



Quarterly Production Report

For period ended 31 March 2017

Comparative performance at a glance – Origin’s total proportional interests			
Previous Quarter Comparison	March 2017	December 2016	Change %
Production (PJe)	79.7	80.1	(0)
Sales (PJe)	80.4	82.2	(2)
Revenue (A\$m) ¹	562.9	544.3	3
Prior Corresponding Quarter Comparison	March 2017	March 2016	Change %
Production (PJe)	79.7	60.9	31
Sales (PJe)	80.4	60.1	34
Revenue (A\$m) ¹	562.9	316.4	78
Year to Date Comparison	Jul 2016- Mar 2017	Jul 2015- Mar 2016	Change %
Production (PJe)	234.0	163.1	43
Sales (PJe)	241.1	160.9	50
Revenue (A\$m) ¹	1,536.8	753.1	104

Note: Information presented in the table above and throughout this report relates only to hydrocarbon exploration and production activities undertaken by Origin Energy Limited (“Origin”), its subsidiaries and the incorporated joint ventures in which it has interests. The report does not cover other business activities of Origin such as electricity generation, or energy retailing.

Highlights

- APLNG Train 2 production continued to ramp up in line with expectations in preparation for the 90 day two train operational test, which is targeted to complete in 1H FY2018
- APLNG Train 1 first year planned shutdown commenced 14 March and completed 8 April
- Production was stable compared with the December 2016 quarter and revenue increased 3% reflecting higher realised prices across all products

Production and Sales

March Quarter 2017 compared with December Quarter 2016

Production of 79.7 PJe in the March 2017 quarter was 0.4 PJe lower than the December 2016 quarter. Production excluding APLNG decreased 1.1 PJe due to lower Otway production (-1.6 PJe) reflecting lower plant availability as a result of a scheduled shutdown during the quarter, natural field decline of Halladale / Speculant and lower customer nominations, partly offset by increased Bass Gas production (0.5 PJe) due to higher plant availability following a planned statutory shutdown in the December 2016 quarter. APLNG production increased 0.8 PJe as the ramp up of Train 2 production more than offset the impact of scheduled upstream outages and the planned shutdown of Train 1 in March 2017.

Revenue increased by 3% from the December 2016 quarter, driven by higher realised prices across all products.

March Quarter 2017 compared with March Quarter 2016

Production of 79.7 PJe in the March 2017 quarter was 18.8 PJe or 31% higher than the March 2016 quarter reflecting increases from APLNG (12.0 PJe) with two LNG trains online, and from Otway reflecting production from Halladale/Speculant (6.4 PJe).

¹ Revenue disclosed includes APLNG related amounts that have been capitalised up to November 2016 as well as gains/(losses) on forward sales and hedging.

Revenue increased by 78% from the March 2016 quarter primarily reflecting increased production, and higher average realised prices across all products.

Nine Months to 31 March 2017 compared with Nine Months to 31 March 2016

Production of 234.0 PJe in the nine months to 31 March 2017 was 70.9 PJe or 43% higher than the prior comparable period, reflecting increases from APLNG (59.4 PJe) due to increased production of LNG and Otway (14 PJe) due to increased production from Halladale/Speculant wells coming online.

Revenue increased by 104% from the prior comparable period due to increased production and higher average realised prices across all products.

1. PRODUCTION, SALES AND REVENUE

1.1 Production by product and area (including interest in APLNG)

Natural Gas and Ethane	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
Natural Gas	PJ						
APLNG domestic ²		16.2	15.9	2	26.4	57.9	85.9
SA Cooper & SWQ		2.8	2.7	3	2.9	8.2	8.8
Otway Basin (offshore)		10.3	11.6	(12)	3.1	28.3	15.6
Bass Basin		1.7	1.3	28	1.9	4.9	5.8
Perth Basin		1.2	1.2	0	0.8	3.3	3.0
Taranaki Basin (onshore)		-	0.0	(100)	0.1	0.2	0.5
Taranaki Basin (Kupe)		2.7	2.7	(2)	3.1	8.8	8.6
Ethane	PJ						
SA Cooper & SWQ		0.4	0.4	(10)	0.4	1.3	1.3
Total Production		35.1	35.8	(2)	38.7	112.9	129.5
Total Sales Volume		37.3	39.8	(6)	38.4	122.6	127.1
Total Commodity Revenue³	\$M	173.4	176.9	(2)	121.9	514.3	412.8
Average Gas Price – Total	\$/GJ	4.65	4.44	5	3.18	4.19	3.25
Average Gas Price – APLNG ³		3.61	3.18	13	1.95	2.85	2.15
Average Gas Price – ex APLNG		5.62	5.50	2	5.67	5.62	5.37

