

Notice of Annual General Meeting

Dear Shareholder

Accompanying this letter is the Notice of Meeting for the Annual General Meeting of the Company, which will be held in the Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales at 10.30am on Wednesday, 25 October 2006.

Attending the meeting or appointing a proxy

If you are able to attend the Meeting, please bring this form with you to facilitate your registration. The bar coding on the Appointment of Proxy will enable shareholders to be easily registered. Registration will be available from 9.30am and shareholders are encouraged to arrive before the starting time of 10.30am to avoid any last minute congestion.

If you are not able to attend the Meeting, you may wish to complete the attached Appointment of Proxy. Alternatively you can appoint your proxy on-line at www.linkmarketservices.com.au.

Any corporate shareholder of Origin Energy Limited shares wishing to appoint a person to act as its representative at the meeting may do so by providing that person with a duly executed letter authorising him or her to do so.

Business of the meeting

The Notice of Meeting covers all of the business to be conducted. Included in the Explanatory Notes, is information on the Directors' seeking re-election and a recommendation of the Board. This should be of assistance to you in considering your vote on item 3. The Explanatory Notes also provide information on the special business being items 4 and 5.

Shareholders' questions

Shareholders may submit written questions to Origin Energy's external auditor KPMG to be answered at the AGM, providing the question is relevant to the content of KPMG's audit report or the conduct of its audit of Origin Energy's financial report for the year ended 30 June 2006.

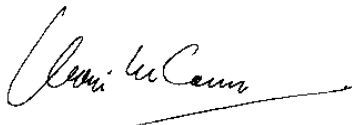
Written questions must be received no later than 5.00pm (Sydney time) on Wednesday 18 October 2006. A list of those relevant written questions will be made available to shareholders attending the AGM.

Any written questions to KPMG should be sent to:

- Link Market Services Limited at the address on the enclosed reply paid envelope;
- By facsimile to +61 2 9252 1566;
- To Origin Energy at our registered office – Level 45 Australia Square, 264-278 George Street, SYDNEY NSW 2000; or
- By email to investor.relations@originenergy.com.au

If shareholders have any other questions which would ordinarily be covered at the Meeting, they may also be sent to this office prior to the Meeting and we will be pleased to reply.

Any questions regarding the Annual General Meeting or the Appointment of Proxy should be directed to Link Market Services Limited on (02) 8280 7155 or 1300 664 446.

A handwritten signature in black ink, appearing to read "Kevin McCann", with a horizontal line underneath.

Kevin McCann
Chairman
Origin Energy Limited

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of Origin Energy Limited ('the company') will be held in the Wesley Conference Centre, 220 Pitt Street, Sydney at 10.30am on Wednesday, 25 October 2006.

Ordinary business

1. To receive and consider the financial report of the company and the entities it controlled during the year for the year ended 30 June 2006 and the reports of the Directors and Auditors thereon.
2. To adopt the Remuneration Report of the company and the entities it controlled during the year for the year ended 30 June 2006.

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

3. To elect Directors

H Kevin McCann and Helen M Nugent, being eligible, offer themselves for election.

Details of their qualifications and experience and the recommendation of the Board are set out in the attached Explanatory Notes.

Shareholders should note that a separate resolution will be put in relation to each of the candidates.

Special business

4. Grant of options and offers of rights to shares to Mr Grant A King – Managing Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

- (a) 'That the grant to Managing Director, Mr Grant A King of options to subscribe for up to 300,000 fully paid ordinary shares in the company, at an exercise price equal to the Origin Energy Market Price and otherwise on the terms as set out in the Explanatory Notes which accompanied the notice convening this meeting and the allotment to Mr Grant A King of up to 300,000 fully paid ordinary shares in the company pursuant to the valid exercise of those options is hereby approved'; and
- (b) 'That the grant to Managing Director, Mr Grant A King of Performance Share Rights enabling him to acquire up to 100,000 fully paid ordinary shares in the company on the terms as set out in the Explanatory Notes which accompanied the notice convening this meeting and the allotment or transfer to Mr Grant A King of up to 100,000 fully paid ordinary shares in the company pursuant to the valid exercise of those Performance Share Rights is hereby approved.'

