Interim Results Announcement
Half year ended 31 December 2002

20 February 2003

Increasing cash flow funds growth

Outline

- Performance Highlights
- Financial Review
- Operational Review
- Outlook

All comparative data are in relation to the prior corresponding period, July - December 2001, unless otherwise stated

Performance Highlights

Financial highlights

• Revenue	$1.67 billion	up 35%
• EBITDA	$256 million	up 33%
• PAT	$89.6 million	up 64%
• Basic EPS	13.8 cps	up 59%
• Free Cash Flow (FCF)	$191 million	up 74%
• FCF per share	29.2 cps	up 68%
• Debt / (Debt + Equity)	30% at 31 Dec ’02	29% Jun 30 ’02
• OCAT Ratio*	16.5%	target 9.7%
• Final dividend	5 cents per share - franked to 2 cents	up 150%

* Calendar year 2002

Operating highlights

- CitiPower acquisition and integration
- Cessation of Gascor Agency Payments
- SEA Gas construction started
- Major new gas agreements for Cooper Basin and CSG
  - Cooper Basin 505 PJ over 15 years (OE 71 PJ net)
  - OE and OCA 340 PJ from CSG fields (OCA ~ 52% of sales)
- BassGas construction commenced
- Mt Stuart acquired adding 288 MW capacity
- Hovea production now increasing
- Progress on solar R&D
- Rejection of Victorian retail tariff increases for 2003
- Lost Time Injury Frequency Rate (LTIFR) 3.3
  - Compared with restated 3.6 at Jun 2002

Financial Review

Profit & Loss

	Dec 02 ($m)	Dec 01 ($m)	% change
Revenue	1,669.9	1,237.5	35%
EBITDA	255.9	192.6	33%
EBIT	163.7	105.5	55%
Net interest expense	(24.8)	(22.5)	10%
Tax expense	(47.2)	(25.8)	83%
Outside equity interests	(2.1)	(2.6)	(19%)
PAT	89.6	54.7	64%
Earnings per share (cents)	13.8	8.7	59%
Free cash flow p s (cents)	29.2	17.4	68%
ROE (half year)	5.4%	3.7%	

Gascor agency payments ceased on 1 October, 2002

	Dec 02 ($m)	Dec 01 ($m)
Origin reported revenue	1,670	1,237
Retained by Gascor	61	84
Embedded Revenue	1,731	1,322
Natural gas gross margin reported	65	53
Profit Retained by Gascor	14	18
Embedded nat. gas gross margin	79	71

EBITDA up 33% on the previous year due to significant improvements from Retail and Generation…….

Segments*	Dec 02 ($m)	Dec 01 ($m)	% change
Exploration & Production	90.2	102.3	(12%)
Retail	133.8	67.7	98%
Generation	19.5	10.4	87%
Networks	12.3	12.2	1%
Total	255.9	192.6	33%

…….offset by lower contribution from E&P following assets sales and exploration provisions

* The Corporate Segment reported in previous results announcements has now been allocated across the four remaining business segments

Origin energy

Depreciation & Amortisation

	Dec 02 ($m)	Dec 01 ($m)
Buildings, plant & equipment	39.7	41.9
Exploration in producing fields	24.5	25.0
Electricity hedging contracts	9.5	7.1
Intangibles	11.9	12.2
Retail Systems for FRC	5.8	0.3
Other	0.8	0.6
Total	92.3	87.1

Increase in D&A is due to initial depreciation of retail systems for FRC, plus higher amortisation of electricity hedging contracts

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Funding & Interest

	Dec 02 ($m)	Jun 02 ($m)	Dec 01 ($m)
Net debt ($m)	705	633	546
Total equity ($m)	1,731	1,626	1,569
Net debt to equity (%)	41%	39%	35%
Debt to (debt + equity) (%)	30%	29%	27%
Net interest expense ($m)	24.8	20.3	22.5
Net interest cover (x EBIT)	6.6	6.2	4.7
Average interest rate	6.5%	6.6%	6.8%

- Credit rating by S&P BBB+ post CitiPower acquisition. Fitch A-.
- Strong cash flow has helped maintain conservative "gearing"
- D / (D+E) to 32% after Mt Stuart settled (Jan 03)
- Interest rate sensitivity - 1% inc/dec = A$3.1 m dec/inc

Tax reconciliation

	Dec 02 ($m)	Dec 01 ($m)
Profit before tax	138.9	83.0
Prima facie tax	41.5	24.9
less tax loss benefit	0.0	(5.7)
add non-deductible amortisation	6.5	8.4
less other permanent differences	(0.8)	(1.9)
equals Tax expense	47.2	25.8
Tax paid	(15.4)	(14.1)
Subvention payments	(6.0)	(10.0)

Reduced tax loss transfers raise the effective rate of tax expense from 31% to 34%

Origin ener

OCAT ratio exceeded prior year and targets despite significant expenditure on capital and acquisitions….

	Dec 02 ($m)	Dec 01 ($m)
EBITDA	256	193
Non-cash items	31	11
Change in Working Capital	(8)	(11)
Stay in business Capex (net)	(42)	(36)
Tax/Subvention Payments	(21)	(24)
OCAT	216	132
Net Interest Paid	(25)	(22)
Free cash flow	191	110
Funds Employed	2,312	1,940
OCAT Ratio (calendar year)	16.5%	12.4%

….reflecting Origin's strong cash flow position

Capital expenditure has focussed on growth with higher expenditure on E&P business activities……..

	Dec 02 ($m)	Dec 01 ($m)
Stay in business	44	36
Growth		
Exploration & Production	56	43
Retail	12	27
Generation	1	31
Networks	0	1
Total capital expenditure	113	138
Acquisitions	269	8
Capex including acquisitions	382	146

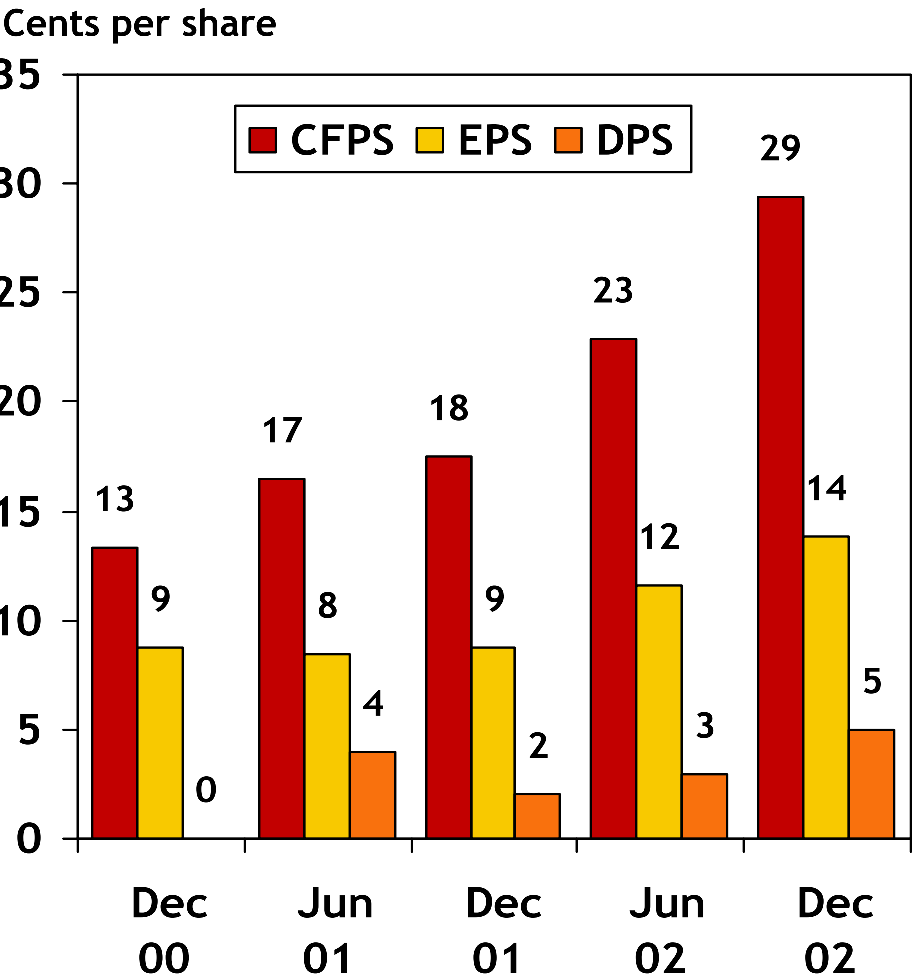
….and significant expenditure on acquisitions across E&P (CSG), Retail (CitiPower) & Generation (Mt Stuart)

