MANAGING DIRECTOR'S ADDRESS

ANNUAL GENERAL MEETING

23 October 2013

Good morning and thank you Chairman.

As the Chairman has indicated, I would like to talk in more detail about our operational performance during the past year and Origin's future prospects.

Safety

First, I would like to provide an update on our safety performance. At the end of the 2013 financial year, our Total Recordable Injury Frequency Rate was 6.7. This represents a 15 per cent improvement on the prior year. This improvement is particularly pleasing as we include our contractors in this performance measure and we have had a very large increase in contractors working for us, particularly for Australia Pacific LNG.

We believe this improvement reflects in part a number of initiatives, including implementation of 11 Life Saving Rules and a continued focus on observations, in order to drive improvements in safety performance.

Our Life Saving Rules govern safe behaviours across our operations. These rules address the causes of 35 per cent of the potentially serious or catastrophic incidents in our business and we are putting considerable effort into embedding them across our workforce through a range of leadership, training and communication activities.

Since implementation of the Life Saving Rules in March 2013, we have not had any serious injuries resulting from breaches of these rules.

We will continue to target further improvements in safety performance.

I would now like to discuss Origin's performance during the 2013 financial year.

Underlying business performance

At Origin we are focusing on four key priorities:

- Improving the performance of our existing businesses;
- Delivering the Australia Pacific LNG project on schedule and budget;
- Managing the funding of Origin's investment in Australia Pacific LNG; and

- Creating growth opportunities for the future.

Improving the existing businesses

As the Chairman has mentioned, 2013 was a more challenging year for Origin with Underlying Profit after tax down 15 per cent on the prior year. This is the first time we have seen profit fall compared to a prior year but still the second highest profit recorded by the Company. A number of factors resulted in a reduced contribution from the Energy Markets business, with stronger contributions from all other parts of the business.

In our Energy Markets business, Underlying EBITDA was down 15 per cent reflecting the impact of adverse pricing determinations, particularly in Queensland and an increasingly competitive market, both of which resulted in reduced margins.

Despite very competitive market conditions, Origin achieved a considerable improvement in customer acquisition and retention during the second half, resulting in a net increase of 7,000 customers, compared to a loss of 23,000 customers in the first half and 160,000 customers in the prior year.

In the first half of the financial year we experienced challenges in the implementation of a new SAP billing system, which impacted on billing and collections and led to an increase in provisions for bad and doubtful debts. We took actions to address these issues which resulted in better performance in these areas in the second half of the year.

Earlier in October, we completed the migration of customers acquired from Country Energy to our new billing system. This task was completed one year ahead of schedule. Our significant investment in improved systems capability over recent years is now essentially complete.

Today, all of Origin's mass market customers are being serviced from SAP, which brings scale and operational benefits.

The SAP system has provided new capabilities in channel management and paved the way for delivery of new products and services to customers. These include online self-service, e-billing and smart energy management solutions.

These activities are aligned with Origin's objective of building more direct and engaging relationships with customers, and offering them tools that provide better visibility of energy use and costs, and allow them to manage their energy needs how and when best suits their individual requirements.

Origin operates the largest and one of the most flexible power generation portfolios in Australia with 6,010 MW of capacity. During the 2013 financial year, both units of the Mortlake Power Station commenced commercial operations. On 1 August 2013, Origin completed the acquisition of Eraring

Energy, providing further scale and generation flexibility benefits.

We have also taken recent steps to strengthen the Company's gas portfolio to help meet the very large increase in east coast gas demand expected as LNG production commences in Eastern Australia.

In September 2013, we secured up to 432 petajoules of gas over nine years from ESSO and BHP Billiton from Longford in Victoria. Earlier in the year, we secured up to 139 PJe of gas over eight years from Beach Energy. This large volume of gas, combined with the Company's extensive gas transport capabilities, allows Origin to write long-term contracts to meet customers' gas needs, in any market in east coast Australia.

In New Zealand, the benefits of the completion of recent investments in Contact's fuel and generation portfolio were evident in a stronger financial performance. The Stratford Power Station and Ahuroa gas storage increased Contact's ability to respond to changing hydrology by increasing flexibility and reducing the cost of generation. This increased flexibility, along with completion of an additional HVDC Inter-Island link between the North and South islands, will contribute to more reliable earnings from Contact regardless of softening demand or hydrology-driven price volatility.

The 166 MW Te Mihi geothermal power station is also nearing completion and will provide Contact with additional lower cost generation.

In the Exploration & Production business, Origin has completed a number of investments in the Otway and BassGas assets to improve reliability and increase production capacity. Combined with Origin's strong and flexible gas portfolio, and organic growth options through the Halladale/Black Watch and Ironbark gas development projects, this will enable Origin to increase supply into a growing east coast gas market.

Australia Pacific LNG on schedule

The Australia Pacific LNG project, in which Origin has a 37.5 per cent interest, is by far the largest project Origin has undertaken. Delivery of Australia Pacific LNG's CSG to LNG project continues to be one of Origin's key priorities.

Significant progress was made on the project during the year, and it remains on track to deliver first LNG by mid 2015.

At June year end, we reported good progress on the project with both Upstream and Downstream parts of the project approximately 45 per cent complete.

In the Upstream project, drilling is progressing ahead of schedule as is construction of the main pipeline.

In the Downstream project the roof on both LNG tanks was raised ahead of schedule and the first LNG modules, refrigeration compressors and gas turbine generators have been installed.

One of the strengths of the Australia Pacific LNG project is the quality of the resources that underpins it. Australia Pacific LNG is the only CSG to LNG project with acreage in both of the two known ‘sweet spots’ for CSG production – the Undulla Nose and Spring Gully/Fairview.

