



## HALF YEARLY REPORT

Name of entity

Origin Energy Limited and its Controlled Entities

ACN	Half Yearly <i>(tick)</i>	Preliminary final <i>(tick)</i>	Half year ended ('current period')
000 051 696	✓		31 December 2002

**For announcement to the market**

				\$'A'000
Revenues from ordinary activities ( <i>item 1.1</i> )	up	34.9%	to	1,669,903
Profit from ordinary activities after tax attributable to members ( <i>item 1.22</i> )	up	63.9%	to	89,599
Profit from extraordinary items after tax attributable to members ( <i>item 2.5</i> )		0.0%		-
Net profit for the period attributable to members ( <i>item 1.11</i> )	up	63.9%	to	89,599
<b>Dividends</b>				
	Amount per security		Franked amount per security at 30% tax	
Interim dividend ( <i>item 15.6</i> )	5.0 cents		2.0 cents	
Previous corresponding period ( <i>item 15.7</i> )	2.0 cents		2.0 cents	
Date for determining entitlements to the dividend ( <i>see item 15.2</i> )			7 March 2003	
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Nil				
This half yearly report should be read in conjunction with the most recent annual financial report.				

## Consolidated statement of financial performance

	Current period \$A'000	Previous corresponding period \$A'000	% Change +/-
1.1 Revenues from ordinary activities ( <i>see items 1.23 - 1.25</i> )	1,669,903	1,237,468	34.9%
1.2 Expenses from ordinary activities ( <i>see items 1.26+1.27</i> )	(1,512,481)	(1,134,693)	33.3%
1.3 Borrowing costs	(25,485)	(23,318)	9.3%
1.4 Share of net profits of associates and joint venture entities ( <i>see item 16.7</i> )	6,928	3,543	95.5%
<b>1.5 Profit from ordinary activities before tax</b>	<b>138,865</b>	<b>83,000</b>	<b>67.3%</b>
1.6 Income tax on ordinary activities	47,201	25,776	83.1%
<b>1.7 Profit from ordinary activities after tax</b>	<b>91,664</b>	<b>57,224</b>	<b>60.2%</b>
1.8 Profit from extraordinary items after tax ( <i>see item 2.5</i> )	-	-	-
<b>1.9 Net profit</b>	<b>91,664</b>	<b>57,224</b>	<b>60.2%</b>
1.10 Net profit attributable to outside equity interests	2,065	2,562	(19.4%)
<b>1.11 Net profit for the period attributable to members</b>	<b>89,599</b>	<b>54,662</b>	<b>63.9%</b>
<b>Non-owner transaction changes in equity</b>			
1.12 Net increase in asset revaluation reserve	-	-	
1.13 Net exchange differences on translation of financial statements of self-sustaining foreign operations: - Net gain/(loss) on translation of assets and liabilities of overseas controlled entities	1,126	(708)	
1.14 Other revenue, expense and initial adjustments recognised directly in equity	-	-	
1.15 Initial adjustments from UIG transitional provisions	-	-	
<b>1.16 Total revenues, expenses and valuation adjustments attributable to members of Origin Energy Limited recognised directly in equity (Items 1.12 to 1.15)</b>	<b>1,126</b>	<b>(708)</b>	
<b>1.17 Total changes in equity from non-owner related transactions attributable to members of Origin Energy Limited</b>	<b>90,725</b>	<b>53,954</b>	
<b>Earnings per share (EPS)</b>			
	Current period	Previous corresponding period	% Change +/-
1.18 Basic earnings per share	13.8 cents	8.7 cents	58.6%
1.19 Diluted earnings per share	13.7 cents	8.7 cents	57.5%

## Notes to the consolidated statement of financial performance

### Profit from ordinary activities attributable to members

	Current period \$A'000	Previous corresponding period \$A'000
1.20 Profit from ordinary activities after tax (item 1.7)	91,664	57,224
1.21 Less outside equity interests	2,065	2,562
<b>1.22 Profit from ordinary activities after tax, attributable to members</b>	<b>89,599</b>	<b>54,662</b>

