Interim Results Announcement
Half-year ended 31 December 2004

21 February 2005

Outline

- **Performance Highlights**
- **Financial Review**
- **Operating Review**
- **Outlook**

- All comparative data are in relation to the prior corresponding period, July – December 2003, unless otherwise stated
- All references to $ are references to Australian dollars unless otherwise specifically marked
- A reference to Contact is a reference to Contact Energy Limited of New Zealand, a 51.4% owned subsidiary of Origin Energy

Performance Highlights

Financial Highlights

• Revenue#	$ 2,292 million	up 24%
• EBITDA#	$ 440 million	up 44%
• NPAT	$ 152 million	up 21%
• Basic EPS	22.6 cps	up 18%
• Free cash flow (FCF)	$ 247 million	up 7%
• FCF per share	36.8 cps	up 4%
• Debt / (debt + equity)	41% (31 Dec 04)	31% (30 Jun 04)
• OCAT Ratio*	13.6%	target 9.4%
• Interim dividend	7 cents per share fully franked	up 17%

Contact consolidated at 100% since acquisition on 1 October 2004

* Calendar year 2004. Excludes 3 month contribution from Contact

Operating Highlights

- Acquisition of 51.4% interest in Contact effective 1 October 2004
- Higher retail margins realised despite increased levels of churn
- Increased oil production from the Perth Basin
- Liquids processing restored at the Moomba gas plant in August
- Development drilling at Yolla completed and liquids rich gas discovered at Trefoil
- BassGas Project experienced construction delays
- Additional CSG contracts signed with Incitec-Pivot and Qmag
- Plans for development of major power stations in Queensland and Victoria progressed
- New management structure announced
- Safety performance continues to improve*

* The Total Reportable Case Frequency Rate including Medical Treatment Injuries as well as Lost Time Injuries fell from 22.7 in December 2003 to 20.4 in December 04

Rights Issue

- Pro-rata renounceable Rights Issue of 1 new share for every 6 existing shares at $5.70 per new share
- Proceeds of $641 million to repay CUPS issued to fund the Contact acquisition with the balance of net proceeds to repay debt
- Fully underwritten by Citigroup and Deutsche Bank
- Offered to Australian and NZ shareholders of record only
- Issued at a 17% discount to the closing price on 18 February, equivalent to:
  - 16.2% discount to the ex-dividend closing price; and
  - 14.2% discount to ex-dividend TERP*
- ORG commences trading ex-rights and ex-div on 24 February
- Record date for entitlement is 2 March
- Rights trading from the 24 February to 15 March
- Closing date for acceptances is 22 March

* TERP – Theoretical Ex Rights Price

Financial Review

The consolidation of 100% of Contact produces a number of significant changes in the presentation of Origin's results

Consolidation of Contact

- Origin has consolidated 100% of Contact Energy as required by Australian accounting standards.
- Outside equity interests are recognised in reporting of net profit after tax and total equity
- Contact's results in NZ$ translated to A$ at an exchange rate of NZ$1.0843 to A$1.00

Reporting Segments	
Primary	**Secondary**
Australia (incorporating Australian operations and LPG operations in the Pacific) **New Zealand** (incorporating Contact, RockGas and Kupe)	**Exploration & Production (E&P)** **Retail** **Generation** **Networks** **Contact Energy**

Analysis in this presentation is based on the secondary segments

Origin energy

Profit & Loss

	Dec 04 ($m)	Dec 03 ($m)	% change
Revenue	2,291.8	1,845.8	24%
EBITDA	440.4	306.5	44%
EBIT	304.6	205.9	48%
Net interest expense	(53.3)	(24.0)	123%
Tax expense	(77.2)	(54.8)	41%
Outside Equity Interests	(22.0)	(1.5)	1387%
NPAT	152.1	125.6	21%
Earnings per share (cents)	22.6¢	19.2¢	18%
Free cash flow p s (cents)	36.8¢	35.3¢	4%
ROE (half-year)*	5.7%	6.7%	10%

* ROE includes CUPS as equity. 7.4% excluding CUPS.

EBITDA of $440.4 million is 44% higher primarily due to the inclusion of 100% of Contact

Divisions	Dec 04 ($m)	Dec 03 ($m)	% change
Exploration & Production	121.0	102.9	18%
Retail	157.4	147.2	7%
Generation	30.0	43.2	(31%)
Networks	16.5	13.2	25%
Contact	115.5	-	-
Total	440.4	306.5	44%

- E&P: CGP sale, higher oil volumes and prices
- Retail: Higher electricity and LPG sales
- Generation: Non-recurrence of Dec 03 tax benefit
- Networks: SEA Gas pipeline contribution

Depreciation & Amortisation

	Dec 04 ($m)	Dec 03 ($m)
Buildings, plant & equipment	81.2	46.2
Amortisation of exploration and evaluation costs in producing areas	33.3	27.2
Electricity hedging contracts	2.2	4.6
Intangibles	18.3	21.7
Other	0.8	0.9
Total	135.8	100.6

- Contact consolidation primarily impacts building plant and equipment
- D&A for intangibles was lower this half due to non-recurrence of one-off adjustments in December 03, which more than offset additional goodwill amortisation on acquisition of Contact

Profit & Loss

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* ROE includes CUPS as equity. 7.4% excluding CUPS.

