

## 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 Thursday, 16 October 2003.

### **Attending the meeting or appointing a proxy**

If you are able to attend the Meeting, please bring the proxy 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.originenergy.com.au/agm](http://www.originenergy.com.au/agm)

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**

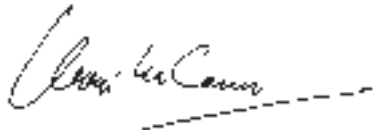
The Notice of Meeting covers all of the business to be conducted. Included in the Explanatory Notes is information on the Directors' seeking re-election which will be of assistance to you in considering your vote on item 2. The Explanatory Notes also provide information on the special business being items 3-6.

### **Shareholders unable to attend**

If shareholders who are unable to attend have any questions which would ordinarily be covered at the Meeting, they can 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 ASX Perpetual Registrars Limited on (02) 8280 7155 or 1300 664 446.

Yours sincerely

A handwritten signature in black ink, appearing to read "Kevin McCann", with a dashed line extending from the end of the signature.

Kevin McCann  
Chairman  
Origin Energy Limited

You can appoint your proxy on-line at: [www.originenergy.com.au/agm](http://www.originenergy.com.au/agm)

# 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, New South Wales at 10.30am on Thursday, 16 October 2003.

## Ordinary Business

1. To receive and consider the Statements of Financial Position and Statements of Financial Performance of the company and the entities it controlled during the year for the year ended 30 June 2003 and the reports of the Directors and Auditors thereon.

### 2. To elect Directors

Helen M Nugent, H Kevin McCann, Bruce G Beeren and Colin B Carter, being eligible, offer themselves for election.

Details of their qualifications and experience 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

### 3. Grant of options to Mr Grant A King – Managing Director

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

“That the grant to Managing Director, Mr Grant A King of options to subscribe for up to one million (1,000,000) 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 one million (1,000,000) fully paid ordinary shares in the company pursuant to the valid exercise of those options is hereby approved.”

### 4. Grant of options to Mr Bruce G Beeren – Executive Director

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

“That the grant to Executive Director, Mr Bruce G Beeren of options to subscribe for up to five hundred and fifty thousand (550,000) 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 Bruce G Beeren of up to five hundred and fifty thousand (550,000) fully paid ordinary shares in the company pursuant to the valid exercise of those options is hereby approved.”

## Voting exclusion

The company will disregard any vote cast on Resolutions 3 and 4 by Mr King, Mr Beeren 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 \$300,000 to \$950,000 per annum.”

## 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.

## 6. Constitution Change – Proportional takeover bids

To consider and, if thought fit, pass the following resolution as a special resolution:

“That the Constitution of the company be amended by re-inserting the following provision as Article 64:

### *Proportional takeover bid approval*

64. (a) In this Article:

“Approving Resolution” means a resolution to approve a proportional takeover bid in accordance with this Article 64.

“Deadline” means the 14th day before the last day of the bid period for a takeover bid.

“Voter” means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

- (b) The company must refuse to register a transfer of shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Article 64.

- (c) This Article 64 ceases to apply on the third anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.
- (d) Where offers are made under a proportional takeover bid, the Directors must, subject to the Corporations Act, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (e) The provisions of this Constitution concerning meetings of members (with the necessary changes) apply to a meeting held under paragraph (d).
- (f) Subject to this Constitution, every Voter present at the meeting held under paragraph (d) is entitled to one vote for each share in the bid class securities that the Voter holds.
- (g) To be effective, an Approving Resolution must be passed before the Deadline.
- (h) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (i) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Article 64, to have been passed in accordance with this Article 64.”

By order of the Board



William Hundy  
**Secretary**  
Sydney, 8th September 2003

## Notes

- (i) Pursuant to Regulation 7.11.37 of the Corporations Act 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 Tuesday, 14 October 2003.
- (ii) A member has a right to appoint 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) A proxy need not be a member of the company.
- (iv) 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, ASX Perpetual Registrars Limited, by 10.30 am on Tuesday, 14 October 2003. A proxy may be mailed to ASX Perpetual Registrars Limited at Locked Bag A14, Sydney NSW 1235, hand delivered to ASX Perpetual Registrars Limited at 580 George Street, Sydney NSW or sent by facsimile to ASX Perpetual Registrars Limited on (02) 8280 7646.

