 may not be directly comparable with previous years' data. Scope 1 and 2 emissions have also been stated separately in accordance with the GHG Protocol Corporate Reporting Standard.

- Reporting includes Australian operations, Contact Energy generation (NZ) and International shipping. Equity reporting accounts for Origin's equity share of emissions. Operational reporting accounts for 100% of emissions from operated facilities only.
- Oakey Creek power station was excluded from Ernst & Young's assurance engagement due to late availability of data. Emissions for Fiscal 2009 are 3 tonnes CO₂-e and 23 tonnes CO₂-e on an equity and operational basis respectively.

3 LPG data now includes emissions from transport contractors as required by NGER. This includes time charter vessels and contract trucking, not previously reported. Previous years' data now includes these items.

4 Major Development Projects (MDP) operations are conducted almost exclusively by contractors and have not previously been reported. These operations are now reported consistent with NGER requirements.

5 To better align with our commitment to reduce the greenhouse gas intensity of our gas production, the methodology for calculating emissions per unit of energy for our Upstream Oil and Gas business has changed from using our share of sales volume to our share of production volume from all operated and non-operated joint venture operations. This also affects calculated equity emissions.

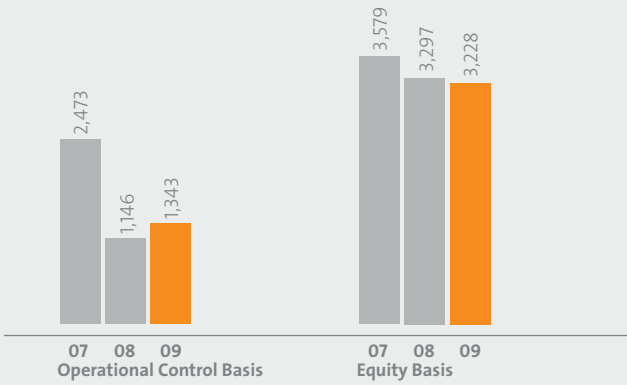
6 A new reporting group "Other" reports all emissions from Origin-operated sites and activities that have not been reported elsewhere. For Fiscal 2009 this includes the Origin car fleet. The "Other" reported on an equity basis has not captured emissions for non-operated entities.

7 Scope 2 emissions data was previously reported under the group "Offices". The revised reporting more clearly identifies these emissions as "Scope 2" or purchased electricity. Scope 2 emissions reported on an equity basis has not captured emissions for non-operated entities.

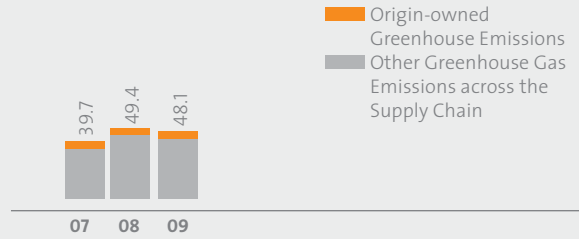
8 Origin offsets emissions due to the operation of our vehicles and non-energy producing sites (scopes 1 + 2), plus air travel, taxis and car hire (scope 3).

Key performance data – Emissions

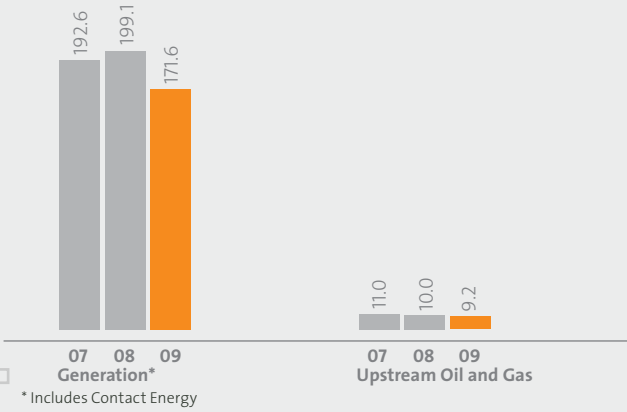
Total Greenhouse Gas Emissions (kt CO₂-e)



