

## 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, 31 October 2007.

### 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 you are encouraged to arrive before the starting time of 10.30am to avoid any last minute congestion.

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

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

### Business of the meeting

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

### Shareholders' questions

Shareholders may submit written questions to Origin's external auditor KPMG to be answered at the AGM, providing the question is relevant to the content of KPMG's audit report or the conduct of its audit of Origin's financial report for the year ended 30 June 2007.


Written questions must be received no later than 5.00pm (Sydney time) on Wednesday 24 October 2007. A list of those relevant written questions will be made available to shareholders attending the AGM.

Any written questions to KPMG should be sent to:

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

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

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

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

**Kevin McCann**  
Chairman  
Origin Energy Limited

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of Origin Energy Limited ('the company') will be held in the Wesley Conference Centre, 220 Pitt Street, Sydney at 10.30am on Wednesday, 31 October 2007.

## Ordinary business

1. To receive and consider the Financial Statements of the company and the entities it controlled during the year for the year ended 30 June 2007 and the reports of the Directors and Auditors thereon.
2. To adopt the Remuneration Report of the company and the entities it controlled during the year for the year ended 30 June 2007.

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

### 3. To elect Directors

J Roland Williams and Trevor Bourne retire by rotation. Each of these Directors, being eligible, offer themselves for re-election.

Gordon M Cairns, having been appointed by the Directors, vacates office in accordance with the company's constitution and, being eligible, offers himself for election.

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

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

## Special business

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

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

- (a) 'That the grant to Managing Director, Mr Grant A King of options to subscribe for up to 400,000 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 400,000 fully paid ordinary shares in the company pursuant to the valid exercise of those options is hereby approved'; and
- (b) 'That the grant to Managing Director, Mr Grant A King of Performance Share Rights enabling him to acquire up to 250,000 fully paid ordinary shares in the company on the terms as set out in the Explanatory Notes which accompanied the Notice convening this Meeting and the allotment or transfer to Mr Grant A King of up to 250,000 fully paid ordinary shares in the company pursuant to the valid exercise of those Performance Share Rights is hereby approved.'

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

### Voting exclusion

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

However the company need not disregard a vote if:

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

By order of the Board



W M Hundy

Secretary

Sydney, 17 September 2007

## Notes

- (i) Pursuant to Regulation 7.11.37 of the Corporations Regulations, the company has determined that for the purpose of the meeting, all shares in the company will be taken to be held by the persons who held them as registered shareholders at 7.00pm (Sydney time) on Monday, 29 October 2007.
- (ii) A member has a right to appoint a person or body corporate as a proxy. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of the member's votes each proxy is entitled to exercise. Where a shareholder appoints more than one (1) proxy, neither proxy is entitled to vote on a show of hands.
- (iii) If you appoint a body corporate as your proxy, the body corporate will need to ensure that it:
  - appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act 2001 (Cth); and
  - provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.
- (iv) A proxy need not be a member of the company.
- (v) Details for completion and lodgement of proxies are on the reverse side of the Appointment of Proxy form. A proxy must be received by the company's share registry, Link Market Services Limited, by 10.30am on Monday, 29 October 2007. A proxy may be mailed to Link Market Services Limited at Locked Bag A14, Sydney South NSW 1235, hand delivered to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW or sent by facsimile to Link Market Services Limited on (02) 9287 0309.

## Explanatory Notes

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

### 1. Receive and consider reports for year ended 30 June 2007

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

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

### 2. Adoption of Remuneration Report

In accordance with Section 250R(2) of the Corporations Act 2001, the Remuneration Report is put to shareholders for adoption. The Remuneration Report is set out on pages 44 to 60 of the 2007 Annual Report and is available on Origin's website ([www.originenergy.com.au](http://www.originenergy.com.au)). The vote on this resolution is advisory only and does not bind the Directors or the Company. Reasonable opportunity for shareholders to ask questions about or comment on the Remuneration Report will be given at the meeting.