## Explanatory Notes

### Resolution 2 – Candidates for Election as Directors

#### Helen M Nugent,

Independent non-executive Director,  
Aged 54

Dr Nugent joined the Board in March 2003 and is a member of the Audit, Remuneration, Nomination and HSE Committees. Previously Director of Strategy for Westpac Banking Corporation from 1994 to 1999, and a Director of United Energy Limited from 1999 to 2002, Dr Nugent is currently Chairman of Swiss Re Australia and Funds SA, and a Director of Macquarie Bank Limited, Carter Holt Harvey Limited, Freehills, Australia Post and UNiTAB Limited. Dr Nugent holds a Bachelor of Arts, a Doctorate of Philosophy, and a Masters of Business Administration. She is a Fellow of the Australian Institute of Company Directors.

#### H Kevin McCann,

Independent non-Executive Chairman,  
Aged 62

Mr McCann joined the Board and was appointed Chairman in February 2000. He is a member of the Audit, Nomination, Remuneration and HSE Committees. As Chairman of Allens Arthur Robinson, Mr McCann practises as a commercial lawyer specialising in mergers and acquisitions, mineral and resource law and capital market transactions. He is Chairman of Healthscope Limited, Triako Resources Limited and Sydney Harbour Federation Trust, and a Director of Macquarie Bank Limited and BHP Steel Limited. He is also a member of the Takeovers Panel. Mr McCann has an Arts degree, a Law degree (Honours), a Masters in Law and is a Fellow of the Australian Institute of Company Directors.

#### Bruce G Beeren,

Executive Director, Commercial,  
Aged 54

Mr Beeren joined the Board in March 2000. With over 25 years experience in the energy industry, Mr Beeren was establishment Chief Executive Officer of VENCORP and held a number of senior management positions at AGL, including Chief Financial Officer and General Manager, AGL Pipelines. Mr Beeren is a Director of Envestra Limited and equisuper Pty Ltd. He has a Science Degree, a Bachelor of Commerce and a Masters of Business Administration and is a Fellow of CPA Australia and the Australian Institute of Company Directors.

#### Colin B Carter,

Independent non-executive Director,  
Aged 60

Mr Carter joined the Board in February 2000 and is a member of the Remuneration, Nomination and HSE Committees. Previously a management consultant at The Boston Consulting Group, Mr Carter is now a Senior Advisor to that firm. Mr Carter is a Commissioner of the Australian Football League and currently holds directorships of Melbourne 2006 Commonwealth Games Pty Ltd, Wesfarmers Limited and several not-for-profit organisations. He has a Commerce degree and a Masters of Business Administration.

#### Directors' recommendation

All of the Directors, other than those Directors standing for re-election, recommend that you vote in favour of the re-election of each of Helen M Nugent, H Kevin McCann, Bruce G Beeren and Colin B Carter, having regard to their respective qualifications to act as Directors of your company.

### Resolution 3 – Grant of options to Mr Grant A King

This resolution is being put to shareholders to obtain shareholder approval for the grant to Mr King of options to subscribe for up to one million (1,000,000) fully paid ordinary shares in the company with an exercise price of equal to the Origin Energy market price ("options") and to the allotment to Mr King of up to one million (1,000,000) fully paid ordinary shares in the company on the exercise of those options. ASX Listing Rule 10.14.1 requires shareholder approval for the grant of options to Mr King as he is a Director of the company. No more than 50% of the options will be issued within six months of shareholder approval and no more than the balance will be issued within 18 months of shareholder approval.

A summary of the terms of the options, and the Directors' recommendation in relation to resolution 3, are set out in the explanatory note relating to resolution 4 below.

### Resolution 4 – Grant of options to Mr Bruce G Beeren

This resolution is being put to shareholders to obtain shareholder approval for the grant to Mr Beeren of options to subscribe for up to five hundred and fifty thousand (550,000) fully paid ordinary shares in the company with an exercise price of equal to the Origin Energy market price

("options") and to the allotment to Mr Beeren of up to five hundred and fifty thousand (550,000) fully paid ordinary shares in the company on the exercise of those options. ASX Listing Rule 10.14.1 requires shareholder approval for the grant of options to Mr Beeren as he is a Director of the company. No more than 50% of the options will be issued within six months of shareholder approval and no more than the balance will be issued within 18 months of shareholder approval.

#### Summary of the terms of the options to be granted to Mr Grant A King and Mr Bruce G Beeren

The options will be granted pursuant to the Origin Energy Senior Executive Option Plan which forms part of Origin's long term incentives program designed to motivate executives and create shareholder wealth over the longer term.

The terms of the proposed options are summarised below.

The exercise price of the options will be equal to the Origin Energy market price. This will be determined by dividing the total of the sale values of the company's Shares on each of the five trading days immediately prior to the Board approving an offer of options to Mr King or Mr Beeren on the stockmarket conducted by ASX (excluding sales reported as special crossings, New Zealand Stock Exchange purchases or sales, Recognised Stock Exchange (as referred to in the ASX Business Rules) purchases or sales, late or overnight purchases or sales or option exercises on those days under the ASX Business Rules) by the number of the company's shares the subject of sales on those days.