Funding & Interest

Six months ended	Dec 04 ($m)	Jun 04 ($m)	Dec 03 ($m)
Net debt ($m)	2,742	861	744
Total equity ($m)	3,915	1,939	1,870
Net debt to equity (%)	70%	44%	40%
Debt to (debt + equity) (%)	41%	31%	28%
Net interest expense ($m)	53.3	21.4	24.0
Net interest cover (x EBIT)*	4.9	6.2	8.5
Average interest rate	6.5%	6.6%	6.7%

- Increase in net debt and interest expense largely due to funding of the Contact acquisition and expenditure on major growth projects
- Debt to debt plus equity of 41% lower than the 43.6% contemplated at the time of acquisition

* including capitalised interest

Convertible Undated Preference Shares (CUPS)

Facility drawn	$600 million
Subscriber	Deutsche Bank
Dividends	BBSW + 100 bps, discounted for franking payable on reset dates
Term	Perpetual
First Reset Date	31 May 2005
Issuer Redemption	At face value plus accrued dividend
Holder Conversion	On reset dates into Origin shares at a 5% discount to 20 day VWAP or 10% under certain circumstances
Accounting Treatment	Considered equity under AGAAP

- First dividend payable on reset date (31 May 2005).
- Following the Rights Issue the CUPS will be redeemed prior to first dividend in May, therefore no dividend will be payable

Tax Reconciliation

	Dec 04 ($m)	Dec 03 ($m)
Profit before tax	**251.3**	**181.9**
Prima facie tax	**77.4**	**54.7**
***add* non deductible amortisation**	**12.0**	**6.9**
***less* one-off items**	**(8.6)**	**(4.1)**
***less* other permanent differences**	**(3.6)**	**(2.7)**
***equals* Tax expense**	**77.2**	**54.8**
Tax paid	**(64.2)**	**(3.8)**
Subvention payments	**-**	**(4.0)**

- Increase in tax expense largely reflects inclusion of Contact
- Origin's effective tax rate is now higher (31%) due to impact of the higher corporate tax rate in New Zealand (33%) and the higher effective tax rate of Contact
- Last subvention payment made to Envestra in December half last year

Operating cash flow after tax has increased with the inclusion of 3 months of Contact

	Dec 04 ($m)	Dec 03 ($m)
EBITDA	440	306
Change in working capital	(38)	(7)
Stay-in-business capex (net*)	(55)	(39)
Other (incl. non-cash items)	18	1
Tax / subvention payments	(64)	(8)
OCAT	301	254
Net interest paid	(54)	(24)
Free cash flow	247	230

- OCAT Ratio for calendar 2004 is 13.6% (excluding 3 months of Contact)
- Higher working capital reflects receivable from sale of Carpentaria pipeline and timing of cash calls on major development projects
- Tax paid reflects prepayment of tax to frank dividends ($27 million) and inclusion of Contact

* Net of proceeds on sale

Growth capex for major development projects increased……

	Dec 04 ($m)	Dec 03 ($m)
Stay-in-business	56.4	39.7
Growth		
Exploration & Production	142.4	105.7
Retail	11.4	7.5
Generation	3.5	4.8
Networks	0.0	0.0
Contact	10.3	0.0
Total capital expenditure	224.0	157.7
Acquisitions	967.5	83.5
Capex including acquisitions	1,191.5	241.2

….while the acquisition of Contact net of debt and cash balances accounts for the majority of acquisitions

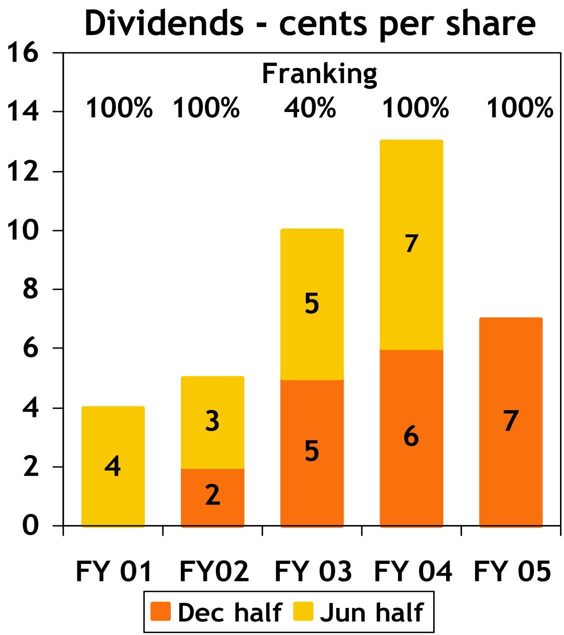
Cash flow return from the business segments is measured pre-tax and targets 14.3% over a full year

	Funds Employed ($m)	Operating Cash flow ($m)	OCFR Dec 04 (%)	OCFR Dec 03 (%)
			Half year returns*	
Exploration & Production	1,239	77.4	6.3%	8.5%
Retail	1,259	140.1	11.1%	11.1%
Generation	335	24.3	7.3%	7.2%
Networks	224	23.9	10.7%	11.5%

