



For personal use only

To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	2 May 2012
From	Helen Hardy	Pages	18
Subject	PRESENTATION		

Attached for your information is a presentation being made at the Macquarie Australia Conference by Mr Grant King, Managing Director.

A copy of the presentation can also be obtained from our website www.originenergy.com.au under the Investor Centre - Presentations section.

Regards

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

Helen Hardy
Company Secretary

02 8345 5023 - helen.hardy@originenergy.com.au



Origin Energy

Macquarie Australia Conference, 2 - 4 May 2012

Grant King, Managing Director

“Flexibility to Respond”

For personal use only

Important Notice



This presentation does not constitute investment advice, or an inducement or recommendation to acquire or dispose of any securities in Origin, in any jurisdiction (including the USA). This presentation is for information purposes only, is in a summary form, and does not purport to be complete. This presentation does not take into account the investment objectives, financial situation or particular needs of any investor, potential investor or any other person. No investment decision should be made in reliance on this presentation. Independent financial and taxation advice should be sought before making any investment decision.

Certain statements in this presentation are in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Origin and cannot be predicted by Origin and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Origin and its related bodies corporate, joint ventures and associated undertakings operate. They also include general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised. None of Origin or any of its respective subsidiaries, affiliates and associated companies (or any of their respective officers, employees or agents) (the "Relevant Persons") makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. The forward looking statements in this presentation reflect views held only at the date of this presentation. In addition, statements about past performance are not necessarily indicative of future performance. Subject to any continuing obligations under law or the ASX Listing Rules, Origin and the Relevant Persons disclaim any obligation or undertaking to disseminate after the date of this presentation any updates or revisions to any forward looking statements to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which such statements are based.

No representation or warranty, express or implied, is or will be made in relation to the accuracy or completeness of the information in this presentation and no responsibility or liability is or will be accepted by Origin or any of the Relevant Persons in relation to it. In particular, Origin does not endorse, and is not responsible for, the accuracy or reliability of any information in this presentation relating to a third party.

All references to "\$" are references to Australian dollars unless otherwise specified.

All references to debt refer to interest-bearing debt.

A reference to Contact is a reference to Contact Energy of New Zealand, currently a 53.0% subsidiary of Origin.

A reference to Australia Pacific LNG or APLNG is a reference to Australia Pacific LNG Pty Limited, an incorporated joint venture in which Origin currently holds a 42.5% interest.

A reference to the "NSW energy assets" or "NSW acquisition" is a reference to the Integral Energy and Country Energy retail businesses and the Eraring GenTrader arrangements.

A reference to FID 1 is a reference to the Final Investment Decision on the first phase of APLNG's two train CSG to LNG project taken on 28 July 2011. A reference to FID 2 is a reference to a Final Investment Decision on the second phase of APLNG's two train CSG to LNG project, which has not been taken.

A reference to NEM is a reference to Australia's National Electricity Market.

All comparative data is in relation to the prior corresponding period, 1 July 2010 to 31 December 2010, unless otherwise stated. Certain

2 | comparative amounts have been reclassified to conform with the current year's presentation.

An investment in Origin today provides a stake in a company with a proven track record of delivering value ...



For personal use only

The largest fuel integrated generation retail business in Australia and New Zealand

- Large and diversified portfolio of physical and contracted fuel supply
- Largest and most diversified generation portfolio
- Largest retail energy customer base

A substantial investment in Australia's premier coal seam gas resource

- Strong and well aligned joint venture with unrivalled expertise
- Largest 2P CSG reserves to cover domestic and export contracts
- FID taken on first LNG train, FID on second LNG train pending
- Binding sales contracts signed for 8.6 mtpa of LNG

