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| To | Company Announcements Office | Facsimile | 1300 135 638 |
| Company | ASX Limited | Date | 17 July 2012 |
| From | Helen Hardy | Pages | 4 |
| Subject | ORIGIN RESIDENTIAL (TARIFF 11) MARKET PRICING REDUCED TO MATCH QUEENSLAND ELECTRICITY RATE FREEZE | | |

Please find attached a release on the above subject.

Regards

A handwritten signature in black ink, appearing to read "Helen Hardy".

Helen Hardy
Company Secretary

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Media/ASX Release

17 July 2012

Origin residential (Tariff 11) market pricing reduced to match Queensland electricity rate freeze

Origin has today significantly reduced its previously advised increases for general residential electricity rate (Tariff 11) for FlexiChoice and FlexiPlus market contract customers in Queensland.

Origin's pricing decision winds back rate increases to fully support the Queensland Government's focus on alleviating cost of living pressures and the Government's initiative to "freeze" the regulated general residential tariff (Tariff 11), excluding the impact of the carbon pricing scheme.

This decision means that:

- Origin will reduce Tariff 11 for residential FlexiChoice and FlexiPlus market contract customers from previously advised rates to rates which match those for the regulated Tariff 11 for 2012/13;
- For a customer with Tariff 11 average consumption, this should represent an average 11 per cent reduction from our previously advised rate increases;
- Origin will write to all affected customers to inform them of their new rates.

Origin Managing Director, Mr Grant King said, "We understand that our customers are concerned about the price of energy. Our notification of price increases to customers on our general residential (Tariff 11) FlexiChoice and FlexiPlus market contracts came at a time when a new carbon pricing scheme was introduced, higher network charges were approved by the Australian Energy Regulator, the Queensland Competition Authority made its final determination on tariffs and network rebates were introduced to give effect to the Queensland Government's commitment to freeze Tariff 11. This made it more complex for customers to understand what was happening to their own energy prices.

"We acknowledge that our communication with customers and the Government on these issues could have been better, and could have improved customers' understanding of price changes.

"We have therefore decided to simplify our offerings such that all Origin residential customers on general supply - whether on regulated contracts or market contracts - are paying the same or less than regulated rates for Tariff 11 for 2012/13.

"We have significantly discounted previously advised increases to market pricing for Tariff 11 to match the Queensland Government's rate "freeze" and to support the Government's push to alleviate cost of living pressures for Queenslanders," Mr King said.



Electricity Tariff 11 Rates 2012/13

| Excl GST | Origin previously advised rates 12/13 | Government regulated 'frozen' rates 12/13 | Origin new rates 12/13 |
|--------------------------------------|---------------------------------------|---|------------------------|
| All consumption c/kwh | 23.550 | 23.071 | 23.071 |
| Service fee per metering point c/day | 59.000-67.720 | 26.170 | 26.170 |

Origin Chief Executive Officer Energy Markets, Mr Frank Calabria said, "In response to concerns expressed by customers and the Government, we conducted a review of our pricing processes and communication to our customers in respect to these announced increases. We suspended billing for customers on residential (Tariff 11) FlexiChoice and FlexiPlus market contracts until the review was completed.

"We confirm that none of these customers have been, or will be, billed at the previously advised rates for FlexiChoice and FlexiPlus (Tariff 11). All of them will now be billed at the new regulated-equivalent rates.

"We support a competitive energy market that also appropriately reflects the cost of supply. We will continue to actively promote product offers and payment options we have available and energy efficiency advice," Mr Calabria said.

Customers wishing to know more about the offers available should visit www.originenergy.com.au. Any customers with concerns about pricing or having trouble paying their bill should contact Origin on 13 24 61 to discuss the support available through its industry-leading hardship program.

Origin is Australia's largest energy retailer with 4.4 million customers. The company is a significant investor in power generation and other energy projects in Queensland and employs approximately 2,000 people in the State. Through its interest in a joint venture project being built in Queensland, Origin will create 6,000 jobs during the construction period.

Media

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About Origin Energy

Origin Energy (ASX: ORG) is the leading Australian integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. Listed in the S&P ASX top 20 the company has more than 5,600 employees and is a leading producer of gas in eastern Australia. Origin is Australia's largest energy retailer servicing 4.4 million electricity, natural gas and LPG customer accounts and has one of the country's largest and most flexible generation portfolios with more than 5,310 MW of capacity, through either owned generation or contracted rights. Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth across the energy industry. Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest 2P CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, the country's leading integrated energy company, operating geothermal, thermal and hydro generation facilities and servicing electricity, gas and LPG customers across both the North and South islands. Origin also operates several oil and gas projects in New Zealand and is one of the largest holders of petroleum exploration acreage in the country.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.

For more information go to www.originenergy.com.au

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