



31 July 2012

Origin Energy 2012 Annual Reserves Report

This Annual Reserves Report provides an update on the hydrocarbon reserves of Origin Energy Limited ("Origin") and its subsidiaries as at 30 June 2012. It provides comparisons with and reconciliations to reserves as reported at 30 June 2011.

The Proved plus Probable ("2P") reserves attributable to Origin across its areas of interest at 30 June 2012 totalled 6,807 petajoules equivalent (PJe), a decrease of 234 PJe, which includes Origin's dilution in Australia Pacific LNG (APLNG) from 50% to 42.5%. If this dilution is excluded, the 2P reserves position as at 30 June 2012 represents an increase of 648 PJe or 9% from 30 June 2011.

The overall decrease of 234 PJe is due to Origin's dilution of a 7.5% share in APLNG (-882 PJe), other additions and revisions (+778 PJe), together with annual production (-130 PJe).

The following table provides reconciliation to the reserves reported at 30 June 2012 from the reserves reported at 30 June 2011.

Table 1: Summary of Origin's 2P reserves by area

Origin 2P Reserves by Region (PJe)	2P Reserves 30-Jun-11	Net additions and revisions	Production	2P reserves 30-Jun-12
Australia Pacific LNG				
Coal Seam Gas / Denison	5,887	(269)	(46)	5,572
Cooper Basin				
SA Cooper	165	63	(12)	217
SWQ Cooper	66	13	(7)	72
Other Onshore Australia				
Western Australia	27	2	(4)	26
Conventional Surat	16	(13)	(2)	1
Ironbark (CSG)	118	61	-	178
Offshore Australia				
Otway Basin - Offshore	397	8	(36)	368
Bass Basin	151	0	(5)	146
New Zealand				
Offshore Taranaki (Kupe)	190	30	(16)	204
Onshore Taranaki	23	0	(1)	22
Total	7,041	(104)	(130)	6,807

During the year, total 2P reserves to the APLNG interest in areas held by APLNG increased by 11% or 1,336 PJe net of production to 13,111 PJe at 30 June 2012. This increase includes the net impact of exploration and appraisal drilling activities, production pilots, technical assessments and the optimisation of field development plans. As at 30 June 2012, Origin



had a 42.5% interest in the APLNG incorporated joint venture and therefore had an effective interest of 5,572 PJe in these reserves.

In January 2012, APLNG entered into a binding agreement for Sinopec to subscribe for a further 10% interest in APLNG, taking their total ownership interest from 15% to 25%. Completion was subject to approvals by the Chinese Government and in Australia, the Foreign Investment Review Board and conditional on APLNG reaching a final investment decision on the second train (FID2). As at 30 June 2012, these conditions precedent had not been met and therefore Origin's effective share of APLNG reserves was 42.5%. On 4 July 2012, Origin announced that following receipt of all Government approvals, APLNG had reached FID2. On 12 July 2012, Origin announced that the Sinopec subscription agreement for the additional 10% interest had completed. This results in a further 656 PJe decrease in Origin's effective interest in APLNG reserves based on APLNG's reserves at 30 June 2012 to 4,917 PJe.

Other significant changes in 2P reserves were recorded in the following areas:

- Ironbark (ATP788P) - net increase of 61 PJe: This is due to drilling results from pilot wells around Duke 3. Origin's 3P reserves position as at 30 June 2012 was 889 PJe for Ironbark, representing a 101 PJe decrease on the 30 June 2011 reserves position, primarily as a result of updated regional permeability mapping.
- Cooper Basin - net increase of 57 PJe: This is primarily a result of conversion of Contingent Resource to Reserves as additional infill drilling activity plans become more certain. In addition, there are some increases due to new compression projects, field development studies and refinement in reserves prediction models.
- Conventional Surat - net decrease of 15 PJe: Origin is presently evaluating the ongoing viability of the Surat conventional assets and during this period some of the Surat 2P reserves have been re-categorised as contingent resources.
- Offshore Taranaki (Kupe) - net increase of 14 PJe: This includes a revision of 30 PJe due to technical updates based on continuing strong field performance.

Minor revisions to reserves occurred in other areas as additional data and technical studies are incorporated into forward estimates.



The table below provides details of Origin's 2P reserves by product as at 30 June 2012.