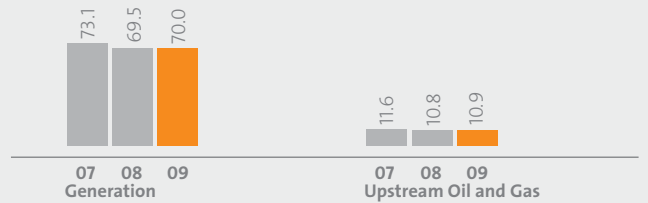
Total Supply Chain Emissions (Mt CO₂-e)



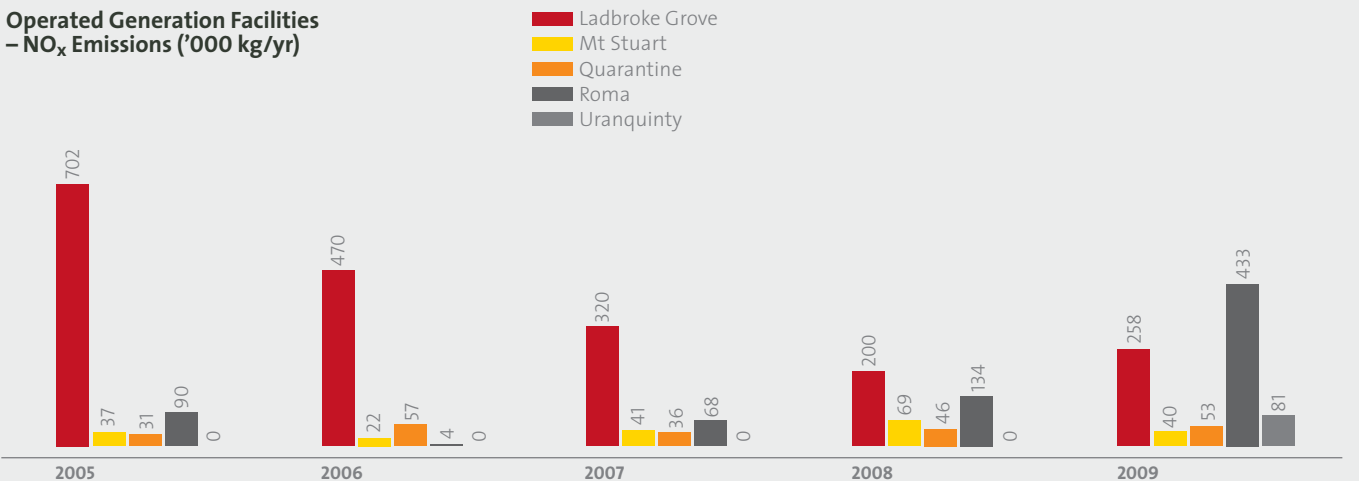
Greenhouse Gas Intensity – Operational Control Basis (kt CO₂-e/PJ)



Greenhouse Gas Intensity – Equity Basis (kt CO₂-e/PJ)



Operated Generation Facilities – NO_x Emissions ('000 kg/yr)

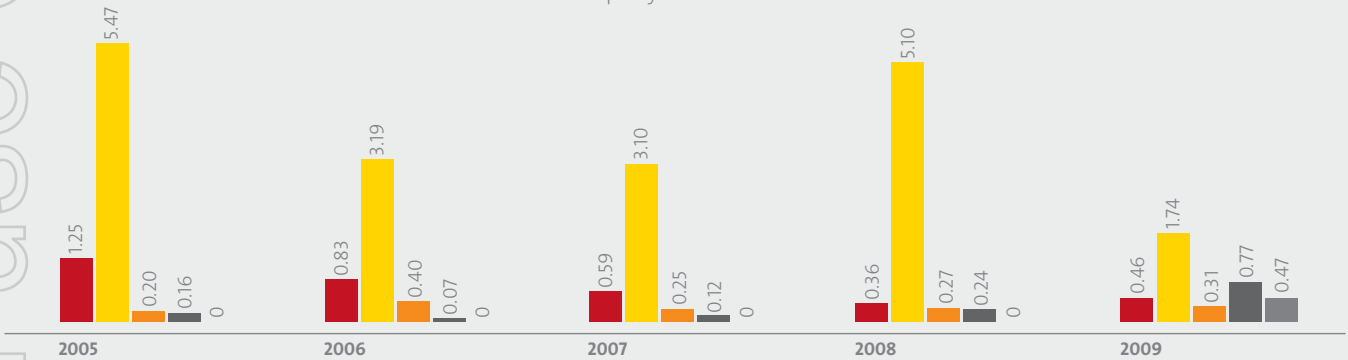


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Key performance data – NO_x and SO_x

