Results Announcement
Twelve months ended 30 June 2002

26 August 2002

Outline

- Performance Highlights
- Financial Review
- Operational Review
- Outlook

Performance Highlights

Financial highlights

- EBITDA up 33% to $404.6 million
- PAT up 31% to $128.7 million
- Basic EPS up 18% to 20.2 cents on expanded capital base
- Final dividend 3.0 cents per share fully franked
  - (5.0 cps for the full year - 25% payout ratio)
- Operating cash flow after tax (OCAT) up 49% to $299 million
- Capital expenditure & acquisitions 24% lower at $403 million
- Share Placement and Share Purchase Plan
  - Net $197 million raised
  - 71 million shares issued (approx 11% of capital)
- Credit Rating and Debt Issuance Facility established
- Net Debt / Equity ratio at year end 39%

Operating highlights

- Significant growth in scope of operations:
  - Reserves: Increased 17% to 1,140 PJe
  - Customers: 1.78 million (over 2 million after CitiPower acquisition)
  - Generation: capacity increased from 380MW to 598 MW
- Joint Venture approval for development of BassGas
- Acquisition of CSG interests
- Integration of Powercor retail electricity business
- Acquisition of CitiPower retail electricity business (post June 02)
- Systems and processes ready for Full Retail Contestability
- Quarantine power station commissioned
- SW Cogeneration (Worsley) acquisition completed
- Financial close on SEA Gas project and pipe ordered
- Lost Time Injury Frequency Rate (LTIFR) reduced from 4.9 to 3.0 injuries per million hours worked

Financial Review

Profit & Loss

	Jun 02 ($m)	Jun 01 ($m)	% change
Total revenue	2,437	1,687	44%
EBITDA	404.6	305.2	33%
EBIT	230.7	173.3	33%
Net interest expense	(42.8)	(31.7)	35%
Tax expense	(54.3)	(38.0)	43%
Outside equity interests	(4.9)	(5.6)	(12%)
PAT	128.7	98.0	31%
Earnings per share (cents)	20.2	17.1	18%
Free cash flow per share (cents)	40.2	29.7	36%
Return on equity	8.1%	7.6%	7%

Retained Profit Impact

	FY 01/02 ($m)	FY 02/03* ($m)
Total Revenue Reported	2,437	
Retained by Gascor	147	56
Gross Revenue	2,584	
EBIT Reported	231	
Profit Retained by Gascor	29	11
Gross EBIT	260	

No profit retained after October 1, 2002

* Estimate

EBITDA is up 33% on the prior year due to strong retail contributions from electricity and LPG……

	Jun 02 ($m)	Jun 01 ($m)	% change
Exploration & Production	186.2	201.3	(7%)
Retail	173.5	66.5	161%
Generation	30.4	25.0	22%
Networks	22.9	21.9	4%
Corporate	(8.4)	(9.5)	11%
Total	404.6	305.2	33%

…….offset by a decrease in upstream due to lower oil sales

Origin energy

Depreciation & Amortisation

	Jun 02 ($m)	Jun 01($m)
Buildings, plant & equipment	79.5	73.4
Retail systems	2.1	0.2
Exploration in producing fields	44.5	41.2
Electricity hedging contracts	25.9	0.5
Licences	14.8	9.9
Goodwill	5.6	5.7
Other	1.5	1.0
Total	173.9	131.9

- Origin is quickly amortising commodity hedges, resulting in higher overall D&A charges than may be expected (cf. SIB Capex of $65m)
- Amortisation of retail systems is expected to increase to around $9 million next financial year

Profit & Loss

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Origin energy

Funding & Interest

	Jun 02	Jun 01	Change
Net debt ($m)	633	727	(13%)
Total equity ($m)	1,626	1,328	22%
Net debt to equity (%)	39%*	55%	(29%)
Net interest expense ($m)	(42.8)	(31.7)	35%
Net interest cover (x EBIT)	5.4	5.5	
Average interest rate	6.6%	6.7%	

- January 2002 - Debt Issuance Program announced and followed by refinancing of bank funding via:
  - $185 m commercial paper
  - $180 m 5 year medium term note
- BBB+ Credit Rating re-affirmed post CitiPower acquisition

* Rises to 49% at end of August at settlement of CitiPower acquisition

Tax reconciliation

	Jun 02 ($m)	Jun 01 ($m)
Profit before tax	**187.9**	**141.6**
Prima facie tax	**57.3**	**48.0**
less **Subvention benefit**	**(11.3)**	**(11.3)**
add **non-deductible amortisation**	**16.5**	**8.4**
less **other permanent differences**	**(8.2)**	**(7.1)**
equals **Tax expense**	**54.3**	**38.0**
Tax paid	**(22.5)**	**(5.3)**
Subvention payments	**(18.0)**	**(19.0)**

Operating cash flow after tax over funds employed is used as the primary performance measure

	Jun 02 ($m)	Jun 01 ($m)
EBITDA	405	305
Non-cash items	(17)	(8)
Change in Working Capital	16	11
Stay in business CAPEX	(65)	(83)
Tax/Subvention Payments	(40)	(24)
OCAT	299	201
Net Interest Paid	(43)	(31)
Free cash flow	256	170
Funds Employed	2,189	1,891
OCAT Ratio	13.7%	10.6%

OCAT ratio has exceeded prior year and target

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Capital expenditure has focussed on growth with higher expenditure on exploration and retail systems……..

	Jun 02 ($m)	Jun 01 ($m)
Stay in business	64.9	83.4
Growth		
Exploration & Production	74.3	55.8
Retail	69.8	11.1
Generation	46.0	46.2
Networks	0.1	0.1
Corporate	0.0	2.3
Total capital expenditure	255.2	199.0
Acquisitions	148.0*	330.1
Capex including acquisitions	403.2	529.1

….and significant expenditure on acquisitions

*Includes Worsley $70m, CSG $50m, Envestra interests $15m, Gasmart $8m.

Does not include the July 2002 acquisition of CSG assets and the CitiPower retail business

The target of 15% OCFR was met by all segments except generation.

Segments	Funds Employed ($m)	Operating Cash flow ($m)	OCFR (%)
Exploration & Production	750.4	125.2	16.7%
Retail	1,093.0	179.1	16.4%
Generation	213.3	22.7	10.7%
Networks	151.6	25.5	16.8%
Retail & Generation	*1306.3*	*201.8*	*15.5%*

Low summer pool prices depressed Generation earnings and lowered Retail costs. Combining the Generation and Retail results illustrates the natural hedge at work in the business.