Note: An explanation of the proposed resolution is set out in the accompanying Explanatory Notes.

Voting exclusion

The company will disregard any vote cast on Resolution 4 by any of the Directors and their associates.

However the company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. It is the intention of the Chairman of the Meeting acting as proxy to cast any such votes in favour of all of the resolutions.

5. Increase in Directors' fees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That the maximum sum of fees payable to the Directors of the company and its unlisted subsidiaries be increased by \$200,000 to \$1,600,000 per annum.'

Note: An explanation of the proposed resolution is set out in the accompanying Explanatory Notes.

Voting exclusion

The company will disregard any vote cast on Resolution 5 by any of the Directors and their associates.

However the company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. It is the intention of the Chairman of the meeting acting as proxy to cast any such votes in favour of all of the resolutions.

By order of the Board



W M Hundy

Secretary

Sydney, 8 September 2006

Notes

- (i) Pursuant to Regulation 7.11.37 of the Corporations Regulations, the company has determined that for the purpose of the meeting, all shares in the company will be taken to be held by the persons who held them as registered shareholders at 7.00pm (Sydney time) on Monday, 23 October 2006.
- (ii) A member has a right to appoint a person or body corporate as a proxy. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of the member's votes each proxy is entitled to exercise. Where a shareholder appoints more than one (1) proxy, neither proxy is entitled to vote on a show of hands.
- (iii) If you appoint a body corporate as your proxy, the body corporate will need to ensure that it:
 - appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act 2001 (Cth); and
 - provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.
- (iv) A proxy need not be a member of the company.
- (v) Details for completion and lodgement of proxies are on the reverse side of the Appointment of Proxy form. A proxy must be received by the company's share registry, Link Market Services Limited, by 10.30am on Monday, 23 October 2006. A proxy may be mailed to Link Market Services Limited at Locked Bag A14, Sydney South NSW 1235, hand delivered to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW or sent by facsimile to Link Market Services Limited on (02) 9287 0309.

Explanatory Notes

This statement explains the items of business to be considered at the meeting and should be read in conjunction with the notice of meeting.

1. Receive and consider reports for year ended 30 June 2006

The Origin Energy Annual Report has been made available to shareholders and is published on the company's website (www.originenergy.com.au/agm).

During this item of business there will be an opportunity for shareholders to comment on and ask questions about Origin Energy's management, operations, financial position, business strategies and prospects.

2. Adoption of Remuneration Report

In accordance with Section 250R(2) of the Corporations Act 2001, the Remuneration Report is put to shareholders for adoption. The Remuneration Report is set out on pages 41 to 55 of the 2006 Concise Annual Report and is available on Origin Energy's website (www.originenergy.com.au). The vote on this resolution is advisory only and does not bind

the Directors or the Company. Reasonable opportunity for shareholders to ask questions about or comment on the Remuneration Report will be given at the meeting.

The Board recommends that shareholders vote in favour of adopting the Remuneration Report.

3. Election of Directors

Kevin McCann AM, Independent Non-executive Chairman, Aged 65

Kevin McCann joined the Board as Chairman in February 2000. He is a member of the Audit, Remuneration, Nomination and Health, Safety & Environment committees. He practiced as a commercial lawyer at Allens Arthur Robinson, a national law firm, specialising in mergers and acquisitions, mineral and resource law and capital market transactions for over 34 years. He was Chairman of Allen Allen & Hemsley and Allens Arthur Robinson for nine years. Kevin McCann is Chairman of Healthscope Limited (since March 1994), Triako Resources Limited (since April 1999) and Sydney Harbour Federation Trust. He

is lead independent director of Macquarie Bank Limited (a director since December 1996) and a director of BlueScope Steel Limited (since May 2002). He is also a member of the Australian Takeovers Panel, the Defence Procurement Advisory Board and the Council of the National Library of Australia. He has an Arts degree, a Law degree (Honours), a Master in Law and is a Fellow of the Australian Institute of Company Directors.