Funding our Investment in Australia Pacific LNG

As I previously mentioned, our investment in Australia Pacific LNG is by far the biggest single investment we have made. Not surprisingly, funding this investment is therefore a similarly big challenge.

The Chairman also mentioned that we have been active in securing funding for this investment in the debt markets in Australia, Asia, Europe and the US. We are pleased that the Company has been well supported in these markets and we have more than sufficient liquidity to support our investment.

It is also important that we maximise cash flow from our existing businesses. In the past year, we have completed a number of projects such as the Mortlake Power Station, new Retail billing systems, upgrades to BassGas, a new Geographe 2 well at Otway, Contact’s investment in Te Mihi and the recently completed acquisition of Eraring Power Station. As the existing businesses mature we have a lower requirement for capital to be re-invested in these businesses resulting in increased cash flows available to fund other activities.

Growth Opportunities

We are also mindful of the need to create opportunities for growth beyond the completion of Australia Pacific LNG’s CSG to LNG project.

We will continue exploration and development activities focused on gas particularly in Australia and New Zealand as well as pursuing development opportunities in renewable energy for example wind in Australia to meet mandatory renewable energy targets or geothermal in New Zealand. We are also pursuing hydro and geothermal development opportunities in Chile and geothermal opportunities in Indonesia.

Trading Update and Future Prospects

When we released our full year results in August, we did not give specific profit guidance at that time given the very competitive market conditions we were experiencing.

We advised at that time that despite many improving trends in the Energy Markets business, the lagged effect of FY2013 discounts that were necessary to respond to competitive conditions would delay earnings recovery in FY2014.

At the end of the financial year, we were seeing improving trends in a number of areas which have continued into 2014:

- We have migrated the last of the acquired NSW retail customers, from Country Energy, across to our new billing systems in line with expectations in early October and are beginning to realise the benefits this new technology offers;

- Our billing and collection performance has improved;

- We have stopped net losses of customers to competitors and we are making small gains in customer numbers;

- Competitive conditions continue to exist in all our retail markets although there are some signs that discounting is moderating in NSW;

- Following investment in our Upstream assets in the prior year we are seeing increased availability and production; and

- We have secured new gas contracts from ESSO / BHP which together with additional gas transportation arrangements will continue to strengthen the Company's competitive advantage in gas – particularly when LNG production commences in Eastern Australia.

Notwithstanding these improving trends, the lagged effect of discounts introduced in FY2013 will persist into FY2014 and will delay earnings recovery in this current year. If competitive conditions improve we expect to see some margin recovery in our Energy Markets business from the latter part of FY2014.

Trading conditions for the first quarter of this financial year have been consistent with our expectations at the beginning of the year other than for the effect of very warm winter weather.

As has been widely reported we have experienced what has been recorded in many of our markets in both Australia and New Zealand, the mildest winter on record. This has resulted in lower sales volumes, in the Energy Markets business in Australia and New Zealand, than we would expect in normal weather conditions. We believe this has reduced earnings at an EBITDA level in these businesses by approximately $30-$40 million in the first quarter, compared to our expectations at the beginning of the financial year.

Importantly, in Energy Markets we are seeing strong cash flows to start the year, when compared with the start of the last financial year when a number of issues resulted in reduced cash flows.

In respect of Australia Pacific LNG, we reported progress at June of 45 per cent on the Upstream and 45 per cent on the Downstream parts of the project. Progress continues to be good with overall work currently being progressed at the rate of 3-4 per cent per month. The project remains on budget and on schedule for delivery of first LNG by mid 2015.

We will provide more detailed reporting on performance against milestones and overall performance in our quarterly production report to be released at the end of the month.

In this report we will rebase our overall progress reporting to allow for project cost increases already announced in February, the greater part of which was increased contingency on the Upstream part of the project.

Having rebased progress reporting, at the end of September the project was approximately 50 per cent complete on the Upstream and 54 per cent complete on the Downstream.

This rebasing has no effect on the achievement of project milestones or schedule.

Looking more broadly we expect to see LNG production commence in Eastern Australia early in FY2015. We will also see Australia Pacific LNG's project commence by mid 2015. Origin has a strong position in gas which will benefit when LNG production commences.

On the basis outlined above, we expect to see strong growth in earnings and cash flow in the period FY2015 to FY2017.

Conclusion

In concluding, I would like to take a moment to acknowledge the contribution of our outgoing Chairman, Kevin McCann.

I have worked with Kevin since Origin listed on the ASX in February 2000, and during the past thirteen and a half years I believe both Origin and I have benefited greatly from his guidance, wisdom, determination and commitment. It is quite rare to have such long-term stability in the leadership of a Company, and as Kevin remarked, stability of the Board and Management is one of the factors that has underpinned Origin's success.

I know Kevin will watch with interest as we pursue the next phase of Origin's growth and development on behalf of shareholders. I am also confident he will continue to make an outstanding contribution to the wider business sector, with additional ongoing interest in important areas such as corporate governance, gender diversity, education and community issues.

We wish him well for the future.

As shareholders are aware, Gordon Cairns is our Chairman-elect. Gordon has been a Director for six years and has gained extensive experience and knowledge of our business. He is a worthy successor to Kevin and will serve shareholders well.

I would also like to thank our Directors for their dedication, guidance and ongoing support, and of course my colleagues and all of our employees at Origin who work tirelessly on the continued growth and development of your company.

Finally, I would like to acknowledge the continued strong support Origin receives from you, our shareholders. While the past year has been a more challenging one for our business, and indeed the broader sector, we believe we are responding to the challenges in our existing energy business and making good progress on the development of Australia Pacific LNG's CSG to LNG project.

These businesses will drive the continued growth and development of Origin in the medium-term.

We look forward to your continued support of Origin.