Origin energy

Capital Management and Distributions

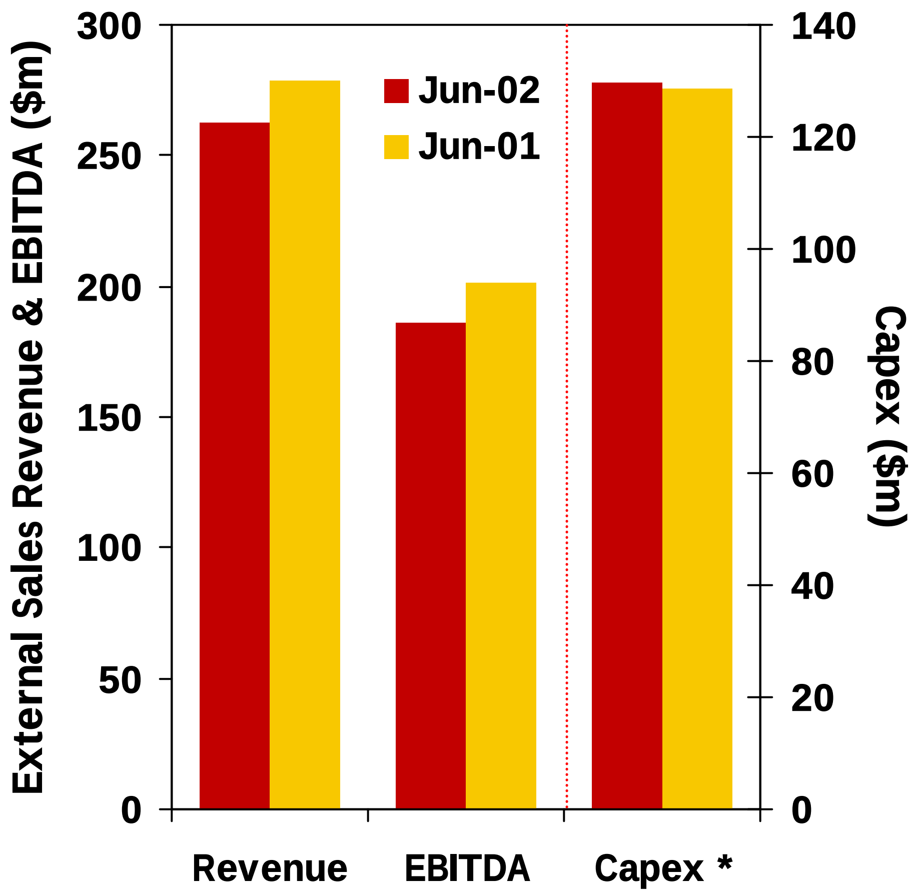
- **July 2001 - $123m institutional equity placement**
- **August 2001 - $74m Share Purchase Plan**
- **2 cent per share fully franked interim dividend**
- **Share Sale Facility following Interim Results**
- **3 cent per share fully franked final dividend**
  - **DRP to apply to final dividend with a 5% discount to share price**
- **Less franking available from OCA**
- **Dividend policy again under review**

Significant Provisions

- Ladbroke Grove Insurance
  - $6.3m provision created in 2001
  - Not reversed in 2002
  - Available to cover future uninsured events
- Solar development
  - Expenditure to date fully provided
  - $4.7m expensed in 2002
  - $2.0m relates to prior year

Operating Review

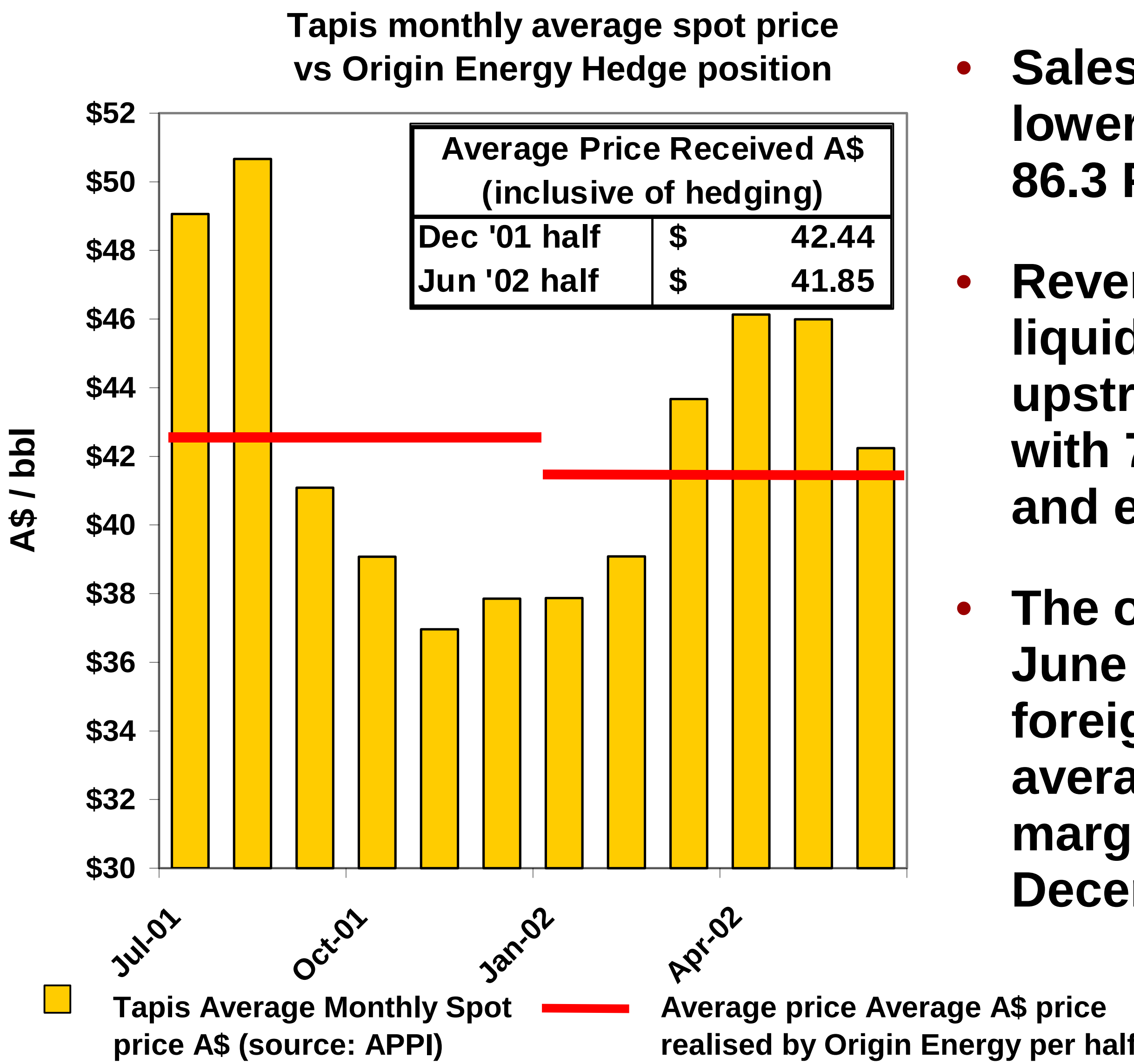
Exploration & Production: EBITDA decreased 7% to $186.2m following asset sales and lower oil prices



* Does not include acquisitions

- Lower sales volumes and prices for oil decreased revenue by $15m ($34m before hedging)
- Increased gas sales from Cooper and CSG offset these declines
- OCA confirmed its position as Australia's leading CSG producer through acquisition of interests in the Fairview and Durham areas
- Significant progress was made towards the commercialisation of offshore gas discoveries
- Significant new discoveries of oil and gas were made in the Perth Basin.