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

### 3. Election of Directors

#### J Roland Williams CBE, Independent Non-executive Director, Aged 68

Roland Williams joined the Board in February 2000. He is Chairman of the Health, Safety & Environment committee and a member of the Nomination Committee. He is a member of the Audit

Committee and was Chairman of the Committee to 1 September 2007. He retired in June 1999 as Chairman and Chief Executive of Shell Australia Limited prior to which he held the positions of Managing Director, Shell International Gas, and President, Shell Coal International. Roland Williams was previously a director of Woodside Petroleum Limited (1995-1999), Chairman of Australian Magnesium Corporation Limited (2000-2003) and a director of United Group Limited (1999-2003). He is a director of Boral Limited (since 1999), a Council Member of the Australian Strategic Policy Institute Limited and Chairman of the General Aviation Strategic Industry Leadership Group. He holds a Chemical Engineering degree (Honours) and a Doctorate of Philosophy. He is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institution of Chemical Engineers and a Companion of the Institution of Gas Engineers and Managers.

Dr Williams' extensive experience in the petroleum and resources industry and broad commercial expertise is of proven value to the Board particularly in its consideration of operations and oil and gas investments.

#### Trevor Bourne, Independent Non-executive Director, Aged 61

Trevor Bourne joined the Board in February 2000 and is Chairman of the Remuneration Committee and a member of the Nomination and Health, Safety & Environment committees. He retired in December 2003 as Chief Executive Officer of Tenix Investments Pty Limited. Prior roles include Managing Director of Brambles Australia Limited, and several directorships in Brambles subsidiaries and joint-ventures. Trevor Bourne is Chairman of Hastie Group

Limited (since November 2004), a director of Coates Hire Limited (since February 2004), a director of Caltex Australia Limited (since March 2006) and Lighting Corporation Limited (since February 2004). He has a Mechanical Engineering degree (with Merit) and a Master of Business Administration.

Mr Bourne's broad business background and his leadership experience brings to the Board an understanding of the key issues that drive Origin's business.

#### Gordon Cairns, Independent Non-executive Director, Aged 57

Gordon Cairns joined the Board on 1 June 2007 and is a member of the Remuneration, Nomination and Health, Safety and Environment committees. He has extensive Australian and international experience as a senior executive, most recently as Chief Executive Officer of Lion Nathan Limited. He has held a wide range of senior management positions in marketing and finance with Pepsico, Cadbury Schweppes and Nestlé.

Gordon is currently a director of Westpac Banking Corporation, Opera Australia and The Centre for Independent Studies. He is also an advisor to Caliburn Partnership and McKinsey & Co and a member of the Asia Pacific Advisory Board of CVC Capital Partners. He holds a Master of Arts (Honours) from the University of Edinburgh.

Mr Cairns brings to the Origin Energy Board a wealth of management expertise and broad experience from highly competitive retail markets. His management and marketing expertise will be particularly valuable in view of Origin Energy's growth profile and significant retail business.

# Explanatory Notes (continued)

## Directors' recommendation

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

Mr Cairns was appointed by the Board in June 2007 following a search process that identified his expertise and experience as being of value to Origin. The Board, other than Mr Cairns, recommend that shareholders vote in favour of Mr Cairns' election.

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

### Background

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

- (a) the grant to Grant King of options to subscribe for up to 400,000 fully paid ordinary shares in the company under the Origin Senior Executive Option Plan and the allotment to Mr King of ordinary shares in the company pursuant to the exercise of those options; and
- (b) the grant to Grant King of rights to acquire up to 250,000 fully paid ordinary shares in the company under the Origin Senior Executive Performance Share Rights Plan, and the allotment or transfer to Mr King of ordinary shares upon the exercise of those performance share rights,

in each case as part of Mr King's remuneration in respect of his performance for the financial years ending 30 June 2007 and 2008.

Shareholder approval for the grant of options to Mr King and the offer to Mr King of performance share rights is required under the ASX Listing Rules because Mr King is a director of the company.

If approved by shareholders, the Board will be authorised to make allocations to Mr King of options and performance share rights up to the number approved in two tranches:

1. The first tranche of 100,000 performance share rights to be issued in November 2007;
2. The second tranche of up to 400,000 options and 150,000 performance share rights following the release of year end results in September 2008.

