

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, 20 October 2004.

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.

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

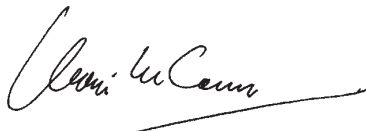
The Notice of Meeting covers all of the business to be conducted. Included in the Explanatory Notes, is information on the Directors' seeking re-election and a recommendation of the Board. This should be of assistance to you in considering your vote on item 2. The Explanatory Notes also provide information on the special business in items 3-4.

Shareholders unable to attend

If shareholders who are unable to attend have any questions which would ordinarily be covered at the meeting including questions that may be directed to the Auditor, 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 long horizontal flourish extending to the right.

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, New South Wales at 10.30am on Wednesday, 20 October 2004.

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 2004 and the reports of the Directors and Auditors thereon.

2. To elect Directors

J Roland Williams and Trevor Bourne, 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

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 over two years, 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.'

Voting exclusion

The company will disregard any vote cast on Resolution 3 by Mr King and his 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.

4. Increase in non-executive 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 non-executive Directors of the company be increased by \$450,000 to \$1,400,000 per annum.'

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.

By order of the Board



W M Hundy

Secretary

Sydney, 31 August 2004

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 Monday, 18 October 2004.
- (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, ASX Perpetual Registrars Limited, by 10.30am on Monday, 18 October 2004. A proxy may be mailed to ASX Perpetual Registrars Limited at Locked Bag A14, Sydney South NSW 1235, hand delivered to ASX Perpetual Registrars Limited at Level 8, 580 George Street, Sydney NSW or sent by facsimile to ASX Perpetual Registrars Limited on (02) 9287 0309.

Explanatory notes

Resolution 2 – Candidates for election as Directors

J Roland Williams,

Independent non-executive Director,
Aged 65

Dr Williams joined the Origin Energy Board in February 2000 and is Chairman of the Audit Committee and a member of the Nomination and HSE Committees. He retired in June 1999 as Chairman and Chief Executive of Shell Australia Limited and in November 2003 he retired as Chairman of Australian Magnesium Corporation Limited. He is a Director of Boral Limited and COSCO Oceania Pty Limited and a Council Member of Australian Strategic Policy Institute Limited. Dr Williams holds a Chemical Engineering degree (Honours) and a Doctorate of Philosophy, and is a Fellow of the Australian Institute of Company Directors.

Dr William's extensive experience in the petroleum and resources industry and broad commercial expertise has proven valuable to the Board and in his role as Chairman of the Audit Committee.

Trevor Bourne,

Independent non-executive Director,
Aged 58

Mr Bourne joined the Board in February 2000 and is Chairman of the Remuneration Committee and a member of the Nomination and HSE Committees. He retired in December 2003 as Chief Executive Officer of Tenix Investments Pty Limited. Previously Managing Director of Brambles Australia Limited, Mr Bourne also held a number of directorships in various Brambles subsidiaries and joint ventures. He is a Director of Coates Hire Limited and Lighting Corporation Limited. Mr Bourne has a Mechanical Engineering degree (with Merit) and a Masters of Business Administration.

Mr Bourne's broad business background and his leadership experience ensures that he brings to the Board an understanding of the key issues that will drive the company's success.

Directors' recommendation

The Board 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 concluded that each of Dr Williams and Mr Bourne made valuable contributions to the Board. The Board concluded that the two Directors should be retained and accordingly recommend that you vote in favour of their re-election. Dr Williams and Mr Bourne did not participate in their own performance evaluation nor did they vote in respect of the recommendation relating to their re-election.

Resolution 3 – Grant of options to Mr Grant A King

This resolution seeks shareholders' 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 ('options') with an exercise price equal to the Origin Energy market price as determined at the time of grant 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. If approved, the options will be issued in two tranches over a two year period in respect of the years ending 30 June 2006 and 30 June 2007. The actual number of options issued by the Board will depend upon their assessment of Mr King's performance over the preceding years.

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

Requirement for approval

ASX Listing Rule 10.14 provides that a listed company may only permit a Director of the company to acquire shares or rights to shares under an employee incentive scheme where that Director's participation has been approved by an ordinary resolution of shareholders. This rule applies to Mr Grant King, the Managing Director of the company.