Origin's oil and foreign exchange hedging policy has dampened the impact of volatile oil prices



- **Sales volumes marginally lower than last year at 86.3 PJe (vs. 86.8 PJe in '01)**
- **Revenue from the sale of liquids represented 29% of upstream sales revenues, with 71% from natural gas and ethane sales.**
- **The oil price received in the June half inclusive of oil and foreign exchange hedging averaged A$41.85 per barrel, marginally lower than the December half**

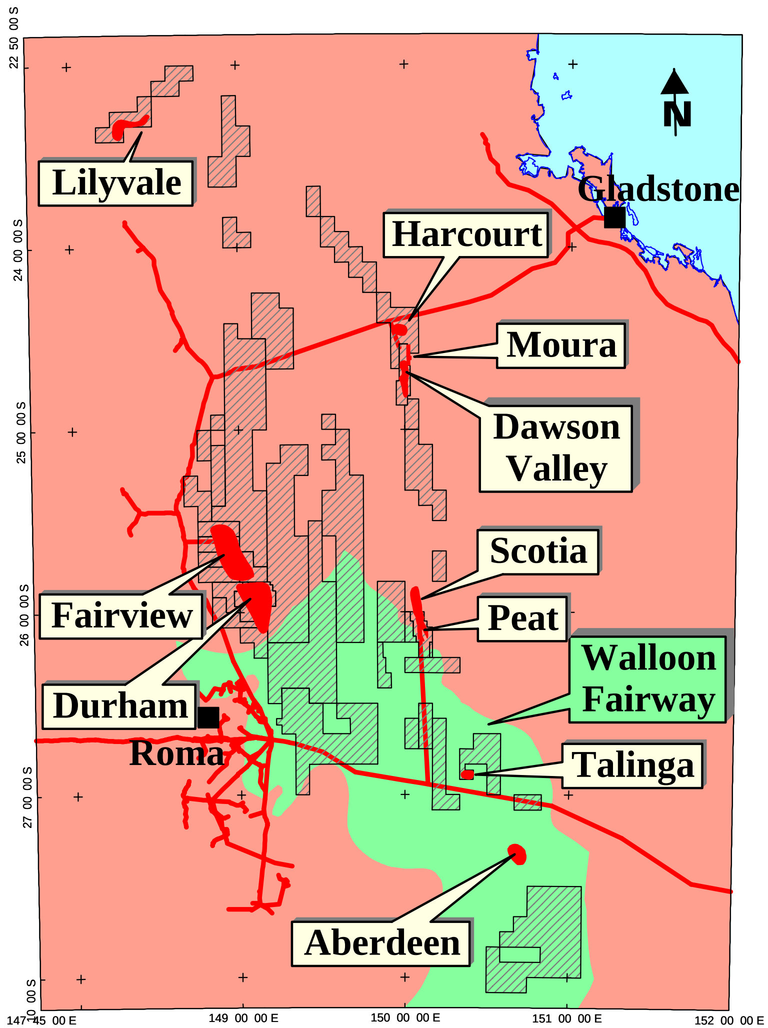
Origin has significantly increased 2P reserves through the year

Proved and Probable Reserves (PJe*)	Jun 02
2P reserves at start of year	975
+ Additions and Revisions	248
- Production	83
2P reserves at end of year	1,140
Net 2P reserves added	165
Net increase in 2P reserves	17%

Scope For Recovery category	*230*
2P reserves added through acquisition post June 30	*160*
Approximate reserves - all categories	*1,530*

* PJE – petajoule equivalent – a measure of energy

OCA continues to build its CSG capabilities and enhance its position as the largest CSG producer in Australia



- Full year of gas sales from the Peat field to Bulwer Island
- Invested $49 m during FY 02 in acquiring interests in the Fairview and Durham fields - followed by a further $47m in July 02
- Appraisal of Fairview field in mid 02 increased 2P reserves across the Fairview and Durham fields to in excess of 1,100 PJ
- 8 well appraisal program on Durham commenced in August 02
- Contract to supply 5.4PJ pa to AMC announced July 02

Steady progress has been made in the commercialisation of offshore gas resources in SE Australia

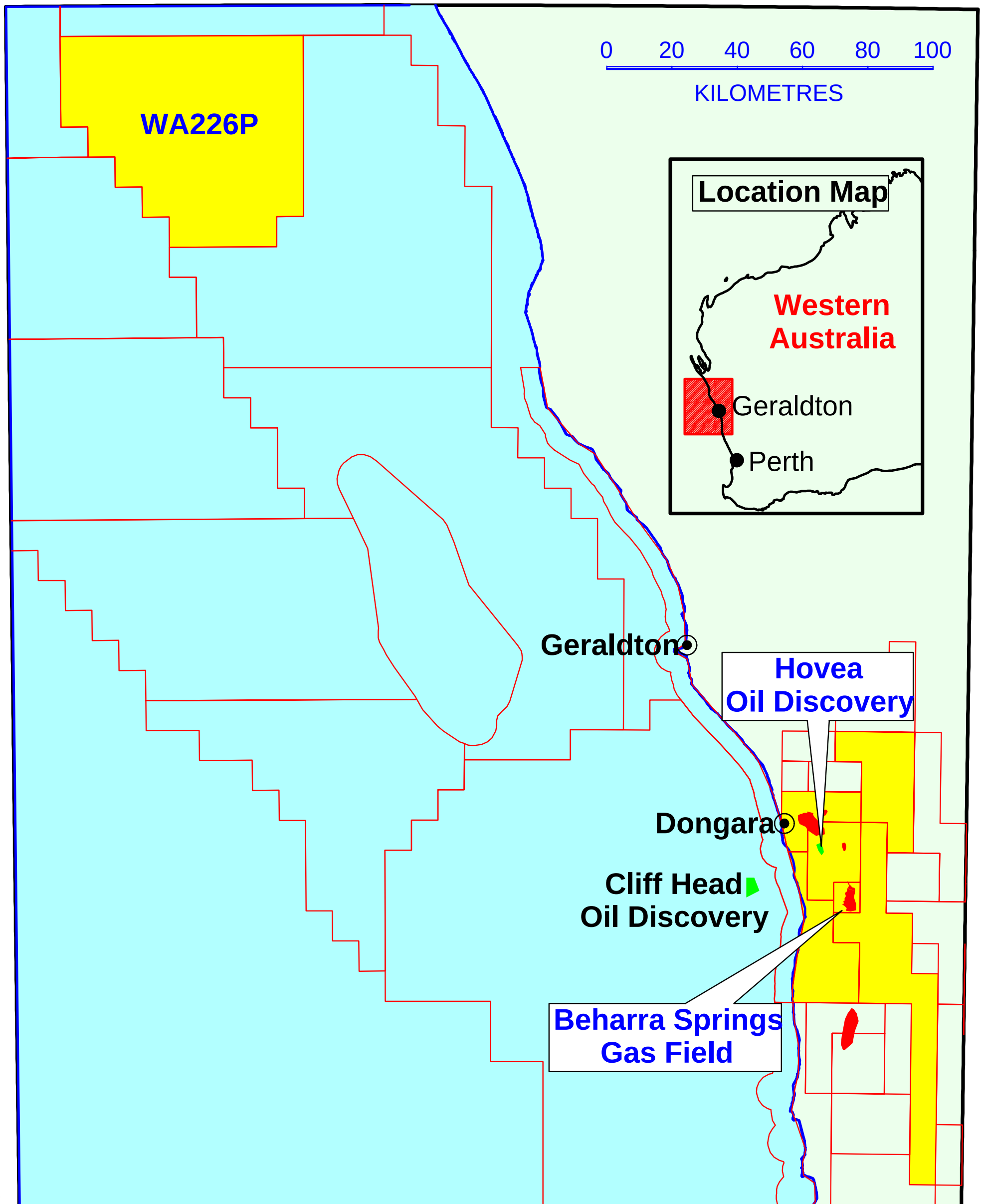
BassGas Project

- Origin Energy entered into GSA to purchase all sales gas from 95% of JV
- Equity in the Yolla field increased from 30% to 37.5%
- EPIC contract awarded to Clough Engineering
- EES/EIS study completed - awaiting response from the Victorian Government
- First gas late 2004