E & P is below target due to the late commencement of the BassGas Project and higher capital expenditure on major development projects

* Half year returns – double to get a normalised full year return

An interim fully franked dividend of 7 cents per share has been declared (prior period 6 cents fully franked)



Payment and DRP

- Ex-dividend date 24 February 2005
- Date of record 2 March 2005
- Payable 23 March 2005
- DRP to apply at no discount

Franking

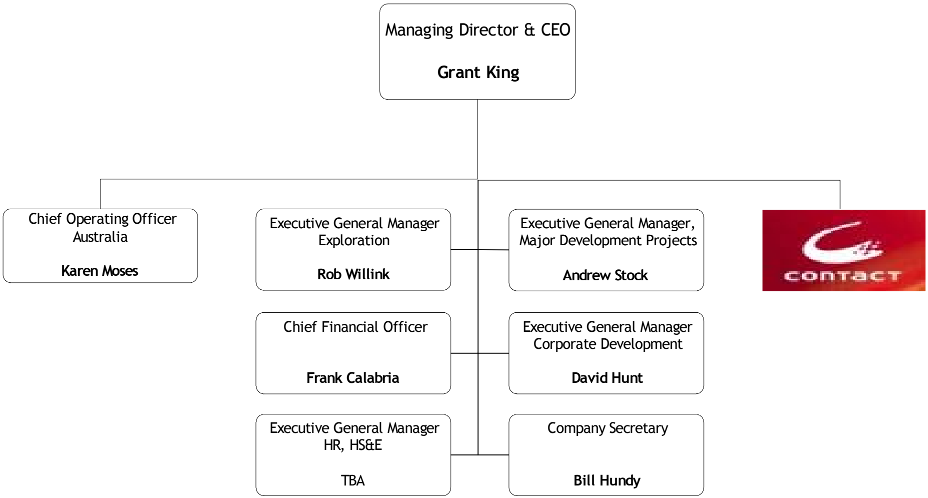
- As per recent policy Origin will pre-pay sufficient tax to ensure that the dividend is fully franked.

Origin will continue to target a payout of 40% of EPS and fully franked dividends

Origin energy

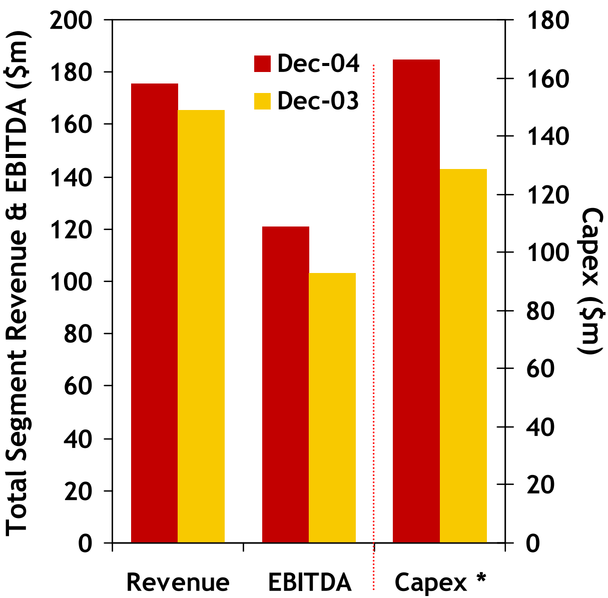
Operating Review

The Executive Management Team of Origin has been reorganised and streamlined ……….



…..to ensure clear accountabilities for continued improvement of performance in existing businesses and identifying and implementing new opportunities for growth

Exploration & Production: EBITDA of $121.0 million up 18% on higher oil revenues and sale of Carpentaria gas pipeline



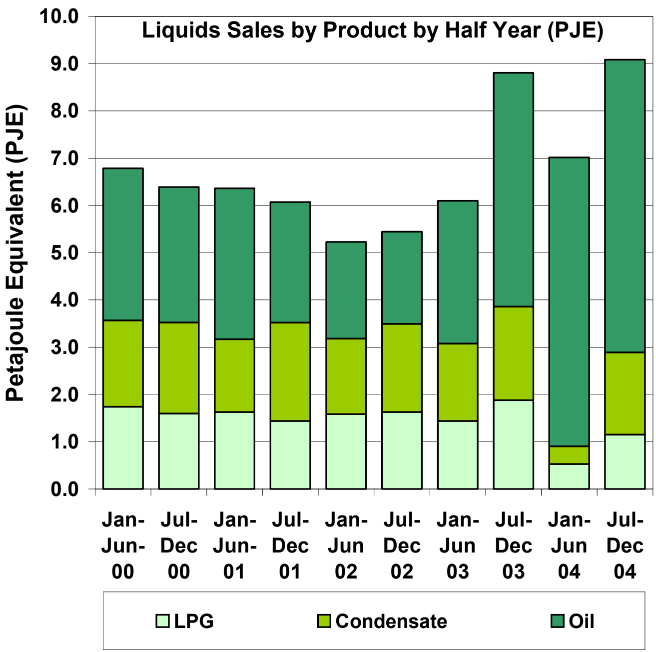
* Does not include acquisitions

- Oil production rates in the Perth Basin continued to increase averaging over 4,200 bopd. Average oil price marginally higher net of hedges
- Moomba liquids processing reinstated in August. Gas sales lower than pcp on milder weather, lower generation take and closure of Mobil refinery
- CGP sale added $10.5 million to EBIT
- Heads of agreement with Incitec Pivot for 7 PJ/a for 10 years and Qmag 1.8 PJ/a for 7 years
- BassGas project delayed but gas now flowing on the platform. Trefoil discovery likely to add significant value
- Spring Gully, Thylacine, and Kupe projects make solid progress