All segments are half way to achieving the annual target of 15% OCFR

	Funds Employed ($m)	Operating Cash flow ($m)	OCFR Dec 02 (%)	OCFR Dec 01 (%)
Exploration & Production	849	64	7.5%	9.7%
Retail	1,124	134	11.9%	5.8%
Generation	263	20	7.6%	5.7%
Networks	148	17	11.4%	7.8%

……and the strategy of building natural hedges in the business is again demonstrated

Origin has steadily improved returns per share



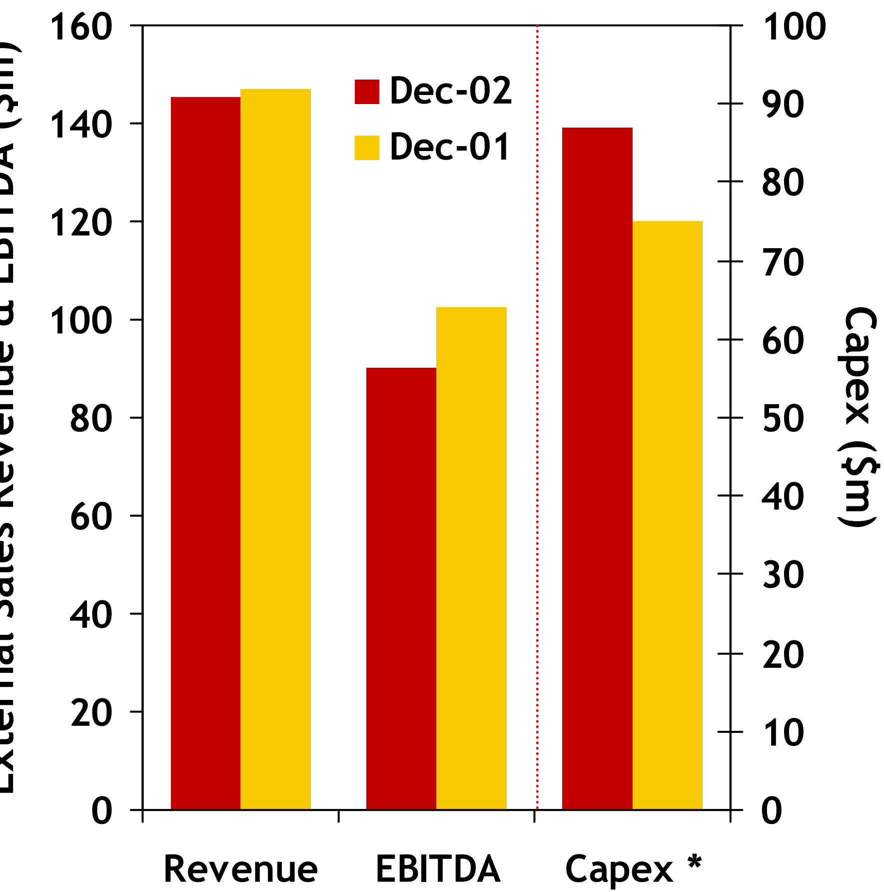
- October 2002 new dividend policy targeting 40% EPS payout ratio
- 5 cent per share interim dividend franked to 2 cents
  - EPS payout ratio of 36%
- DRP to apply with 5% discount to share price
- DRP discount will be reduced to 2.5% in future

Origin continues to achieve EPS growth in excess of 10 - 15% pa

Origin energy

Operating Review

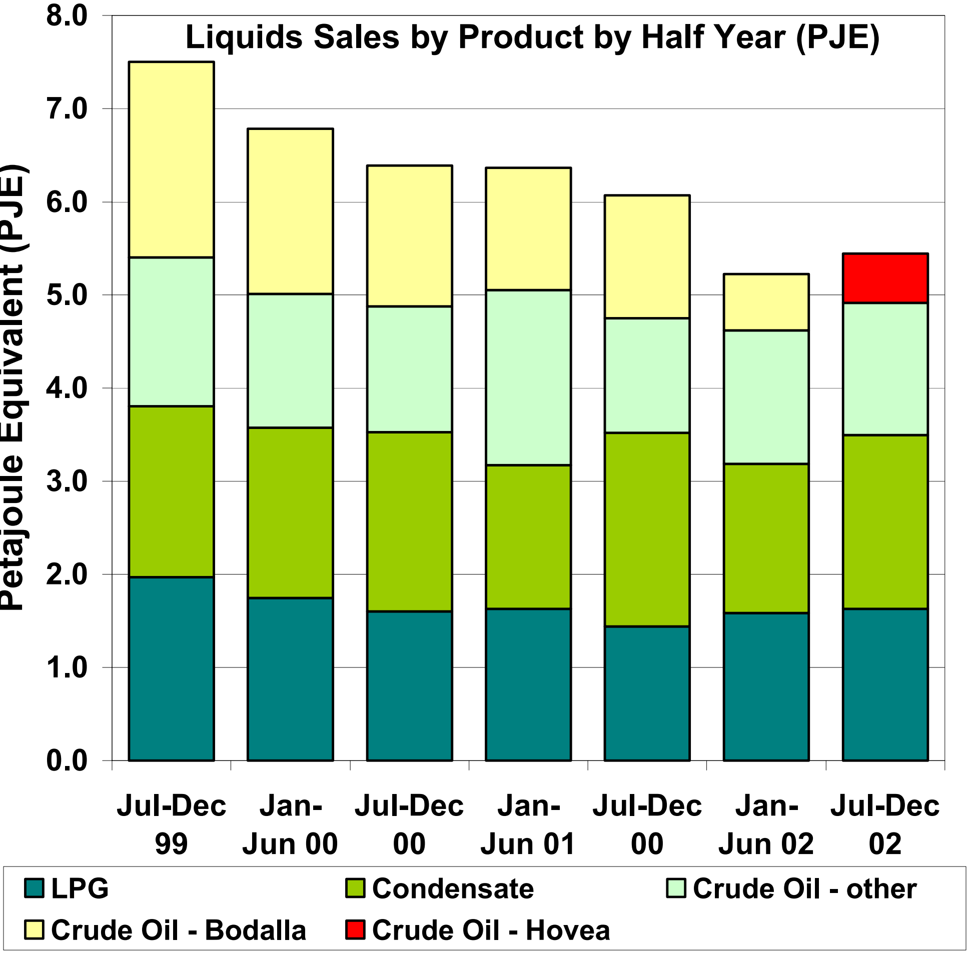
Exploration & Production: EBITDA decreased 12% to $90.2 m on lower oil volumes and higher costs