Offshore Otway Basin

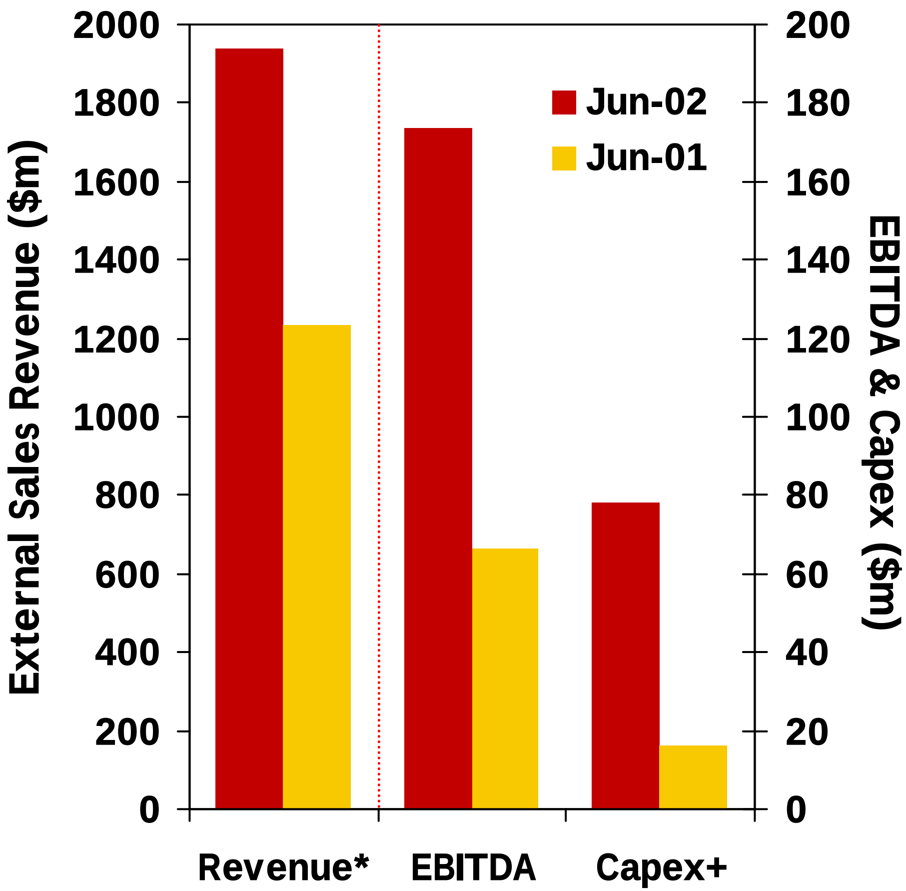
- Thylacine discovery appraised in Sept 01, Geographe Nth Oct 01
- Feasibility study undertaken
  - Phase 1 confirmed no further wells required
  - Phase 2 finalising design concepts
  - EES / EIS now underway
- August 02 Woodside signed conditional GSA with TXU
- First gas early 2006

Origin's long term commitment to the Perth Basin was rewarded in 01/02 with several discoveries



- Beharra Springs North 1 - new field gas discovery commenced production in July 02
- Hovea 1 - 8 metre oil column in the first commercial oil discovery since 1966
- Large 3D survey extended over Beharra Springs and Hovea trends in late 2001
- Hovea 2 - discovered gas in secondary objective High Cliff Sandstone
- Hovea 3 - 26m oil column confirms Hovea 1 discovery
- Origin became Operator of WA-226-P (offshore). Highly prospective - similar structural style to the Cliff Head block and containing residual oil column in Livet 1

Retail: EBITDA increased 161% to $173.5 million primarily as a result of increased electricity sales



* Includes agency sales in Victoria
+ excludes acquisitions

- Contributions from electricity retail business ahead of expectations, plus strong contribution from LPG and natural gas despite mild weather
- EBITDA enhanced by favourable wholesale position of "Powercor" hedge book - purchase price amortised below EBITDA line
- Successfully implemented FRC for electricity - well prepared for natural gas in Victoria
- Improved Commodity Risk Management systems
- Gasmart acquisition & rebranding
- Established leading "green" position
- Origin Energy achieved a brand leadership position in Victoria having improved unprompted awareness from 23% to 46%

Retail business: all areas contributed to the result

	Natural Gas *	Electricity **	LPG
Revenue (A$M)	803	825 (650)	402
Gross Margin (A$M)	96	160 (60)	113
Sales – (PJ)	118	-	-
Sales – (TWh)	-	8.4 (6)	-
LPG (Ktonnes)	-	-	489
Total Sales (PJe)	118	30.4 (22)	24.1
Customer # ('000)	986	582 (260)	209

* Gross revenue received from customers (including Retained Profit component). Gross Margin is after payment of Retained Profit.

