To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	22 August 2013
From	Helen Hardy	Pages	7
Subject	**Origin reports statutory profit of $378 million and Underlying Profit of $760 million**		

Please find attached a release on the above subject.

Regards

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ASX/Media Release

22 August 2013

Origin reports Statutory Profit of $378 million and Underlying Profit of $760 million

Origin Energy Limited (Origin) today announced a Statutory Profit of $378 million for the financial year ended 30 June 2013, down from $980 million reported in the prior year.

The primary factors contributing to a decrease in Statutory Profit include a loss on the movement in the fair value of financial instruments, increased expenditure on Retail Transformation and transition costs relating to the acquired NSW energy assets and a lower contribution from the Energy Markets business.

Underlying Profit of $760 million decreased from $893 million in the prior year, a reduction of 15 per cent year on year which is at the lower end of the guidance range provided in February 2013. Underlying Profit reflects a lower contribution from Energy Markets, higher Underlying depreciation and amortisation charges and an increase in Underlying net financing costs.

Financial Highlights	FY 2013	FY 2012	Change
Statutory Profit	$378 million	$980 million	down 61%
Underlying Profit	$760 million	$893 million	down 15%
Underlying EBIT	$1,438 million	$1,598 million	down 10%
Underlying EBITDA	$2,181 million	$2,257 million	down 3%
Underlying EPS	69.5 cps	82.6 cps	down 16%
Group Operating Cash Flow After Tax	$1,142 million	$1,781 million	down 36%
Free Cash Flow	$1,188 million	$1,415 million	down 16%
Final dividend	25 cps unfranked	25 cps franked	-
Full year dividend	50 cps	50 cps	-
Capital expenditure inc. APLNG	$1,733 million	$2,847 million	down 39%

Origin Chairman, Mr Kevin McCann said, "During the past decade, Origin has established the leading Australian integrated energy company. While a number of external factors and challenges impacted performance of the Energy Markets business during the period, its fundamentals remain strong.

"Delivery of the Australia Pacific LNG project remains a key focus for Origin and I am pleased to report that, due to substantial progress on the Upstream and Downstream components during the year, the project is approximately 45 per cent complete. Origin's investment in Australia Pacific LNG stands to deliver a step change in earnings and cash flow to support the Company's future growth.

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"Origin continues to significantly reduce its capital expenditure on other projects and manage the funding position to support its commitments to Australia Pacific LNG.

"Origin has $5.3 billion[1] in committed undrawn debt facilities and cash as at 30 June 2013, with maturities extending beyond the 2015 financial year, which provides sufficient liquidity for Origin's remaining $4.1 billion funding requirement for Australia Pacific LNG.

"The Board has declared a final unfranked dividend of 25 cents per share, taking total dividends for the year to 50 cents per share. As the interim dividend of 25 cents per share was franked, this brings the franking level for the year to 50 per cent, compared with 100 per cent in the prior year," Mr McCann said.

As a result of utilisation of available tax losses and the impact from development projects, including Australia Pacific LNG, the Company does not expect to have sufficient franking credits to frank the final dividend.

The final dividend will be paid on 27 September 2013 to shareholders of record on 2 September 2013. Origin's Dividend Reinvestment Plan (DRP) will apply to this dividend. No discount will be applied in the calculation of the DRP price.

Underlying business performance

Origin Managing Director, Mr Grant King said, "Origin reported Underlying EBITDA of $2.18 billion, a reduction of 3 per cent on the prior year. Notwithstanding a 15 per cent reduction in Underlying EBITDA from the Energy Markets business, Origin reported stronger contributions from all other parts of the business which largely offset this impact."

Energy Markets Underlying EBITDA decreased by 15 per cent to $1,333 million, as a result of lower electricity gross profit, partially offset by increased contributions from natural gas, non-commodity and LPG.

Exploration and Production Underlying EBITDA increased by 23 per cent or $73 million to $395 million, primarily due to lower operating costs.

LNG Underlying EBITDA increased by 11 per cent or $6 million to $60 million[2].

Contact Energy Underlying EBITDA increased by 9 per cent or $35 million to $435 million, primarily due to the increased contribution from lower cost generation.

Corporate expenses decreased by 48 per cent or $39 million resulting in an Underlying EBITDA loss of $42 million.

Mr King said, "Part of improving the performance of the existing businesses has been a restructuring program that has closed, sold or discontinued a number of activities and resulted in a reduction in headcount of around 900 people by June 2013, six

[1] Excluding Contact Energy and bank guarantees.
[2] Underlying EBITDA restated from $47 million to $54 million for the 2012 financial year due to the internal change in the composition of the LNG segment.

months ahead of schedule. The after tax cost of $24 million for redundancy costs associated with this program has been excluded from Underlying Profit."

Energy Markets

During the year, electricity demand remained subdued as a result of lower industrial consumption, increased solar PV penetration and the consumer response to higher power prices and energy efficiency initiatives.

The energy market remained highly competitive with increased churn and discounting which, combined with regulatory constraints particularly in Queensland, restricted Origin's ability to recover increased wholesale energy costs and resulted in reduced electricity margins.