Following shareholder approval at the 2003 Annual General Meeting the following options were issued to executive Directors of the company:

- Mr Grant King – Managing Director
 - 500,000 options on 19 December 2003 with an exercise price of \$4.31

- 500,000 options on 6 August 2004 with an exercise price of \$6.14
- Mr Bruce Beeren – Executive Director, Commercial
 - 275,000 options on 19 December 2003 with an exercise price of \$4.31
 - 275,000 options on 6 August 2004 with an exercise price of \$6.14

The options granted in December 2003 were in respect of long term incentive awards for the year ending 30 June 2004. The options granted in August 2004 relate to the year ending 30 June 2005.

Background

Origin's remuneration policy for executive Directors is discussed in the Directors' Report in the 2004 Annual Report.

Grant King as Managing Director is entitled to receive:

- Fixed remuneration of \$1,300,000 per annum, as determined by the Board by reference to market conditions; and
- Variable performance based remuneration in the form of short-term incentives (STI) equal to 60% of fixed remuneration and long-term incentives (LTI) equal in value to 100% of fixed remuneration.

The remuneration policy for Mr King and executive Directors and senior executives is designed to align their interests with shareholders and to competitively set remuneration levels to attract, motivate and retain qualified and experienced executives.

Short-term incentives are paid dependent upon the achievement of operating and financial targets set at the beginning of the year. Long-term incentives are provided by the issuance of options under the Senior Executive Option Plan under which options have been awarded as a reward for performance during the year and as an incentive for future performance.

In 2003 Origin reviewed whether options over unissued shares was an appropriate form of equity based remuneration. The review concluded that an options based equity remuneration program, with appropriate performance hurdles is an effective means of providing long-term incentives that motivate and reward executives and also provide alignment with shareholders' interests.

After further review in 2004, the Board considers that Origin's remuneration policies and practices have been successful in meeting its remuneration objectives to deliver long-term value to shareholders.

Origin has been consistently profitable since its formation out of the Boral demerger in 2000. Since then its net profit has grown by an average of over 27% annually from \$75 million in 2000 to \$205 million in 2004. In that period Origin's Total Shareholder Returns place it in the top 10% of all companies in the ASX 100.

The fair value of each option on grant to Mr King will not be known precisely until they have been granted. However, as an indication, the fair value has been estimated at \$1.49 per option assuming an exercise price of \$5.87 being the closing market price on 26 August 2004. The Board believes that the benefit that Mr King will receive as a result of the issue of the options to be reasonable in the circumstances of Origin and Mr King and within the maximum for long-term incentives that he is entitled to receive.

Each option is exercisable into one Origin share. As at 26 August 2004 the number of shares on issue was 669,373,610. Assuming that each option that is proposed to be granted to Mr King is exercised, the extent to which existing shareholders' interests will be diluted by the exercise of these options is approximately 0.15%.

As at 31 August 2004 Mr King held 2,500,000 options. If the award of the options is approved, the Directors will have the ability to make an LTI award to Mr King for the years ending 30 June 2006 and 30 June 2007. The Directors expect to make the awards in August of 2005 and 2006 following the completion of the annual accounts.

Details of the remuneration and existing Origin share and option holdings of Mr King is shown in the Directors' Report in the 2004 Annual Report and in Note 36 in the 2004 Full Financial Report.

Summary of the terms of the options to be granted to Mr Grant A King

The terms of the proposed options to be granted to Mr King 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 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 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 Total Shareholder Return of the company is compared with the Total Shareholder Return of the reference group measured from the date of the Board approval of the grant of the options to a period commencing 3 years after that approval.

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 50 th percentile of the TSR of the companies in the reference group | 0% |
| Exceeds the 50 th percentile of the TSR of the companies in the reference group | 50%* |
| Reaches or exceeds the 75 th 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 | Patrick Corp |
| CC Amatil | Entertainment | BlueScope Steel | Alinta |
| Newcrest Mining | Fosters Group | Soul Pattinson | WMC Resources |
| Telstra | Orica | Amcor | Boral |
| Santos | Ansell | Mayne Group | Macquarie Airports |
| Onesteel | Woodside Petroleum | Burns Philp | AGL |
| Rio Tinto | Lion Nathan | Qantas | Coal & Allied |
| Southcorp | Billabong | Leighton | Rinker Group |
| Toll Holdings | Westfield Group | Fletcher Building | Lend Lease |
| Woolworths | Harvey Norman | Macquarie | Transurban |
| CSL | Lihir Gold | Infrastructure Trust | Brambles |
| Paperlinx | Telecom Corp NZ | Caltex Australia | Flight Centre |
| Wesfarmers | Mirvac Group | Oil Search | Tabcorp |
| James Hardie | Air New Zealand | CSR | 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'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 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 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 resolution 3 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, 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 & recommendations