** Data in brackets represents expected additional contribution of CitiPower electricity retail business

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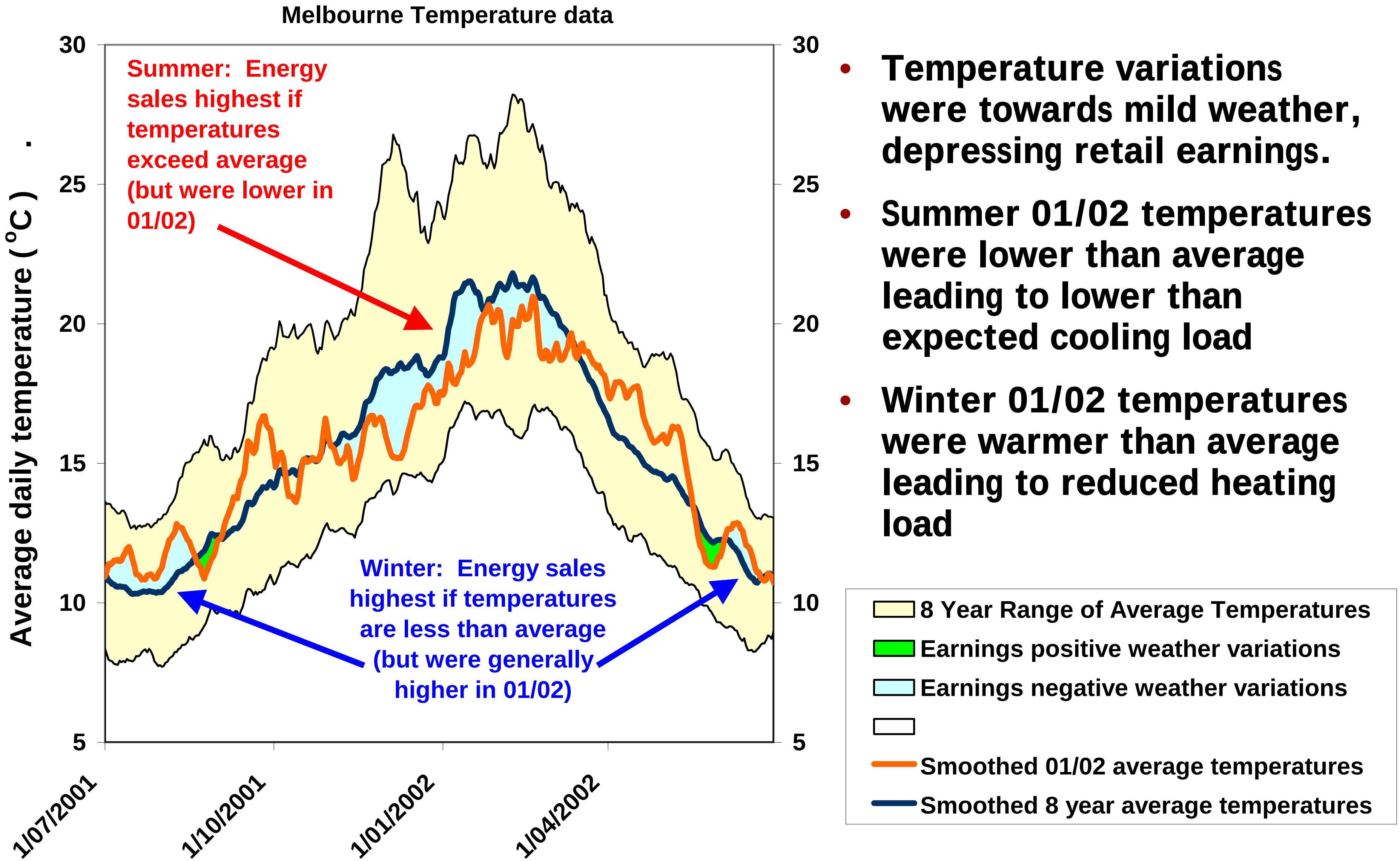
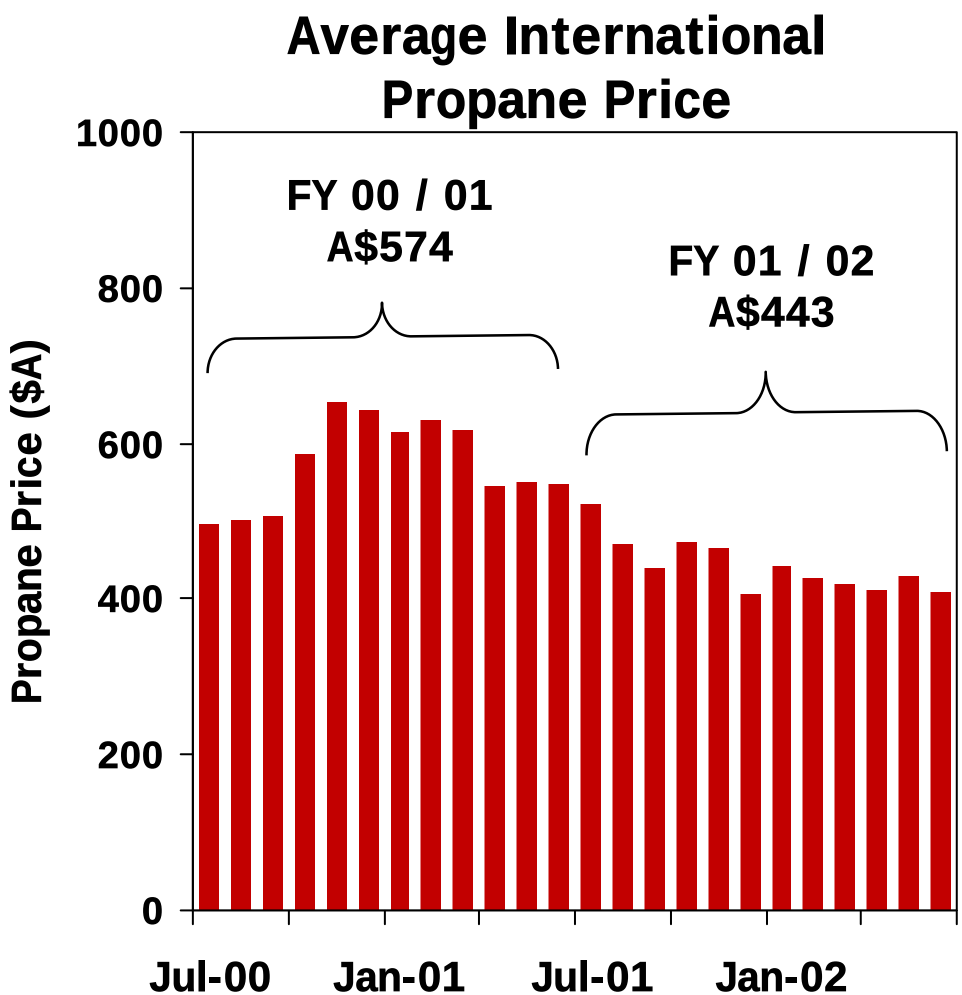
Weather conditions were milder than average in both summer and winter



- **Temperature variations were towards mild weather, depressing retail earnings.**
- **Summer 01/02 temperatures were lower than average leading to lower than expected cooling load**
- **Winter 01/02 temperatures were warmer than average leading to reduced heating load**

LPG has benefited from a focus on costs and disciplined pricing, improving returns despite lower volumes



- **Business improved from marginal profitability to in excess of 20% OCFR**
- **Debtor performance improved significantly, improving cash flow and reducing funds employed**
- **Wholesale LPG prices reduced by 20% compared to prior period (after increasing 150% between FY99 & FY01)**
- **Volumes down 11% (mostly Autogas) as higher prices reduced attraction of LPG as an alternative fuel**

The company is well prepared for FRC in mass markets

Electricity

- **Major systems enhancement and consolidation project completed**
  - **gives a compliant marketing, sales and customer service capability for existing contestable markets**
  - **will be further enhanced to manage natural gas contestability in Victoria in October**
- **No new systems introduced but leverages existing ones**
  - **will be used as the platform to which CitiPower customers will be migrated to**

Natural Gas

- **Systems are in the process of further enhancement to manage natural gas contestability in Victoria in October**

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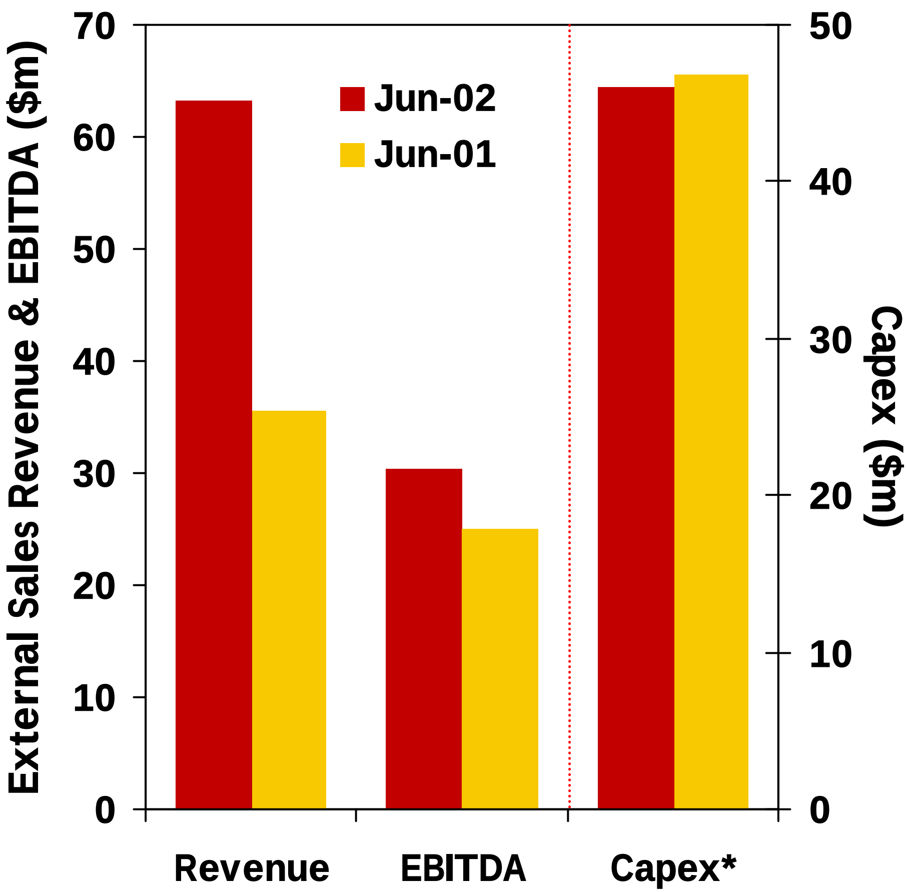
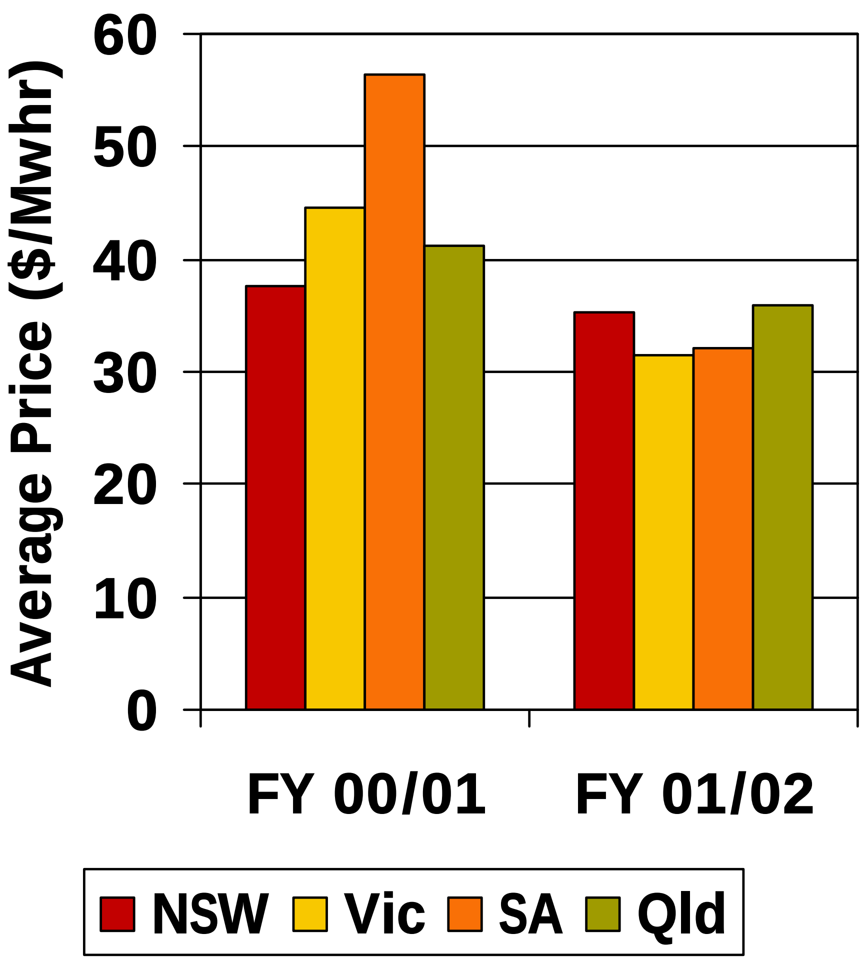
Generation: EBITDA up 22% to $30 million largely due to contributions from Worsley and Quarantine