* Does not include acquisitions

- Gas production steady at ~ 39 PJ as increase in CSG (up 13% to 4.7 PJ) offsets decline in other areas
- Reduction in oil production partially offset by higher average oil prices
- Exploration provision of $13.6 million up from $7.0 million last year
- Significant progress on new projects in the Perth Basin, CSG fields, Bass Basin and Otway Basin
- Operating costs and capital expenditure increased as new projects were initiated

Liquids production has fallen over the last few years - including sale of our Eromanga oil fields last year……..



- Oil production down 24% on previous year to 335 kbbls reflecting Eromanga sale
- Perth Basin production, and in the future BassGas, will revers this trend
- Oil price sensitivity - US$1 inc/dec : A$1.4 m inc/de

Average Price Received A$ (inclusive of hedging)		
Dec '01 half	$	42.44
Jun '02 half	$	41.85
Dec '02 half	$	48.03

….however the Perth Basin is reversing that trend and BassGas will commence in late 2004

Origin has added around 350 PJe net reserves to the 2P category in the past six months…….

Proved and Probable Reserves (PJe*)	
2P reserves at Jun 30, '02	1,140
plus Otway reclassification	230
plus CSG Acquisition (July '02)	160
less Production	(45)
Approximate 2P reserves at Dec 31, '02	1,485

Reserves

- Woodside has reclassified Thylacine & Geographe reserves as 2P.
- CSG acquisition in July 2002 takes CSG 2P reserves to ~470 PJ

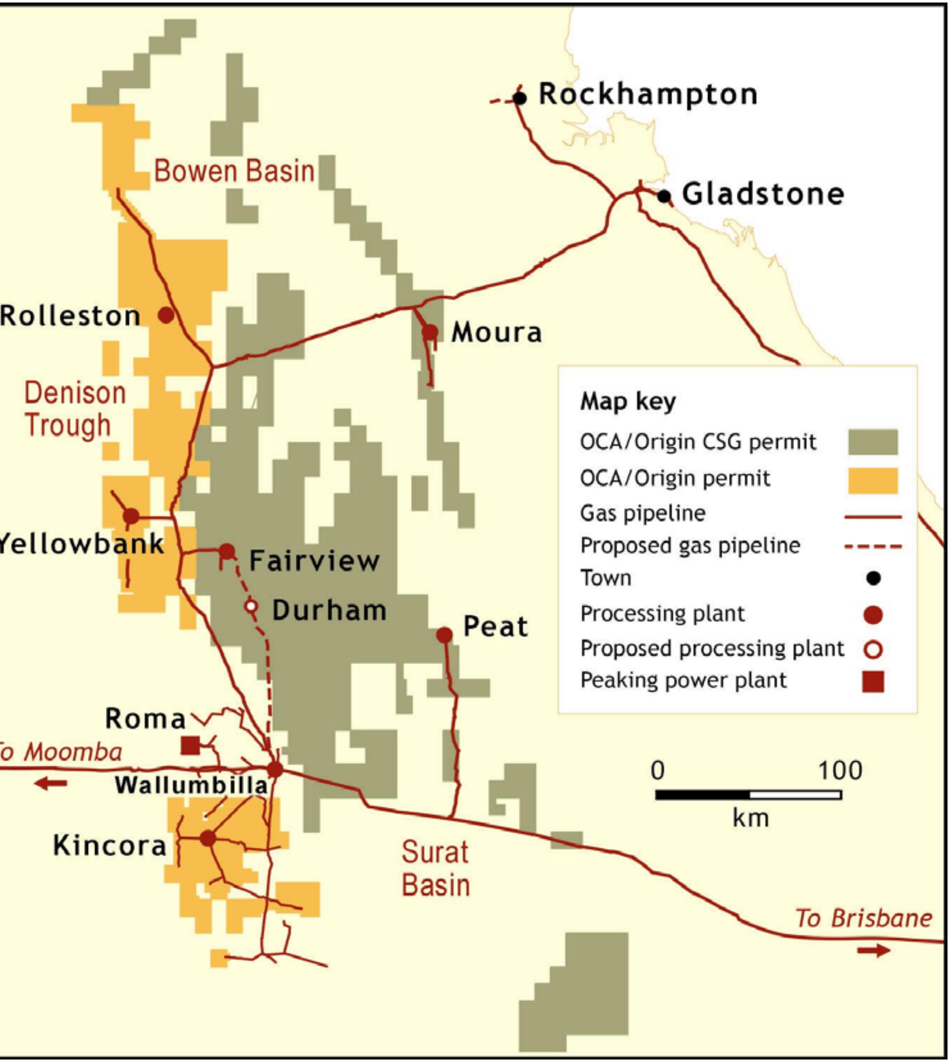
Exploration carrying values

- Origin now carries less than $35 million in exploration costs outside of producing areas or areas of imminent development

…..and has reviewed carrying values, providing for over $13 million of exploration expenses.

* PJE - petajoule equivalent - a measure of energy

OCA continues to build its CSG capabilities and enhance its position as the largest CSG producer in Australia



- July ’02 - increased equity in the Fairview and Durham fields
- July ’02 - appraisal of Fairview field increased 2P reserves across the Fairview and Durham fields to in excess of 1,100 PJ (350 PJ OCA net share)
- July ’02 - announced contract for 5.4PJ pa to AMC from Jan 04
- Aug ’02 - announced 8 well appraisal program on Durham
- Dec ’02 - announced Origin/OCA agreement with AGL to supply 340 PJ of gas over 13 years

Steady progress has been made in the commercialisation of offshore gas resources in SE Australia