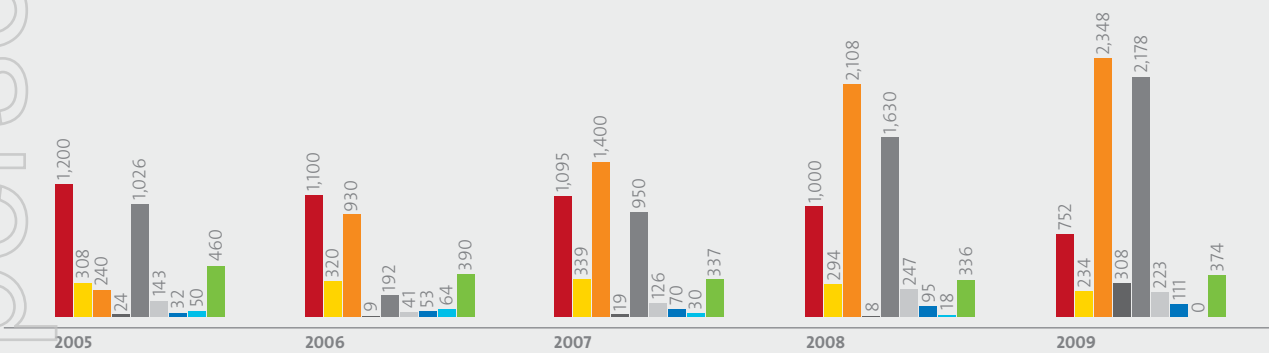
Operated Generation Facilities – SO_x Emissions ('000 kg/yr)

- Ladbroke Grove
- Mt Stuart
- Quarantine
- Roma
- Uranquinty



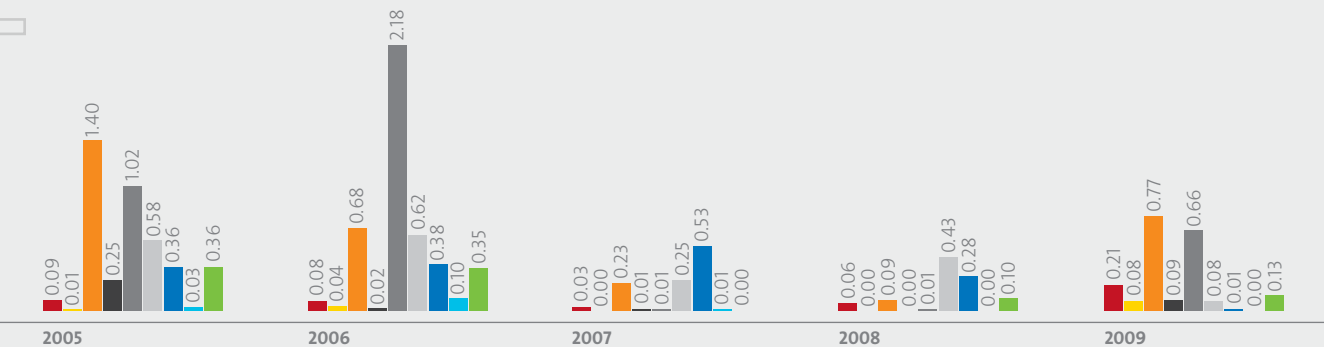
Operated Upstream Oil and Gas Facilities – NO_x Emissions ('000 kg/yr)

- Denison Trough
- Peat
- Spring Gully
- Talinga Walloons
- Bass Gas (incl. Yolla)
- Beharra Springs
- Jingemina
- Katnook
- Surat