Liquefied Natural Gas (LNG)	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
LNG	Kt						
Total Production		673.0	656.7	2	277.6	1,790.8	294.9
Total Sales Volume		685.4	660.5	4	289.5	1,842.7	289.5
Total Commodity Revenue³	\$M	320.1	297.7	8	129.4	804.3	129.4
Average LNG Price³	\$/t	467.1	450.7	4	447	436.5	447.1
Average LNG Price³	US\$/t	352.7	337.8	4	324	328.2	324.1
Average LNG Price³	US\$/mmbtu	6.72	6.43	4	6.17	6.25	6.17

Crude Oil	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
Crude Oil	kbbls						
SA Cooper & SWQ		60.1	69.4	(13)	78.0	199.7	210.6
Taranaki Basin (onshore)		-	6.2	(100)	18.7	22.3	46.6
Total Production		60.1	75.6	(21)	96.7	222.1	257.3
Total Sales Volume		221.8	322.2	(31)	390.4	917.0	1,302.0
Total Commodity Revenue	\$M	17.1	22.7	(25)	21.0	64.2	81.1
Average Crude Price	\$/bbl	77	70	9	54	70	62

² Refers to production to meet domestic supply requirements and excludes production directed towards the LNG facility on Curtis Island.

³ Prior periods include capitalised revenue related to APLNG ramp gas and LNG sales volumes up to November 2016.

Condensate/Naphtha	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
Condensate/Naphtha	kbbls						
APLNG		-	-	-	0.2	0.3	0.3
SA Cooper & SWQ		46.0	45.3	1	52.0	136.3	150.9
Otway Basin (offshore)		118.7	130.3	(9)	40.0	330.2	198.5
Bass Basin		53.7	41.8	28	63.0	158.8	195.7
Perth Basin		0.6	0.7	(12)	0.7	1.8	2.4
Taranaki Basin (Kupe)		138.8	143.1	(3)	178.0	454.6	512.2
Total Production		357.8	361.1	(1)	333.9	1,082.0	1,060.0
Total Sales Volume		372.3	388.8	(4)	356.8	1,086.9	988.8
Total Commodity Revenue	\$M	23.9	23.6	1	15.8	65.8	51.2
Average Condensate Price	\$/bbl	64	61	6	44	61	52

LPG	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
LPG	Kt						
SA Cooper & SWQ		5.7	5.4	6	6.1	17.2	19.1
Otway Basin (offshore)		14.7	17.3	(15)	4.9	42.1	25.0
Bass Basin		4.7	3.3	45	5.6	13.9	17.2
Taranaki Basin (onshore)		-	0.1	(100)	0.3	0.3	0.7
Taranaki Basin (Kupe)		10.4	9.4	10	13.0	29.1	35.8
Total Production		35.5	35.5	0	29.9	102.6	97.9
Total Sales Volume		37.4	35.5	5	27.0	104.2	95.2
Total Commodity Revenue	\$M	22.5	16.4	37	11.3	51.0	42.8
Average LPG Price	\$/t	602	461	31	417	489	450

1.2 Production by basin (including interest in APLNG)

Production by Basin (All products, PJe)	Unit	This Quarter	Previous Quarter	% Change	Mar 2016	Quarter 2016	YTD 2016/17	YTD 2015/16
Production by Basin	PJe							
APLNG ⁴		56.8	56.0	1	44.8		166.9	107.5
SA Cooper & SWQ		4.0	4.0	-	4.3		12.2	13.1
Otway Basin (offshore)		11.6	13.2	(12)	3.5		32.1	17.9
Bass Basin		2.2	1.7	29	2.5		6.4	7.7
Perth Basin		1.2	1.2	-	0.9		3.3	3.0
Taranaki Basin (onshore)		-	0.1	(100)	0.3		0.3	0.8
Taranaki Basin (Kupe)		3.9	4.0	(1)	4.7		12.7	13.1
Total Production Volume		79.7	80.1	(0)	60.9		234.0	163.1
Total Sales Volume		80.4	82.2	(2)	60.1		241.1	160.9
Total Commodity Revenue	\$M	557.0	537.3	4	299.4		1,499.6	717.3
Gain / (Loss) on forward sale ⁵ and oil puts ⁶	\$M	5.9	7.1	(17)	17.0		37.2	35.8
Total Revenue	\$M	562.9	544.3	3	316.4		1536.8	753.1
Average Commodity Price	\$/GJe	7.00	6.63	6	5.26		6.37	4.68