Growing resource opportunities domestically and overseas

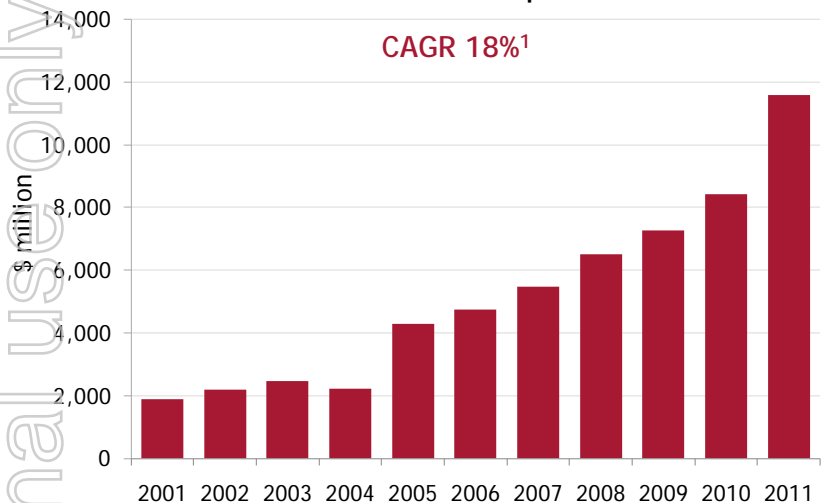
- Domestic and international gas exploration opportunities
- Clean energy development opportunities including geothermal, hydro and solar

... through investment in development projects and acquisitions

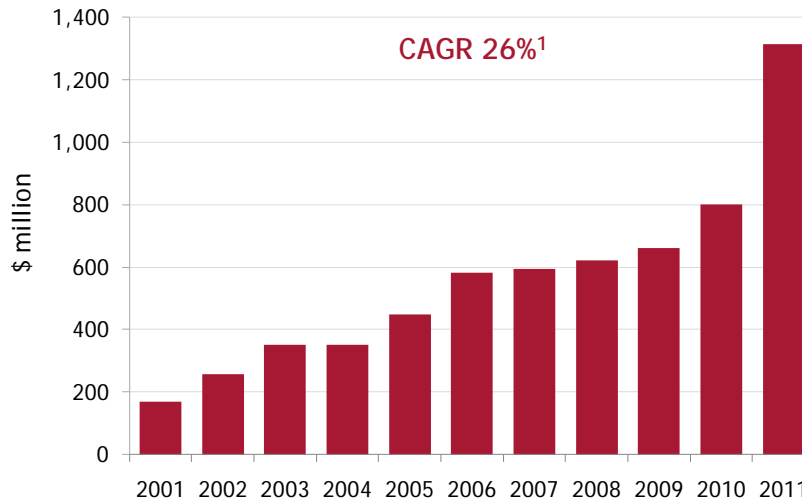
Origin has added value by successfully investing capital that has delivered commensurate growth in cash flows and earnings