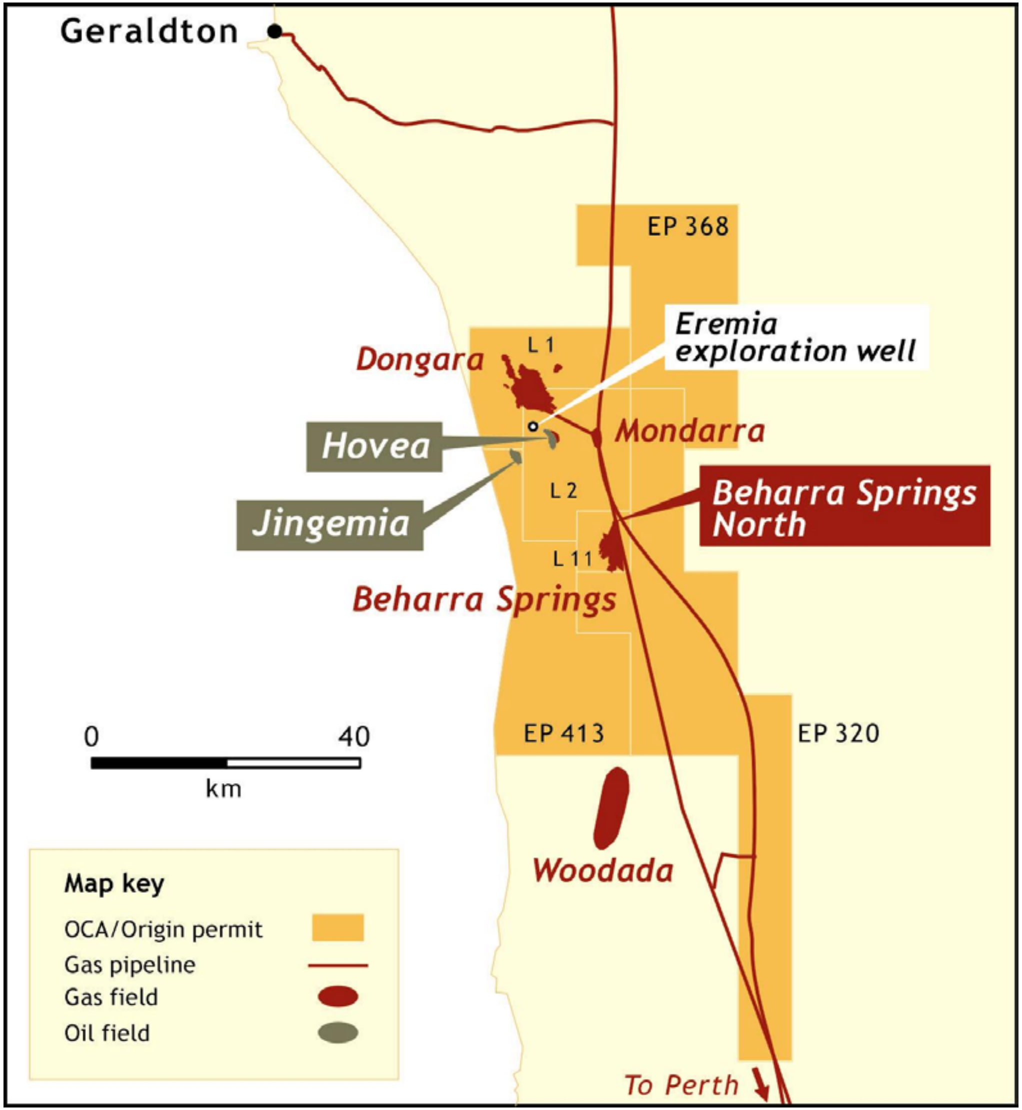
BassGas Project (37.5%)

- Origin Energy has entered into GSA's to purchase all sales gas from the JV
- EES/EIS study completed and final Government approval given
- Construction commenced in January 2003
- First gas late 2004

Offshore Otway Basin (29.75%)

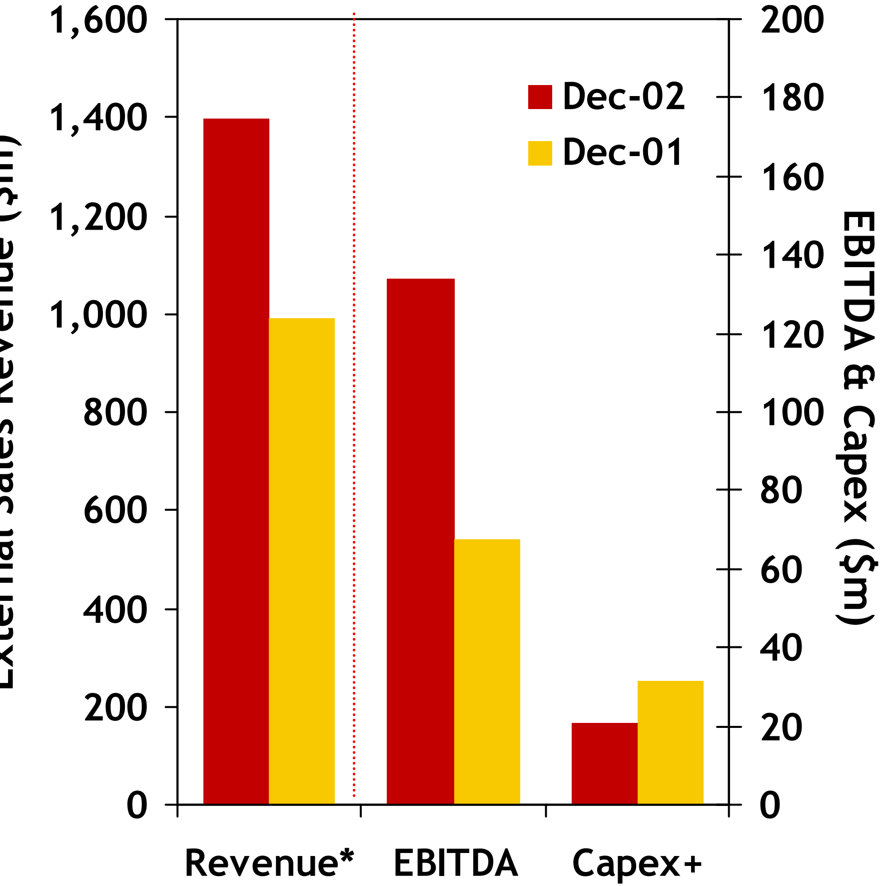
- August 02 Woodside signed conditional GSA with TXU
- Operator has upgraded reserves to 2P status
- Joint development of the fields facilitated by unitising equities across the fields
- Feasibility studies aim for final design in 2Q 2003 - then progress to FEED
- First gas early 2006

Origin's success in the Perth Basin in 01/02 has been followed up in the last half



- Hovea 2 - discovered a separate gas pool and flowed 16.5 mmcfd
- Hovea 3/3st - 26 m oil column and produced ~2000 bopd Oct-Dec 02
- Hovea 4/4st - 44 m oil column - initial flow rate of 2,600 bopd
- Hovea 6 - 22 m oil column
- Hovea 7 - currently drilling
- Jingemia oil discovery - 28m column - long term testing from Feb 03
- Morangie 1 - offshore WA-226P - good oil shows but no movable oil

Retail: EBITDA up 98% to $133.8m on contributions from CitiPower, tariff increases and favourable margins on electricity purchasing costs



* Includes agency sales in Victoria
\+ excludes acquisitions

- Revenues higher due to Jan '02 tariff increases and CitiPower sales
- CitiPower integration has proceeded effectively. Business is already contributing to profits
- Electricity margins enhanced by favourable hedge position and reduced shaping costs
- Cessation of Gascor agency agreement increased gas margins, but sales dampened by average degree days below 10 year average
- LPG contribution improved but is under pressure from rising CP price
- Capex for FRC now largely complete