1.3 Production, Sales Volumes and Revenue Summaries

1.3.1 Origin excluding interest in APLNG

Total All Products	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
Production Volume	PJe	23.0	24.1	(5)	16.1	67.1	55.6
Sales Volume	PJe	24.4	27.4	(11)	18.2	75.9	61.0
Sales Revenue	\$M	171.7	181.7	(6)	119.9	515.2	408.1
Gain / (loss) – forward sale ⁵	\$M	5.9	7.1	(17)	17.0	22.7	35.8
Total Revenue	\$M	177.5	188.7	(6)	136.9	537.9	443.9
Average Commodity Price	\$/GJe	7.28	6.90	5	7.52	7.09	7.28

⁴ Refers to domestic production as well as production directed towards the LNG facility on Curtis Island (including liquefaction gas).

⁵ Refers to Origin's oil and condensate forward sale agreements. In FY2013 Origin entered into agreements to sell the majority of its future oil and condensate production over a 72 month period commencing 1 July 2015. The fixed price of US\$62.40/bbl represents the forward oil price at the time of US\$89/bbl, discounted to reflect the receipt of the proceeds upfront. Upon entry into the agreements, Origin received A\$482 million.

⁶ On 22 December 2015, Origin announced the purchase of oil puts providing Origin with the right to sell 15mmmbbl of JCC at a strike price of A\$55/bbl for 75% of the volume and US\$40/bbl for 25% of the volume.

1.3.2 Origin's interest in APLNG

Total All Products	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
Production APLNG 100%	PJe	151.4	149.3	1	119.4	445.0	286.6
<u>Origin's 37.5% interest</u>							
Production (all products)	PJe	56.8	56.0	1	44.8	166.9	107.5
Sales (all products)	PJe	56.0	54.8	2	41.9	165.2	99.9
Revenue ⁷	\$M	385.3	355.6	8	179.5	984.4	309.2
Gain/(loss) on oil puts (Origin only) ⁸		-	-	-	-	14.6	-
Total Revenue		385.3	355.6	8	179.5	999.0	309.2
Average Commodity Price	\$/GJe	6.88	6.49	6	4.28	6.05	3.09

1.4 Internal and External Purchase and Sales Summary

1.4.1 Internal and External Sales (Origin excluding interest in APLNG)

Internal & External Sales Volumes	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
Sales Volume	PJe						
Internal		13.2	13.5	(2)	5.7	35.9	18.0
External		11.2	13.8	(19)	12.5	40.0	43.0
Total		24.4	27.4	(11)	18.2	75.9	61.0

1.4.2 External Purchases

Product Purchases included in above sales	Unit	This Quarter	Previous Quarter	% Change	Mar Quarter 2016	YTD 2016/17	YTD 2015/16
Origin (excluding interest in APLNG)	PJe	1.5	1.6	(10)	2.0	4.9	6.0
Origin's 37.5% interest in APLNG	PJe	1.4	1.4	(1)	1.6	3.9	3.3
Total	PJe	2.8	3.0	(6)	3.6	8.8	9.3

⁷ Prior periods include capitalised revenue related to APLNG ramp gas and LNG sales volumes up to November 2016.

⁸ On 22 December 2015, Origin announced the purchase of oil puts providing Origin with the right to sell 15mmbbl of JCC at a strike price of A\$55/bbl for 75% of the volume and US\$40/bbl for 25% of the volume.

2. DEVELOPMENT AND EXPLORATION OPERATIONS

2.1 Origin's interests held through Australia Pacific LNG (APLNG)

2.1.1 Operations Update

APLNG production (100%) was 151.4 PJe during the quarter, an increase of 1% compared to the December 2016 quarter (149.3 PJe), as the ramp up of Train 2 production was largely offset by the impact of scheduled upstream outages and the planned shutdown of Train 1 from 14 March to 8 April.

During the period, production from operated fields increased to an average of 1,224 TJ/d from 1,175 TJ/d in the December 2016 Quarter (APLNG share), reflecting ongoing commissioning of new wells, de-watering and production ramp-up to meet LNG requirements.

Operated production was curtailed during the quarter due to a series of upstream Gas Production Facility outages to upgrade electricity supply cables to the facilities. The upgrades are expected to continue through the fourth quarter of the financial year and are designed to increase upstream capacity ahead of the start of the 90 day two train operational test.

Average production from non-operated assets increased to 459 TJ/d in the March 2017 quarter from 448 TJ/d in the December 2016 quarter (APLNG share). Production from QGC operated fields remained at 345 TJ/d. Production from the GLNG operated Fairview field increased from 103 TJ/d to 114 TJ/d due to ramp up of wells and field optimisation activity.