Table 2: Origin Effective Interest 2P Reserves by Product

Origin 2P Reserves by Product 30/06/2012	Gas (PJ)	LPG (kT)	Condensate (kbbbls)	Oil (kbbbls)	TOTAL (PJe)
Australia Pacific LNG					
Coal Seam Gas / Denison	5,572	0	18	0	5,572
Cooper Basin					
SA Cooper	169	373	2,938	2,270	217
SWQ Cooper	58	68	680	1,122	72
Other Onshore Australia					
Western Australia	26	-	13	-	26
Conventional Surat	-	-	-	87	1
Ironbark (CSG)	178	-	-	-	178
Offshore Australia					
Otway Basin - Offshore	314	590	4,674	-	368
Bass Basin	106	353	3,789	349	146
New Zealand					
Offshore Taranaki (Kupe)	138	589	6,815	-	204
Onshore Taranaki	12	17	10	1,675	22
Total	6,575	1,990	18,936	5,502	6,807

Table 3: Change in 2P Reserves by Product

Origin 2P Reserves by Product	Gas (PJ)	LPG (kT)	Cond. (kbbbls)	Oil (kbbbls)	TOTAL (PJe)
Total at 30/06/2011	6,808	1,882	20,279	5,312	7,041
Production	(112)	(121)	(1,607)	(573)	(130)
Net additions/revisions	(121)	229	265	763	(104)
Total at 30/06/2012	6,575	1,990	18,936	5,502	6,807
Change	(233)	108	(1,343)	190	(234)
% Change	(3%)	6%	(7%)	4%	(3%)



Appendix 1: Reserves and Resources held through APLNG

The reserves data presented for APLNG represents an independent assessment by the internationally recognised petroleum consultant Netherland, Sewell & Associates, Inc. (“NSAI”). NSAI has prepared this assessment of reserves and resources based on technical, commercial and operational information provided by Origin on behalf of APLNG. The assessment includes coal seam gas (CSG) reserves held across a number of areas and conventional gas reserves in the Denison Trough area.

Table 4 below records reserves and resources for the APLNG joint venture, while Table 5 records Origin’s interest in these hydrocarbon accumulations.

Table 4: APLNG 100%

Reserves and Contingent Resources attributable to areas held by APLNG 100% level (PJe)				
Reserves	Reserves at 30-Jun-11	Net additions and revisions	Production	Reserves * at 30-Jun-12
2P	11,775	1,444	(108)	13,111
3P	14,742	1,413	(108)	16,047
Resources	Resources at 30-Jun-11	Net additions and revisions	Production	Resources at 30-Jun-12
2C	4,041	(216)	-	3,825
3C	10,050	(221)	-	9,829

* The 2P and 3P reserves estimates at 30 June 2012 in the table above include 38 PJe and 54 PJe respectively for conventional reserves in the Denison Trough. The balance represents CSG reserves.

Table 5: Origin interest in APLNG

Reserves and Contingent Resources attributable to areas held by APLNG Origin interest (PJe)							
Reserves	Reserves at 30- Jun-11 (50%)	Dilution of 7.5% (9/8/2011)	Other Additions and Revision	Production	Reserves* at 30-Jun-12 (42.5%)	Adjustment for further dilution of 5%	Reserves based on 37.5% interest
2P	5,887	(882)	614	(46)	5,572	656	4,917
3P	7,371	(1105)	601	(46)	6,820	802	6,018
Resources	Resources at 30- Jun-11 (50%)	Dilution of 7.5% (9/8/2011)	Other Additions and Revision	Production	Resources* at 30-Jun- 12 (42.5%)	Adjustment for further dilution of 5%	Resources based on 37.5% interest
2C	2,020	(303)	(91)	-	1,626	191	1,434
3C	5,025	(754)	(94)	-	4,177	491	3,686

* The 2P and 3P reserves estimates at 30 June 2012 in the table above include 16 PJe and 23 PJe respectively for conventional reserves in the Denison Trough. The balance represents CSG reserves.



Appendix 2: Remarks Relating to the Construction of this Report

Definitions of Reserves and Resources

The Reserves Statement has been prepared to be consistent with the Petroleum Resources Management System 2007 published by Society of Petroleum Engineers (SPE). This document may be found at the SPE website.

Origin follows Australian industry practice and focuses on reporting 2P reserves.