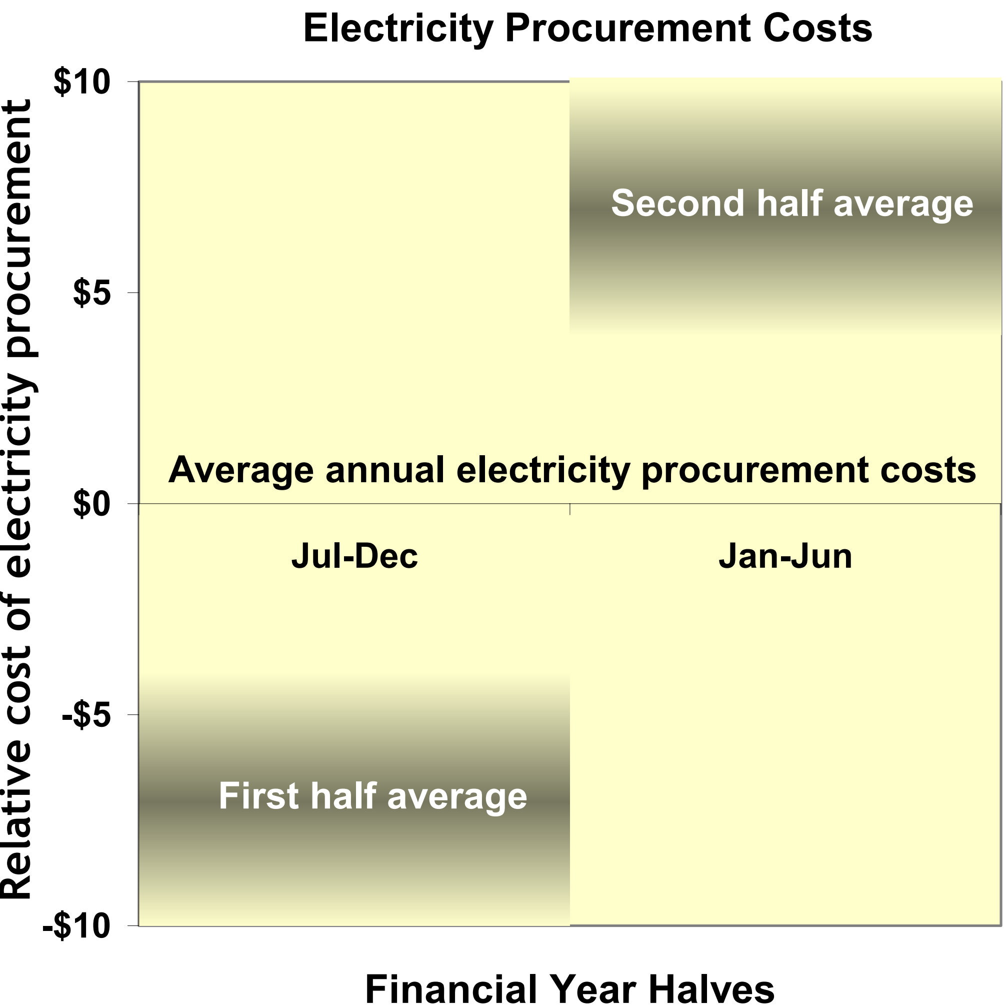
Retail business: all areas contributed to the result

	Natural Gas *	Electricity	LPG
Revenue (A$m)	459	744	211
Gross Margin (A$m)	79	151	55
Sales - (PJ)	68	-	-
Sales - (TWh)	-	8	-
LPG (Ktonnes)	-	-	257
Total Sales (PJe)	68	28	13
Customer # ('000)	993	836	209

* Revenue and Gross Margin for natural gas are quoted before deducting agency arrangements

Origin energy

Electricity retail business contribution aided by lower wholesale prices in the December half………

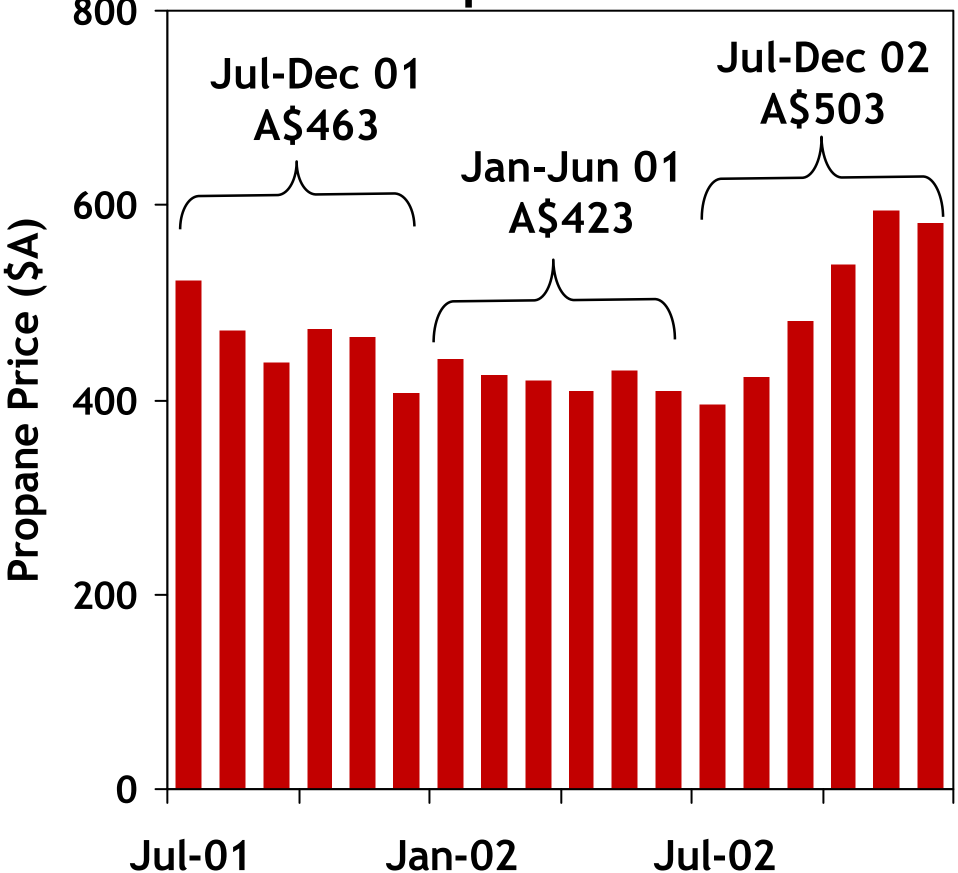


- Electricity procurement costs are seasonal and tend to be lower than average in the first half (Jul-Dec) and higher in the second half (Jan-Jun)
- Prices to consumers are flat across the year
- If forecast volatility arises then second half costs could be $10 to $20 per MWh higher than first half

…..but electricity procurement costs for the second half are expected to be higher

LPG focus on operating costs and pricing has maintained returns despite the cyclical rise in supply costs

Average International Propane Price



- LPG benchmark CP up $40 per tonne on pcp and $80 per tonne on prior half
- Pacific volumes up but Australian volumes down on back of drought
- Revenues up marginally as increased cost of goods passed on to customers
- Expect tough 2nd half with further volume decline as drought continues and supply costs continue to rise

The company is well advanced in implementation of FRC in mass markets…….