### Revenue and expenses from ordinary activities - by nature

	Current period \$A'000	Previous corresponding period \$A'000
Revenue from sale of goods	1,581,882	1,159,176
Revenue from rendering of services	76,256	63,579
1.23 Total sales revenue	1,658,138	1,222,755
1.24 Interest revenue	681	816
1.25 Other revenue from ordinary activities	11,084	13,897
<b>Revenue from ordinary activities</b>	<b>1,669,903</b>	<b>1,237,468</b>
1.26 Details of relevant expenses:		
Raw materials and consumables used, and changes in finished goods and work in progress	1,105,392	803,263
Advertising	10,184	5,297
Amortisation of intangibles	11,914	12,221
Amortisation of commodity hedging contracts	9,537	7,092
Bad and doubtful debts	5,194	2,243
Employee expenses	101,602	77,366
Exploration and production costs	35,219	25,331
Consultancy costs	3,782	3,778
Contracting costs	57,081	53,214
Motor vehicle expenses	8,119	8,404
Net book value of assets sold	2,521	1,669
Occupancy expenses	13,424	9,765
Repairs and maintenance	8,242	7,586
Royalties	14,212	14,833
Administration and other expenses from ordinary activities	55,255	34,803
1.27 Depreciation and amortisation excluding amortisation of intangibles (see item 2.3)	70,803	67,828
<b>Expenses from ordinary activities</b>	<b>1,512,481</b>	<b>1,134,693</b>
<b>Borrowing costs</b>	<b>25,485</b>	<b>23,318</b>
<b>Total expenses</b>	<b>1,537,966</b>	<b>1,158,011</b>
<b>Capitalised outlays</b>		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an acquisition of a business)	-	-

## Consolidated retained profits

	Current period \$A'000	Previous corresponding period \$A'000
1.30 Retained profits at the beginning of the financial period	1,095,158	999,223
1.31 Net profit attributable to members ( <i>item 1.11</i> )	89,599	54,662
1.32 Net transfers (to) and from reserves	79	(8)
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	(26)	(14,708)
<b>1.35 Retained profits at the end of the financial period</b>	<b>1,184,810</b>	<b>1,039,169</b>

## Intangible and extraordinary items

Consolidated - current period				
	Before tax \$A'000	Related tax (expense) / benefit \$A'000	Related outside equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1 Amortisation of goodwill	5,905	-	-	5,905
2.2 Amortisation of other intangibles	6,009	-	-	6,009
<b>2.3 Total amortisation of intangibles</b>	<b>11,914</b>	<b>-</b>	<b>-</b>	<b>11,914</b>
2.4 Extraordinary items (details)	-	-	-	-
<b>2.5 Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Consolidated - previous corresponding period				
	Before tax \$A'000	Related tax (expense) / benefit \$A'000	Related outside equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1 Amortisation of goodwill	2,814	-	-	2,814
2.2 Amortisation of other intangibles	9,407	-	-	9,407
<b>2.3 Total amortisation of intangibles</b>	<b>12,221</b>	<b>-</b>	<b>-</b>	<b>12,221</b>
2.4 Extraordinary items (details)	-	-	-	-
<b>2.5 Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Consolidated statement of financial position

