



21 February 2005

Dear Shareholder

ORIGIN ENERGY ANNOUNCES RENOUNCEABLE RIGHTS ISSUE

On 21 February 2005, Origin Energy Limited ("Origin Energy") announced that it was proceeding with an equity capital raising consisting of a 1 for 6 renounceable rights issue ("Rights Issue").

The Rights Issue is being made to all Eligible Shareholders of Origin Energy shares as at 7:00pm Australian Eastern Daylight Time (AEDT) on 2 March 2005. The issue price for shares under the Rights Issue will be \$5.70 per share. This represents a 17% discount to the closing market price of Origin Energy shares on 18 February 2005, the last day of trading before Origin Energy announced the Rights Issue. The shares issued under the Rights Issue will not participate in the interim dividend which is due to be paid on 23 March 2005, but will otherwise rank equally with existing shares.

Shareholders of Origin Energy whose registered address is in Australia or New Zealand ("Eligible Shareholders") are entitled to participate in the Rights Issue. For the purposes of calculating your entitlement, fractional entitlements to new shares will be rounded up to the nearest whole number of shares.

The Rights Issue will raise a total of approximately \$641 million. Following completion Origin Energy will have issued an additional 112.4 million shares resulting in total shares on issue of 786.8 million. The Rights Issue is fully underwritten by Citigroup and Deutsche Bank and is expected to settle on or around 1 April 2005.

If you choose to sell your entitlement to participate in the Rights Issue, rights trading on ASX will commence on 24 February 2005. All sales on ASX must be effected by 4:00pm (AEDT) on 15 March 2005 when rights trading will end.

Your entitlement to rights may have value to you even if you do not wish to exercise or sell them. You can choose to do nothing in relation to the Rights Issue in which case your entitlement to rights will be offered for sale by the Underwriters as further detailed below. In this case, you will receive any premium paid over the Issue Price.

Use of Proceeds

The proceeds of the Rights Issue will be used to repay the Convertible Undated Preference Shares issued to fund the acquisition in 2004 of a 51.4% interest in Contact and, more generally, strengthen Origin's balance sheet.

Actions required by Shareholders

Because the issue price of the shares offered under the Rights Issue is at a significant discount to the market price, the rights to subscribe for new shares have a value and it is important that Eligible Shareholders determine whether they should take up or sell their rights.

Shareholders whose registered address is outside Australia or New Zealand ("Non-Qualifying Foreign Shareholders") will not be eligible to participate in the Rights Issue and arrangements have been made by Origin Energy to offer for sale the entitlements of Non-Qualifying Foreign Shareholders. If the rights are sold at a premium to the Issue Price, the excess over the Issue Price will be sent to Non-Qualifying Foreign Shareholders.

If you are an Eligible Shareholder and wish to take up all of your rights you will need to complete the Entitlement and Acceptance Form accompanying the Prospectus in accordance with the instructions set out on that form. You must lodge the form, together with your cheque or bank draft for the application monies for the new shares for which you wish to subscribe, with Origin's

share registry by no later than 5:00pm (AEDT) on 22 March 2005. Alternatively, you may take up your rights by paying by BPay, in which case you should ensure that your payment is processed by not later than 5:00pm (AEDT) on 22 March 2005. Applicants paying by BPay do not need to complete an Entitlement and Acceptance Form.

There are a number of ways in which Eligible Shareholders can sell some or all of their rights:

1. If you wish to sell all of your rights on ASX, complete the section headed "Instructions to your Stockbroker" on the back of the Entitlement and Acceptance Form accompanying the Prospectus and lodge the form with your stockbroker as soon as possible but not later than 15 March 2005;
2. If you wish to sell part of your rights on ASX and take up the balance, you will need to complete the Entitlement and Acceptance Form accompanying the Prospectus, including the section headed "Instructions to your Stockbroker", in accordance with the instructions set out on that form and lodge the form with your stockbroker as soon as possible but not later than 15 March 2005. Your stockbroker must lodge your Entitlement and Acceptance Form, together with your cheque or bank draft for the application monies for the new shares for which you wish to subscribe no later than 5:00pm (AEDT) on 22 March 2005. Alternatively, your application for the new shares for which you wish to subscribe may be made by BPay no later than 5:00pm (AEDT) on 22 March 2005.
3. If you wish to sell some or all of your rights other than on ASX, you will need to complete a renunciation form (which can be obtained through the Origin Rights Issue InfoLine) together with the accompanying Entitlement and Acceptance Form and the applicable transferee's cheque or bank draft for the Application Monies to the registry no later than 15 March 2005.
4. If you choose to do nothing in relation to the Rights Issue by 22 March 2005, your rights will be offered for sale by the Underwriters and you will receive any premium paid over the Issue Price after deducting any selling expenses.

Full details of the Rights Issue are set out in the Prospectus, which was lodged with the Australian Securities and Investment Commission on Monday, 21 February 2005. A copy of this Prospectus is available to Eligible Shareholders at www.originenergy.com.au. Eligible Shareholders will also be mailed a Prospectus together with an Entitlement and Acceptance Form no later than Monday, 7 March 2005.

Other key dates for Eligible Shareholders are as follows:

Rights trading on ASX commences	Thursday, 24 February 2005
Record date for determining rights entitlements	Wednesday, 2 March 2005
Prospectus dispatched and Rights Issue opens	Monday, 7 March 2005
Rights trading on ASX ends	Tuesday, 15 March 2005
Shares quoted on a deferred settlement basis	Wednesday, 16 March 2005
Last day for acceptance of application monies	Tuesday, 22 March 2005
Allotment and issue of new shares	Friday, 1 April 2005
Dispatch of shareholding statements for new shares	Friday, 1 April 2005
Trading expected to commence for new shares on a normal T+3 basis	Thursday, 7 April 2005

Applications for new shares under the Rights Issue may only be made in accordance with the instructions in the Entitlement and Acceptance Form which accompanies the Prospectus. Shareholders eligible to participate should read the Prospectus carefully. For further information on the Rights Issue you should contact your professional advisor or call the Origin Rights Issue InfoLine on 1300 664 446 (Australia) or 0800 507 596 (New Zealand).

The Origin Energy Board commends this Rights Issue to Eligible Shareholders and is pleased to offer this opportunity to you.

Yours sincerely

Kevin McCann
Chairman