despite lower gas and associated liquids production

Origin energy

Oil sales from the Perth Basin continued to rise and Moomba liquids production was restored for 4 months of the half



- Liquids sales should increase again in the coming half:
  - Perth Basin approaching 5,000 bopd net to Origin
  - Moomba liquids processing capability fully restored
  - BassGas commencing
- Delays in BassGas have resulted in high levels of hedging in this half (~ 69%)
- For the 6 months to June 05 47% of expected condensate and oil sales have been hedged

Average Price Received A$ (inclusive of hedging)		
Dec '03 half	$	41.26
Jun '04 half	$	40.90
Dec '04 half	$	43.85
Before tax earnings sensitivity: +/- 1 USD oil price ~ +/- A$0.9 m		

The Perth Basin and Moomba will near full production next half, and liquids sales will commence from BassGas

Specific events in the Cooper and Otway Basins led to reserves revisions with no impact on asset carrying values

Proved and Probable Reserves (PJe*)	
2P reserves at 30 June 2004	2,220
less Cooper & Otway reserves revisions+	(39)
less Production to 31 Dec 2004	(41)
Approximate current 2P reserves#	2,140

* PJE – petajoule equivalent – a measure of energy

\+ Cooper Basin reserves revision undertaken following field studies and detailed review by the operator, Santos Ltd, and Origin analysis. Revision of reserves in the Otway Basin in South Australia followed detailed review of field performance data.

\# includes all disclosed changes since the annual reserves review of 30 June 2004 to present. Changes may not have been audited. A complete and audited review of Origin's 2P reserves is undertaken in June each year.

A full review, including the impact of the Trefoil discovery and results from the Yolla development wells, will be undertaken in June 2005

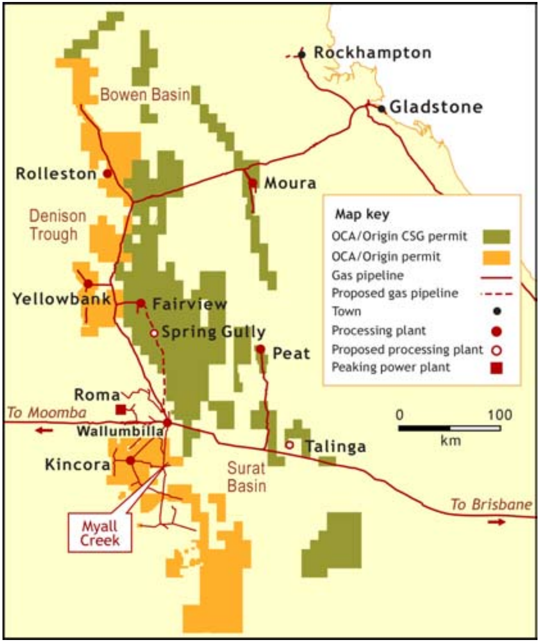
The BassGas project experienced significant construction delays with gas introduced onto the platform in January 2005

BassGas Project (37.5%)

- Development drilling completed in September. Several zones tested and new hydrocarbon pools discovered
- Some impurities detected in the gas stream requiring modifications to the plant and operating procedures
- Dispute with lead contractor Clough ongoing. Downer Engineering engaged in December to complete rectification work and any necessary modifications
- First gas delivered to the platform in late January and commissioning is continuing
- Trefoil-1 exploration well 20 km west of Yolla discovered a liquids rich gas field and tested at commercial flow rates

Origin energy

The Spring Gully Project is continuing on schedule for delivery of gas in July 2005……



- Construction at Spring Gully approaching 80% complete mid February 2005
- 21 wells commissioned representing nearly half of required wells, with flow rates exceeding average expectations
- At the end of January 46km of the 89 km pipeline from Spring Gully to Wallumbilla was complete
- Construction workforce has peaked at 244 people
- Heads of agreement signed to supply Incitec Pivot 70 PJ over 10 years and Qmag with 12.6 PJ over 7 years

…….while commercialisation of reserves continues with agreements to supply Incitec Pivot and Qmag

Planning and development of the Otway Gas Project and Kupe Gas Project progressed steadily during the half…..

