Origin energy

To	Company Announcements Office	Facsimile	1300 300 021
Company	Australian Stock Exchange Limited	Date	22 February 2005
From	Bill Hundy	Pages	2
Subject	**ORIGIN ENERGY'S CREDIT RATING BY STANDARD & POOR'S**		

For your information please find attached a media release made by Standard and Poor's.

Regards

Bill Hundy
Company Secretary

02 8345 5441 - bill.hundy@originenergy.com.au

STANDARD
&POOR'S

Press Release

Origin Energy's Ratings Downgraded To 'BBB+'; Outlook Stable

Melbourne, Feb. 21, 2005--Standard & Poor's Ratings Services said today that its long-term ratings on Origin Energy Ltd. (Origin) have been lowered to 'BBB+' from 'A-', following Origin's announcement of a A$641 million rights issue. The rating action reflects a weakening in the company's business and financial profile following the acquisition of a 51.4% shareholding in Contact Energy Ltd. (Contact; BBB/Stable/A-2) in October 2004. The short-term rating remains unchanged at 'A-2'. This rating action follows Origin's announcement today of an A$641 million rights issue. The ratings were concurrently removed from CreditWatch, with negative implications where they were placed on July 20, 2004. The outlook has been revised to stable.

"Today's announcement by Origin of an equity rights issue of approximately A$641 million demonstrates the company's commitment to raising new equity to support the A$1.5 billion Contact acquisition," said Standard & Poor's credit analyst Ian Greer, Corporate & Infrastructure Finance Ratings. "Overall, however, the acquisition weakens Origin's financial profile, particularly in this initial 18 month-24 month period of ownership to a level that is not commensurate with an 'A-' rating. The rating action assumes that the proposed equity raising is successful, reflecting Origin's established track record in undertaking such issues," he added. Standard & Poor's is now focusing on the finalization of the structure and the execution of the long-term funding solution, adopted during 2005, to refinance the remaining NZ$737 million bridge debt also used to fund the acquisition.

Origin's decision to raise about A$641 million in equity will provide better financial and operational flexibility (at the current rating level) than experienced before the acquisition, allowing Origin to pursue other growth strategies in the medium term. However, Standard & Poor's expects Origin to maintain its current financial policies.

The ratings on Origin reflect the company's position as a large and diversified player in the Australian and New Zealand energy markets, its diversified portfolio of inter-related and risk mitigating energy assets, and its track record of successfully integrating acquisitions and outperforming forecasts. These strengths are offset by the company's exposure to the competitive retail and volatile wholesale electricity markets, increasing earnings dependence on the capital intensive and competitive exploration and production sector, and the reduced financial flexibility and increased refinancing risk following the Contact acquisition.

For more information contact:

Ian Greer, Corporate & Infrastructure Finance
(61) 3 9631 2032 Tel

Sharon Beach, Media
(61) 3 9631 2152 Tel