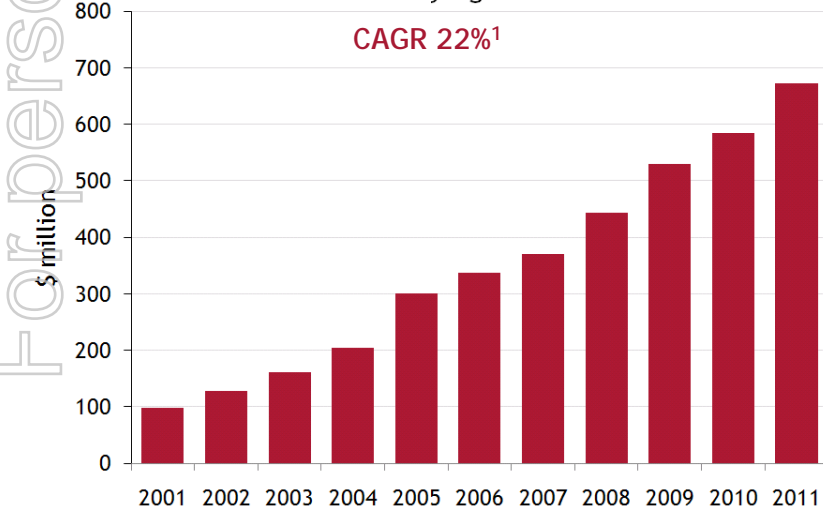
Productive Capital



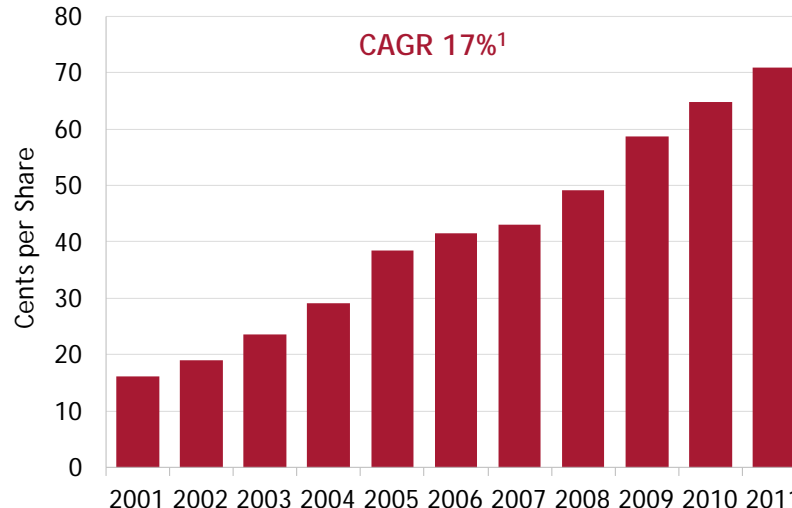
Free Cash Flow



Underlying Profit



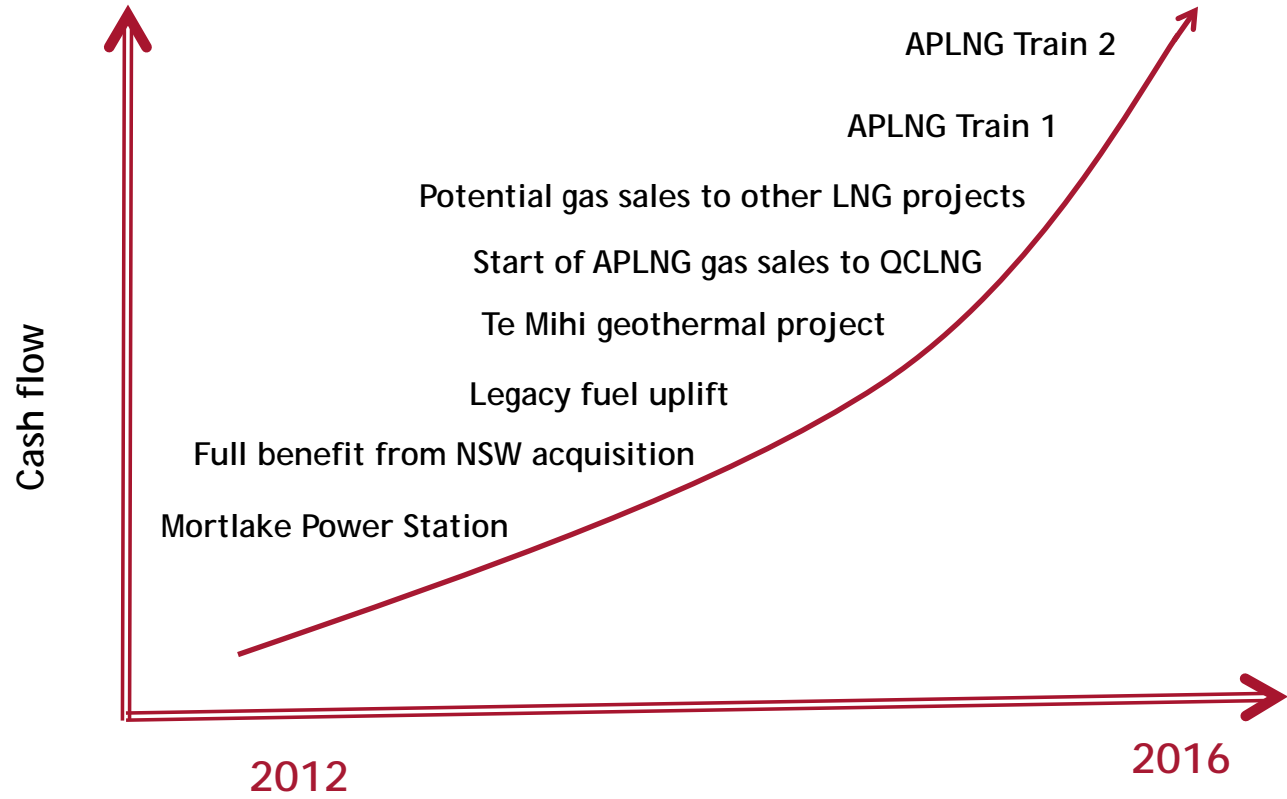
Origin Earnings per Share



Origin will continue to invest in growing its business and expects to double productive capital over the next five years ...