His extensive legal and commercial expertise, particularly in the resources industry, and his experience as a director of successful Australian companies together with service on State and Commonwealth authorities has been valuable to the Origin Energy Board and in his role as Chairman.

Helen Nugent AO, Independent Non-executive Director, Aged 57

Helen Nugent joined the Board in March 2003 and is a member of the Audit, Remuneration, Nomination and Health, Safety & Environment committees.

Explanatory Notes (continued)

She is an experienced professional non-executive director, who is currently Chairman of Swiss Re Life and Health (Australia) and Funds SA, as well as being a director of Macquarie Bank (since June 1999), Freehills and UNiTAB (since July 1999 – although she will not be continuing as a director of UNiTAB if shareholders approve the merger with Tattersall's). Previously, she has been a director of Carter Holt Harvey (from May 2003 to January 2006) and of United Energy.

Prior to pursuing a career as a non-executive director, she was Director of Strategy at Westpac Banking Corporation; Professor in Management and Director of the MBA programme at the Australian Graduate School of Management; and a partner with McKinsey & Company, where she specialised in financial services and mining.

Helen Nugent has a Bachelor of Arts (Hons) degree, a Doctorate of Philosophy from the University of Queensland and a Master of Business Administration from the Harvard Business School. She is a fellow of the Australian Institute of Company Directors.

Her extensive commercial, risk management and strategic expertise, as well as her experience on the boards of a number of major companies, have been of value to the Board.

Directors' recommendation

The Board, other than the Directors concerned, have reviewed the performance of the two Directors standing for re-election. The review included consideration of the expertise, skill and experience of the Directors and their performance and contribution to the work of the Board over their time of office. The Board found that Mr McCann and Dr Nugent have performed well and continue to make valuable contributions to the Board. The Board concluded that the two Directors should be proposed for re-election and accordingly recommend that you vote in favour of their re-election.

Resolution 4 – Grant of options and performance share rights to Mr Grant A King

Background

This resolution is being put to shareholders to obtain approval for:

(a) the grant to Grant King of options to subscribe for up to 300,000 fully paid ordinary shares in the company under the Origin Energy Senior Executive Option

Plan and the allotment to Mr King of ordinary shares in the company pursuant to the exercise of those options; and

(b) the grant to Grant King of rights to acquire up to 100,000 fully paid ordinary shares in the company under the proposed Origin Energy Senior Executive Performance Share Rights Plan, and the allotment or transfer to Mr King of ordinary shares upon the exercise of those Performance Share Rights,

in each case as part of Mr King's remuneration in respect of his performance for the financial year ending 30 June 2007.

Shareholder approval for the grant of options to Mr King and the offer to Mr King of Performance Share Rights is required under the ASX Listing Rules because Mr King is a director of the company.

The Board believes that long-term incentives form a key part of remuneration for senior management. The company has previously only issued options under the Senior Executive Option Plan as its sole long-term incentive.

The principal objective in equity based remuneration plans is to provide an incentive that retains valuable executives and aligns their performance with shareholder interests. The Board reviewed the existing Senior Executive Option Plan to ascertain whether it satisfies these objectives in a range of circumstances. It found that the Senior Executive Option Plan provides retention and a performance incentive in circumstances where the company's share price continues to rise but it may not be effective when the share price is affected by generally adverse share market conditions. The Board sought to provide long-term incentives that would be less dilutive to shareholders' interests in favourable market conditions and remain effective in adverse conditions where it is even more critical that valuable executives are retained and perform to enhance shareholder value.