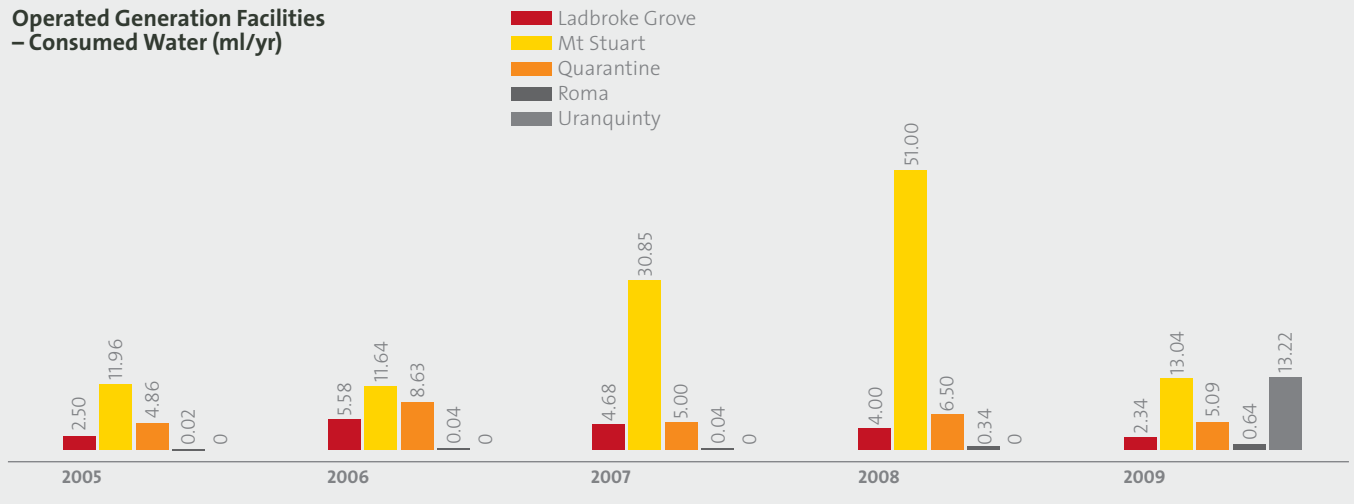
Operated Upstream Oil and Gas Facilities – SO_x Emissions ('000 kg/yr)

- Denison Trough
- Peat
- Spring Gully
- Talinga Walloons
- Bass Gas (incl. Yolla)
- Beharra Springs
- Jingemina
- Katnook
- Surat