In the case of the APLNG incorporated joint venture and the Ironbark asset an independent assessment is undertaken by external consultants Netherland, Sewell & Associates, Inc. (NSAI). For these assets Origin provides NSAI's estimates of four categories of reserves and resources consistent with the SPE guidelines, as follows:

- Proved plus Probable reserves (2P)
- Proved plus Probable plus Possible reserves (3P)
- Best Estimate (2C) Contingent resource
- High Estimate (3C) Contingent Resource

Origin does not intend to report Prospective or Undiscovered Resources as defined by the SPE in any of its areas of interest on an ongoing basis.

This report does not include interests in known fields or accumulations for which additional technical work is required to allow an adequate assessment of reserves or resources.

Conventional discoveries that are not included in this report include Trefoil and Rockhopper in the Bass Basin, Halladale and Blackwatch in the offshore Otway Basin and Petrel in the Bonaparte Basin. Further technical evaluation of these discoveries is continuing and will need to be concluded before reserves can be booked in these areas.

Economic test for reserves

The assessment of reserves requires a commercial test to establish that reserves can be economically recovered. Within the commercial test, operating cost and capital cost estimates are combined with fiscal regimes and product pricing to confirm the economic viability of producing the reserves.

In the case of oil, condensate and LPG forward estimates of prices are used in line with the forward curves available through various international benchmarking agencies, appropriately adjusted for local market conditions.

Gas reserves are assessed against existing contractual arrangements or local market conditions as appropriate. In the case of gas reserves where contracts are not in place a forward price scenario based on monetisation of the reserves through domestic markets has been used, including power generation opportunities, direct sales to end users and utilisation of Origin's wholesale and retail channels to market.

For CSG reserves that are intended to supply the APLNG CSG to LNG project, the economic test is based on gas prices calculated using the Residual Pricing Method (RPM). The RPM



mechanism is used within the PRRT regime to determine an appropriate transfer price for integrated gas to liquids projects.

RPM applies the same return to the upstream and downstream businesses of the APLNG project, and divides residual profit equally between the businesses. The residual profit is a function of the upstream "cost plus" and the downstream "net back" prices. The residual price is exposed to changes in the supply/demand balance in the market through the oil price-linked LNG contract, as well as other market forces through the long term bond rate.

Reversionary Rights

Origin's interests in exploration and production tenements (held directly or indirectly) may change from time to time and some of APLNG's CSG tenements are subject to commercial arrangements under which, after the recovery of acquisition, royalty, development and operating costs, plus an uplift on development and operating costs, a portion of some of the interests may revert to previous holders of the tenements. Origin has assessed the potential impact of reversionary rights associated with such interests based on economic tests consistent with these reserves and based on that assessment does not consider that reversionary rights will impact the reserves quoted within this report.

Information regarding the preparation of this Reserves Report

The internationally recognised petroleum consultant NSAI has prepared assessments of the reserves and resources for APLNG and the Ironbark asset based on technical, commercial and operational data provided by Origin.

The statements in this Report relating to reserves and resources as of 30 June 2012, for APLNG and the Ironbark asset are based on information in the NSAI reports dated 26 July 2012 and 23 July 2012 respectively, compiled by Mr. John G. Hattner, a full-time employee of NSAI. Mr. John G. Hattner has consented to the statements based on this information, and to the form and context in which these statements appear.

The statements in this Report relating to reserves and resources for other assets have been compiled by Andrew Mayers, a full-time employee of Origin. Andrew Mayers is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which these statements appear.

Rounding

Information on reserves is quoted in this report rounded to the nearest whole number. Some totals in tables in this report may not add due to rounding. Items that round to zero are represented by the number 0, while items that are actually zero are represented with a dash "-".



Abbreviations

barrels	an international measure of oil production. 1 barrel = 159 litres
Bscf	billion standard cubic feet
Cond.	condensate
CSG	coal seam gas
GJ	gigajoule = 10^9 joules
joule	A measure of energy
Kbbls	kilo barrels = 1,000 barrels
Ktonnes	kilo tonnes = 1,000 tonnes
mmboe	million barrels of oil equivalent
PJ	petajoule = 10^{15} joules
PJe	petajoule equivalent, a measure used to express the volume of different petroleum products on the basis of the energy contained in the product

Conversion Factors

The following factors have been used in converting standard petroleum product measures to the energy measure of petajoules, with the results expressed as petajoules equivalent (PJe).

Crude oil	0.00583 PJ/kbbls : 5.83 PJ / mmboe
Condensate	0.00541 PJ/kbbls
LPG	0.0493 PJ/ktonnes
CSG	1.038 PJ/Bscf