For personal use only



... with cash flows and earnings to follow a similar trend

Origin continues to build value through a business with strong and predictable cash flows and earnings ...



Strong and predictable earnings from the existing business

- Extensive fuel position in physical and contracted resources
- Large, flexible and diverse generation portfolio
- Leading energy retail market share

Growth in the medium term from existing resources and committed projects

- Margin growth through legacy fuel position due to tightening of market supply/demand
- Gas supply to third party CSG to LNG projects at export prices
- Commencement of APLNG's project, offering exposure to growing Asian energy markets

Material opportunities for growth in the longer term

- Australian gas development options such as Ironbark and Halladale/Blackwatch
- Exploration for gas in New Zealand, Otway/Bass basins, South East Asia, Botswana and Kenya
- Unconventional reserves growth in Australia (Cooper, Surat/Bowen, Perth basins)
- Exploration and development of geothermal and hydro resources in Chile, Indonesia and PNG

... which will grow substantially in the years ahead

In the last few months, there have been a number of events that will have a material impact on the business in the short, medium and longer term



Strong and predictable earnings from the existing business

- Comfortable with current analyst consensus for FY2012 earnings

Growth in the medium term from existing resources and committed projects

- Draft regulatory electricity tariff determinations in Queensland and New South Wales
- Progress on the Australia Pacific LNG project
- GLNG binding heads of agreement for gas sales from Origin - 365 PJ over 10 years
- Origin's largest wind power purchase agreement for TrustPower's Snowtown II wind farm

Material opportunities for growth in the longer term

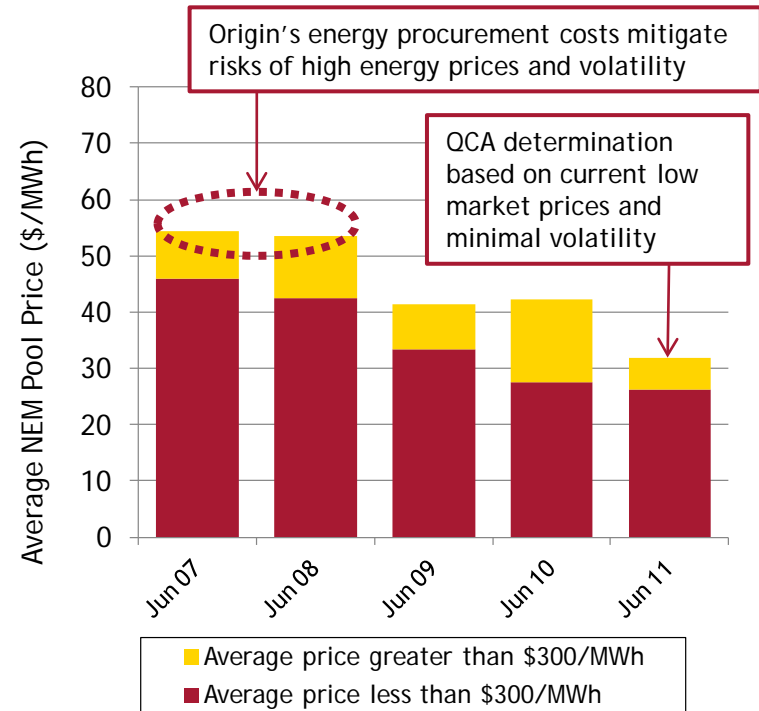
- Carbon policy and the 2020 Renewable Energy Target
- Upstream - Thistle-1, Mbawa-1 and Vietnam wells
- Hydroelectric scheme in Southern Chile

Recent draft electricity tariff determinations capture the key structural components of energy pricing ...

For personal use only

- NSW and Queensland draft tariff determinations adequately allow for the pass through of network and carbon costs and recognise the importance of retail margins to encourage competition
- The draft determinations do not adequately allow for retailers' wholesale energy and risk management costs
 - Historically, based on the long run marginal costs (LRMC)
 - QCA recommends using the current market price
 - IPART has used a 6.5% cost of capital to calculate LRMC
- Embedded wholesale energy cost is not adequate to underpin investment in new baseload generation
- Origin continues to represent its position in both states, advocating that retail tariffs:
 - are cost reflective
 - signal efficient use of electricity
 - provide retailers with sufficient margin to cause generators to invest in new generation

Average annual NEM pool prices



... however, do not adequately allow for the actual costs of procuring energy and effectively managing risk; and left unchanged, will have an adverse impact on margins in Energy Markets

APLNG is on schedule and budget to deliver first gas in 2015 ...