The exercise of the options will be subject to the achievement of a performance hurdle which will be measured by comparing the performance of the company with the performance of other companies in which shareholders may potentially invest. This is in line with the approach of other major Australian companies.

Accordingly it is intended that the options are capable of exercise depending on the maximum Total Shareholder Return of the company relative to the Total Shareholder Return of a group of companies during the exercise period of the options. This group of companies (the "reference group") consists of not less than 50 companies selected by the company's Directors from

the ASX Top 100 from time to time. The current list of the companies in the reference group is set out below.

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

The period over which the Total Shareholder Return of the company is compared with the Total Shareholder Return of the reference group commences three years after the grant 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 Total Shareholder Return 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%
Reaches the 50th percentile of the TSR of the companies in the reference group	50%*
Reaches or exceeds the 75th percentile of the TSR of the companies in the reference group	100%

\* The percentage of options which become exercisable increases proportionately from the 50th percentile up to the 75th percentile.

#### Reference group of companies

BHP Billiton	Sky City	Coles Myer	CSR
CC Amatil	Entertainment	BHP Steel	Patrick Corp
Newcrest Mining	Fosters Brewing	Air New Zealand	WMC Resources
Telstra	Orica	Amcor	Boral
One Steel	Ansell	Mayne Group	Oil Search
Rio Tinto	Woodside	Soul Pattinson	AGL
Southcorp	Lion Nathan	Qantas	Coal & Allied
Toll Holdings	Billabong	Leighton	Alintagas
Woolworths	Westfield Holdings	Burns Philp	Lend Lease
CSL	Harvey Norman	Macquarie	Transurban
Paperlinx	TAB (NSW)	Infrastructure Trust	Macquarie Airports
Wesfarmers	Telecom Corp NZ	Caltex Australia	Brambles
James Hardie	Mirvac Group	Santos	Flight Centre
	Lihir Gold	Fletcher Building	Tabcorp
			Foodland

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.

The options may also be exercisable at any time or prior to the third anniversary of the grant of the options, if an acquisition of all of the issued shares in Origin Energy is made or notice is given of a proposal to make an acquisition of more than 20% of the shares in the company and on the termination of Mr King or Mr Beeren's employment as a consequence of his death, permanent disablement or other circumstances in which the company's Board determines in its absolute discretion that the options should be exercisable.

The options will lapse if not exercised within the period specified above or in the event that Mr King's or Mr Beeren's employment is terminated for cause.

The options will be unlisted and will be granted for no consideration. The shares issued on exercise of the options will rank equally with other ordinary shares from their date of issue. The company will apply to ASX for official quotation of shares issued on exercise of the options. The company will not provide any loan to Mr King or Mr Beeren in relation to either the grant of the options or the exercise of the options.

Other terms of the options relate to the manner of exercise of options and adjustment for a rights issue, a bonus issue or reconstruction of the company's share capital, in each such case in accordance with the ASX Listing Rules.

Details of any options granted pursuant to resolutions 3 and 4 will be published in each annual report of the company relating to a period in which such options were granted, together with a statement that approval for the grant of the options (and the allotment of fully paid ordinary shares in the company pursuant to the valid exercise of those options) was approved under ASX Listing Rule 10.14.

Any persons referred to in ASX Listing Rule 10.14 (being principally directors of the company and their associates), other than Mr King and Mr Beeren, who become entitled to participate in the Origin Energy Senior Executive Option Plan will not participate until approval is obtained under ASX Listing Rule 10.14.

A copy of the rules of the Origin Energy Senior Executive Option Plan may be obtained free of charge from the company's registered office at Level 39, 50 Bridge Street, Sydney, New South Wales.

#### Directors' interests and recommendations

None of the Directors other than Mr King and Mr Beeren, has any interest in the outcome of resolutions 3 and 4 except to provide an appropriate incentive to Mr King and Mr Beeren to maximise shareholder wealth.

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

#### Resolution 5 – Increase in Directors' fees

Shareholders previously fixed the maximum sum of fees payable to the Directors by the company and its unlisted subsidiaries at \$650,000 per annum at the Annual General Meeting of Shareholders in 1989.

To recognise the significant growth of the company since it listed as Origin Energy in 2000, and the additional duties and responsibilities imposed on Directors, approval is sought to fix the limit at which fees may be payable to the Directors at \$950,000 per annum.

In considering this resolution shareholders should note that the maximum level of fees was last set in 1989. The need to increase the level of maximum fees arises from the following factors:

1. The number of non-executive Directors has increased from four to five Directors. In addition, the number of Directors on Committees has also been increased to ensure these Committees meet best practice corporate governance guidelines.