It found that a combination of options and performance share rights would provide incentives that aligned executives' performance with shareholder interests in both generally favourable and unfavourable share market conditions and was overall less dilutive to shareholder value. As performance share rights have a fair value that is greater than an option, there will be a smaller number of rights (and therefore a smaller number of equity instruments overall) than a scheme based wholly on

share options. Hence a hybrid scheme of options and performance share rights will be less dilutive for shareholders.

Accordingly, the Board has decided that it will introduce a Performance Share Rights (PSRs) plan which will provide a complementary form of long-term incentive as from the year commencing 1 July 2007. This change has been introduced in the context of an increasingly competitive labour market, to increase the perceived value of long-term incentives under a broader range of market outcomes, thereby focusing on the remuneration objective of retention while maintaining alignment with shareholder interests.

If approved by shareholders, the Board will be authorised to make allocations to Mr King of Options and Performance Share Rights up to the number approved following the release of year end results in September 2007. The Board intends to allocate to Mr King the long-term incentive award split 50% stock options and 50% PSRs by value. Shareholders should be aware that the authorisation relates to potential awards and the actual award may be less. The actual number awarded by the Board will be made based on an assessment of the performance of the company and his performance as Managing Director over the year ending 30 June 2007. As the fair value of a PSR is higher than an option Mr King will receive a smaller number of PSRs (and therefore smaller number of equity instruments overall) than the previous scheme of 100% share options. Hence the new 'hybrid' long-term incentive model will be less dilutive for shareholders.

The Options will only be exercisable and the Performance Share Rights will only vest (that is, shares become transferable or can be issued to Mr King) if the performance hurdle is satisfied. Details of the hurdle (which is the same for the exercise of options and the vesting of performance share rights) are set out below. It is dependent on the return on Origin shares out performing the overall return on shares in the companies in the ASX 100.

Terms of the Options Granted

Time of grant

The options will be granted within one month after the date of the announcement of the annual results in 2007 pursuant to the Origin Energy Senior Executive Option Plan.

Consideration for grant

The options will be granted for nil consideration.

Exercise price

The exercise price of the options will be the average of the volume weighted average price of Origin Energy ordinary shares traded on the ASX on each of the five trading days immediately prior to the date of issue of the option (the 'Origin Energy Market Price').

Exercise period

Subject to the satisfaction of the exercise hurdle and the terms of the Origin Energy Senior Executive Option Plan, the options may be exercised at any time after the third anniversary of the grant of the options and no later than the fifth anniversary after the grant.

Exercise hurdle

The exercise hurdle will be measured by comparing the performance of the company with the performance of other companies in which shareholders may potentially invest.

Accordingly, the exercise of the options will depend on the maximum Total Shareholder Return ('TSR') of the company relative to the TSR of the companies comprising the ASX 100 at the time of issuance.

Determination of the TSR will be made on the basis of movements in the share price and dividends, calculated in a similar manner to the Accumulation Index of ASX.

The period over which the TSR of the company is compared with the TSR of the ASX 100 commences on the date of grant of the options and is measured at any time during the exercise period of the options.

The percentage of options capable of exercise is based on a sliding scale as follows:

If at any time during the exercise period of the options the TSR of the company:	The percentage of options which become exercisable is:
Does not reach the 50th percentile of the TSR of the companies in the reference group	0%
Exceeds the 50th percentile of the TSR of the companies in the reference group	50%
Reaches or exceeds the 75th percentile of the TSR in the reference group. The percentage of options which become exercisable increases proportionately from the 50th percentile up to the 75th percentile.	100%

Terms of the offer of Performance Share Rights

Time of grant

The Performance Share Rights will be granted within one month after the date of the announcement of the annual results in 2007 pursuant to the Origin Energy Senior Executive Performance Share Rights Plan.

Consideration for shares

No consideration is payable by Mr King for the Performance Share Rights granted or on issuance or transfer of the shares.

