Interim Results Announcement
Half-year ended 31 December 2003

17 February 2004

Outline

- Performance Highlights
- Financial Review
- Operating Review
- Outlook

All comparative data are in relation to the prior corresponding period, July – December 2002, unless otherwise stated

Origin energy

Performance Highlights

Financial Highlights

• Revenue	$ 1.85 billion	up 11%
• EBITDA	$ 306 million	up 20%
• PAT	$ 126 million	up 40%
• Basic EPS	19.2 cps	up 39%
• Free cash flow (FCF)	$ 230 million	up 21%
• FCF per share	35.3 cps	up 20%
• Debt / (debt + equity)	28% (31 Dec 03)	29% (30 Jun 03)
• OCAT Ratio*	16.1%	target 9.4%
• Interim dividend	6 cents per share fully franked	up 20%

* Calendar year 2003

Origin energy

Operating Highlights

- CitiPower integration completed
- OCA minorities acquired
- Tax dispute with ATO settled in Origin's favour
- CSG supply contract signed with QAL for ~12 PJ/a
- Credit rating by S&P raised to A-
- Victorian retail tariff path established for four years
- SEA Gas completed on time and on budget
- Perth Basin oil production exceeds 4,000 bopd (net)
- Lost Time Injury Frequency Rate (LTIFR) 2.1 improved 36%

Post balance-date events

- Moomba fire and consequent gas disruptions
- Acquisition of 50% interest in Kupe gas field, NZ

Financial Review

Profit & Loss

	Dec 03 ($m)	Dec 02 ($m)	% change
Revenue	1,845.8	1,669.9	11%
EBITDA	306.5	255.9	20%
EBIT	205.9	163.7	26%
Net interest expense	(24.0)	(24.8)	(3%)
Tax expense	(54.8)	(47.2)	16%
NPAT	125.6	89.6	40%
Earnings per share (cents)	19.2 ¢	13.8 ¢	39%
Free cash flow p s (cents)	35.3 ¢	29.4 ¢	20%
ROE (half-year)	6.7%	5.3%	28%

This half-year included a number of one-off items…..

	Pre tax ($m)	Post tax ($m)
Cooper Basin reserves write down	(16.2)	(16.2)
Surat Basin provision reversal	5.4	3.8
Osborne uplift	9.3	9.3
Tax benefits	-	4.1
Total		1.0

……that have a net positive impact of $1 million

EBITDA is up 20% on the previous half-year with contributions from all areas of the business

Divisions	Dec 03 ($m)	Dec 02 ($m)	% change
Exploration & Production	102.9	90.2	14%
Retail	146.7	129.5	13%
Generation	43.7	23.9	83%
Networks	13.2	12.3	7%
Total	306.5	255.9	20%

Main factors are:

- E&P: Higher oil volumes
- Retail: No Gascor payment (+14m) and cool spring
- Generation: Mt Stuart & Osborne specific items
- Networks: Cooler weather

Depreciation & Amortisation

	Dec 03 ($m)	Dec 02 ($m)
Buildings, plant & equipment	46.2	45.5
Amortisation of exploration and evaluation costs in producing areas	27.2	24.5
Electricity hedging contracts	4.6	9.5
Intangibles *	21.7	11.9
Other	0.9	0.8
Total	100.6	92.3

* Higher amortisation of intangibles in Dec 03 reflects increases in goodwill amortisation following restatement of acquisition balance sheets. Ongoing half-yearly rate on current balances will be approximately $16.2 million.