	At end of current period \$A'000	As shown in last annual report \$A'000	As shown in last half yearly report \$A'000
<b>Current assets</b>			
4.1 Cash assets	30,418	17,255	21,155
4.2 Receivables	508,939	485,538	388,347
4.3 Other financial assets	4,111	-	681
4.4 Inventories	53,246	46,392	48,065
4.6 Other	72,190	37,064	63,824
<b>4.7 Total current assets</b>	<b>668,904</b>	<b>586,249</b>	<b>522,072</b>
<b>Non-current assets</b>			
4.8 Receivables	22,350	21,499	32,792
4.9 Investments (equity accounted)	56,680	53,347	50,132
4.10 Other investments and other financial assets	186,037	196,135	201,153
4.12 Exploration and evaluation expenditure capitalised	138,978	125,624	84,828
4.13 Development properties	9,443	5,031	3,850
4.14 Other property, plant and equipment (net)	1,305,353	1,155,372	1,123,259
4.15 Intangibles (net)	730,932	634,436	696,699
4.16 Tax assets	199,354	171,654	150,490
4.17 Other	8,316	8,587	8,507
<b>4.18 Total non-current assets</b>	<b>2,657,443</b>	<b>2,371,685</b>	<b>2,351,710</b>
<b>4.19 Total assets</b>	<b>3,326,347</b>	<b>2,957,934</b>	<b>2,873,782</b>
<b>Current liabilities</b>			
4.20 Payables	475,070	371,534	351,555
4.21 Interest bearing liabilities	105,000	85,238	47,041
4.22 Tax liabilities	787	3,290	7,637
4.23 Provisions	68,894	67,451	81,526
4.24 Other	4,297	-	-
<b>4.25 Total current liabilities</b>	<b>654,048</b>	<b>527,513</b>	<b>487,759</b>
<b>Non-current liabilities</b>			
4.26 Payables	5,881	6,100	28,188
4.27 Interest bearing liabilities	630,125	565,139	520,000
4.28 Tax liabilities	230,746	197,055	183,084
4.29 Provisions	74,345	36,088	85,330
<b>4.31 Total non-current liabilities</b>	<b>941,097</b>	<b>804,382</b>	<b>816,602</b>
<b>4.32 Total liabilities</b>	<b>1,595,145</b>	<b>1,331,895</b>	<b>1,304,361</b>
<b>4.33 Net assets</b>	<b>1,731,202</b>	<b>1,626,039</b>	<b>1,569,421</b>
<b>Equity</b>			
4.34 Capital/contributed equity	399,124	385,039	381,366
4.35 Reserves	113,394	112,347	114,569
4.36 Retained profits	1,184,810	1,095,158	1,039,169
<b>4.37 Equity attributable to members of the parent entity</b>	<b>1,697,328</b>	<b>1,592,544</b>	<b>1,535,104</b>
4.38 Outside equity interest in controlled entities	33,874	33,495	34,317
<b>4.39 Total equity</b>	<b>1,731,202</b>	<b>1,626,039</b>	<b>1,569,421</b>

## Notes to the consolidated statement of financial position

### Exploration and evaluation expenditure capitalised

	Current period \$A'000	Previous corresponding period \$A'000
5.1 Opening balance	125,624	63,688
5.2 Expenditure incurred during current period	14,461	24,770
5.3 Expenditure written off during current period	(308)	(5,167)
Increase in provision for write-down during current period	(11,621)	(1,835)
5.4 Acquisitions, disposals, revaluation increments, etc	18,126	3,372
5.5 Expenditure transferred to Mine Properties	(7,304)	-
5.6 Closing balance as shown in the consolidated statement of financial position ( <i>item 4.12</i> )	138,978	84,828

### Development properties

6.1 to 6.7 not material

## Consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period \$A'000
<b>Cash flows related to operating activities</b>		
7.1 Receipts from customers	1,913,902	1,496,076
7.2 Payments to suppliers and employees	(1,653,187)	(1,308,034)
7.3 Dividends/distributions received from associates and joint venture entities	4,000	4,000
7.4 Other dividends received	399	409
7.5 Interest and other items of similar nature received	1,093	817
7.6 Interest and other costs of finance paid	(25,615)	(23,182)
7.7 Income taxes paid	(15,353)	(14,128)
7.8 Other (subvention payments)	(6,000)	(10,000)
7.9 <b>Net operating cash flows</b>	<b>219,239</b>	<b>145,958</b>
<b>Cash flows related to investing activities</b>		
7.10 Payment for purchases of property, plant and equipment	(57,338)	(72,573)
Payment for exploration and development	(96,991)	(59,253)
7.11 Proceeds from sale of property, plant and equipment	2,200	692
Payment for purchase of controlled entities	-	(7,651)
Payment for purchase of businesses	(131,614)	-
7.12 Payment for purchases of equity investments	-	(700)
7.17 <b>Net investing cash flows</b>	<b>(283,743)</b>	<b>(139,485)</b>
<b>Cash flows related to financing activities</b>		
7.18 Proceeds from issues of securities (shares, options, etc)	3,794	197,892
7.19 Proceeds from borrowings	328,115	-
7.20 Repayment of borrowings	(236,662)	(176,040)
7.21 Dividends paid	(10,943)	(22,653)
7.23 <b>Net financing cash flows</b>	<b>84,304</b>	<b>(801)</b>
7.24 <b>Net increase/(decrease) in cash held</b>	<b>19,800</b>	<b>5,672</b>
7.25 Cash at beginning of period	10,551	15,910
7.26 Exchange rate adjustments to <i>item 7.25</i>	67	(427)
7.27 <b>Cash at end of period (see reconciliation of cash)</b>	<b>30,418</b>	<b>21,155</b>

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

- (i) Issue of shares in respect of dividend reinvestment plan \$10,291,000 (2001: \$5,017,000).
- (ii) On 13 December 2002 Origin Energy acquired all of the Mt Stuart Power Station and related entities (refer 13.1) from AES Corporation for an effective consideration of \$93,255,000. At 31 December 2002 this amount had not been settled and thus is not reflected in the statement of cash flows.

## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	Current period \$A'000	Previous corresponding period \$A'000
8.1 Cash on hand and at bank	30,365	17,632
8.2 Deposits at call	-	250
8.3 Bank overdraft	-	-
8.4 Other (term deposits)	53	3,273
8.5 Total cash at end of period (item 7.27)	30,418	21,155

## Other notes to the financial statements

### Ratios

	Current period	Previous corresponding period
<b>Profit before tax/revenue</b>		
9.1 Consolidated profit from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	8.3%	6.7%
<b>Profit after tax/equity interests</b>		
9.2 Consolidated net profit from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity at the end of the period (item 4.37)	5.3%	3.6%



## Earnings per security (EPS)

		Current period	Previous corresponding period
10	Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: "Earnings Per Share" are as follows.		
	Basic EPS	13.8 cents	8.7 cents
	Diluted EPS	13.7 cents	8.7 cents
<b>Weighted average number of shares used as the denominator</b>			
	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	649,429,172	627,644,269
	Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	653,164,478	630,990,582
<b>Reconciliation of earnings used in calculating EPS:</b>		\$A'000	\$A'000
	Basic and alternative EPS		
	Net profit	91,664	57,224
	Less: Outside equity interests	2,065	2,562
	Amount used as numerator in calculating basic and diluted EPS	89,599	54,662
<b>Information concerning the classification of securities</b>			
<b>(a) Fully paid ordinary shares</b>			
Fully paid ordinary shares are classified as ordinary shares for the purposes of calculating basic and diluted earnings per share.			
<b>(b) Share Options</b>			
Share options granted under the Senior Executive Option Plan have been classified as potential ordinary shares and have been included in the determination of diluted earnings per share. The options have not been included in the determination of basic earnings per share.			

## NTA Backing

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	\$ 1.48	\$ 1.30

## Discontinuing operations

12.1 not applicable

## Control gained over entities having material effect

13.1	Names of entities	AES Australia Holding BV AES Mt Stuart BV AES Mt Stuart General Partnership
13.2	Consolidated operating profit/(loss) and extraordinary items after tax of the entities since the date in the current period on which control was acquired	\$(76,000)
13.3	Date from which such profit has been calculated	13 December 2002
13.4	Operating profit/(loss) and extraordinary items after tax of the entities for the whole of the previous corresponding period.	N/A

Comparative - 31 December 2001: Not applicable

## Loss of control of entities having material effect

14.1 to 14.5 not applicable

## Dividends

15.1 Date the dividend is payable

24 March 2003

15.2 Date to determine entitlements to the dividend (ie on the basis of registrable transfers received by 5.00pm if securities are not CHES approved, or security holding balances established by 5.00pm or such later time permitted by SCH Business Rules if securities are CHES approved)

7 March 2003

## Amount per security

Franking rate applicable	Amount per security	Franked amount per security at 30% tax
15.6 <b>Interim dividend:</b> Current year	5.0 cents	2.0 cents
15.7 Previous year	2.0 cents	2.0 cents

The financial effect of the current period dividend has not been brought to account in the half-year consolidated financial report for the period ended 31 December 2002.

## Interim dividend on all securities

15.10 Ordinary securities (refer below)

Add: Final prior year dividend (over)/under provided

15.13 **Total**

Current period \$A'000	Previous corresponding period \$A'000
-	12,926
26	1,782
26	14,708

The dividend plans shown below are in operation.

Dividend Reinvestment Plan

The last date for receipt of election notices for the dividend

7 March 2003

Any other disclosures in relation to dividends

Subsequent to reporting date, the directors have declared an interim dividend of five cents per ordinary share, franked to two cents per ordinary share. The total amount of this dividend is \$32,634,000. In accordance with the adoption of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets", as the interim dividend had not been declared on or before the reporting date, it has not been recognised as a liability at reporting date or disclosed as a dividend paid or payable in consolidated retained profits.