Electricity

- Integration of CitiPower on schedule
- Retail churn in Victoria is averaging 6% on an annual basis - well within expected ranges
- Tariff decision in late 2002 likely to reduce earnings but also reduce churn

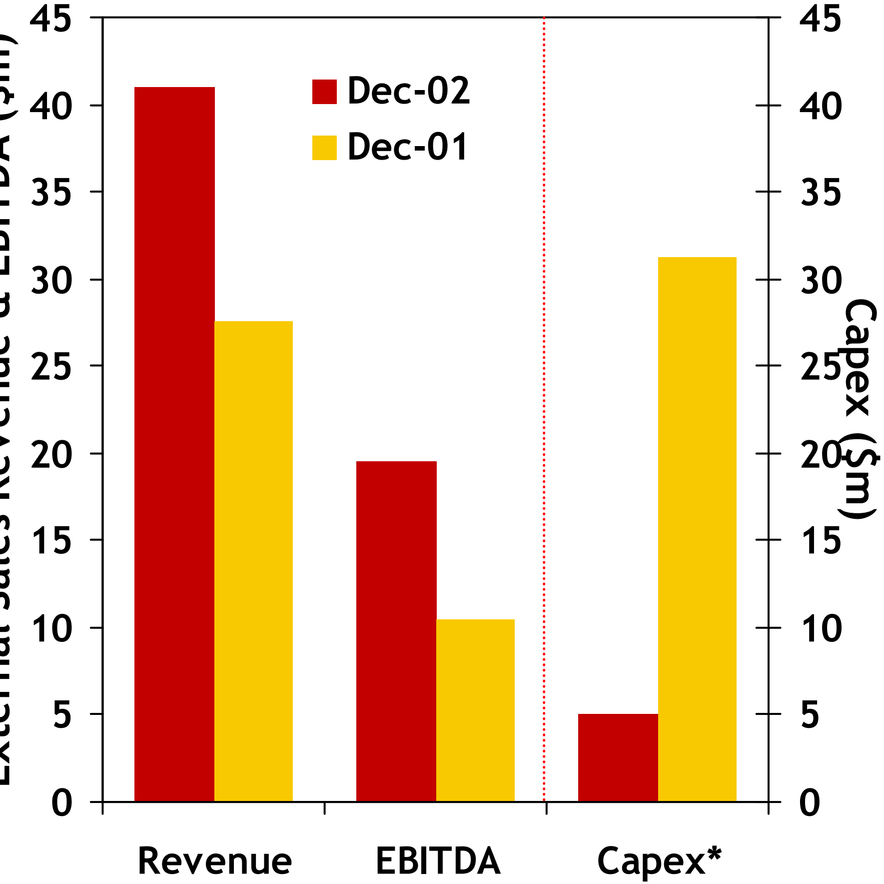
Natural Gas

- FRC commenced in October 2002. Some initial customer losses but too early to estimate long term churn rates
- July 02 6% tariff increase in SA, but flat tariff outcome in Victoria

…….with significant progress made in rebalancing both gas and electricity tariffs

Origin energy

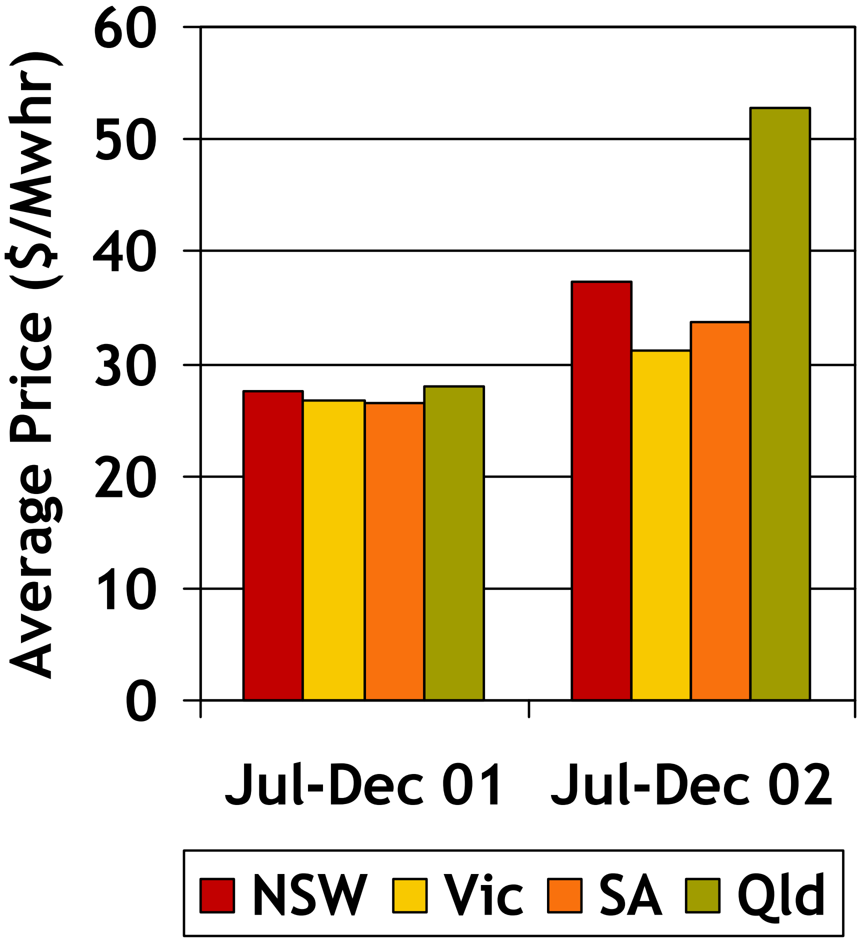
Generation: EBITDA up 87% to $19.5m on higher pool prices and first year contribution from Quarantine



* excludes acquisitions

- Merchant plants benefited from higher wholesale prices in both Queensland and South Australia than the equivalent period last year
- Solid performance from contracted plant - high availability and upside from some exposure to pool prices
- Six month contribution from Quarantine
- One month contribution from Mt Stuart

Electricity prices are significantly higher in all states compared to the prior year



- The Roma plant has benefited from the high pool prices in Queensland
- Quarantine and Ladbroke Grove have received modest prices due to continuing mild weather in South Australia - but still higher than last year

Merchant Plant	Capacity MWe	Capacity Factor %	Av. price received $/MWh
Ladbroke	80	93	34
Quarantine	96	5	95
Roma	74	7	262