- FID 1 in July 2011; FID 2 expected by mid-2012
- Marketing agreements in place to underpin two trains
 - Sinopec (7.6 mtpa)¹
 - Kansai (1.0 mtpa)²
- Sinopec to increase equity holding in APLNG to 25%³
- Contracts secured for approximately 75% of total costs for the two-train project
- 12% of project activity complete
- Origin's funding choices for the APLNG Train 2, including additional equity, will be dependent on:
 - Timing of APLNG Train 2 decision
 - Final equity share in APLNG
 - The quantum and cost of project finance for APLNG
 - Consideration of credit metrics

... and expects to make a FID on the second LNG train by mid-2012

(1) The first 4.3 mtpa binding and unconditional; the second 3.3 mtpa binding and conditional on Australian and Chinese Government approvals and FID 2

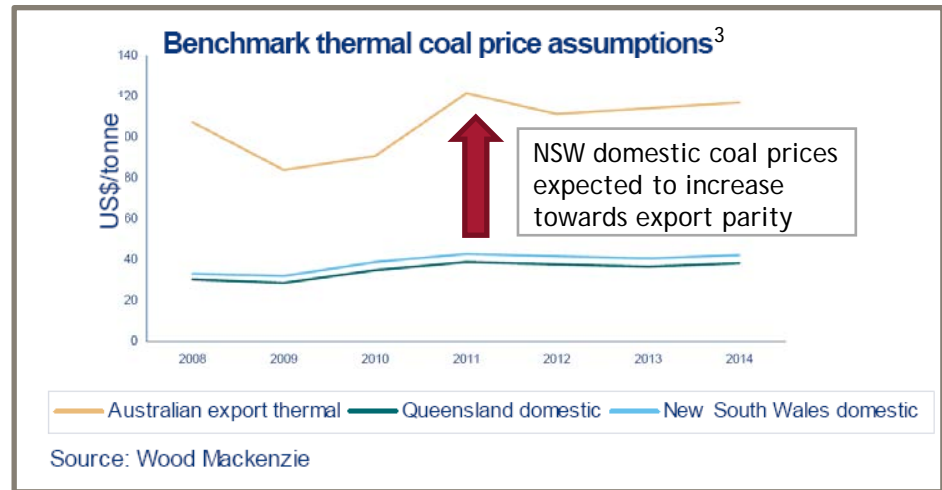
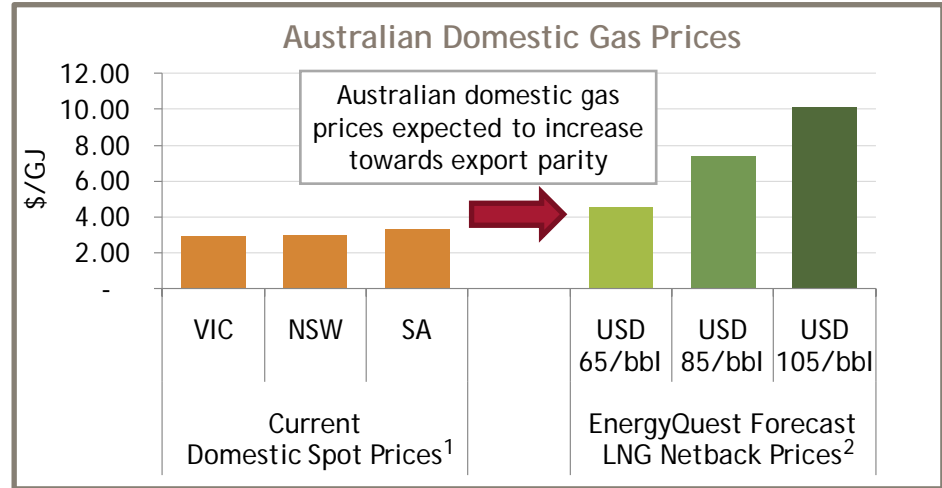
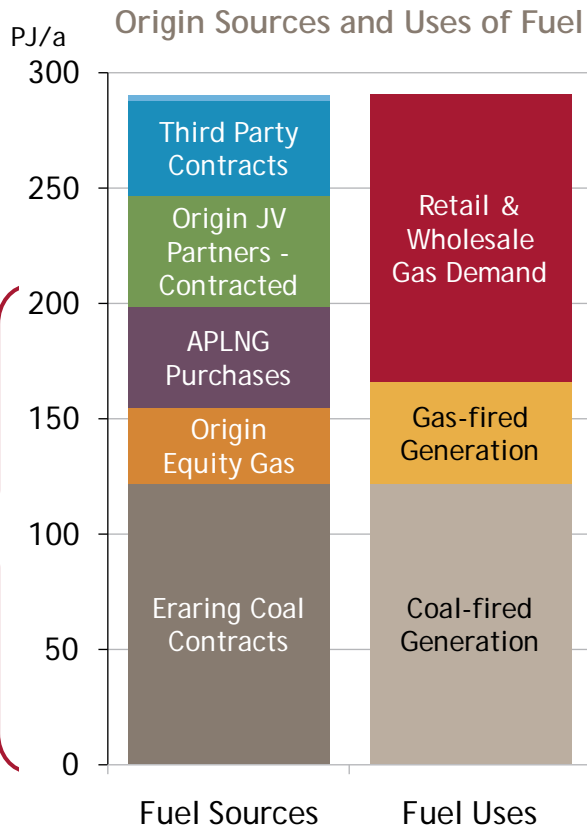
(2) Binding and conditional on FID 2