## Details of aggregate share of profits/(losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':		Current period	Previous corresponding period
		\$A'000	\$A'000
16.1	Profit from ordinary activities before tax	9,471	5,337
16.2	Income tax on ordinary activities	2,543	1,794
16.3	<b>Profit from ordinary activities after income tax</b>	<b>6,928</b>	<b>3,543</b>
16.4	Extraordinary items net of tax	-	-
16.5	<b>Net profit</b>	<b>6,928</b>	<b>3,543</b>
16.6	Adjustment	-	-
16.7	<b>Share of net profits of associates and joint venture entities</b>	<b>6,928</b>	<b>3,543</b>

## Material interests in entities which are not controlled entities

Name of entity	Percentage of ownership interest held at the end of the period		Contribution to net profit <i>(item 1.9)</i>	
	Current period	Previous corresponding period	Current period A\$'000	Previous corresponding period A\$'000
<b>17.1 Equity accounted associates and joint venture entities</b>				
Bulwer Island Energy Partnership	50%	50%	3,699	2,245
<b>17.2 Total</b>			<b>3,699</b>	<b>2,245</b>
<b>17.3 Other material interests</b>				
Envestra Limited	19.1%	19.9%	7,692	6,701
<b>17.4 Total</b>			<b>7,692</b>	<b>6,701</b>

## Issued and quoted securities at end of current period

Category of securities	Number issued	Number quoted	Issue price	Amount paid-up
18.3 Ordinary securities	652,317,960	652,317,960	-	-
18.4 Changes during current period				
(a) Increases through issues	4,488,808	4,488,808	-	-
(b) Decreases through returns of capital, buy-backs, redemptions, consolidations	-	-	-	-
18.7 Options			Exercise price	Expiry date
	30,000	-	\$ 2.92	2 Mar 2003
	455,000	-	\$ 1.66	4 Dec 2003
	50,000	-	\$ 1.50	4 Dec 2003
	30,000	-	\$ 1.66	19 Jan 2004
	1,250,000	-	\$ 2.24	1 Feb 2004
	1,584,300	-	\$ 1.76	6 Dec 2004
	139,400	-	\$ 1.78	6 Dec 2004
	1,830,000	-	\$ 1.27	1 Mar 2005
	400,000	-	\$ 1.27	1 Mar 2005
	495,000	-	\$ 2.74	31 Aug 2006
	3,495,000	-	\$ 3.20	16 Dec 2006
	30,000	-	\$ 3.20	14 Jan 2007
	2,580,000	-	\$ 3.56	19 Dec 2007
18.8 Issued during current period	2,580,000	-	\$ 3.56	19 Dec 2007
18.9 Exercised during current period				
	1,125,000	-	\$ 2.92	11 Dec 2002
	190,000	-	\$ 1.66	4 Dec 2003
	30,000	-	\$ 1.66	19 Jan 2004
	81,600	-	\$ 1.76	6 Dec 2004
18.10 Expired during current period				
	35,000	-	\$ 2.92	11 Dec 2002
	70,000	-	\$ 5.02	11 Dec 2002