The first tranche of performance share rights is to be made in November 2007 in recognition of Mr King's performance over the year ended 30 June 2007. The Board reviewed the value of the long-term incentives that had been approved at the 2006 annual general meeting of 300,000 options and 100,000 performance share rights and have formed the view that an additional 100,000 performance share rights should be granted to Mr King in recognition of his performance over the year ended 30 June 2007.

In respect of the second tranche to be issued in September 2008, shareholders should be aware that the authorisation relates to potential awards and the actual award may be less. The actual number to be awarded by the Board will be made based on an assessment of the performance of the company and his performance as Managing Director over the year ending 30 June 2008. The proposed allocation to Mr King of the long-term incentive award is to be based on a split 50% stock options and 50% performance share rights by value.

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

## Terms of the Options Granted

### Time of grant

The options will be granted within one month after the date of the announcement of the annual results in 2008.

### Consideration for grant

The options will be granted for nil consideration.

### Exercise price

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

### Exercise period

Subject to the satisfaction of the exercise hurdle and the terms of the Origin 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 five years and three months after the grant.

### Exercise hurdle

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

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

The period over which the TSR of the company is compared with the TSR of the ASX 100 commences on the date of grant of the options and is measured at each of the third, fourth and fifth anniversaries of the grant of the options ('Test Dates').

Determination of the TSR will be made on the basis of movements in the share price and dividends, calculated in a similar manner to the Accumulation Index of ASX and will be measured according to the volume weighted average price over the three months prior to the date of issuance and each Test Date.

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

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

#### Terms of the offer of Performance Share Rights

##### *Time of grant*

The performance share rights will be granted in two tranches. The first tranche of 100,000 performance share rights will be granted in November 2007 and the second tranche of up to 150,000 performance share rights will be granted within one month after the date of the announcement of the annual results in 2008.

##### *Consideration for shares*

No consideration is payable by Mr King for the performance share rights granted or on issuance or transfer of the shares.

##### *Vesting period*

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

##### *Performance hurdle*

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

The period over which the TSR of the company is compared with the TSR of the ASX 100 commences on the date of offer of the rights and is measured at each of the third, fourth and fifth anniversaries of the grant of the performance share rights.

Determination of the TSR will be made on the basis of movements in the share price and dividends, calculated in a similar

manner to the Accumulation Index of ASX and will be measured according to the volume weighted average price over the three months prior to the date of issuance and each Test Date.

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

If at the Test Dates the TSR of the company:	The percentage of rights which vest is:
Does not exceed the 50th percentile of the TSR of the companies in the reference group	0%
Exceeds the 50th percentile of the TSR of the companies in the reference group	50%
Reaches or exceeds the 75th percentile of the TSR in the reference group. The percentage of rights which become exercisable increases proportionately from the 50th percentile up to the 75th percentile.	100%

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

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

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

Details of any securities issued to Mr King under the Origin Senior Executive Option Plan or the Origin Senior Executive Performance Share Rights Plan and a statement that approval was obtained under ASX Listing Rule 10.14 for the issue of the securities will be published in the company's Annual Report relating to the period in which securities have been issued. Any additional directors of the company (other than Mr King) who may become

entitled to participate in the Origin Senior Executive Option Plan or the Origin Senior Executive Performance Share Rights Plan will not participate until any necessary approval under ASX Listing Rule 10.14 is obtained.

#### Indicative value of Options and Performance Share Rights

As the options and performance share rights have not yet been granted to Mr King, indicative values can only be estimated as an actual valuation can only be determined by reference to the company's share price (and other factors) as at the date on which they are granted. If the issue of the options and share rights is approved, the actual valuation of these options and performance share rights will be disclosed as part of Mr King's remuneration in the company's Annual Report for the years ending 30 June 2008 and 2009.

The indicative valuations based on a share price and exercise price of \$9.66 being the closing market price of Origin shares on 3 September 2007 is:

Options = \$2.33

PSRs = \$6.37

#### Mr King's current interest in Origin securities

Mr King currently holds or is interested in 301,046 Origin shares and also holds a total of 2,000,000 options over Origin shares. Details of the shares and options held by Mr King are set out on page 42 of the Directors' Report in the Annual Report.