* excludes acquisitions

- **Quarantine power station on line in late December 2001 on time and under budget**
- **Mild summer resulted in low pool prices depressing earnings in the merchant sector**
- **Worsley acquisition completed in May 2002. Full year contribution booked in second half**
- **Bulwer Island rectification program improved availability in second half**

FY 01 / 02 saw a significant reduction in electricity pool prices across all States



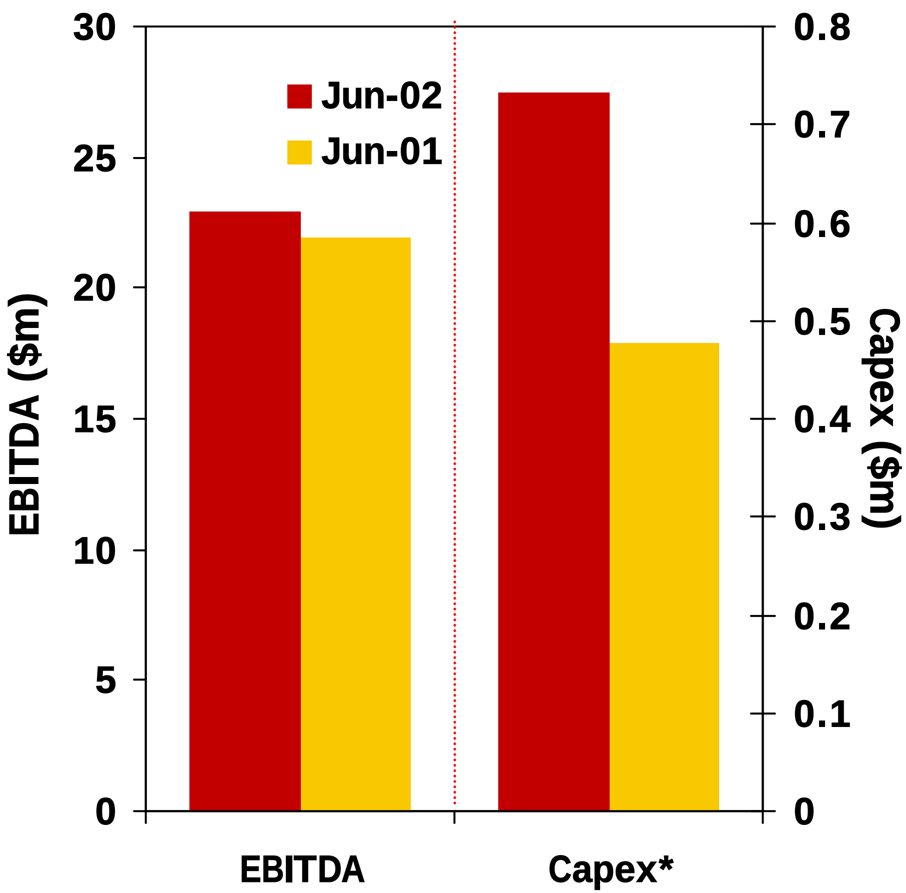
- The trend for lower average power prices evident in the first half has continued into the second half
- South Australia has experienced lower average prices than NSW - a situation at odds with the cost of generation
- This was largely as a result of the installation of new peaking capacity in Victoria and SA, and one of the coolest summers on record for these states

Origin energy

Merchant plant has operated to expectations in the low price environment caused by the mild summer.

	Origin Interest %	Capacity MWe	Capacity Factor %	Av. price received $/MWh
Merchant Plant				
Ladbroke	**100**	**80**	**72**	**31**
Quarantine	**100**	**96**	**10**	**97**
Roma	**100**	**74**	**3**	**194**