Vesting period

Subject to the terms of the Origin Energy Senior Executive Performance Share Rights Plan, the vesting period which must elapse before the Performance Share Rights may be exercised and shares are issued or transferred to Mr King is three years from the date on which Performance Share Rights are granted to Mr King.

Exercise hurdle

The exercise hurdle for the vesting of the rights is the same as for the exercise of options described above.

The period over which the TSR of the company is compared with the TSR of the ASX 100 commences on the date of offer of the rights and is measured at any time after the date which is three years after the date on which those rights are offered to Mr King and before the date which is five years after the date on which those rights are offered to Mr King.

The percentage of rights which can be vested in Mr King is based on a sliding scale as follows:

If at any time during the 3 to 5 year period referred to above the TSR of the company:	The percentage of rights which vest is:
Does not reach the 50th percentile of the TSR of the companies in the reference group	0%
Exceeds the 50th percentile of the TSR of the companies in the reference group	50%
Reaches or exceeds the 75th percentile of the TSR in the reference group. The percentage of rights which become exercisable increases proportionately from the 50th percentile up to the 75th percentile.	100%

Terms of and participation in Origin Energy Senior Executive Option Plan and Origin Energy Senior Executive Performance Share Rights Plan

Summaries of the terms of each of the Origin Energy Senior Executive Option Plan and the proposed Origin Energy Senior Executive Performance Share Rights Plan are set out in the schedule to these explanatory notes.

Under the terms of the Origin Energy Senior Executive Option Plan, executives of the Origin Energy group of companies (including executive directors of Origin Energy Limited) are eligible (if selected) to participate in the Plan. Under the terms of the proposed Origin Energy Senior Executive Performance Share Rights Plan, senior executives of the Origin Energy Limited group of companies (including executive directors of Origin Energy Limited) are eligible (if selected) to participate in the Plan. Mr King is the only director of the company that will participate in the Origin Energy Senior Executive Option Plan or the Origin Energy Senior Executive Performance Share Rights Plan.

Details of any securities issued under the Origin Energy Senior Executive Option Plan or the Origin Energy Senior Executive Performance Share Rights Plan and a statement that approval was obtained under ASX Listing Rule 10.14 for the issue of the securities will be published in the company's Annual Report relating to the period in which securities have been issued. Any additional persons (other than Mr King) who become entitled to participate in the Origin Energy Senior Executive Option Plan or the Origin Energy Senior Executive Performance Share Rights Plan will not participate until any necessary approval under ASX Listing Rule 10.14 is obtained.

Indicative value of Options and Performance Share Rights

As the options and share rights have not yet been granted to Mr King, indicative values can only be estimated as an actual valuation can only be determined by reference to the company's share price (and other factors) as at the date on which they are granted. If the issue of the options and share rights is approved, the actual valuation of these options and share rights will be disclosed as part of Mr King's remuneration in the company's Annual Report for the year ending 30 June 2007.

Explanatory Notes (continued)

The indicative valuations based on a share price of \$6.58 being the market price of Origin Energy shares on 8 September 2006 is:

Options = \$1.52

PSRs = \$4.53

Mr King's current interest in Origin securities

Since approval was given to the issue of options under the Origin Energy Senior Executive Option Plan at the annual general meeting held on 20 October 2004, Mr King has been offered 1,000,000 options for nil consideration in accordance with the terms of that approval. No approvals have previously been given by shareholders to the offer of rights to shares under the Origin Energy Senior Executive Performance Share Rights Plan.

Mr King currently holds or is interested in 244,769 Origin Energy shares and also holds a total of 2,250,000 options over Origin Energy shares. Details of the shares and options held by Mr King are set out on page 39 of the Directors' Report in the Annual Report.

Directors' Interests and Recommendations

None of the Directors other than Mr King, has any interest in the outcome of resolution 4 except to provide an appropriate incentive to Mr King to maximise shareholder wealth.

All of the Directors, other than Mr King who will abstain from voting on the resolution, recommend that you vote in favour of the resolution.