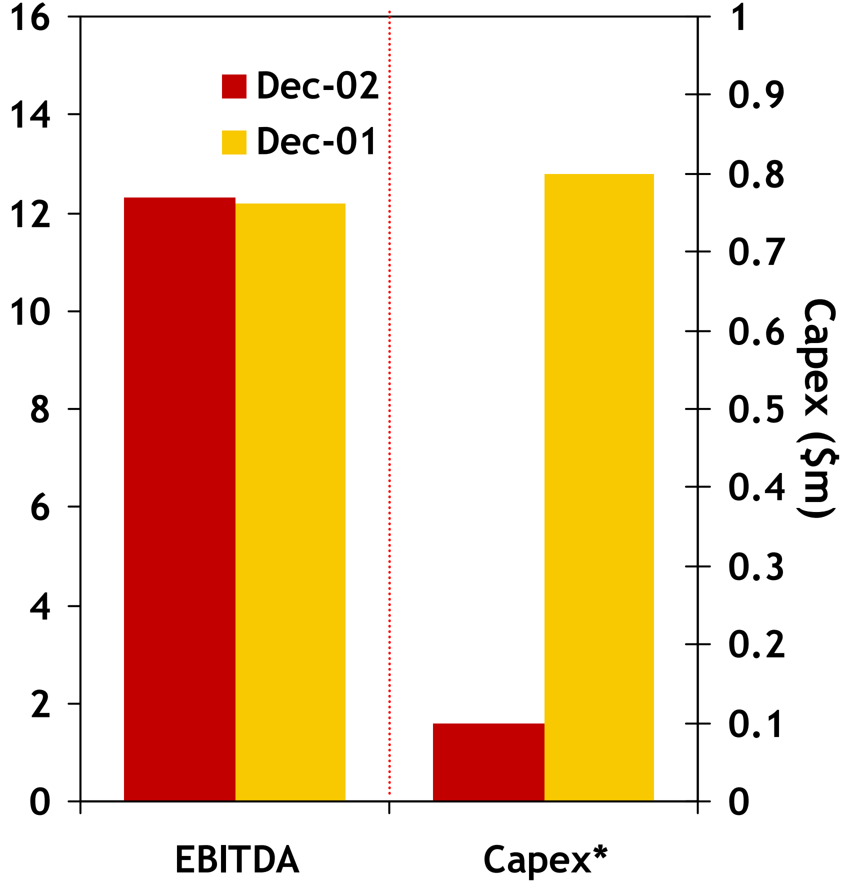
Contract plant has achieved high availability and is now complemented by the addition of Mt Stuart

- Osborne and Worsley capacity factors over 95%
- Higher availability at Bulwer Island on improved operating performance
- Mt Stuart adds 288MW to the contract plant portfolio, increasing Origin's overall generation capacity by around 50%

Progress has been made on solar and wind initiatives

- Solar R&D success in Sliver Cell™ technology - 90% reduction in silicon and up to 30 times increase in silicon wafer productivity. Currently selecting site for pilot plant.
- Origin Energy Solar retail product is focussed on grid-connected units
- Significant progress in residential market plus landmark buildings such as the Queen Victoria Markets in Victoria and the North Terrace Solar Power Station (SA Museum)
- Agreements in place to reach 120 MW of contracted wind power by mid-2003
- Option to acquire a 50% interest in the Challicum Hills project and several winds sites are being monitored for future developments

Networks: EBITDA increased 1% to $12.3 million on marginally higher management fees and distributions from Envestra



* excludes acquisitions

- Nearly 12,000 new natural gas consumers were connected to networks under management (12% higher than corresponding period last year)
- 148 kms of new mains added during the period
- Growth in new load offset by mild weather (Degree Days 8% and 3% lower in SA and Victoria respectively than the same period last year)

Construction of the SEA Gas pipeline commenced in October and is progressing on schedule at 3-5 km per day

- SEA Gas consortium expanded in September 2002 to a $500 million joint venture between Origin, ANP and TXU
- 680 km pipeline, fully compressed capacity 125 PJ/a
- Origin has entered into long term agreements for up to 35 PJ/a capacity
- First gas October 2003 - commercial operation early 2004

Outlook

Origin expects a lower contribution from energy retailing in the second half……..

Positives

- Greater contribution from the Perth Basin and higher oil prices
- Likely higher merchant power prices
- Lower cost of CitiPower integration
- Gascor agency agreement ceased

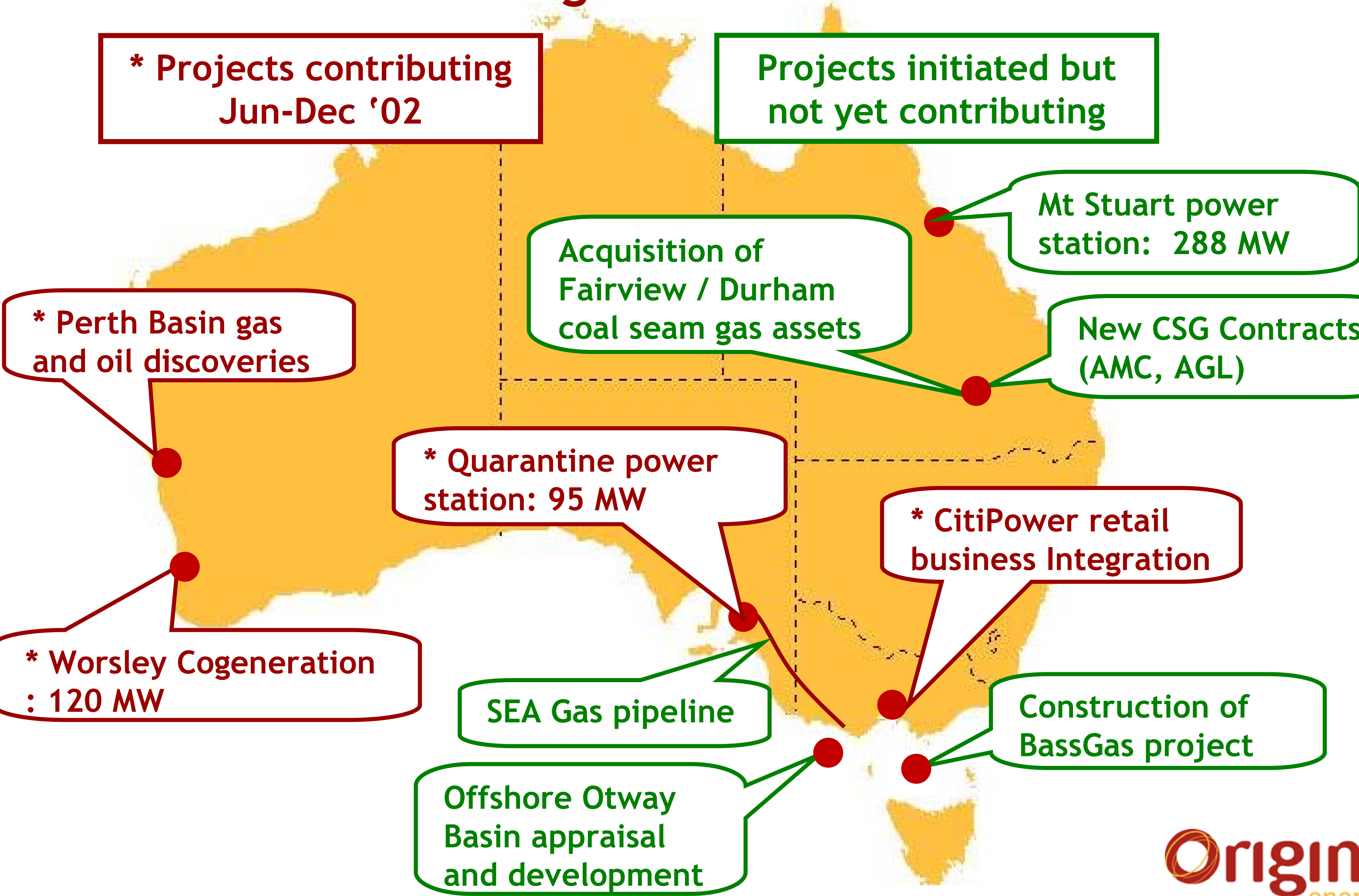
Negatives

- Higher LPG supply costs
- Higher electricity procurement costs &
- Higher cost of retail churn and customer management
- Retail tariffs capped or reduced in Victoria
- For seasonal reasons the first half result will normally exceed the second half