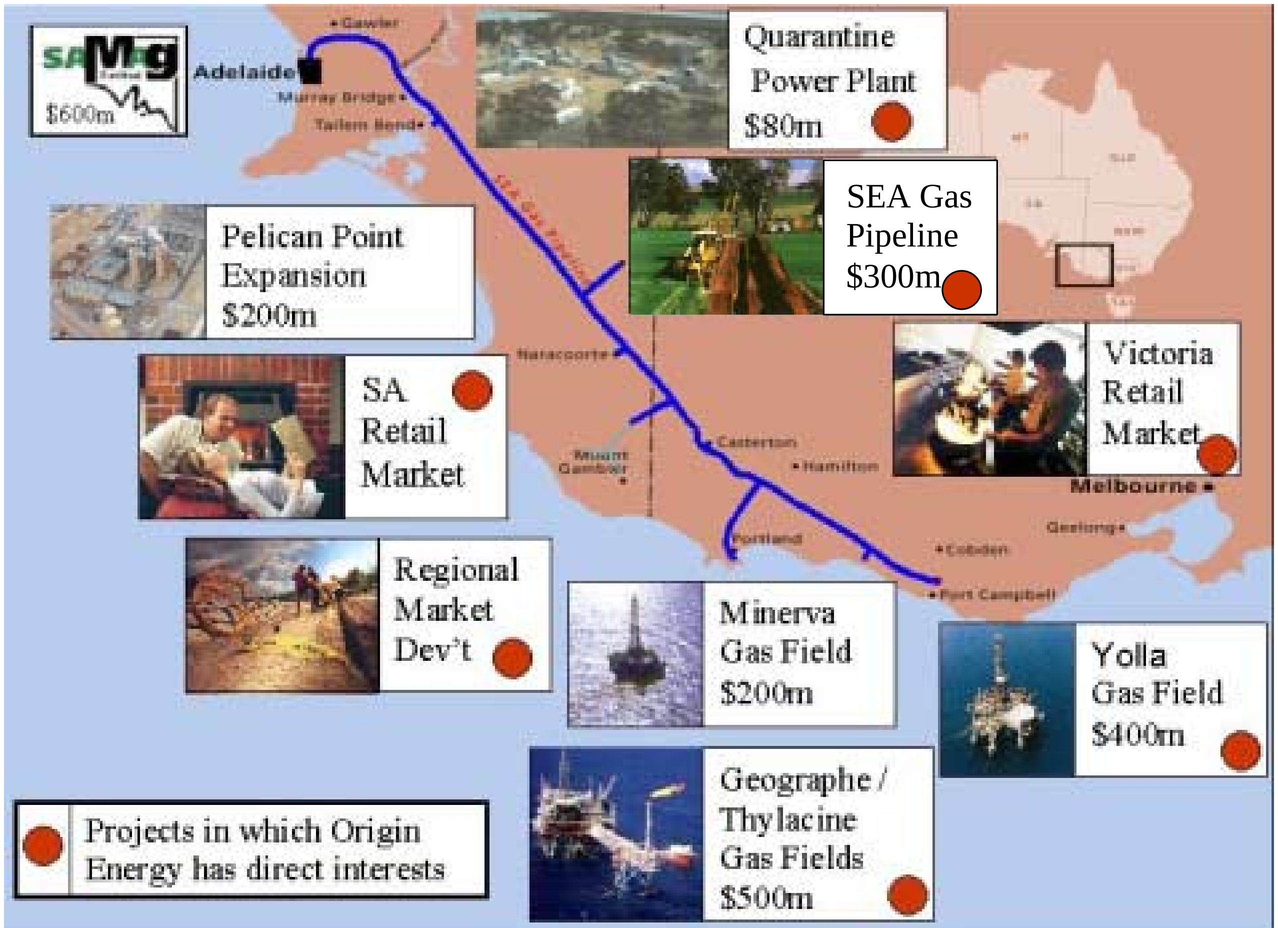
Networks: EBITDA increased 4% to $22.9 million as a result of increased management fees and higher distributions from Envestra



* excludes acquisitions

- Investment in Envestra increased by $15.2 million as part of rights issue
- Higher distributions from Envestra
- Over 24,000 new customers connected
- 290 km of new mains
- 140 km of mains replaced
- Management fees under Envestra haulage agreement increased from 2.5% to 3% for SA, Qld, NT.

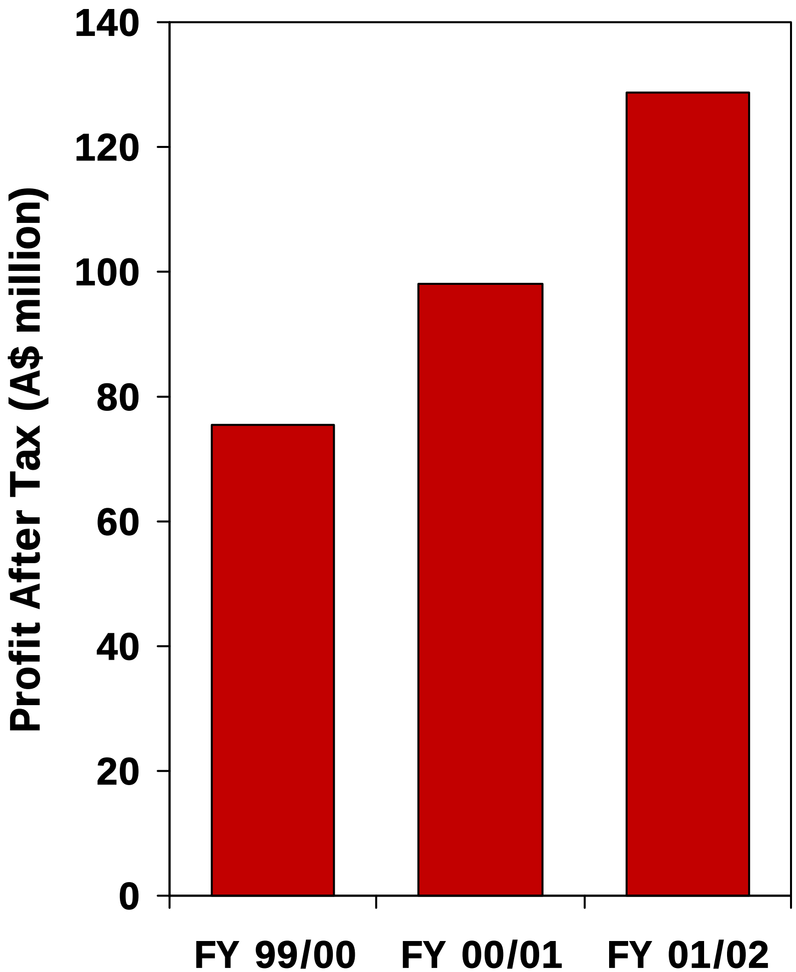
SEAGas project met financial close late May 2002 and is on target to deliver first gas in early 2004



- **680 km pipeline**
- **Initial capacity 45 PJ/a increasing to 70 PJ/a fully compressed**
- **Origin has entered into long term contracts for up to 35 PJ/a capacity**
- **Discussions with potential shippers continues**
- **Pipe order placed in July 2002**
- **First gas January 2004**

Outlook

Origin has increased profit by over 70% since the demerger. The profit outlook includes…..



Positives

- Contribution from the CitiPower retail business from July 02
- Full year contribution from higher electricity & natural gas tariffs
- Retained Profit ceases 1 Oct. 02
- Full year contribution from Quarantine power station

Negatives

- Integration costs of retail business
- Higher depreciation charges associated with retail systems
- Higher cost of retail churn and customer management
- Lower oil production