(3) Binding and conditional on Australian and Chinese Government approvals and FID 2

Legacy fuel contracts set at previously low domestic prices will drive growth in earnings as wholesale energy prices rise



For personal use only



(1) Average market spot price since market commencement (1 Feb 2007 for Vic, 1 Sep 2010 for NSW and SA)
 (2) EnergyQuest report "Australian Coal Seam Gas 2011: From Well to Wharf"
 (3) Woodmac Coal Supply Service, June 2011

The announced gas sale with GLNG is linked to international oil pricing ...



- Heads of Agreement for gas supply signed on 1 May 2012
- Monetises Origin's domestic fuel portfolio at international oil-linked pricing
- 365 PJ, or 100 TJ per day, over 10 years at Wallumbilla, commencing in 2015
- Gas will be sourced from Origin's east coast fuel position
- Demonstrates the strength and value inherent in Origin's diverse and flexible portfolio of physical and contracted fuel resources
- The agreement conserves Origin's fuel flexibility with the option to call back 1.825 PJ of gas per annum if required

... demonstrating the value of Origin's diverse and flexible portfolio of physical and contractual resources

Origin signed its largest ever wind power purchase agreement ...



- Power purchase agreement for renewable energy from TrustPower's planned Snowtown II Wind Farm signed on 1 May 2012
- Offtake for 100% output and Renewable Energy Certificates from Snowtown II, expected to commence operations in 2014
- This PPA directly underpins the development of Snowtown II Wind Farm
- Located 160 kilometres north-west of Adelaide, the wind farm will comprise 90 turbines with a total installed capacity of 270 MW
- Demonstrates Origin's commitment to a range of renewable energy sources and supports its obligations under the Federal Government's Large Scale Renewable Energy Target