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Funding & Interest

	Dec 03 ($m)	Jun 03 ($m)	Dec 02 ($m)
Net debt ($m)	744	732	705
Total equity ($m)	1,870	1,790	1,731
Net debt to equity (%)	40%	41%	41%
Debt to (debt + equity) (%)	28%	29%	29%
Net interest expense ($m)	24.0	23.9	24.8
Net interest cover (x EBIT)	8.6		6.6
Average interest rate	6.5%		6.5%

- Net debt has increased only marginally in the half despite total expenditure on capex and acquisitions of $241 million
- S&P credit rating upgraded to A- in Dec 2003. Fitch steady at A-
- Interest rate sensitivity (profit before tax): 1% inc/dec = A$3.7 m dec/inc
- FX: Combination of external hedging and ongoing USD denominated capital expenditure means changes in USD exchange rate will have minimal impact on profitability

Tax Reconciliation

	Dec 03 ($m)	Dec 02 ($m)
Profit before tax	181.9	138.9
Prima facie tax	54.7	41.5
add non deductible amortisation	6.9	6.5
less one-off items #	(4.1)	0.0
less other permanent differences	(2.7)	(0.8)
equals Tax expense	54.8	47.2
Tax paid	(3.8)	(15.4)
Subvention payments	(4.0)	(6.0)

# one-off items	Dec 03 ($m)
Vicgas tax losses benefit	(78.5)
Tax loss asset written off	24.8
Benefits no longer recognised	49.7
Total	(4.1)

Origin energy

Operating cash flow after tax has again grown strongly……….

	Dec 03 ($m)	Dec 02 ($m)
EBITDA	306	256
Change in working capital	(7)	(8)
Stay-in-business capex (net)	(39)	(42)
Other (incl. non-cash items)	1	31
Tax / subvention payments	(8)	(21)
OCAT	254	216
Net interest paid	(24)	(25)
Free cash flow	230	191
Funds Employed	2,632	2,312
OCAT Ratio (calendar year)	16.1%	16.5%

…. and the OCAT ratio continues to significantly exceed the company's target of 9.4%

Origin energy

Expenditure on the Perth Basin, BassGas and CSG projects accounts for the majority of growth capex……

	Dec 03 ($m)	Dec 02 ($m)
Stay-in-business	40	44
Growth		
Exploration & Production	106	56
Retail	8	12
Generation	5	1
Networks	0	0
Total capital expenditure	158	113
Acquisitions	84	269
Capex including acquisitions	241	382

…….while the acquisition of minority interests in OCA accounts for the majority of acquisitions

Origin energy

Cash flow return from the business divisions is measured pre-tax and targets 14.3% over a full year

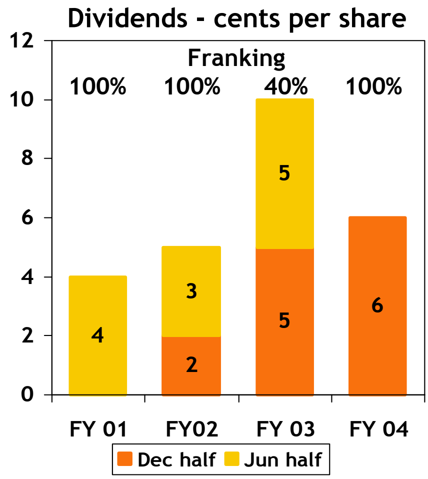
	Funds Employed ($m)	Operating Cash flow ($m)	OCFR Dec 03 (%)	OCFR Dec 02 (%)
			Half year returns*	
Exploration & Production	1,029	88	8.5%	7.5%
Retail	1,178	131	11.1%	11.9 %
Generation	361	26	7.2%	7.6 %
Networks	152	18	11.5%	11.4 %

All divisions met or exceeded half-year targets

* Half year returns - double to get a normalised full year return

Origin energy

An interim fully franked dividend of 6 cents per share has been declared (prior period 5c franked to 2c)



Payment and DRP

- Ex-dividend date 20 February 2004
- Date of record 26 February 2004
- Payable 18 March 2004
- DRP to apply at 2.5% discount to VWAP of 5 days prior to record
- Discount will be suspended

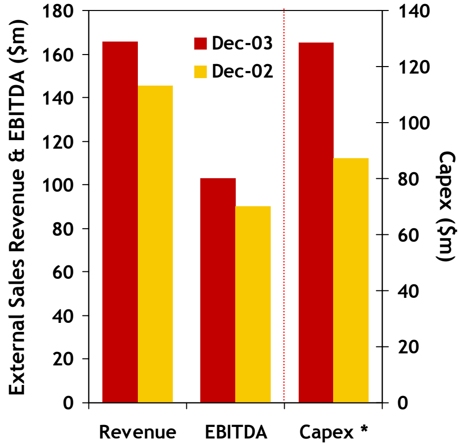
Franking

- Recent legislative changes allow Origin to elect to pay sufficient tax to frank dividends
- Franking benefits more than outweigh cost to Origin