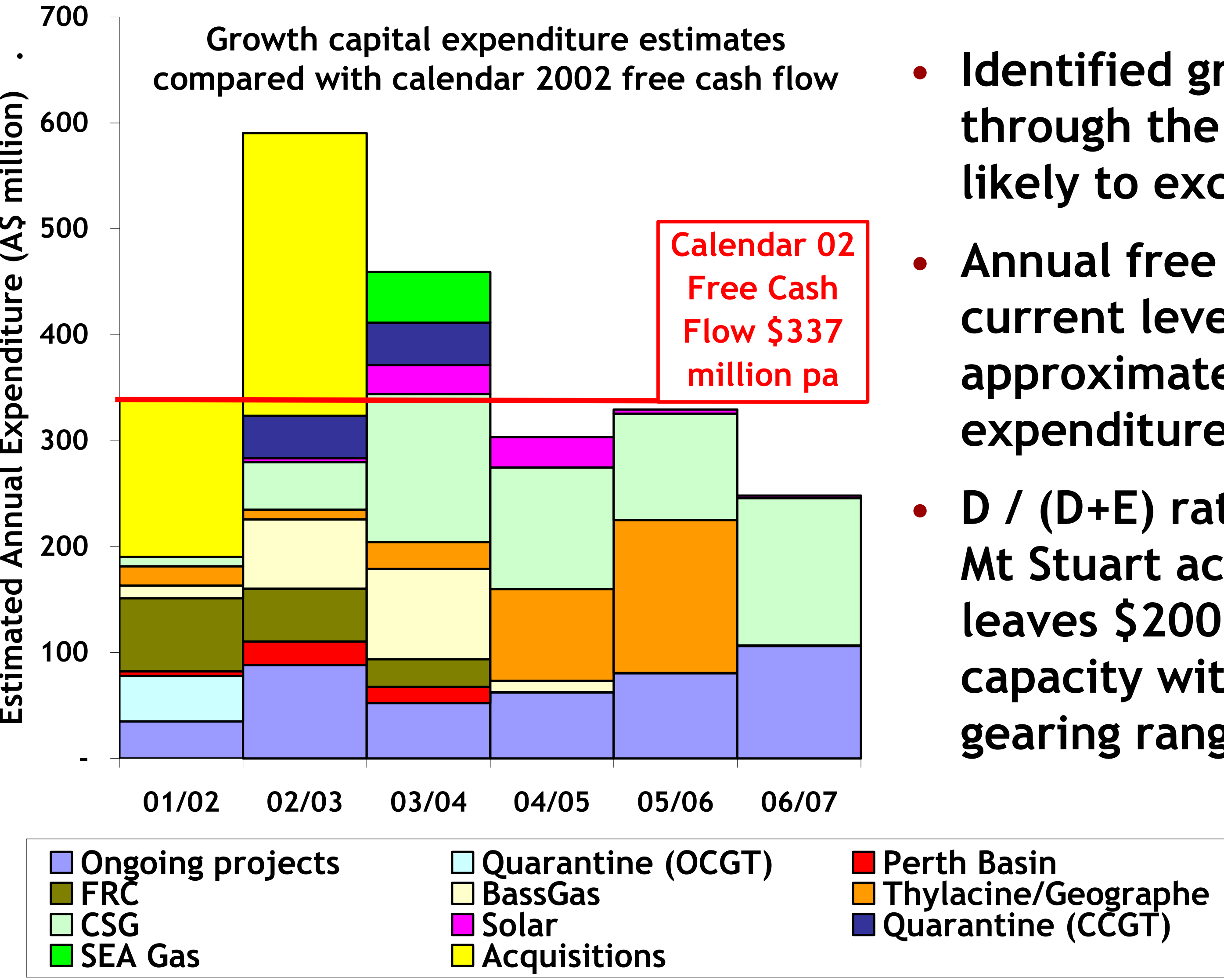
…..but the profit outlook for the current year has been upgraded to around a 20% increase on prior year

Origin ener

In the medium term Origin will benefit from projects that will contribute to growth

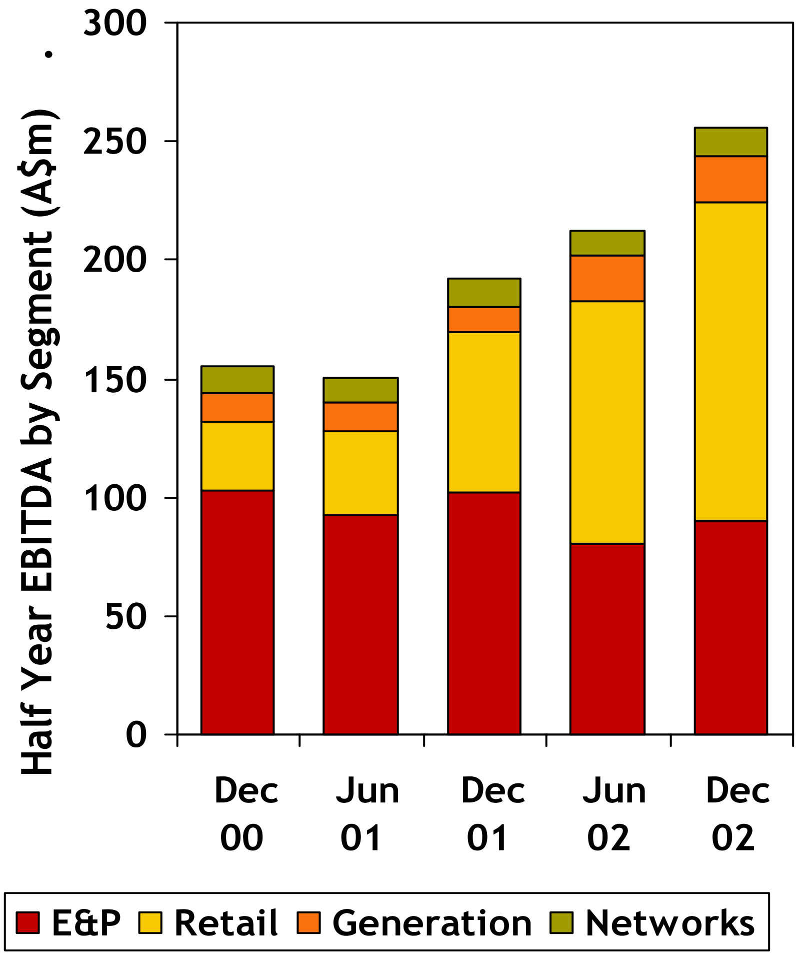


Strong cash flows and balance sheet capacity will cover acquisitions to date and future growth capex



- Identified growth capex through the next 4 years is likely to exceed $1.3 billion
- Annual free cash flow at current levels should approximately fund this expenditure
- D / (D+E) ratio of 32% (post Mt Stuart acquisition) leaves $200 to $300 million capacity within our target gearing range

In the long term Origin will continue to deliver value to shareholders through:



- A strategic position that has differentiated Origin from other energy companies in Australia
- A focus on risk management and improving the performance of existing businesses
- Growth from projects generated within the business and acquisition of value adding businesses

Origin maintains the long term goal of achieving EPS growth of 10-15% pa.

Origin
energy