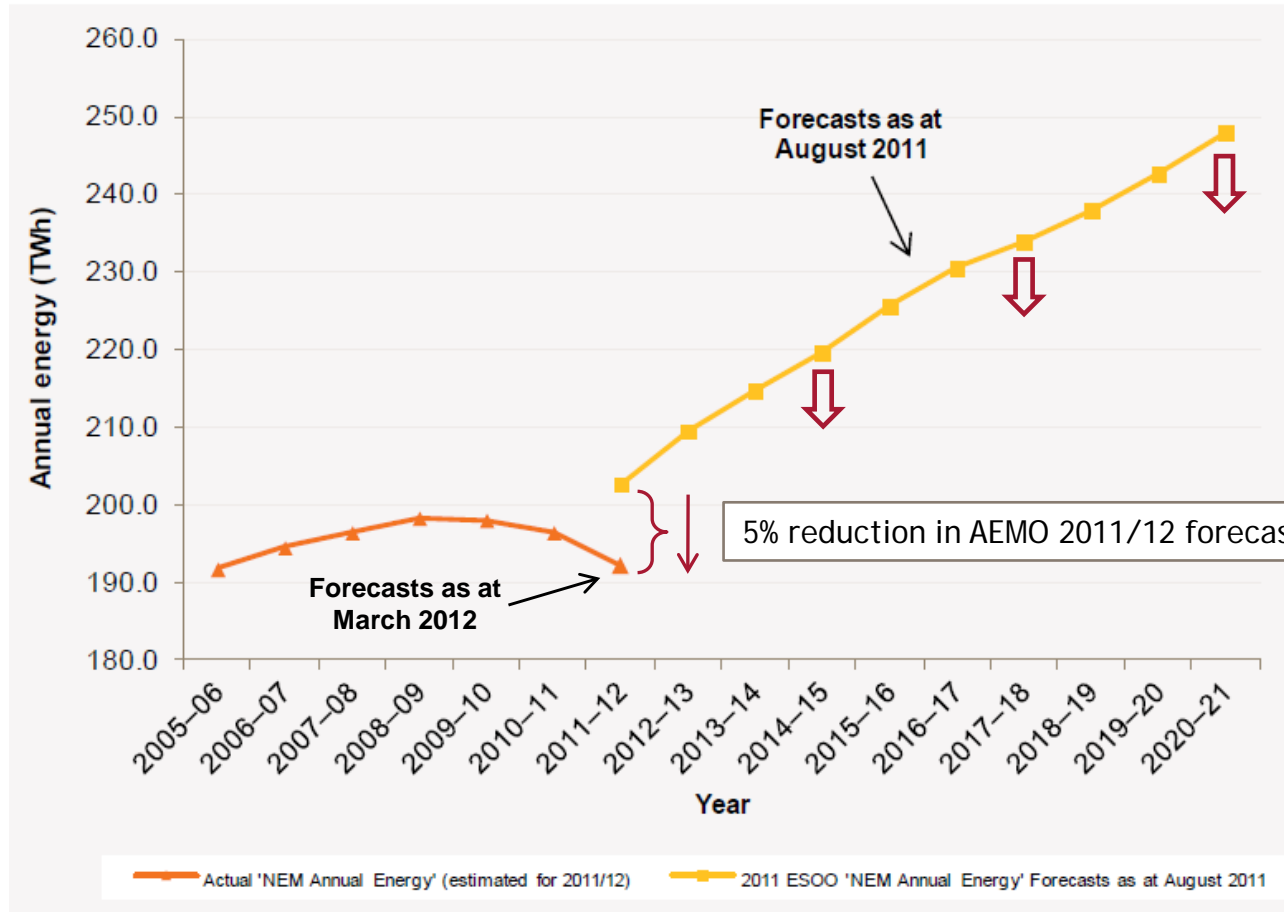
... for TrustPower's planned 270 MW Snowtown II Wind Farm in South Australia

Australian energy demand forecasts for 2020 have declined significantly over recent years ...



For personal use only

AEMO - NEM Energy Demand Forecasts (1)