Origin will continue to target a payout of 40% of EPS and intends to fully frank future dividends

Operating Review

Exploration & Production: EBITDA increased 14% to $102.9 m on higher oil volumes despite Cooper Basin write-down and lower gas production

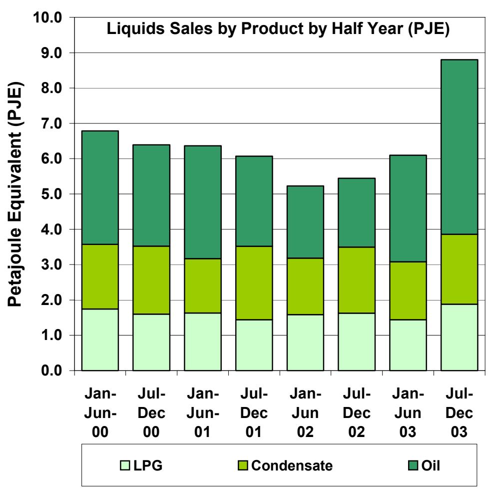


* Does not include acquisitions

- Oil production rates in the Perth Basin continued to increase over the half-year, reaching 4,200 bopd net by mid January
- Gas production was down 5% on lower demand, generator outages and field decline
- Contract signed with QAL for supply of ~12 PJ/a of CSG
- Cooper Basin reserves write-down of 38 PJ (- $16.2m), offset by reversal of Surat Basin provision (+$3.8 million)
- Acquisition of OCA minorities complete
- Acquisition of 50% interest in Kupe field in Feb 2004

Origin energy

Oil sales from the Perth Basin have continued to rise with successful field appraisal and water injection



- Hovea 8 tested up to 6,600 bopd. Hovea 9 & 10 drilled, with Hovea 10 completed as a water injector
- Eremia 2 successfully appraised the field, but horizontal well abandoned - completed as a vertical production well
- Jingemia 3 completed as water injector. Extended production test results from Jingemia 1 show rates of up to 1,950 bopd assisted by water injection

Average Price Received A$ (inclusive of hedging)		
Dec '02 half	$	48.03
Jun '03 half	$	43.06
Dec '03 half	$	41.26
Before tax earnings sensitivity: +/- 1 USD oil price ~ +/- A$1.8 m		

Liquids production will increase as current Perth Basin fields peak and BassGas is brought on line

Origin energy

Origin has added around 538 PJe net 2P reserves since 30 June 2003

Proved and Probable Reserves (PJe*)	
2P reserves at 30 June 2003	1,573
plus CSG appraisal (Durham)	450
plus Kupe acquisition	170
less Cooper Basin reserves write-down+	(38)
less Production to 31 Dec 2003	(44)
Approximate current 2P reserves#	2,111

* PJE – petajoule equivalent – a measure of energy

\+ Cooper Basin reserves write-down undertaken following field studies and detailed review by the operator, Santos Ltd, and Origin analysis.

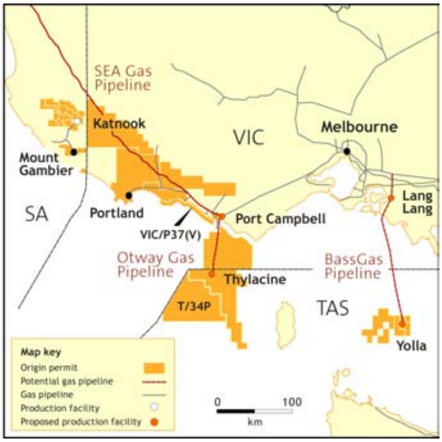
\# includes all significant and disclosed changes from annual reserves review of 30 June 2003 to present. Changes may not have been audited.