Despite challenging market conditions, Origin achieved a considerable improvement in customer acquisition and retention during the second half, resulting in a net increase of 7,000 customers, compared to a loss of 23,000 customers in the first half. This trend of improved acquisition and retention has continued into the new financial year.

As reported at interim results in February 2013, Origin also experienced short-term challenges relating to the implementation of a new billing system which impacted on billing and collections. The increase in cost associated with Retail Transformation which is excluded from Underlying Profit includes an increased bad and doubtful debt expense of $43 million.

Following implementation of the new system, delays in billing resulted in late bills peaking at 180,000 in September 2012. Improved billing performance in the second half resulted in late bills reducing to 24,000 by the end of the financial year and contributed to a strong increase in cash flow in the second half of the year.

"This year both market conditions and operational challenges resulted in a fall in contribution from our Energy Markets business. We are confident that our investment in new systems, improved competitive capability and a lower cost base will provide the platform for improved contribution in the years ahead," Mr King said.

Australia Pacific LNG

Australia Pacific LNG made significant progress during the year, and the project is now approximately 45 per cent complete and on track to deliver first LNG by mid 2015.

In the Upstream project, drilling is progressing ahead of schedule as is construction of the main pipeline. In the Downstream project the roof on both LNG tanks was raised ahead of schedule, and the first LNG modules, refrigeration compressors and gas turbine generators have been installed.

The estimated cost of Australia Pacific LNG is $24.7 billion[3]. Australia Pacific LNG's total capital expenditure for the year was $7.8 billion, with Origin's cash

[3] As at 31 December 2012 exchange rates.

contribution totalling $561 million due to Australia Pacific LNG's access to the proceeds of the second Sinopec equity issue and the drawdown of project finance.

"We are pleased with the ongoing progress of Australia Pacific LNG, with the project on track for first LNG exports within two years," Mr King said.

Funding update

During the year, Origin undertook a number of funding initiatives, including raising more than $5 billion of new facilities and capital markets issuances, to lengthen debt maturities and improve its liquidity position to meet its funding commitments for Australia Pacific LNG.

Origin has entered into a new $7.4 billion bank loan facility, which is more than sufficient to refinance all existing bank debt, to establish the Company's funding position post Australia Pacific LNG. Origin's standard banking terms, which date back to 2004, have been replaced with new terms that reflect the current scope and size of the business, providing financing flexibility for the long term and further extending the Company's debt maturity profile. The interest cost of the new bank facility is consistent with the cost of the existing bank debt.

Origin's remaining peak funding requirement for its 37.5 per cent shareholding in Australia Pacific LNG for the period from 1 July 2013 to first production, is approximately $4.1 billion. This funding requirement will be met from Origin's free cash flow and $5.3 billion[4] of existing committed undrawn debt facilities and cash as at 30 June 2013.

Prospects

In looking ahead, Mr King said, "Origin continues to focus on its key priorities to improve the performance of the existing business, deliver the Australia Pacific LNG project, manage the funding of the Company's investment in Australia Pacific LNG and create growth opportunities for the future."

In the existing business, there are many improving trends.

The 2014 financial year Queensland tariff determination recovers some of the adverse impact of wholesale cost increases not recovered in the 2013 financial year. Electricity and gas pricing has been deregulated in South Australia.

In October, Origin expects to complete the migration of all mass market customers to its new SAP-based customer systems, which will allow improvements in efficiency, competitiveness and service to customers. Some of these benefits are already being seen in improved operational performance.

Customer losses experienced in prior periods have been stopped with increased effectiveness of customer acquisition and retention activity.

The prior year investment in improving the availability and capacity of upstream producing assets will result in higher production in the 2014 financial year.

[4] Excluding Contact Energy and bank guarantees.

Similarly, the completion of investment in Contact's program to improve flexibility and lower the cost of generation will result in reduced risk to Contact's earnings from changes in hydrology.

Restructuring activities across Origin have reduced headcount and will lead to a lower cost base and improved cash flow.

Notwithstanding these improving trends, the highly competitive environment in the Energy Markets business in the 2013 financial year has resulted in a higher level of discounts locked in well into the 2014 financial year. These locked in discounts will delay recovery of earnings in the 2014 financial year.

Given current conditions in the market, Origin will not be providing specific earnings guidance for the 2014 financial year at this time, however an update will be provided at the Annual General Meeting in October.

Looking ahead to the 2015 financial year and beyond, Origin expects that market conditions will improve and there will be further progress on deregulating price controls in Queensland and New South Wales.

These benefits are expected to see margins in the Energy Markets business return to more sustainable levels.

Origin expects its gas position will deliver improved earnings from the 2015 financial year as demand for gas in Eastern Australia grows when the Queensland LNG industry begins production.

When Australia Pacific LNG commences LNG production in mid-2015, Origin expects strong growth in earnings and cash flow.

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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. A member of the S&P/ASX 20 Index, the company has more than 6,000 employees and is a leading producer of gas in eastern Australia. Origin is Australia's largest energy retailer servicing 4.3 million electricity, natural gas and LPG customer accounts and has the country's largest and one of the most flexible generation portfolios with approximately 5,900 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