Otway Gas Project (29.75%)

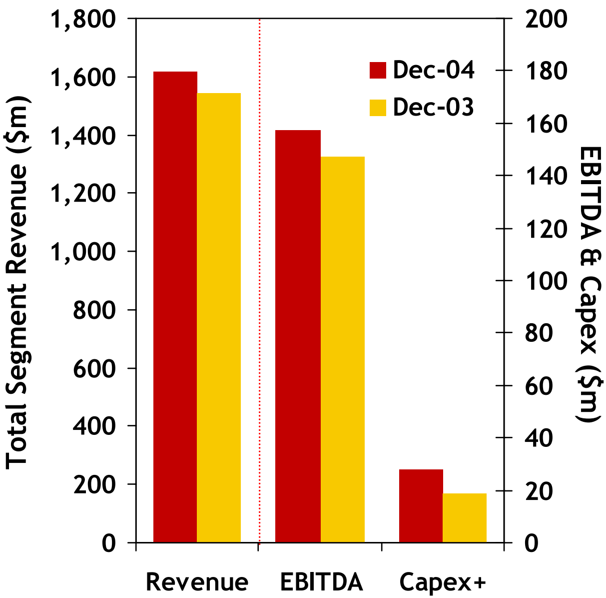
- Project 16% complete at 31 December 2004
- Regulatory approvals received on time
- Gas plant site work commenced in October 2004
- Platform design 87% complete at 31 December. Fabrication commenced in Malaysia in January 2005
- Project currently on schedule for commissioning in mid 2006

Kupe Gas Project (50%)

- Front End Engineering and Design work with respect to offshore facilities well progressed at 31 December
- Assessment of Effects on the Environment report lodged Dec 2004
- Evaluation of options for processing gas through existing 3rd party facilities or new purpose built onshore facilities continuing
- Official project sanction anticipated in the second half of 2005, with first gas in second half 2007

….with responsibility for these projects and Spring Gully now residing with the Major Project Development team

Retail: EBITDA of $157.4 million up 7% as stronger electricity margins offset lower gas volumes and higher LPG purchasing costs



+ excludes acquisitions

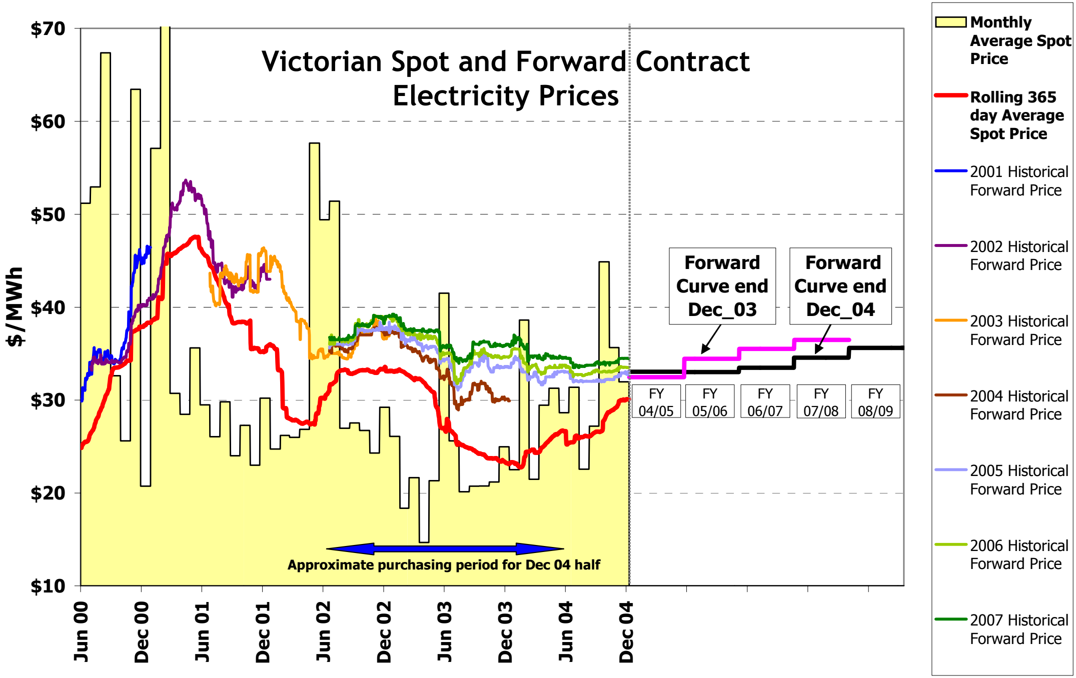
- Segment revenues increased 5% as the net impact of 32% higher LPG revenue, 3% higher electricity revenue and 2% lower gas revenue
- LPG volumes and revenues up due to impact of Rockgas, but 28% increase in wholesale CP tightened margins
- Milder weather and customer churn reduced gas volumes slightly, with electricity volumes marginally higher
- Overall cost to serve in gas and electricity was lower due to improvements in transaction efficiency, lower bad and doubtful debts, and 9% reduction in employees offset by higher operating costs in LPG
- EBITDA and EBIT margins increased slightly to 9.8% and 7.5% for the half

Average prices higher for electricity and LPG. Gross margin increased for both products, but decreased for natural gas

Product information and % change from Dec 03	Natural Gas	Electricity	LPG
Revenue (A$m)	455 (-2%)	868 (+3%)	255 (+32%)
Gross margin (A$m)	78 (-12%)	153 (+14%)	74 (+19%)
Sales (PJ)	61 (-1%)	-	-
Sales (TWh)	-	8.2 (+1%)	-
LPG (Ktonnes)	-	-	246 (+7%)
Total sales (PJe)	61 (-1%)	29 (+1%)	13 (+7%)
Customers ('000)	918 (-6%)	856 (+1%)	283 (~level)