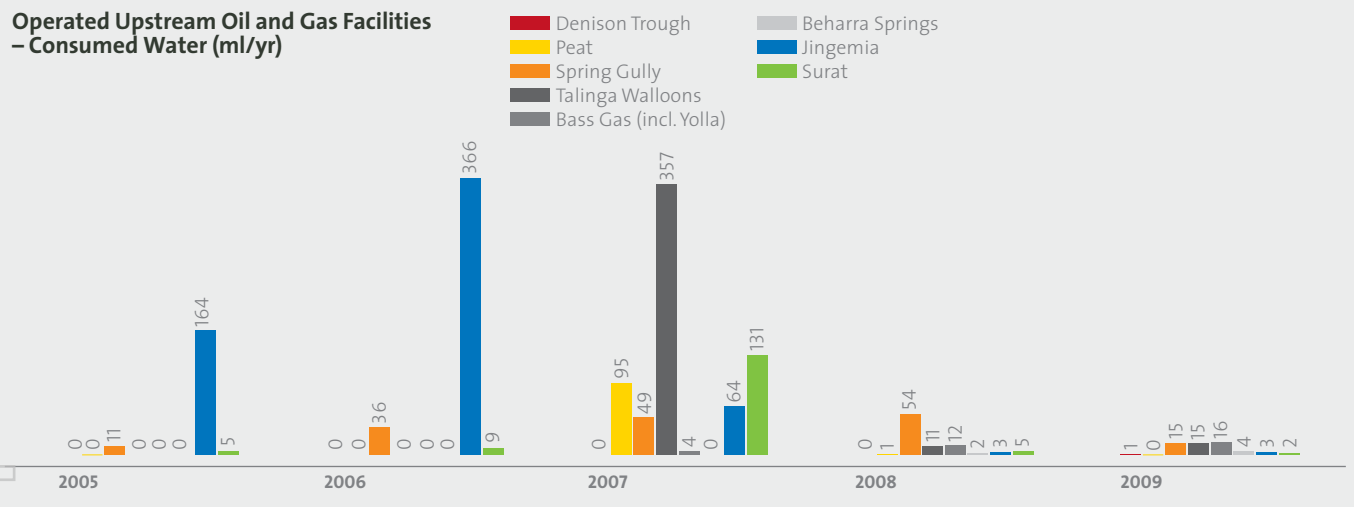


Key performance data – Water

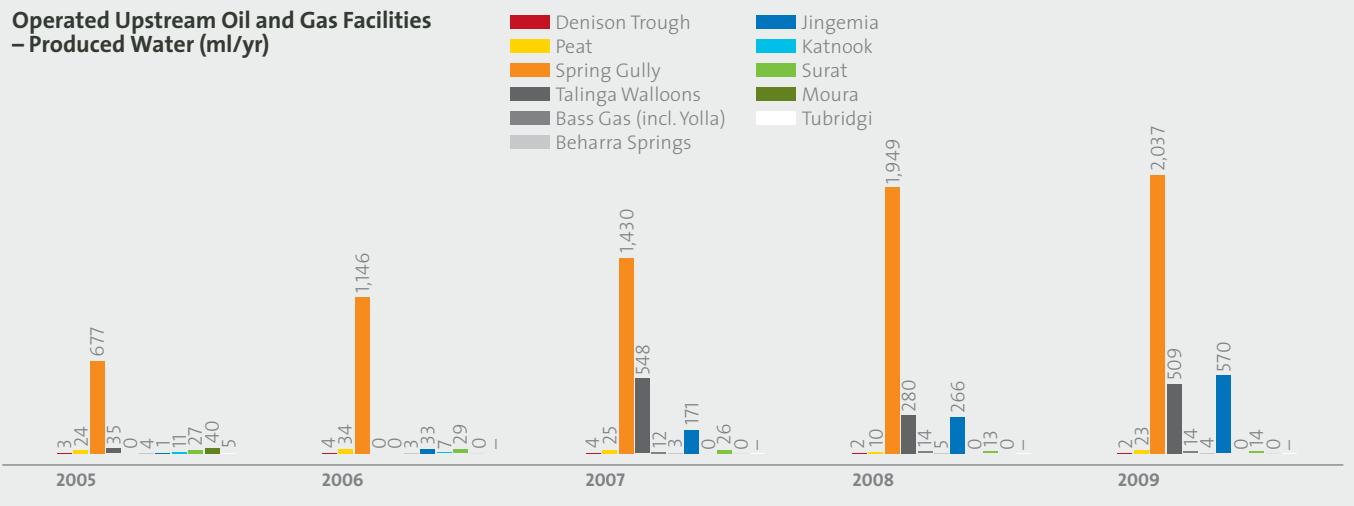
**Operated Generation Facilities
– Consumed Water (ml/yr)**



**Operated Upstream Oil and Gas Facilities
– Consumed Water (ml/yr)**



**Operated Upstream Oil and Gas Facilities
– Produced Water (ml/yr)**



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Global Reporting Initiative index

About the Global Reporting Initiative

The Global Reporting Initiative (GRI) has pioneered the development of the world's most widely used sustainability reporting framework, the G3 Sustainability Reporting Guidelines. This framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental and social performance, promoting a standardised approach to reporting.

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Origin's level of compliance:

| REPORT APPLICATION LEVEL | C | C+ | B | B+ | A | A+ |
|--------------------------|---|----|---|----|---|----|
| Self-declared | | | | | | ✓ |

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AR = 2009 Annual Report

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● = Not applicable



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Independent Auditor's Limited Assurance Report to the Management and Directors of Origin Energy Limited

We have performed limited assurance procedures to review Origin Energy Limited's reporting of their self declared GRI application level and greenhouse gas emissions as presented in their 2009 Sustainability Report ('the Report') as detailed in 'Work Scope' below.