**PRIMARY REPORTING - BUSINESS SEGMENTS**

	Exploration and Production		Retail		Generation		Networks		Consolidated	
	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>REVENUE</b>										
Total Sales	167,904	163,653	1,396,446	990,825	40,916	27,630	76,226	63,522	1,681,492	1,245,630
Intersegment Sales Elimination **	(23,354)	(22,875)	-	-	-	-	-	-	(23,354)	(22,875)
<b>External Sales Revenue</b>	144,550	140,778	1,396,446	990,825	40,916	27,630	76,226	63,522	1,658,138	1,222,755
Other Revenue	885	6,020	1,004	779	88	-	9,107	7,098	11,084	13,897
<b>Total Segment Revenue</b>	145,435	146,798	1,397,450	991,604	41,004	27,630	85,333	70,620	1,669,222	1,236,652
Unallocated Revenue									681	816
<b>Revenue from Ordinary Activities</b>									1,669,903	1,237,468
<b>RESULT</b>										
<b>Segment Result</b>	47,119	57,419	93,523	34,187	4,684	(514)	11,415	10,867	156,741	101,959
Share of Net Profits of Associates and Joint Venture Entities	-	-	1,124	566	5,804	2,977	-	-	6,928	3,543
<b>Earnings Before Interest and Tax (EBIT)</b>	47,119	57,419	94,647	34,753	10,488	2,463	11,415	10,867	163,669	105,502
Net Interest Expense									(24,804)	(22,502)
<b>Profit from Ordinary Activities Before Income Tax</b>									138,865	83,000
Income Tax Expense									(47,201)	(25,776)
<b>Net Profit</b>									91,664	57,224
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>	90,248	102,340	133,830	67,706	19,545	10,426	12,300	12,171	255,923	192,643
<b>DEPRECIATION AND AMORTISATION</b>	43,129	44,921	39,183	32,953	9,057	7,963	885	1,304	92,254	87,141
<b>OTHER NON-CASH EXPENSES</b>	16,352	8,772	20,272	10,733	750	1,552	1,084	212	38,458	21,269
<b>ACQUISITIONS OF NON-CURRENT ASSETS (includes capital expenditure)</b>	135,141	74,964	152,480	39,094	94,097	31,200	95	811	381,813	146,069

SEGMENTS (continued)

PRIMARY REPORTING - BUSINESS SEGMENTS

	Exploration and Production		Retail		Generation		Networks		Consolidated	
	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period	Current Period	Previous Corresponding Period
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>ASSETS</b>										
Segment Assets	967,829	828,938	1,524,680	1,370,149	316,875	241,219	171,845	173,286	2,981,229	2,613,592
Investments in Associates and Joint Venture Entities	-	-	5,793	3,721	50,887	46,411	-	-	56,680	50,132
<b>Total Segment Assets</b>	967,829	828,938	1,530,473	1,373,870	367,762	287,630	171,845	173,286	3,037,909	2,663,724
Unallocated Assets *									288,437	210,058
<b>Total Assets</b>									3,326,346	2,873,782
<b>LIABILITIES</b>										
Segment Liabilities	76,183	72,303	362,392	321,023	112,362	75,099	27,078	19,471	578,015	487,896
Unallocated Liabilities *									1,017,130	816,465
<b>Total Liabilities</b>									1,595,145	1,304,361

\* Unallocated assets consists of cash and deferred tax assets and other unallocatable assets. Unallocated liabilities consists of current and non-current interest bearing liabilities, current and deferred tax liabilities and other unallocatable liabilities.

\*\* Intersegment pricing is determined on an arm's length basis.

**Industry Segments:**

Exploration and Production  
Retail  
Generation  
Networks

**Products and Services:**

Natural gas and oil  
Natural gas, electricity, LPG, energy related products and services  
Natural gas-fired cogeneration and power generation, clean energy services and project development  
Infrastructure investment and management services

**SECONDARY REPORTING - GEOGRAPHICAL SEGMENTS**

The consolidated entity operates predominantly in Australia. More than 90% of revenue, profit, assets and acquisition of non-current assets relate to operations in Australia.

## 1. INCOME TAX EXPENSE

	Current period \$A'000	Previous corresponding period \$A'000
Income tax expense on profit from ordinary activities (item 1.6)	47,201	25,776
Income tax expense on pretax accounting profit:		
(i) at Australian tax rate	41,660	24,900
(ii) adjustment for difference between Australian and overseas tax rates	(167)	35
Income tax expense on pretax accounting profit at standard rates	41,493	24,935
Add/(subtract) tax effect of major items causing permanent differences:		
Non-taxable distributions received	(1,615)	(1,404)
Depreciation and amortisation	6,496	8,418
Capital losses not previously recognised	114	-
Share of associates' net profit	(1,173)	(389)
Past tax losses and exploration expenditure recouped	(182)	(1,976)
Under/(over) provision of tax in previous years	1,927	912
Tax rate change on prior year adjustments	(286)	856
Net benefit of subvention payments	-	(5,652)
Other items	427	76
	5,708	841
Income tax expense for the period	47,201	25,776

## Additional notes to Appendix 4B

### 2. CONTRIBUTED EQUITY

#### Issued and paid-up capital

652,317,960 (June 2002: 647,829,152) ordinary shares, fully paid

#### Ordinary share capital

Balance at the beginning of the financial period

Shares issued:

- Nil (June 2002: 44,196,526) shares in accordance with the Share Placement
- Nil (June 2002: 26,500,287) shares in accordance with the Share Purchase Plan
- 1,426,600 (June 2002: 761,650) shares in accordance with the Senior Executive Option Plan
- 3,062,208 (June 2002: 2,693,165) shares in accordance with the Dividend Reinvestment Plan
- Nil (June 2002: 629,145) shares in accordance with the Employee Share Plan

Total movements in ordinary share capital

Current period \$A'000	As shown in last annual report \$A'000
399,124	385,039
385,039	178,457
-	123,332
-	73,563
3,794	1,570
10,291	8,117
-	-
14,085	206,582
399,124	385,039

### 3. CONTINGENT LIABILITIES

Unsecured bank guarantees

Current period \$A'000	As shown in last annual report \$A'000
173,140	99,566

Origin Energy Limited has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to Origin Energy Limited's wholly or partly-owned controlled entities.

Warranties and indemnities have been given by entities in the consolidated entity in relation to environmental liabilities for certain properties as part of the terms and conditions of divestments.

A number of sites within the Origin Energy Group have been identified as contaminated, generally as a result of prior activities conducted at the sites, and review and appropriate implementation of clean-up requirements for these is ongoing. For sites where the requirements can be assessed and costs estimated, clean-up costs have been expensed or provided for. Ongoing environmental management programmes ensure that appropriate controls are in place at all sites.

Certain entities within the consolidated entity are subject to various lawsuits and claims including native title claims. Any liabilities arising from such lawsuits and claims are not expected to have a material adverse effect on the consolidated financial statements.

A Demerger Deed was entered into in the 2000 year containing certain indemnities and other agreements between Origin Energy Limited and Boral Limited and their respective controlled entities covering the transfer of the businesses, investments, debt and assets of Boral Limited and some temporary shared arrangements.



## Comments by directors

### Basis of accounts preparation

- 19.1 This half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard 1029 "Interim Financial Reporting", Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. It is recommended that this half-year financial report be read in conjunction with the 30 June 2002 Annual Report, Financial Statements and any public announcements by Origin Energy Limited and Controlled Entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous financial year.

The carrying amount of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at the end of the half year. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have been discounted to their present value.

The half-year report does not include full note disclosures of the type normally included in an annual financial report.

- 19.2 Material factors affecting the revenues and expenses of the consolidated entity for the current period

Refer attached Directors' review

- 19.3 A description of each event since the end of the current period which has had a material effect and is not related to matters already reported.

Subsequent to reporting date, the directors have declared an interim dividend of five cents per ordinary share (franked to two cents per share), totalling \$32,634,000. The financial effect of this dividend has not been brought to account in the half-year consolidated financial report for the period ended 31 December 2002.

- 19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Class C 30% (2001: 30%) franking credits available to shareholders of Origin Energy Limited are Nil (2001: Nil). The payment of a five cent per share interim dividend (franked to two cents per share) in March 2003 is based on the balance of the dividend franking account at 31 December 2002 adjusted for estimated franking credits that will arise from the receipt of dividends. The franking of dividends in the next 12 months is dependent on the outcome of current discussions with the Tax Office.

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows:

The company has applied the revised AASB1012 "Foreign Currency Translation", the revised AASB1028 "Employee Benefits" and AASB1044 "Provisions, Contingent Liabilities and Contingent Assets" for the first time from 1 July 2002. The adjustments arising from the adoption of these standards are not material.

- 19.6 The nature and amount of revisions in estimates of amounts reported in previous annual reports that have a material effect in this half-year are:

Nil

- 19.7 Changes in contingent liabilities or assets since the last annual report.

Contingent liabilities:  
Bank guarantees increased by \$73,574,000 from \$99,566,000 as at 30 June 2002 to \$173,140,000 as at 31 December 2002.

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views.
- 2 This report and the accounts upon which the report is based, use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on accounts to which one of the following applies.

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have *not* yet been audited or reviewed.

- 5 The audit review report is attached.
- 6 The entity has a formally constituted audit committee.

Sign here: \_\_\_\_\_  
(Company secretary)

Date: 20 February 2003

Print name: W M Hundy