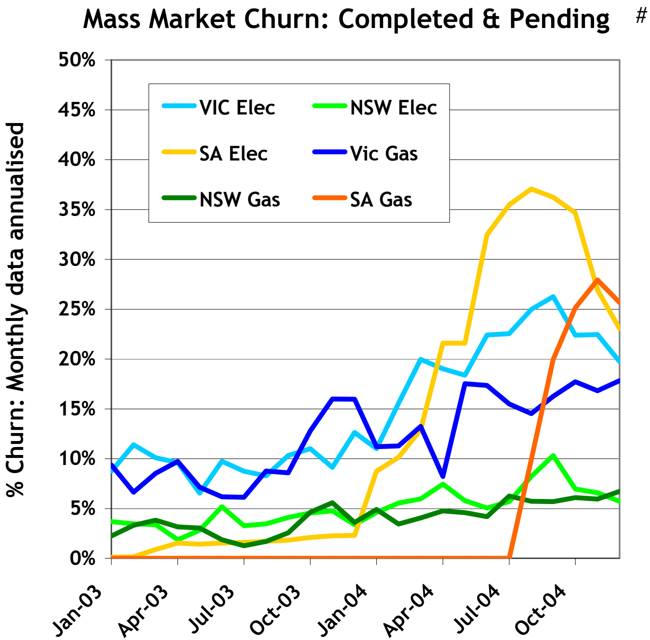
- Gas volumes slightly lower but electricity volumes marginally higher. LPG volumes increased with inclusion of 100% of Rockgas in New Zealand.
- Revenues higher on higher aggregate volumes across the three commodities, together with significantly higher LPG prices on partial pass through of higher LPG purchasing costs
- Electricity gross margin higher on reduced purchasing costs, higher merchant plant contribution and abolition of Smelter Levy

Pool prices have risen over the last half but contract prices have remained reasonably steady…….



….and the forward curve a few years out is lower than it was at the end of 2003

Origin's focus on margins has seen EBITDA and EBIT margins increase this half despite customer losses….



Origin Customers ('000)	Natural Gas	Electricity
Jun '04	979*	894*
Dec '04	918	856
Net Churn	(61)	(38)

* Customer numbers revised post Jun 04

- Origin gross losses are in line with industry churn, offsetting gains made over the last two years.
- Since FRC, electricity customer numbers are up (30k), and gas customer numbers are down (80k)
- NSW Gov owned retailers are competing strongly in Victoria & SA

…..as FRC commenced in SA and electricity churn appeared to peak in Victoria and SA

#Source: Various websites including Vencorp, Nemmco, Gasmarketco & Company Information

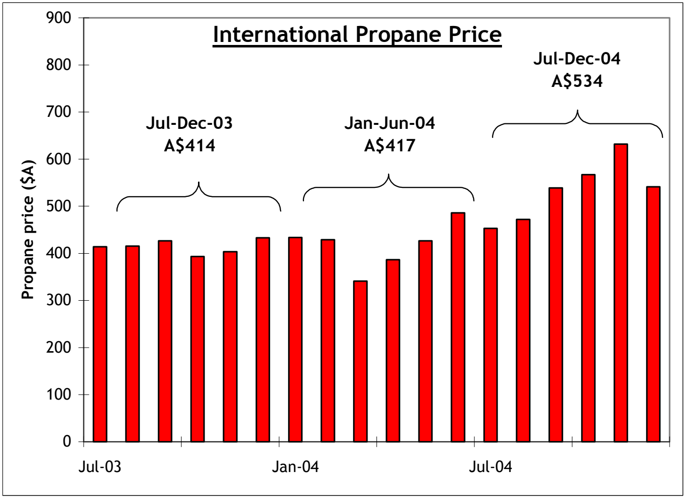
Origin has continued to investigate and develop new products and sales channels…….

- Origin has run a number of targeted campaigns emphasising customer choice, augmented products, value and incentives to stay
- Separate and exclusive offerings include:
  - $50 off AFL club membership
  - 1 month's free electricity at end of 12 months
  - End of year rebates
  - Free magazine subscriptions

……and operates in discrete campaigns with specific targets in higher margin segments

The acquisition of the remaining 50% of Rockgas in New Zealand added significant sales volumes …….