Directors and Management Responsibility

The Directors of the Company are responsible for the preparation of the 2009 Sustainability Report. The report has been prepared by management of Origin Energy ('Management') who are responsible for the collection and presentation of information within it and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

In particular, Origin Energy's total greenhouse gas ('greenhouse') emissions stated, on an operational control basis from each of the Upstream Oil and Gas, and Generation Business Units, have been determined by the management using methods considered by management as being appropriate. There are no prescribed methods for determining the total greenhouse emissions for public reporting, and the use of different methods can result in materially different amounts. Management has determined the total greenhouse emissions using the World Business Council for Sustainable Development Greenhouse Gas Protocol Revised Edition, the National Greenhouse and Energy Reporting (Measurement) Determination 2008, emissions factors provided by the Australian Petroleum Production and Exploration Association ('APPEA') to Management, and other relevant methods such as engineering mass balance calculations ('the selected greenhouse methods').

Auditor's Responsibility

Our responsibility in performing our limited assurance activities is to the Management and Directors of Origin Energy only and is in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our review has been planned and performed in accordance with the Australian Standard on Assurance Engagements ASAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information". We have also considered the Global Reporting Initiative G3 reporting guidelines in conducting our review procedures.

We have conducted a limited assurance engagement in order to state whether, on the basis of the procedures conducted, anything came to our attention that would indicate that:

1. Origin Energy's self-declared application level of the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines' is not presented fairly;
- 2a. the calculation methods selected by Management have not been used to calculate the reported greenhouse gas emissions; and
- 2b. on an operational control basis, the total greenhouse emissions for the Upstream Oil and Gas, and Generation Business Units are materially misstated.

No statement is made as to whether the selected methods used are appropriate for the purposes described above.

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Work Scope

We designed our procedures in order for us to evaluate the self declared GRI application level and greenhouse gas emissions as stated on an operational control basis for the period 1 July 2008 to 30 June 2009 as stated in the Report as follows:

- a) Has Origin Energy correctly applied the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines in assessing and self-declaring the GRI application level of its 2009 Sustainability report (page 58)?
- b) Has Origin Energy calculated and fairly presented its greenhouse gas emissions for its Upstream Oil and Gas business and its Generation business on an operational control basis as stated under the heading 'Greenhouse Gas Inventory' and on Origin's Sustainability Website (published at <http://reports.originenergy.com.au>) under the heading of 'Greenhouse Inventory Table – Operated Basis (kt CO₂-e)' (identified by the symbol*) for the year ended 30 June 2009 (page 54)?

Procedures Undertaken

In order to undertake our review, our procedures included, but were not limited to:

- interviewing relevant Origin personnel to understand the process for capturing, aggregating and reporting greenhouse emissions;
- checking the calculations performed by Origin on a sample basis through recalculation;
- identifying and testing assumptions supporting the calculations for reasonableness;
- sample testing of the accuracy of recording, aggregating and transcription of key data for inputs to calculations. For example, on a sample basis, we traced inventory figures back to source data such as meter reading records, invoices or engineering calculation spreadsheets;
- checking emissions factors used in the calculations against those detailed in the National Greenhouse and Energy Reporting (Measurement) Determination 2008, APPEA or against fuel specific emissions data;
- visiting an electricity generation site and a gas processing site to assess completeness of emissions sources, data collection methods, source data and assumptions;
- holding discussions with engineers from a limited selection of other sites to assess completeness of emissions sources and assumptions; and
- understanding data quality controls applied by Origin Energy, through interviews and document review.

Our procedures did not include testing electronic systems used to collect and aggregate facility data.

Site visits were undertaken at Spring Gully gas processing site (Upstream Oil and Gas) and the Roma power station (Generation). The sites selected for testing are considered representative of the businesses and were chosen in consideration of their total emissions, emissions sources and sites selected in previous years.

Our Independence and Assurance Team

The firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. Our team has the required competencies and experience for this engagement.