5. Increase in Non-Executive Directors' fees

An increase in the maximum annual aggregate limit of fees that can be paid to non-executive directors is sought from the existing limit of \$1,400,000 to a new limit of \$1,600,000.

The maximum aggregate annual limit of \$1,400,000 which was approved in October 2004 will not be adequate to allow for payment at market rates and to allow for the possible appointment of an additional director.

In considering this increase in the aggregate annual limit, shareholders are provided with the following:

Maintenance with market rates

The level of directors' fees was reviewed externally to determine whether non-executive Directors were being remunerated at market rates. The external review undertook a comparison of a group of 21 listed companies that were comparable to Origin Energy in market capitalisation. The fee levels were also compared to broader market data of the companies listed on the ASX in the following ranges:

Market capitalisation	\$2.8 – \$11.2 billion
Revenues	\$3 – \$12 billion
Total assets	\$4 – 16 billion
Operating profit	\$250,000 – \$1 billion

As a result of this review it was found that an increase in fees was appropriate to maintain the fees at approximately the 75th percentile within those comparator groups which are consistent with Origin Energy's size and complexity.

These revised fees and the comparison to the previous year is as follows:

30 June	2006	2007
Board fees		
Chairman ⁽¹⁾	\$360,400	\$390,000
Member	\$111,653	\$125,000
Committee fees		
Audit		
Chairman	\$40,000	\$45,000
Member	\$20,000	\$22,000
Remuneration		
Chairman	\$20,000	\$30,000
Member	\$10,000	\$12,000
Health, Safety & Environment		
Chairman	\$13,333	\$16,000
Member	\$6,667	\$8,000
Nomination		
Chairman & Members	\$0	\$0

(1) Fees paid to the Chairman are inclusive of all committee fees.

The next review of fees will be undertaken at 1 July 2007 according to appropriate market data.

All directors entitlements are included in the annual aggregate fee limit

Fees paid to directors are inclusive of all benefits and are required to be within the annual aggregate fee limit. The Non-Executive Directors' Retirement Plan was

terminated with effect from 1 January 2003 and entitlements to that time were frozen. These have all since been paid out to the directors in the form of employer contribution to superannuation. No further amounts are payable or will accrue.

Additional directors may be appointed

The acquisition of Contact Energy Limited has substantially increased the size and complexity of the Origin Energy group which may necessitate the appointment of additional non-executive directors. The new limit will allow the Company to appoint a new director and pay fees at levels that are comparable to companies of Origin Energy's size and complexity.

Directors' interests and recommendation

As the non-executive Directors Kevin McCann, Trevor Bourne, Helen Nugent, Roland Williams, Bruce Beeren and Colin Carter are personally interested in this resolution they make no recommendation to shareholders.

Executive Director, Grant King, recommends the approval of the resolution based on the need to attract and retain qualified non-executive directors, and having regard to the increased duties and responsibilities being imposed on those directors.

Schedule: Summary of Terms of Origin Energy Senior Executive Option Plan

Eligibility

Options may be granted to selected senior executives of the Origin Energy Limited group of companies, including executive directors of Origin Energy Limited. The number and the time at which options are granted to senior executives is determined by the Origin Energy Limited Directors.

Options

Each option will be to subscribe for one ordinary share in Origin Energy. The options will be unlisted and will be issued for no consideration or such consideration, if any, which may be nominal, as the Board may determine. The options may not be transferred without the prior approval of the Directors. The shares issued on exercise of the options will rank equally with other Origin Energy shares already on issue on the date of exercise of the options. Origin Energy will apply to ASX for official quotation of shares issued on exercise of the options.

Exercise price of options

The exercise price of an option is the amount which a senior executive who participates in the plan must pay to Origin Energy before Origin Energy will issue the share to which that option relates. In respect of annual grants of options under the plan, the exercise price will be the volume weighted average price of Origin Energy ordinary shares traded on ASX on each of the five business days prior to and including the date of issuance, plus a margin, if any, to be determined by the Board in its absolute discretion.