The Train 1 planned shutdown occurred across March and April with the plant returning to normal operations after 26 days. The shutdown focussed on the required first year inspections and work scope aimed at ensuring optimal reliability.

Train 1 and Train 2 continue to perform in line with expectations with production ramping up in preparation for the 90 day two train operational test, which is targeted to complete in 1H FY2018.

During the quarter, a total of 27 produced LNG cargoes were loaded and shipped from the APLNG facility on Curtis Island, including to Sinopec and Kansai in accordance with their respective long term Sales and Purchase Agreements. In early April APLNG produced and shipped its 100th cargo.

APLNG participated in the drilling of 26 development wells during the quarter (all operated).

There were 8 operated appraisal wells drilled in the quarter.

APLNG Operated Production Wells⁹

		Avg daily production (APLNG share)	Development Wells ¹⁰		
				Wells drilled	Wells commissioned
Bowen	Spring Gully	243.0 TJ/d	This Quarter	3	14
			YTD 2016/17	35	68
			Total to Date	393	374
Surat	Talinga	142.7 TJ/d	This Quarter	-	21
			YTD 2016/17	47	21
			Total to Date	177	153
	Orana	164.3 TJ/d	This Quarter	4	-
			YTD 2016/17	12	25
			Total to Date	181	162
	Condabri	334.0 TJ/d	This Quarter	13	39
			YTD 2016/17	64	102
			Total to Date	616	578
	Combabula / Reedy Creek	333.4 TJ/d	This Quarter	6	16
			YTD 2016/17	40	108
			Total to Date	525	517
TOTAL		1,217.4 TJ/d¹¹	This Quarter	26	90
			YTD 2016/17	198	324
			Total to Date	1,892	1,784

⁹ Excludes 25 conventional wells in the Denison Trough and 23 CSG wells in the Peat Project Area not targeted for any Phase 1 development

¹⁰ APLNG operated wells delivering gas to domestic customers and the CSG to LNG project

¹¹ Excludes production from the Peat Project Area and Denison Trough which collectively accounted for average production of 6.3 TJ/d

2.2 Origin's interests excluding APLNG

Cooper / Eromanga Basin (South Australia / Queensland)

Origin/Santos/Beach Joint Venture

Cooper Basin production of 4.0 PJe was in-line with the previous quarter.

A total of eight wells were drilled in the quarter. There were two SWQ and one SA exploration/appraisal wells drilled, all cased and suspended for future production. There were five development wells drilled, three wells have been cased and suspended as future producers, with two development wells completed and ready for connection.

Origin/Senex/Planet Gas Joint Venture

The Silver Star-1 exploration well in PEL638 was spudded on 17 March 2017.

Otway Basin (Victoria / Tasmania)

Otway Basin production of 11.6 PJe (Origin share) has decreased by 12% from the previous quarter due to lower plant availability as a result of a scheduled shutdown during the quarter, natural field decline of Halladale / Speculant and lower customer nominations.

Acquisition of the Enterprise 2 3D transition zone seismic survey was completed during the quarter in exploration permit VIC/P42.

In exploration permit VIC/P69 processing of the Crowes Foot 3D offshore seismic survey continued during the quarter.

Bass Basin (Tasmania)

Bass Basin production of 2.2 PJe has increased by 29% from the previous quarter due to higher plant availability. Previous quarter plant availability was impacted by a planned statutory maintenance shutdown.

The compression and condensate modules continue to be pre-commissioned/commissioned, with an expected online date late in the 2017 financial year.

Perth Basin (Western Australia)

Perth Basin production of 1.2 PJe was in-line with the previous quarter.

Beetaloo Basin (Northern Territory)

No activity currently planned due to Northern Territory moratorium.

Taranaki Basin (New Zealand)

Kupe (offshore Taranaki)

Kupe production of 3.9 PJe (Origin share) was in-line with the previous quarter.