Origin continues to build CSG capabilities through field appraisal, development and contracting of reserves…..

- Appraisal of the Spring Gully (Durham) field increased gross 2P reserves from 156 to 648 PJ (an increase of 450 PJ Origin net share)
- Spring Gully development plan finalised and studies for FEED completed. Detailed engineering commenced
- PLs and environmental licences covering the area granted. Reverse osmosis trial commenced
- Indigenous Land Use Agreement finalised
- Contract to supply QAL with ~12 PJ/a commencing in November 2006
- Success at Myall Creek 6 & 7 with nitrogen drilling emphasises remaining potential of conventional gas in stratigraphic traps within the Surat Basin

…….and has consolidated its SE Queensland interests by acquiring the minority interests in OCA

Development planning for the Otway Gas Project has progressed steadily during the half.



Otway Gas Project (29.75%)

- Front end engineering and design (FEED) for the Thylacine/Geographe field development completed
- Tenders received for key development infrastructure
- Field development plan and production licence applications submitted
- Annual gross production of 60PJ/a expected to commence mid 2006
- In Vic/P37(V) (Origin 37.5%) 3D seismic survey complete and results being interpreted
- T/34P (Origin 37.5%) awarded in July 03

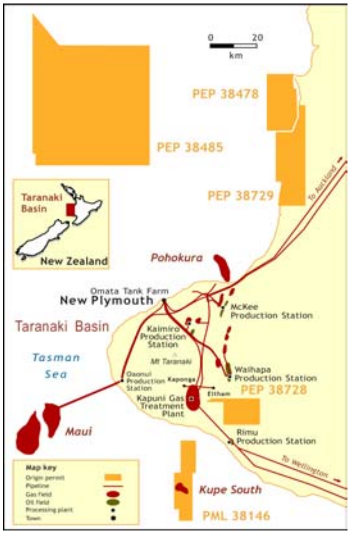
A final investment decision (FID) to proceed with the project is expected in the June quarter

The BassGas project is proceeding on budget and on time to meet first gas in September quarter

BassGas Project (37.5%)

- Platform has left construction yard in Batam for 4 week trip to Burnie in Tasmania – arrival expected mid March
- Shore crossing and laying of offshore pipeline complete
- Construction of onshore pipeline and processing plant at Lang Lang on schedule
- First gas during September quarter 2004
- Planning for the drilling of the Trefoil-1 exploration well 20 km west of Yolla continued and will use the same rig drilling the BassGas development wells

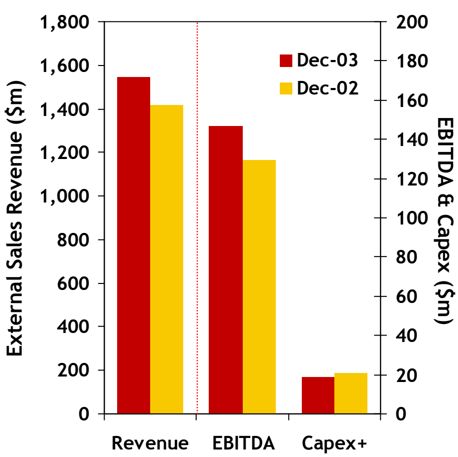
Acquisition of a 50% interest in the Kupe field and the grant of exploration permit PEP 38485 have strengthened Origin's E&P position in New Zealand



- 50% interest in Kupe purchased from Genesis Power for NZ$33 million
- Origin now operator, and all gas contracted to Genesis
- Gross reserves over 236 PJ of sales gas plus liquids (~340 PJe in total)
- Total development costs ballpark NZ$350 - NZ$400 million
- Final investment decisions anticipated in mid 2005, first gas mid 2007
- 1/3rd interest in new Taranaki Basin permit PEP 38485 granted in February 2004

Origin energy

Retail: EBITDA up 13% to $146.7m on cooler weather, integration benefits and cost control