None of the Directors other than Mr King, has any interest in the outcome of resolution 3 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.

Resolution 4 – 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 \$950,000 to a new limit of \$1,400,000.

The maximum aggregate annual limit of \$950,000 which was approved in October 2003 will not be adequate to allow for payment at market rates and to allow the appointment of additional Directors.

In considering this increase in the aggregate annual limit, shareholders are asked to consider the following:

1. Fees paid have been below market

Although the annual aggregate limit was increased in October 2003, the actual fees paid have not been increased since 1 July 2002. The level of fees was reviewed externally during the last year to determine whether non-executive Directors were being remunerated at market rates. The external review undertook a comparison of 21 listed

companies that were comparable to Origin in market capitalisation. The fee levels were also compared to broader market data of companies in the following ranges:

Market capitalisation \$2 – \$5 billion
Turnover \$2 – \$5 billion
Total assets \$2.5 – \$5 billion
Operating profit \$200 – \$500 million

As a result of this review it was found that fees paid were below market rates, in particular, the level of fees payable to the Chairman. Accordingly fees were increased from 1 July 2004 which will place Origin Directors at approximately the 75th percentile within these groups consistent with Origin's size and complexity.

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

| Year ending 30 June | 2004 | 2005 |
|---|-----------|--------------------------|
| Board Fees | | |
| Chairman | \$233,333 | \$340,000 ⁽¹⁾ |
| Member | \$93,333 | \$105,000 |
| Committee Fees | | |
| Audit | | |
| Chairman | \$26,666 | \$40,000 |
| Member | \$13,333 | \$20,000 |
| Remuneration | | |
| Chairman | \$13,333 | \$13,333 |
| Member | \$6,666 | \$6,666 |
| Health, Safety & Environment | | |
| Chairman | \$0 | \$13,333 |
| Member | \$0 | \$6,666 |
| Nomination | | |
| Chairman & Members | \$0 | \$0 |

⁽¹⁾ Fee to be paid to the Chairman for the year ending 30 June 2005 will be inclusive of all Committee fees.

The next review of fees will be undertaken at 1 July 2005 according to appropriate market data.

2. All non-executive 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. The retirement benefit is a multiple of the average annual fees over the last three years of office. This benefit is payable on the retirement of each of the Directors in office at 1 January 2003. Further accumulations under the scheme have been frozen.

3. Additional non-executive Directors may be appointed

The acquisition of Contact Energy Limited (a New Zealand listed company whose operations are mainly based in New Zealand) will substantially increase the size, complexity and geographical diversity of the Origin group. It may be appropriate to appoint suitably qualified Directors who may be based in New Zealand in recognition of the significance of Contact Energy in the Origin Energy group. The new limit will allow the company to appoint new Directors and pay fees at levels that are comparable to companies of Origin's size.

4. 25% of fees are deferred through the Non-Executive Directors' Share Plan

The Board has adopted a policy that requires all non-executive Directors to sacrifice 25% of their fees for the acquisition of shares under the Non-Executive Directors' Share Plan. Shares held by the Directors under the Non-Executive Directors' Share Plan cannot be sold until the Director retires or leaves the Board. Non-executive Directors are required to acquire and hold at least 25,000 shares in the company. After they acquire that number they may apply the fees sacrifice for the acquisition of further shares or have them paid into a complying superannuation fund. Accordingly 25% of non-executive Directors' gross fees are effectively deferred until they retire from employment or retire from the Board.

As from 1 July 2004, all non-executive Directors have elected to sacrifice 25% of their fees for the acquisition of shares under the Non-Executive Directors' Share Plan.

Directors' interests and recommendation

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

Executive Directors Grant King and Bruce Beeren recommend 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.