Assurance Conclusions

On the basis of our procedures for this limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

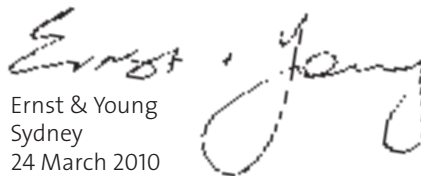
1. Origin Energy's self-declared application level of the Global Reporting Initiative's (GRI) G3 sustainability reporting guidelines' is not presented fairly;
2. the calculation methods selected by Management have not been used to calculate the reported greenhouse gas emissions; and
3. on an operational control basis, the total greenhouse emissions for the Upstream Oil and Gas, and Generation Business Units are materially misstated.

Matters Relating to Electronic Presentation of the Sustainability Report

Where web-links have been made from the full Report to Origin Energy web pages for the purposes of meeting the declared GRI G3 application level, our review included that web-based information that was available via these web-links as of the date of this statement. We provide no assurance over changes to the content of these web links after the date of this assurance statement.



Trent van Veen
Partner



Ernst & Young
Sydney
24 March 2010

Sustainability ratings and benchmarks



In 2009, our Australian Dow Jones Sustainability Index (SAM) results improved to 70 per cent from 66 per cent in 2008 against a sector average of 56 per cent. The scores reflect Origin's performance across economic, environmental and social criteria compared to its industry average.



FTSE4Good

Included in the international ethical index FTSE4Good since January 2004.



In 2009, Origin became a signatory to the Energy Supply Association of Australia's Sustainable Practice Framework, which is a major platform for the energy supply sector's work in improving sustainability in the industry.

CARBON DISCLOSURE PROJECT

Participant in the Carbon Disclosure Project. In 2009, Origin was included in the Australia and New Zealand Climate Disclosure Leaders Index.



Our community investment data is independently verified by the London Benchmarking Group (LBG), which promotes a consistent set of criteria for determining community investment, donations and commercial initiatives in the community.

Our Awards in 2009

Institute of Chartered Accountants of Australia

2009 Business Leader of the Year,
Origin Managing Director, Grant King

Australasian Reporting Awards

Silver Award,
Distinguished Achievement in Sustainability Reporting

National Excellence in Mining Awards

Excellence in Corporate Transacting

Road Safety Innovation and Achievement Awards, NZ Transport Agency

Road Safety Organisation Award,
Kupe Gas Project, New Zealand

ACCA Australia and New Zealand Sustainability Reporting Awards 2008

Winner, Best Report in the Energy and Utilities Section

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Glossary

Base load A steady and continuous flow of electricity from a power station.

Biodiversity Biological diversity (biodiversity) describes the richness and variety of flora and fauna in a location.

Carbon dioxide (CO₂) A greenhouse gas that can be produced as a by-product of oil and gas production, burning fossil fuels and biomass.

Carbon intensity CO₂ emissions per unit of energy.

Carbon Pollution Reduction Scheme (CPRS) The Australian Federal Government's framework for its emissions trading scheme.

Climate change Any change in climate over time, whether due to natural variability or as a result of human activity.

CO₂-e Carbon dioxide equivalent.

Coal seam gas (CSG) Natural gas contained within coal seams.

Cogeneration The production of two or more forms of energy from one fuel source. In general, cogeneration plants operated by Origin produce steam and electricity from natural gas.

Combined cycle gas turbine (CCGT) Combined cycle technology uses both gas and steam turbine cycles in a single plant to produce electricity with relatively high conversion efficiencies and relatively low emissions.

The Company Origin Energy Limited and its controlled entities.

Underlying EBITDA Earnings before interest, tax, depreciation and amortisation before the impact of significant items.

Electricity measures:

○ **Watt (W)** A measure of power present when a current of one ampere flows under the pressure of one volt.

○ **Kilowatt (kW)**
One kW = 1,000 watts.

– **Kilowatt hour (kWh)** The standard unit of electrical energy that represents the consumption of one kilowatt over the period of one hour.

○ **Megawatt (MW)**
One MW = 1,000 kW or one million watts.

– **Megawatt hour (MWh)**
One MWh = consumption of one megawatt of electricity for one hour.