2. The work load and responsibilities of Directors on the Board and Committees has increased in line with the growth of the company since the demerger in 2000.
3. A market review of fee levels has established that non-executive Directors fees have been below fees paid to comparable companies of Origin's size and complexity. This has occurred because of the significant growth in the size of the company since it became Origin Energy in 2000.
4. In accordance with best practice corporate governance guidelines the Board has terminated the non-executive Directors' retirement benefit and replaced it with fees that Directors are required to apply to the acquisition of Origin Energy shares until they hold a minimum of 25,000 shares in the company. Once a Director (or interests associated with the Director) has acquired this number of shares the additional fees may be directed to superannuation. The amount of the benefit previously accruing under the Non-Executive Directors' Retirement Plan was not included in the amount of fees approved by shareholders so that these payments will now require approval of shareholders as part of the fees which are authorised for payment to the Directors.

Directors Grant King and Bruce Beeren, being executive Directors who will not receive any Director's fees under this resolution, recommend approval of the resolution, based on the company's need to attract and retain qualified Directors and having regard to the increased duties and responsibilities being imposed on Directors.

#### **Resolution 6 – Constitution amendments – Proportional takeover bids**

Under the Corporations Act, a company is empowered to include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by the shareholders in general meeting approving the offer.

At the General Meeting of the company held on 11 April 2001 shareholders voted in favour of renewing such a provision. The provision ceases to have effect on the third anniversary of its adoption. The Directors of the company consider that it is appropriate to reinstate the provision for a further term of three years before it would otherwise expire in April 2004.

#### **Proportional takeover bid**

A proportional takeover bid is a takeover offer sent to all shareholders but only in respect of a specified portion of each shareholder's shares. Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, the shareholder will dispose of the specified portion of the shareholder's shares in the company and retain the balance of the shares.

#### **Effect of proportional takeover provision**

The effect of the proposed Article 64 is that if a proportional takeover bid is made to shareholders, the Directors are obliged to convene a meeting of shareholders to be held 15 days or more before the offer closes. The purpose of the meeting is to vote upon a resolution to approve the proportional takeover bid.

If no such resolution is voted on within the required timeframe, the resolution is deemed to have been approved. This in effect means that the shareholders as a body may only prohibit a proportional takeover bid by rejecting such a resolution.

If the resolution is approved or deemed to have been approved, transfers of shares under the proportional takeover bid (provided they are in all other respects in order for registration) will be registered.

If the resolution is rejected, registration of transfers under the proportional takeover bid are prohibited and the offer is deemed by the Corporations Act to have been withdrawn.

The proposed Article 64 expires three years after adoption unless renewed by a further special resolution.

A proportional takeover provision does not apply to full takeover bids.

#### **Reasons for proposing the resolution**

A proportional takeover bid may result in effective control of Origin Energy changing hands without shareholders having the opportunity of disposing of all their shares. Shareholders could be at risk of passing control to the offeror without payment of an adequate control premium for all their shares whilst leaving themselves as part of a minority interest in the company.

The proposed Article 64 can prevent this occurring by giving shareholders the opportunity to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

#### **Presently proposed acquisitions**

As at the date of these Explanatory Notes, no Director of Origin Energy is aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the company.

#### **Potential advantages and disadvantages for the Directors and shareholders**

The Directors consider that it is a potential advantage to all shareholders that they have the opportunity to consider and vote upon any proposed proportional takeover bid. For a proportional takeover bid to be approved, it must be approved by more than half of the shares voted at the meeting excluding the shares of the offeror and its associates, and accordingly the existence of the Article is likely to cause an intending offeror to formulate its offer in a way that would be attractive to a majority of shareholders. It may also have the effect of not allowing control of the company to pass without payment of a control premium.

The Directors consider that it would be an advantage to them to have the opportunity to ascertain the views of shareholders on any proportional takeover bid.

As to the possible disadvantages of such an Article, it may be perceived by some shareholders that its presence may make a proportional takeover bid less likely to succeed and that therefore the chances of receiving an opportunity to dispose of part of their shares would be reduced because potential offerors may be discouraged from making a proportional takeover bid. This may be thought to potentially remove or reduce any speculative element of the market price of Origin Energy's shares arising from the possibility of a proportional takeover bid. Some shareholders may consider the presence of the Article to be a restriction on their freedom to deal as they see fit with their shares.

During the period in which the previous proportional takeover provision was in effect, the advantages and disadvantages set out above have applied.

#### **Directors' recommendation**

The Directors of the company consider the proposed Article 64 to be in the interest of shareholders and recommend that you vote in favour of the resolution.