4. DRILLING ACTIVITY

4.1 Exploration/Appraisal

The table below summarises the exploration and appraisal drilling in which Origin had an interest during the Quarter:

Exploration/Appraisal Wells	Basin / Area	Target	Origin Interest %	Effective	Well Status
Raffle 2	Cooper - SWQ	Gas	16.74%		C&S
Caraka 2	Cooper - SA	Gas	13.19%		C&S
Ranger 1	Cooper - SWQ	Gas	16.74%		C&S
Silver Star 1	Cooper - SA	Gas	33.75%		Ongoing
Spring Gully 148	Bowen	CSG	35.44%*		Appraisal
Durham Ranch 381V	Bowen	CSG	35.44%*		Appraisal
Spring Gully 118	Bowen	CSG	35.44%*		Appraisal
Durham Ranch 381H	Bowen	CSG	35.44%*		Appraisal
Peat 442	Bowen	CSG	37.50%*		Appraisal
Peat 440	Bowen	CSG	37.50%*		Appraisal
Peat 443	Bowen	CSG	37.50%*		Appraisal
Dalwogan 438	Surat	CSG	37.50%*		Appraisal

* Denotes Origin operatorship

4.2 Development

The table below summarises development drilling in which Origin had an interest during the quarter. Origin participated in 26 CSG development wells across the Bowen and Surat Basins and 5 conventional gas development wells in the Cooper Basin during the quarter.

Basin / Area Development Wells	Origin Effective Interest %	Well Status	Basin / Area Development Wells	Origin Effective Interest %	Well Status
Cooper Basin – SA			Condabri 398	37.50%*	Development
Target – Gas			Condabri 400	37.50%*	Development
Kanowana 12	13.19%	C&S	Condabri 397	37.50%*	Development
Kanowana 13	13.19%	C&S	Condabri 399	37.50%*	Development
Kanowana 14	13.19%	C&S	Condabri 402	37.50%*	Development
Toolachee 53	13.19%	Completed	Condabri 401	37.50%*	Development
Toolachee 54	13.19%	Completed	Condabri South 277	37.50%*	Development
Bowen			Condabri South 112	37.50%*	Development
Target – CSG			Condabri North 348	37.50%*	Development
Spring Gully 493	35.44%*	Development	Condabri North 352	37.50%*	Development
Durham Ranch 805	35.44%*	Development	Condabri North 350	37.50%*	Development
Durham Ranch 871	35.44%*	Development	Condabri North 345	37.50%*	Development
Surat			Condabri North 346	37.50%*	Development
Target – CSG			Orana North 147	37.50%*	Development
Reedy Creek South 175	34.77%*	Development	Orana North 148	37.50%*	Development
Clifford East 10	34.77%*	Development	Orana North 129	37.50%*	Development
Clifford East 22	34.77%*	Development	Orana North 128	37.50%*	Development
Reedy Creek 154	34.77%*	Development			
Combabula North 7	34.77%*	Development			
Combabula North 8	34.77%*	Development			

Notes:

* Denotes Origin operatorship

5. EXPLORATION, EVALUATION AND CAPITAL EXPENDITURE

The table below includes total expenditure incurred on exploration and evaluation activities and capital expenditure on development and production activities. They include expenditure committed under farm-in agreements and capitalised interest and exclude expenditure on acquisitions. Expenditure in the current financial year is preliminary and is subject to audit review.

	This Quarter	Previous Quarter	Mar Qtr 2016	YTD 2016/17	YTD 2015/16
A\$m					
Exploration/Evaluation	13	22	20	45	72
Development/PP&E	27	34	89	98	285
Total excluding APLNG	41	56	109	144	357
Origin's Contribution to APLNG	50	(18)	276	174	1,132

6. CONVERSION FACTORS AND ABBREVIATIONS

6.1 Conversion Factors

Crude oil	0.00583	PJ/kbbls
Condensate	0.00541	PJ/kbbls
LPG	0.0493	PJ/ktonnes
Ethane	0.0517	PJ/ktonnes
LNG	0.0554	PJ/ktonnes

6.2 Abbreviations

APLNG	Australia Pacific LNG – an incorporated Joint Venture between Origin, ConocoPhillips and Sinopec
barrels	an international measure of oil production. 1 barrel = 159 litres
Bopd	barrels of oil per day
bwpd	barrels of water per day
C&C	cased and completed
C&S	cased and suspended
CSG	coal seam gas
FID	final investment decision
GJ	gigajoule = 10^9 joules
joule	a measure of energy
kbbls	Kilo barrels = 1,000 barrels
kT	Kilo tonnes = 1,000 tonnes
LNG	liquefied natural gas
LPG	liquid petroleum gas
mmbbl	million barrels
mmboe	million barrels of oil equivalent
mmbtu	million British thermal units
mmscf	million standard cubic feet
mtpa	million tonnes per annum
P&A	plugged and abandoned
P&S	plugged and suspended
pa	per annum
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
QGC	Queensland Gas Company
Spudding	to commence drilling a well
SWQ	South West Queensland
t	tonnes
TJ	terajoule = 10^{12} joules
TJ/d	terajoules per day
YTD	year to date