○ **Gigawatt hour (GWh)**
One GWh = 1,000 megawatt hours or one million kilowatt hours.

○ **Terawatt hour (TWh)**
One TWh = 1,000 gigawatt hours or one million megawatt hours.

Emissions Substances released into the environment.

Fossil fuels Fuels derived from fossilised organic matter such as coal, oil and petroleum.

Fugitive emissions Substances that escape to air, such as leaks from equipment.

Gas measures:

○ **Joule** A joule is the primary measure of energy in the metric system.

○ **Gigajoule (GJ)** A gigajoule is equal to one billion joules. An average household in Victoria consumes approximately 55 GJ per annum.

○ **Terajoule (TJ)** A terajoule is equal to 1,000 gigajoules.

○ **Petajoule (PJ)** A petajoule is equal to one million gigajoules.

○ **Petajoules equivalent (PJe)**
The measurement used to represent the equivalent energy in different products so the amount of energy contained in these products can be compared on an equal basis. The factors used by Origin to convert to PJe are: One million barrels crude oil = 5.83 PJe; One million barrels condensate = 5.41 PJe; One million tonnes LPG = 49.3 PJe; One TWh of electricity = 3.6 PJe.

Geothermal energy Energy derived from the Earth's internal heat. Zero emission electricity is produced by using high temperature water through a heat exchanger to drive turbine generators. Hot fractured rock geothermal energy uses heat trapped inside granites located deep below the Earth's surface.

GHG Greenhouse gas.

Greenhouse gases Natural and anthropogenic gases in the atmosphere that absorb and emit infrared or heat radiation, causing the greenhouse effect. The main greenhouse gases are carbon dioxide and methane.

GreenPower Government accredited renewable electricity sourced from the sun, wind, water and waste. The generation of renewable electricity doesn't produce greenhouse gas emissions.

Green Gas When customers choose Green Gas the greenhouse gas emissions generated from the gas consumption is offset by Origin.

HSE Health, Safety and Environment.

HSEMS Health, Safety and Environment Management System.

Kt/PJe Kilotonnes per petajoule.

Kt CO₂-e Kilotonnes of carbon dioxide equivalent.

LNG Liquefied natural gas.

LPG Liquefied petroleum gas.

Mt CO₂-e Megatonnes of carbon dioxide equivalent.

NEM National Electricity Market.

NO_x Oxides of nitrogen.

Group OCAT Ratio = (OCAT – interest tax shield)/Productive Capital. Productive Capital is funds employed exceeding capital work in progress and including 50 per cent of Australia Pacific LNG.

Peaking plant A power plant that operates during peak or high demand periods rather than continuously.

Photovoltaic (PV) Photovoltaic cells convert sunlight directly into electricity.

Proven and probable Oil and gas reserves with reasonable certainty or probability for production.

Renewable energy Energy derived from naturally recurring sources such as the sun, wind or geothermal heat.

Reverse osmosis A process for purifying water by forcing waste or saline through a semipermeable membrane.

Sequestration The uptake and storage of carbon, for example reforestation and increasing the carbon content of soil.

Geosequestration The injection and storage of carbon dioxide in geological formations, often used in oil fields to increase production.

SO_x Oxides of sulphur.

Stationary energy Includes emissions from electricity generation and from fuels consumed in the manufacturing, construction and commercial sectors, and emissions from other sources such as domestic heating.

Supply chain emissions Carbon emissions across the energy supply chain, including our own emissions mainly from Upstream Oil and Gas and Generation businesses, third party emissions from suppliers of the energy we purchase and the combustion of our products by our customers.

Total shareholder return (TSR)
TSR represents the overall return to shareholders, determined by taking into account changes in stock price, returns to shareholders in the form of dividends and other disbursements, and the effect of movements in issued capital.

TRIFR Total Recordable Incident Frequency Rate.

Upstream The part of Origin's business involved in the exploration and production of hydrocarbon liquids and gases.

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This Sustainability Report provides an overview of Origin's performance for the 2009 financial year. Further information can be found at: <http://reports.originenergy.com.au>

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