+ excludes acquisitions

- Revenues up 9% due to strong electricity sales
- Cooler weather in the southern States produced higher mass market gas sales but total volumes down 8% due to loss of high-volume I&C customers. Lower LPG volumes reflect impact of the drought and lower Autogas demand
- Churn increasing but overall cost to serve lower as integration benefits and cost controls take effect
- EBITDA and EBIT margins improved across all products
- Tariff agreement for next four years brings certainty to retail position
- Development of market channels continues, including landmark deal with AFL

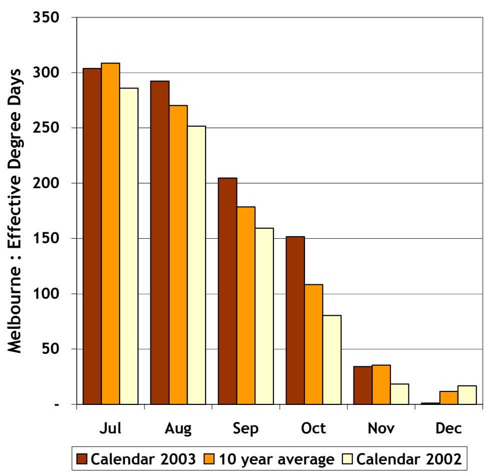
Origin energy

Av. prices were higher for electricity and natural gas but lower for LPG. Aggregate gross margin was constant

	Natural Gas	Electricity	LPG
Revenue (A$m)	467	839	194
Gross margin (A$m)	89	134	62
Sales (PJ)	62	-	-
Sales (TWh)	-	8.1	-
LPG (Ktonnes)	-	-	246
Total sales (PJe)	62	29	12
Customers ('000)	980	850	200+

- Natural gas and LPG total volumes were lower. Volume losses for these products were in high-volume/low-margin segments (C&I, autogas). Cool weather increased sales to high margin residential gas customers resulting in a net increase in gross margin for these products
- Electricity revenues rose on higher volumes and prices, but higher purchasing costs resulted in lower electricity gross margin

Colder weather in Victoria through late winter & spring boosted mass market natural gas sales........



- The measure of effective degree days was above the 10-year average and significantly higher than the December half in 2002
- Cooler weather resulted in increased sales to high-margin customers at the mass market level
- Volume gains were more than offset by volume losses to large customers due to a combination of business closure and competition
- The change in mix towards high margin customers led to improved gross margins

.....and embedded gross margins for gas improved despite flat deemed tariffs in Victoria

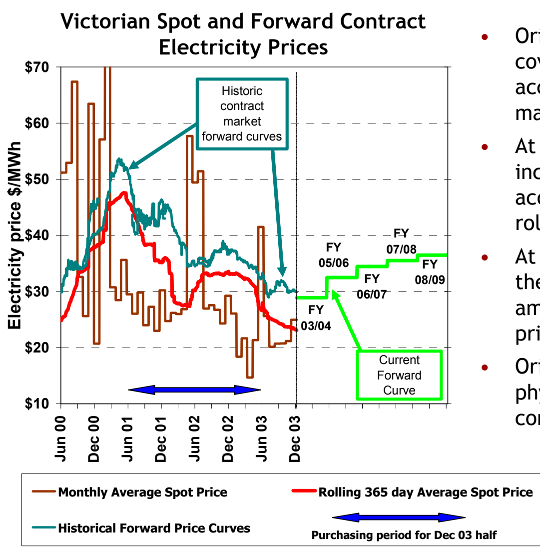
In December a 4 year price path was agreed with the Victorian Government to bring certainty to retail pricing

Victorian Retail Areas	2004	2005	2006	2007
Powercor Electricty	2.0%	CPI - 1.3%	CPI - 0.5%	CPI - 0.5%
CitiPower Electricity	1.5%	CPI - 0.5%	CPI - 0.5%	CPI - 0.5%
Gas	5.0%	CPI	CPI	CPI

- Price paths relate to standing and deemed electricity and gas retail contracts in Victoria to end 2007
- Does not cover increasing number of customers buying gas and electricity under market contracts
- Approximately 38% of Origin's Retail segment sales revenue is currently covered by the price path agreements