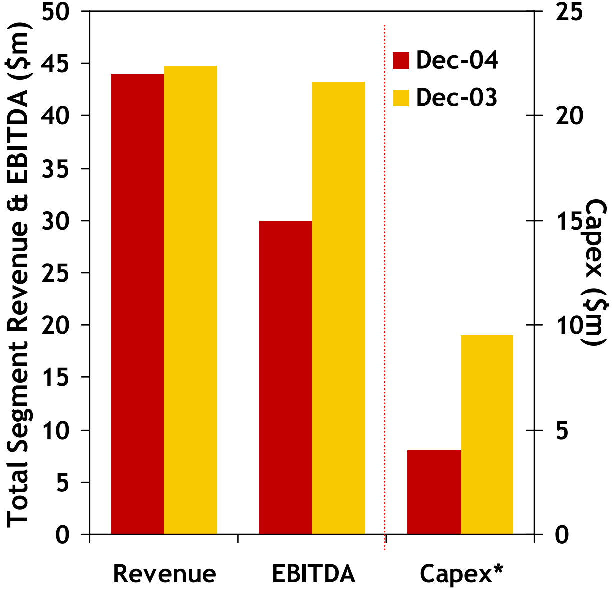
Weighted Average International Propane Price (CP)



- Rockgas added 26 ktonnes but Australian volumes declined by around 11 kt, mostly in autogas
- Cost of LPG benchmark CP averaged $534 per tonne over the half up 28% compared with the prior corresponding period
- Higher operating costs in Australia while new shipping arrangements result in higher apparent operating costs
- Significant growth capital expenditure in NZ ($3.5m), Australia ($1.9m) and Fiji ($0.9m) on improved distribution infrastructure.

….while volumes in Australia decreased and higher purchasing costs squeezed margins

Generation: EBITDA of $30 million, $13 million lower than last year due to non-recurrence of Dec 03 benefits…….



* excludes acquisitions

- Lower result for Dec 04 reflects non-recurrence of Osborne tax consolidation benefit, planned major outage at Osborne and lower CSER payment from Mt Stuart
- Other generation plants recorded higher availability
- Projects to develop options to construct high efficiency gas turbines in Vic and QLD announced and progressed
- Solar PV demonstration plant produced first product available for reliability testing, and the half includes $2.1 million of expenses incurred at the plant.

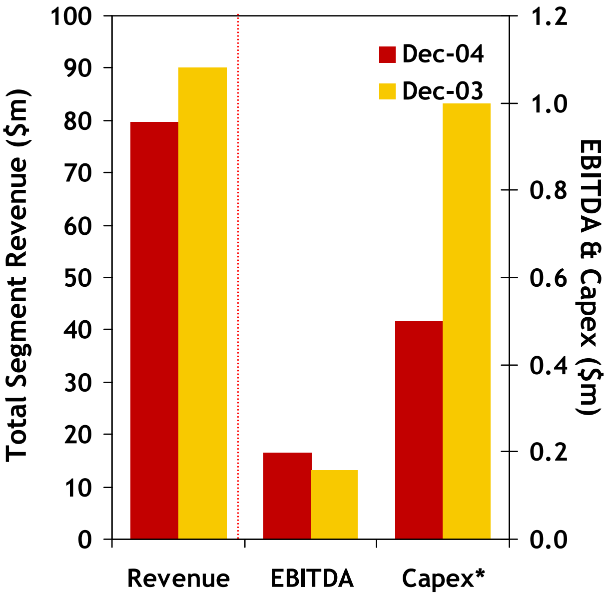
….while underlying business remains solid with plant availabilities generally higher than last year

Availability for externally contracted plants was high with the exception of Osborne (major planned outage Oct & Nov)

Major Origin Power Plants	Origin Int. %	Capacity MW	Type	Operation	Availability	Contracting Party
Worsley	50	120	Cogen	Base	98%	Western Power & Worsley
Bulwer Is.	50	32	Cogen	Base	96%	BP
Osborne	50	180	Cogen	Base	67%	NRG Flinders & Penrice
OneSteel	100	8	Cogen	Base	85%	OneSteel
Mt Stuart	100	288	OCGT	Peak	95%	Enertrade
Quarantine	100	96	OCGT	Peak	86%	Origin Retail
Ladbroke	100	80	OCGT	Base/ Int	94%	Origin Retail
Roma	100	74	OCGT	Peak	86%	Origin Retail

Despite Roma and Quarantine experiencing technical problems internally contracted plant had higher availability and ran more than last year

Networks: EBITDA of $16.5 million up 25% on six month contribution from SEA Gas pipeline………

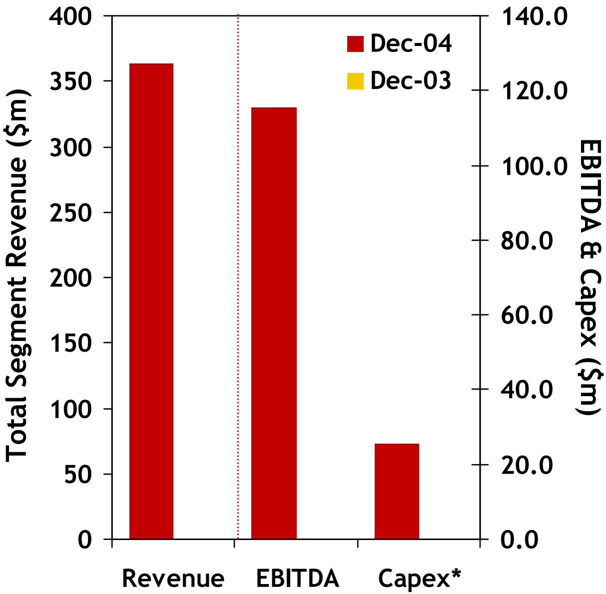


- SEA Gas contribution of $3.3 million
- Higher network management fees received from Envestra were more than offset by lower incentive fees
- Consumers connected increased by over 11,000 but milder weather resulted in lower gas throughput
- Over 160kms of new mains laid, and 75 km of mains replaced
- Coliban water JV continues to meet operational and financial performance targets

…… and steady performance from the base business

* excludes acquisitions

Contact: EBITDA of $115.5 million in line with Origin's expectations at the time of acquisition…..