Exercise hurdle for the exercise of options

Targets called exercise hurdles must be satisfied before the options may be exercised. The Board will determine at the time it approves the grant of options the exercise hurdles which must be met before those options may be exercised. The exercise hurdle may be adjusted as the Board determines to be fair and equitable in the events of a rights issue, bonus issue or reconstruction of Origin Energy share capital. The current exercise hurdle is set out in the explanatory note to resolution 4 being the proposed further grant of options to Mr King.

Restrictions on the number of options

There is a cap on the total number of Origin Energy shares in respect of which options may be issued. Options may only be issued in respect of that number of shares which, when aggregated with:

- (a) the number of shares which would be issued on the exercise of any options which are outstanding or proposed to be granted;
- (b) the number of shares issued on the exercise of any other options granted to senior executives including executive directors;
- (c) the number of shares the subject of other incentive plans; and
- (d) the number of shares issued under the Origin Energy Employee Share Plan which are restricted,

do not exceed 5% of the total number of issued Origin Energy shares.

Time for exercise of options

The options may be exercised, subject to attainment of the specified exercise hurdles referred to above and the Rules of the Plan, at any time after the third anniversary of the grant of the options and prior to the fifth anniversary of the grant of the options.

In addition, the options may be exercised prior to the third anniversary of their grant in the following limited circumstances:

- on a person acquiring in excess of 20% of the voting shares of Origin Energy or announcing or giving Origin Energy notice of a proposal under which that person intends to acquire in excess of 20% of the voting shares of Origin Energy;
- on the senior executive's employment being terminated due to his or her death or permanent disability; or
- upon the termination of the employment of the senior executive in circumstances where the Board in its absolute discretion determines that the options should be exercisable.

Options lapse six months after the resignation or death of the senior executive or immediately in the event that the senior executive's employment is terminated by the Origin Energy group in circumstances such as the senior executive's misconduct, wilful neglect in the discharge of his or her duties, or serious or persistent breach of the provisions of the terms of his or her employment.

Options, when exercisable, may be exercised in whole or in part, in the latter case in respect of a minimum of 10,000 options and in multiples of 10,000 options.

Participation in future issues

If Origin Energy makes a rights issue of ordinary shares, the holder of options which have not been exercised will not participate in the rights issue. There will however be an adjustment to the exercise price of the options in accordance with a specified formula and the ASX Listing Rules. If Origin Energy makes a bonus issue of ordinary shares involving capitalisation of reserves or distributable profits, the number of shares which will be issued on exercise of any options will be increased to include the bonus shares to which the option holder would have been entitled had the option holder exercised the options prior to the bonus issue being made. No adjustment is made to the exercise price of the options in respect of bonus issues. Any adjustments caused by a rights issue, bonus issue or reconstruction are cumulative.

Capital reconstruction

If any reconstruction of the issued capital of Origin Energy takes place (including any consolidation or division of shares or reduction or return of capital) the number of options or the exercise price of the options held will be reconstructed in accordance with the ASX Listing Rules and in a manner which will not result in any additional benefits being conferred on a holder of an option which is not conferred on holders of Origin Energy shares.

Schedule: Summary of Terms of Origin Energy Senior Executive Performance Share Rights Plan

Eligibility

Performance Share Rights may be granted to senior executives of the Origin Energy Limited group of companies, including executive directors of Origin Energy Limited, as the Origin Energy Limited Directors nominate from time to time. The number of rights to be allocated from time to time to participants is also determined by the Board.

Performance Share Rights

Each performance share right will be a right to subscribe for or take a transfer of one ordinary share in Origin Energy. The performance share rights will be unlisted and will be issued for no consideration or such consideration, if any, which may be nominal, as the Board may determine. The performance share rights may not be transferred or encumbered without the prior approval of the Directors. The shares issued on exercise of the performance share rights will rank equally with other Origin Energy shares already on issue on the date of exercise of the performance share rights. Origin Energy will apply to ASX for official quotation of shares issued on exercise of the performance share rights.