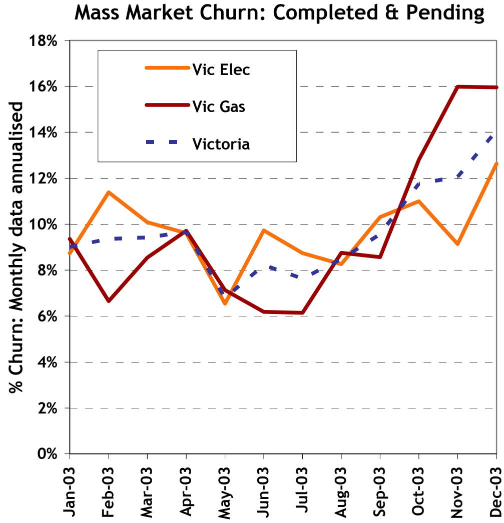
Agreements allow flexibility for unexpected and significant changes in underlying costs

Origin maintains significant forward cover in the electricity market to manage wholesale volatility against retail price certainty



- Origin progressively locks in forward cover in the electricity market in accordance with Board policies for managing risk exposure
- At the gross margin level costs have increased as favourable positions acquired in the Powercor hedge book roll off
- At the EBIT level reduced benefit from the hedge book is offset by lower amortisation of the hedge book purchase price
- Origin monitors the window to build physical generation and manages contractual cover in light of this option

Churn rates in Victoria have risen over the last six months increasing churn associated costs…….



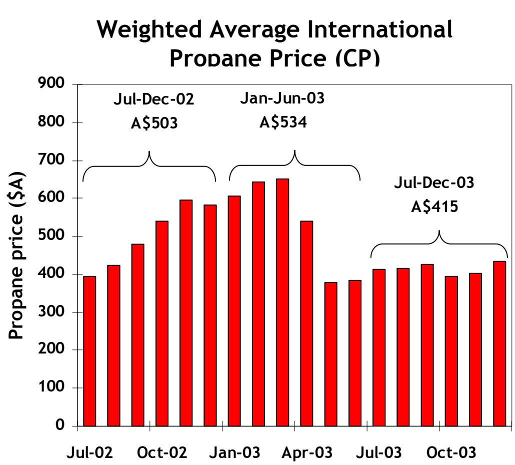
Origin Customer Numbers ('000)	Natural Gas	Electricity
Jun '03	967*	851
Dec '03	980	850
Net Churn	+13	-1

* Gas customer numbers adjusted at Jun 03 to reflect new measuring methodology

Origin has experienced churn rates slightly below the market average, and has seen a net gain of gas customers in the half-year

…..but overall cost to serve has improved highlighting integration and scale benefits

A focus on price management and cost control has delivered increased profits from the LPG business……



- Cost of LPG benchmark CP down $88 per tonne (17%) on the prior corresponding period
- Volumes lower mainly due to reduction in Autogas demand
- Revenue 9% lower than prior December half
- EBITDA improvement through focussed price management and cost control

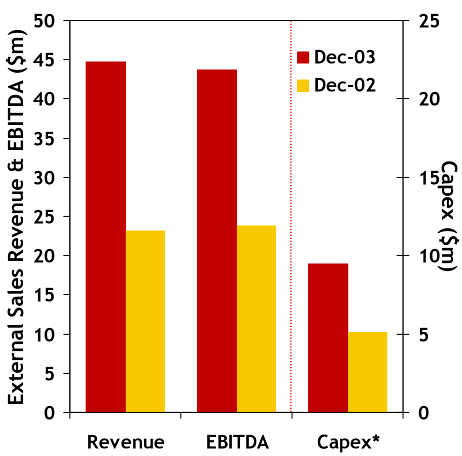
…….despite reduced volumes and lower revenues

Origin has continued to investigate and develop new products and sales channels…….