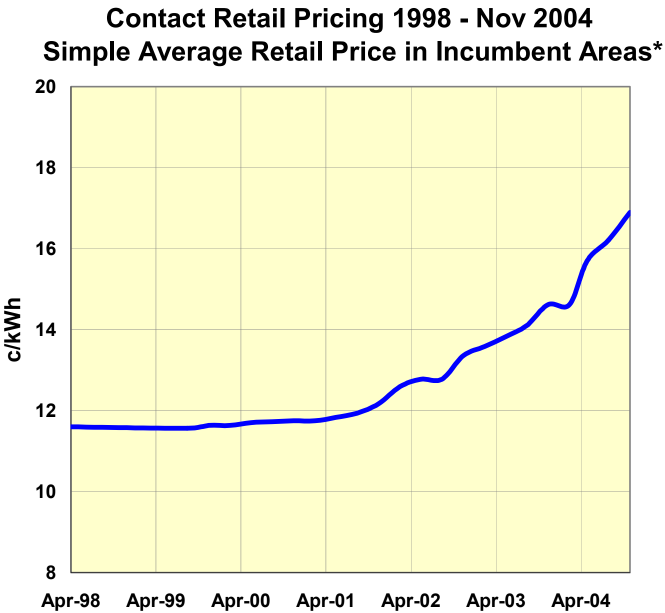


- Acquisition completed on 1 October 2004
- Changes to Board and senior management
- Constitution changed
- Change of balance date and auditor to align with Origin
- Acquisition funding (CUPS) being replaced through Rights Issue
- Increasing tariffs in New Zealand are providing new opportunities for growth

….resulting in a $6.6 million contribution to NPAT after deducting funding and recognising OEI

* excludes acquisitions

Retail prices in NZ have continued to increase since Origin announced acquisition of an interest in Contact………



* Excl GST. Incl Prompt Payment Discount

Growth options include:

- Enhancements to geothermal projects at Wairakei, Poihipi and Ohaaki
- Upgrades to the Clutha hydro system
- Upgrades to the Otahuhu-B and Taranaki Combined Cycle gas fired plant
- Encouragement of upstream gas exploration in NZ
- Investigation of an LNG option as a backstop in case gas is not found in NZ

….confirming Origin's view of increasing tariffs presenting new opportunities for growth

Outlook

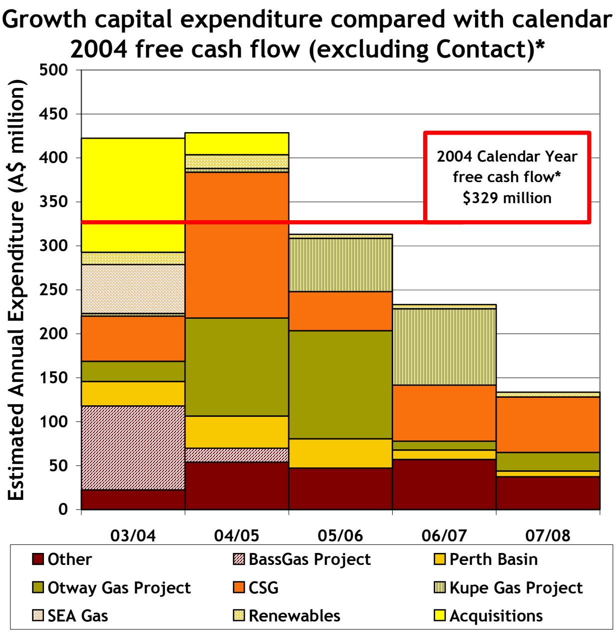
Profit over the first half was enhanced by three months contribution from Contact and increased contributions from E&P, Retail and Networks.

Results for the second half are expected to be higher than the corresponding period last year due to:

- The inclusion of six months of Contact
- The return to full gas and liquids processing capabilities at Moomba
- Contributions from BassGas as the project moves through commissioning to full production

Assuming current market conditions prevail, and after allowing for the Rights Issue, the full year earnings per share are expected to be around 15% higher than last year

Looking further ahead there are strong prospects for continued growth through a range of major projects



* Excludes Contact acquisition cost, Contact free cash flow and Contact capex

- An increase in production from CSG fields in Queensland to supply long term contracts with AGL, QAL and Incitec Pivot;
- The Otway Gas Project which commenced development in the June quarter 2004 and is expected to deliver gas into the South Australian and Victorian markets from mid 2006;
- The Kupe Gas Project in New Zealand in which Origin acquired a 50% interest and became operator in 2004 which is expected to produce around 20 PJ of gas and 1.5 million barrels per annum of hydrocarbons from the second half of 2007.

Origin also continues to progress planning for major power generation projects in Queensland and Victoria.

Origin
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