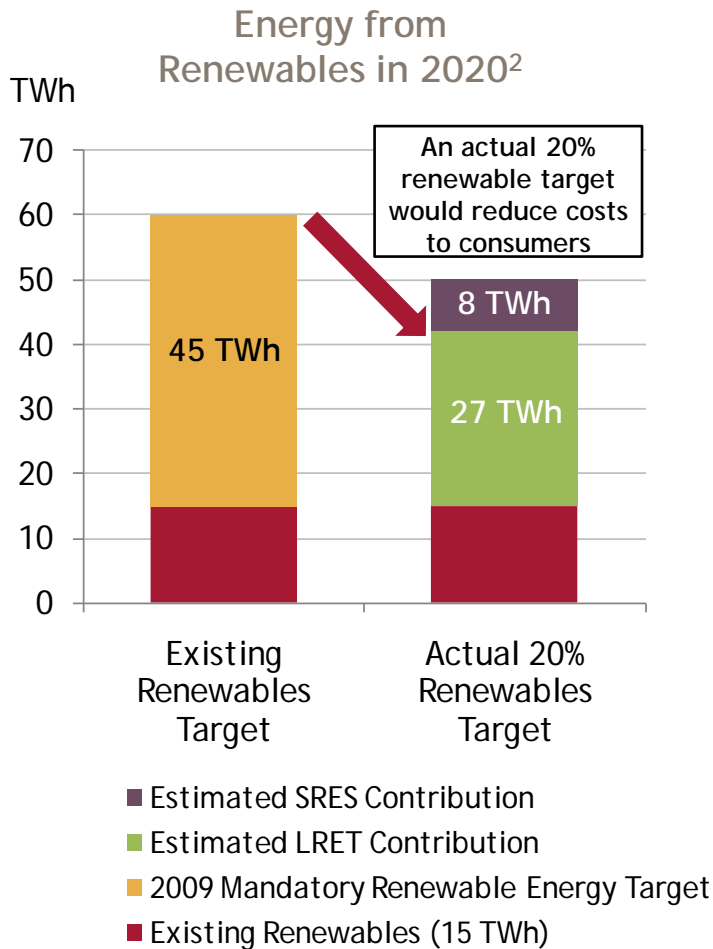


... creating pressure on recovery of fixed and regulated costs and highlighting the distortion introduced by fixed renewable targets

Australia's Renewable Energy Target is not adjusted to reflect actual demand for energy, resulting in higher costs for consumers



For personal use only



- In 2009 the Australian Government set a Renewable Energy Target (RET) for 20% of Australia's electricity to be sourced from renewable energy by 2020
- The RET is a fixed volume target of 45 TWh (in addition to 15 TWh of existing renewable energy)
- Lower 2020 demand forecasts have meant an actual 20% target would result in an LRET¹ contribution of 27 TWh²
- An actual 20% RET would reduce costs passed on to consumers:
 - Reduced requirements for expensive renewable energy generation
 - Reduced network costs
 - Reduced requirements for peaking generation (required due to wind energy intermittency)

(1) Large-scale Renewable Energy Target

(2) Existing RET based on 2009 forecast of 2020 demand of 300 TWh (NEM and non NEM); Actual RET based on Origin's 2020 demand forecast of 250 TWh (NEM and non NEM; Statement of Opportunities latest 2020 demand forecasts is equivalent to 268 TWh when non NEM states are added); Based on forecast of 8 TWh energy contribution from SRES

Rationalisation of carbon reduction policy in Australia would help mitigate cost pressures for households and businesses

- Unaligned and multifaceted carbon reduction policy results in:
 - Sub-optimal long term investment decisions
 - Increased costs for consumers

- Policy consolidation is now possible with the introduction of a carbon price on 1 July 2012:
 - Rationalise state-based energy efficiency schemes
 - Rationalise/abolish state-based carbon reduction policies
 - Confirm or bring forward current planned reductions in the Small-scale Renewable Energy Scheme (SRES) multiplier
 - SRES originally estimated to involve around 8 million certificates per annum in 2011; in calendar year 2012 it will account for almost 45 million certificates (or \$1.8 billion for the year at the fixed price of \$40 per certificate)
 - This cost should decrease by 75% over the next two years as the SRES multiplier is reduced to 1 and the impact of reducing overly generous Feed-in-Tariffs is realised

Origin has recently announced several future energy opportunities across its expanding and diversified portfolio



GAS



- Domestic and international gas exploration opportunities including New Zealand, South East Asia and Africa
- Thistle-1 (Otway) being drilled; Mbawa-1 well (Kenya) in late 2012; offshore Vietnam in FY2013

GEOTHERMAL



- Habanero-4 geothermal exploration well currently drilling in Australia
- Geothermal development in New Zealand through Contact Energy
- Geothermal opportunities in growing markets, including Indonesia and Chile

HYDRO



- Evaluation of a hydro-electric scheme in PNG with potential to provide baseload renewable energy to Australia
- 1,000 MW hydro-electric project in development in Southern Chile (51% of Energia Austral)

WIND



- Progressing 300-500 MW Stockyard Hill development
- Portfolio of wind development sites across Australia
- Origin's largest wind PPA signed with TrustPower in South Australia (Snowtown II, 270 MW)

SOLAR



- Currently exploring a range of pathways to commercialise Transform Solar's SLIVER technology, a 50:50 joint venture with Micron Technology



.....
Thank you
.....

Further Information

Kylie Springall
Group Manager, Investor Relations
Email: kylie.springall@originenergy.com.au
Office: +61 2 8345 5288
Mobile: + 61 400 477 393

Website
www.originenergy.com.au

For personal use only