- On 9 February Origin announced its Inside50 promotion with the AFL – Australia's premier sports organisation
- Offered in SA and Vic through 11 clubs
- Largest integrated and structured membership program in the AFL history
- Rewards football fans in Victoria and South Australia with $50 towards a 2004 club membership should they contract with Origin in 2004
- A further $50 is available towards their 2005 membership should they remain customers through 2005

…….including existing customer relationships, telemarketing, door-to-door sales, Green-energy products, Origin Energy Shops, new home builders and the new Inside50 campaign with the AFL

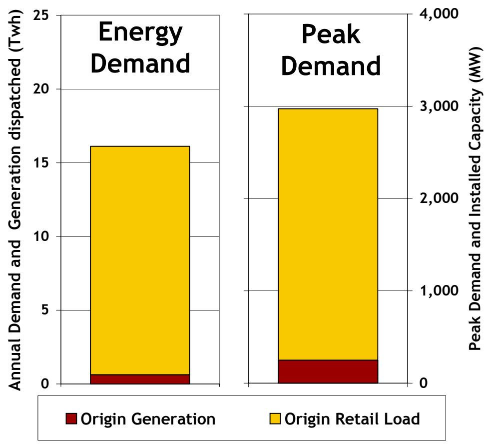
Generation: EBITDA up 83% to $43.7m including a one-off tax adjustment of $9.3 million from Osborne



* excludes acquisitions

- Availability of all plants except Ladbroke Grove was high during the period
- Pool prices have been depressed across all States reflecting high levels of supply, resulting in limited demand for gas fired peak generation
- Minimal dispatch requirements for Mt Stuart resulted in additional capacity payments of $7 million compared to prior corresponding period
- Invested $6.1million for a 19.6% stake in Geodynamics. Continued wind farm initiatives and commenced construction of solar demonstration plant

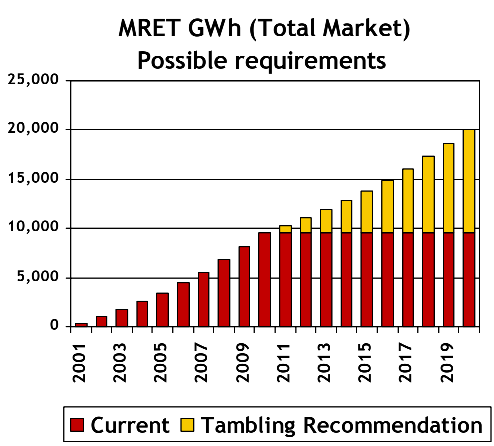
Origin has grown the Generation business from a few MW in 1998 to 883 MW of gas turbine & cogeneration plant



- Over 530 MW is contracted to 3rd parties, while 250 MW is contracted to the Retail division through a tolling arrangement
- Owned generation offsets less than 10% of Retail's peak requirement, and 4% of total energy requirements
- Origin is actively looking at opportunities to expand the generation portfolio either through appropriately priced acquisitions or construction of cost advantaged generation assets

Covering a greater % of our Retail exposure with cost effective generation provides an opportunity to further expand generation capacity

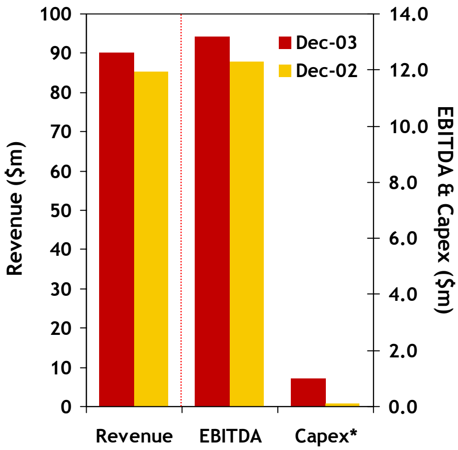
Progress continues to be made on renewable initiatives



Note: Tambling Recommendations as documented in "Renewable Opportunities – A Review of the Operation of the *Cth Renewable Energy (Electricity) Act 2000* September 2003."