…..and Origin expects a further increase in profit in the coming year

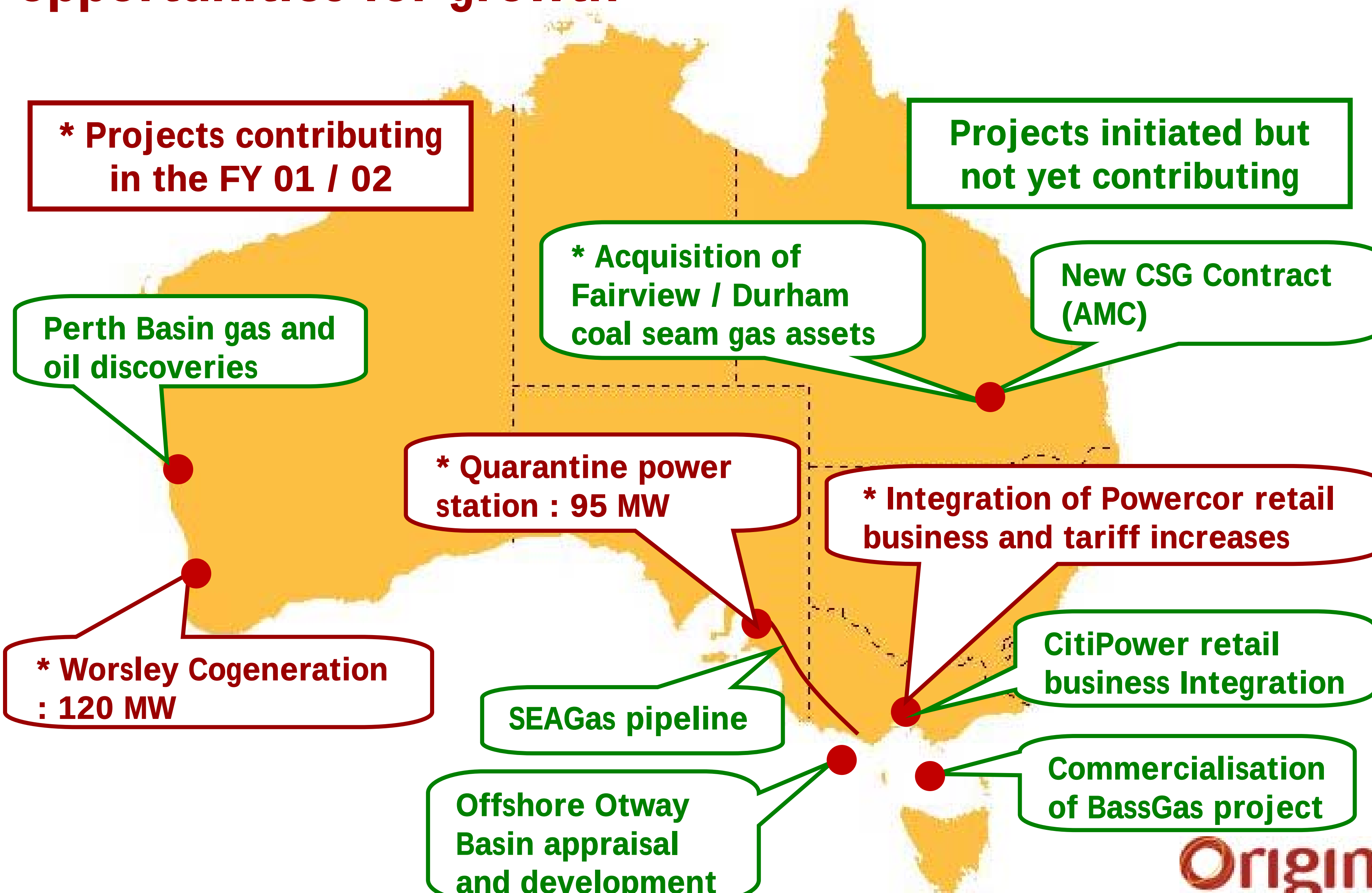
Profit sensitivities and hedging

Sensitivities (inclusive of hedging)	
Oil price US$1 inc/dec	A$1.2 m inc/dec
US$ 0.01 inc/dec	A$0.8 m dec/inc
1 degree day colder/warmer	$0.05m inc/dec (natural gas only)
Interest rate 1% inc/dec	A$1.8 m dec/inc

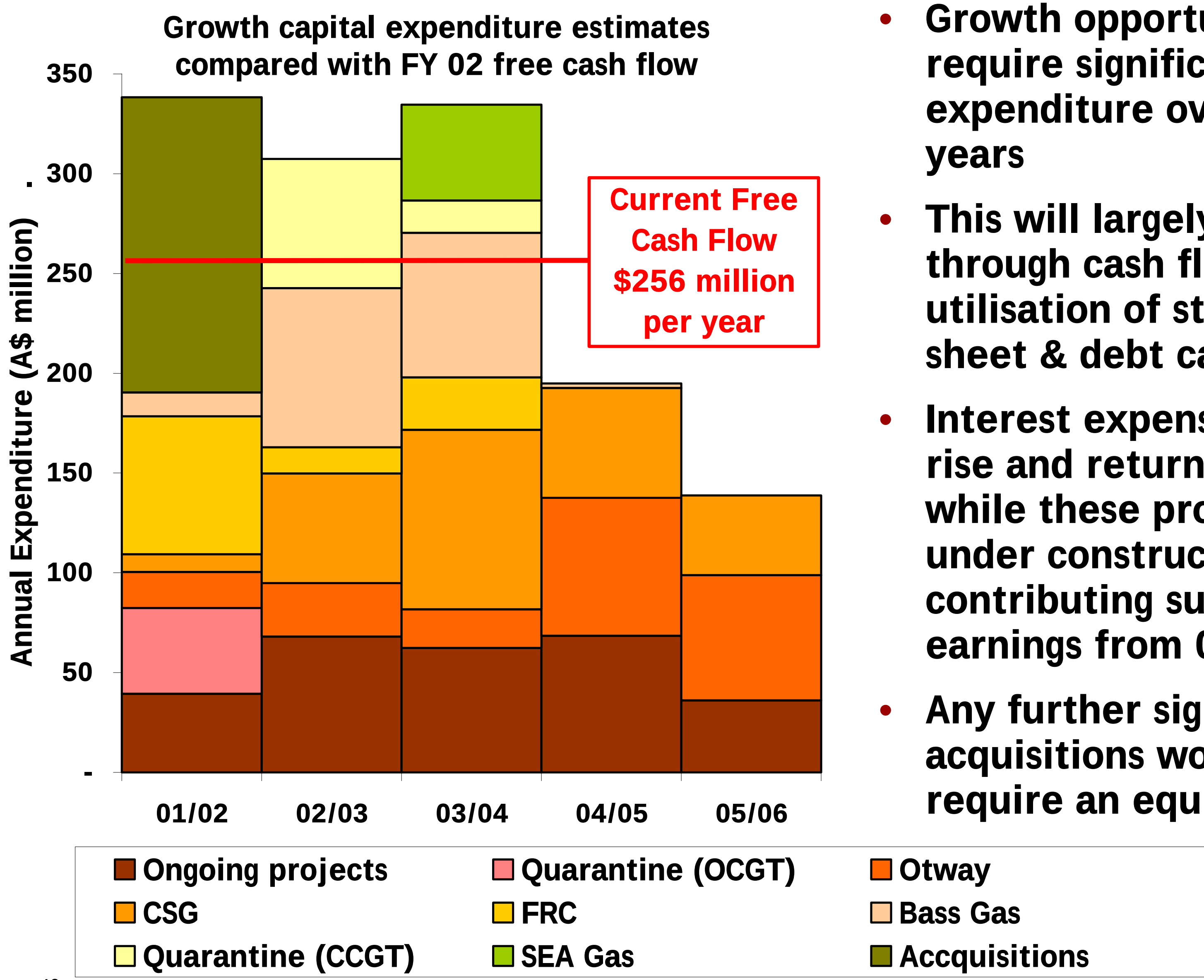
Hedging	2002/03
<u>Oil price</u>	
% hedged	53%
Average hedge price	> US$23
<u>USD</u>	
% hedged	51%
Average hedge price	<53.5 US cents
<u>Electricity</u>	
Peak Cover (extreme summer)	101%
Energy Cover (average demand)	103%

Natural hedging in the business, together with external hedges, reduces earnings risk

Origin's strategic focus continues to provide opportunities for growth



Growth will be driven by development of new projects from balance sheet and strong cash flows



- Growth opportunities will require significant capital expenditure over the next few years
- This will largely be funded through cash flows, plus utilisation of strong balance sheet & debt capacity
- Interest expense is likely to rise and returns may be lower while these projects are under construction before contributing substantially to earnings from 04/05
- Any further significant acquisitions would likely require an equity raising

Origin will continue to deliver value to shareholders through:

- A strategic position that has differentiated Origin from other energy companies in Australia
- A focus on risk management and improving the performance of existing businesses
- Growth from prospects generated within the business and acquisition of value adding businesses

Origin maintains the long term goal of achieving growth of 10-15% pa and expects to continue to achieve this over the next few years

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