Exercise price of performance share rights

The exercise price of a performance share right will be nil unless otherwise determined by the Directors.

Transfer or issue of shares

Subject to the satisfaction of vesting conditions mentioned below and the Rules of the Plan, and provided the rights have not lapsed by reason of the participant's misconduct, any rights may be exercised by the participant as follows:

- on the participant ceasing employment due to death or permanent disability; and
- upon the request of the participant, between three and five years after the rights were granted to the participant.

In addition, any rights granted to a participant may be exercised by a participant prior to three years after the allocation in the following limited circumstances:

- on a person acquiring in excess of 20% of the voting shares of Origin Energy or announcing or giving Origin Energy notice of a proposal under which that person intends to acquire in excess of 20% of the voting shares of Origin Energy; or
- upon the termination of the employment of the participant in circumstances where the Board in its absolute discretion determines that the Performance Share Rights should be exercisable.

Performance Share Rights lapse six months after the resignation or death of the participant or immediately in the event that the participant's employment is terminated by the Origin Energy group in circumstances such as the participant's misconduct, wilful neglect in the discharge of his or her duties, or serious or persistent breach of the provisions of the terms of his or her employment.

Performance Share Rights, when exercisable, may be exercised in whole or in part, in the latter case in respect of a minimum of 1,000 rights and in multiples of 1,000 rights.

Vesting conditions for the issue or transfer of shares

Targets called vesting conditions must be satisfied before shares may be issued or transferred to the participant. The Board will determine at the time it approves the subscription or purchase of shares the vesting condition which must be met before those shares may be transferred or issued. The vesting condition may be adjusted as the Board determines to be fair and equitable in the event of a right's issue, bonus issue or reconstruction of Origin Energy share capital.

Restriction on the number of shares

There is a cap on the total number of Origin Energy shares which may be subscribed for or purchased under the Plan such that the total number of shares that may be acquired on exercise of Performance Share Rights together with the number of shares which would be issued on the acceptance or exercise of any offer, right or options which are outstanding or proposed to be granted under an Origin Energy incentive plan

(including the Origin Energy Employee Share Plan, the Origin Energy Senior Executive Option Plan and the Origin Energy Executive Share Plan) will not exceed 5% of the total number of issued Origin Energy shares.

Participation in future issues

If Origin Energy makes a rights issue of ordinary shares, the holder of Performance Share Rights which have not been exercised will not participate in the rights issue. There will however be an adjustment to the exercise price (if any) of the Performance Share Rights in accordance with a specified formula and the ASX Listing Rules. If Origin Energy makes a bonus issue of ordinary shares involving capitalisation of reserves or distributable profits, the number of shares which will be issued or transferred on exercise of any Performance Share Rights will be increased to include the bonus shares to which the participant would have been entitled had the participant exercised the Performance Share Rights prior to the bonus issue being made. No adjustment is made to the exercise price (if any) of the Performance Share Rights in respect of bonus issues. Any adjustments caused by a rights issue, bonus issue or reconstruction are cumulative.

Capital reconstruction

If any reconstruction of the issued capital of Origin Energy takes place (including any consolidation or division of shares or reduction or return of capital) the number of Performance Share Rights or the exercise price (if any) of the Performance Share Rights held will be reconstructed in accordance with the ASX Listing Rules and in a manner which will not result in any additional benefits being conferred on a participant which is not conferred on holders of Origin Energy shares.

Copies of the Rules of the Origin Energy Senior Executive Option Plan and the proposed Origin Energy Senior Executive Performance Share Rights Plan may be obtained from the Company Secretary, Origin Energy Limited, Level 45 Australia Square, 264-278 George Street, Sydney NSW 2000.