- Solar: Construction of $20 million demonstration solar photovoltaic manufacturing plant commenced in Adelaide. Manufacturing to commence in early 2005
- Wind: Continued to progress plans for development of the Kemmiss Hill Rd and Troubridge wind farms in SA
- HDR: Origin 19.6% stake in Geodynamics maintained through additional capital raising. Significant progress continues to be made. Origin has option for 50% of potential output

Networks: EBITDA increased 7% to $13.2 million on the back of cooler winter weather…..



- Cooler winter weather drove increased network volumes and increased fees from Envestra
- Management fees and equity income from the Coliban Joint Venture with United Utilities also added to EBITDA
- Natural gas connections increased 1.3% to 917,000
- 150kms of new mains laid and 60 kms existing mains replaced
- SEA Gas Pipeline completed on time and on budget on 1 January 2004

…… while the SEA Gas pipeline will boost Network contributions going forward

* excludes acquisitions

The SEA Gas pipeline became operational on 1 January 2004 on time and on budget…………

- Construction and commissioning work complete to enable Practical Completion on 1 January 2004
- Pipeline in place and operational in time to meet the gas supply crisis resulting from the fire in the Moomba processing plant on 1 January and has made a significant contribution to SA gas requirements since that time
- Origin contributed equity of $55.6 million to the SEA Gas Project on 2 January 2004

…..and has played a critical role in managing the gas supply crisis in SA following the Moomba fire

Outlook

A strong first half was further enhanced by favourable circumstances resulting in 40% improvement on the prior corresponding period

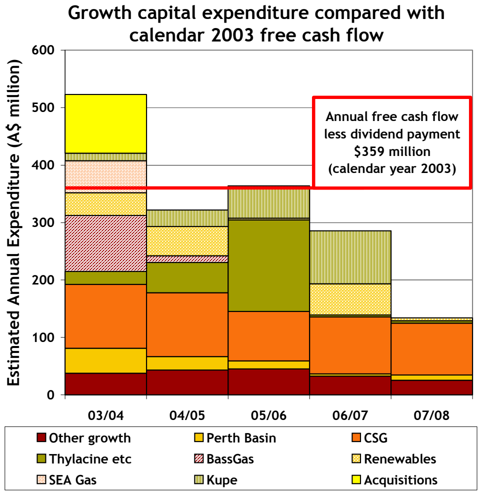
- Cool late winter / spring weather in southern States
- Additional capacity payment from Mt Stuart

...while the second half will be adversely affected by…

- The impact of the Moomba incident which will reduce EBITDA by $9 to $10 million

Full year EPS is anticipated to be around 20% higher than last year

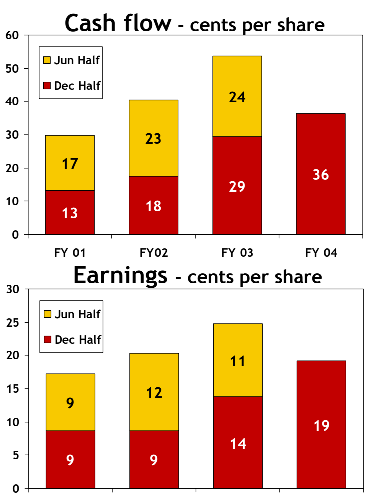
Growth capex is focussed on upstream projects with Kupe adding to the profile through to mid 2007……….



- Committed or highly likely development projects underpin the growth of the company over the next several years
- Current free cash flow after dividend payments will cover the majority of the capital required for this organic growth
- Conservative gearing of 28% and borrowing capacity of several hundred million dollars provides further funding flexibility

…..with additional expenditure on renewables and generation possible should market conditions warrant

Delivering on these growth projects will drive cash flow and earnings growth



- SEA Gas Pipeline maiden contributions this half
- The BassGas Project is entering the final construction phase and will commence gas delivery in the September quarter 2004
- The Otway Gas Project is expected to receive final sanction in the June quarter and deliver gas from mid 2006
- CSG supply to AGL commences in May 2005 and to QAL commences in November 2006
- The Kupe development is expected to receive final sanction mid 2005 and deliver gas from mid 2007

Origin retains its target of delivering EPS growth in the medium term of 10-15% pa on average

Origin energy

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