Approval was given to the issue of 300,000 options under the Origin Senior Executive Option Plan and 100,000 performance share rights under the Origin Senior Executive Performance Share Rights Plan at the annual general meeting held on 25 October 2006. These will be issued during September 2007 in accordance with the terms of that approval.

There have been no other issuances to Mr King under either Plan since the last approval given by shareholders.

#### Directors' Interests and Recommendations

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

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

# Schedule: Summary of Terms of Origin Senior Executive Option Plan (SEOP)

## Eligibility

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

## Options

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

## Exercise price of options

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

## Exercise hurdle for the exercise of options

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

## Restrictions on the number of options

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

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

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

## Time for exercise of options

The options may be exercised, subject to attainment of the specified exercise hurdles referred to above and the Rules of the SEOP, at any time after the third anniversary of the grant of the options and prior to the expiry of five years and three months from the grant of the options.

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

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

In each case, the options may be exercisable only if the performance hurdles are achieved.

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

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

## Participation in future issues

If Origin Energy makes a rights issue of ordinary shares, the holder of options which have not been exercised will not participate in the rights issue. There will however be an adjustment to the exercise price of the options in accordance with a specified formula and the ASX Listing Rules.

If Origin Energy makes a bonus issue of ordinary shares involving capitalisation of reserves or distributable profits, the number of shares which will be issued on exercise of any options will be increased to include the bonus shares to which the option holder would have been entitled had the option holder exercised the options prior to the bonus issue being made. No adjustment is made to the exercise price of the options in respect of bonus issues. Any adjustments caused by a rights issue, bonus issue or reconstruction are cumulative.

## Capital reconstruction

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

# Schedule: Summary of Terms of Origin Senior Executive Performance Share Rights Plan (PSRP)

## Eligibility

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

## Performance share rights

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

## Exercise price of performance share rights

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

## Transfer or issue of shares

Subject to the satisfaction of performance hurdles mentioned below and the Rules of the PSRP, and provided the rights have not lapsed by reason of the participant's misconduct, any shares the subject of a participant's performance share rights will be transferred to or issued to the participant as follows upon the request of the participant:

- on the participant ceasing employment due to death or permanent disability; or
- between three and five years and three months after the issue of the performance share rights to the participant.

In addition, any shares the subject of a participant's performance share rights will be transferred to or issued to the participant prior to three years after the allocation in the following limited circumstances:

- on a person acquiring in excess of 20% of the voting shares of Origin Energy by takeover;
- on a person acquiring in excess of 20% of the voting shares of Origin Energy in circumstances where the Board in its absolute discretion determines that the performance share rights should be exercisable; or
- upon the termination of the employment of the participant in circumstances where the Board in its absolute discretion determines that the performance share rights should be exercisable.

In each case, the performance share rights will only be transferred or issued if the performance hurdles are achieved.

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

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

## Performance hurdles for the issue or transfer of shares

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

## Restriction on the number of shares

There is a cap on the total number of Origin Energy shares which may be subscribed for or purchased under the PSRP such that the total number of shares that may be acquired on exercise of performance share rights together

with the number of shares which would be issued on the acceptance or exercise of any offer, right or options which are outstanding or proposed to be granted under an Origin Energy incentive plan (including the Origin Energy Employee Share Plan and the Origin Energy Senior Executive Option Plan) will not exceed 5% of the total number of issued Origin Energy shares.

## Participation in future issues

If Origin Energy makes a rights issue of ordinary shares, the holder of performance share rights which have not been exercised will not participate in the rights issue. There will however be an adjustment to the exercise price (if any) of the performance share rights in accordance with a specified formula and the ASX Listing Rules.

If Origin Energy makes a bonus issue of ordinary shares involving capitalisation of reserves or distributable profits, the number of shares which will be issued or transferred on exercise of any performance share rights will be increased to include the bonus shares to which the participant would have been entitled had the participant exercised the performance share rights prior to the bonus issue being made. No adjustment is made to the exercise price (if any) of the performance share rights in respect of bonus issues. Any adjustments caused by a rights issue, bonus issue or reconstruction are cumulative.

## Capital reconstruction

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

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

