

|         |                                   |           |                 |
|---------|-----------------------------------|-----------|-----------------|
| To      | Company Announcements Office      | Facsimile | 1300 300 021    |
| Company | Australian Stock Exchange Limited | Date      | 29 January 2007 |
| From    | Bill Hundy                        | Pages     | 7               |
| Subject | <b>SHAREHOLDER CORRESPONDENCE</b> |           |                 |

In accordance with Listing Rule 3.17 please find attached a letter regarding changes to the Dividend Reinvestment Plan (DRP) rules which is being sent to all Participants in the DRP today.

A copy of the revised DRP rules is also attached.

These documents are also available on Origin's website [www.originenergy.com.au](http://www.originenergy.com.au) in the Investor Centre.

Regards

A handwritten signature in black ink, appearing to read "Bill Hundy", with a stylized flourish at the end.

Bill Hundy  
Company Secretary

02 8345 5467 - [bill.hundy@originenergy.com.au](mailto:bill.hundy@originenergy.com.au)

29 January 2007

Dear Shareholder

#### **CHANGES TO ORIGIN ENERGY DIVIDEND REINVESTMENT PLAN**

The Origin Energy Dividend Reinvestment Plan ("DRP") allows shareholders who live in Australia and New Zealand to elect to have dividends on some or all of their ordinary shares in Origin Energy to be re-invested in additional Origin Energy shares.

I am writing to let you know of some recent changes to the terms of the rules. The changes provide Origin with additional flexibility in managing the plan and remove some anomalies from the rules. The new rules will be applicable for the next dividend being the 2007 interim dividend.

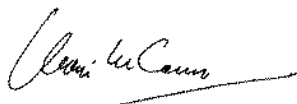
The main amendments to the plan are:

1. **To allow Origin to issue new shares or purchase shares on-market** - Origin will be able to either issue new shares to plan participants or arrange for shares to be purchased on-market and transferred to plan participants. Previously Origin could only issue new shares to participants.
2. **Amendments to Pricing Calculation** - The period over which the plan price is to be calculated will be the 10 days following the Dividend Record Date, or such other period as the Directors may decide. Previously the period was fixed at five trading days immediately preceding the Record Date.
3. **Partial Share Balances** - Where the amount of the dividend results in less than a whole share the cash balance will be rounded to the nearest whole number, with 0.5 shares rounded down. Previously partial shares were rounded up to the nearest share.
4. **Changes to Notice Requirements:**
  - Notices and announcements relating to changes to the plan, whether any discount will apply and other matters relating to the plan will be able to be given via an ASX announcement and be posted on Origin's website or, at the Directors discretion, by notice in any other manner permitted by Origin's Constitution.
  - If the plan is amended, Participants will be deemed to continue to participate under the amended Terms and Conditions unless a plan Notice is lodged with Origin's Share Registry prior to the dividend record date.

A copy of the revised Terms and Conditions governing the plan can be obtained from Origin's Share Registry by telephoning 1300 664 446 or on Origin's website in the Investor Centre at [www.originenergy.com.au](http://www.originenergy.com.au).

If you wish to commence or vary your participation in the plan you can obtain the relevant form from Origin's Share Registry. Any such form should be received by Link Market Services Limited no later than the Record Date for the Interim Dividend for the half year financial period ending 31 December 2006.

Yours sincerely

A handwritten signature in black ink, appearing to read "Kevin McCann", with a horizontal line extending to the right.

H Kevin McCann  
Chairman

## ORIGIN ENERGY LIMITED - DIVIDEND REINVESTMENT PLAN RULES

### 1. Definitions and Interpretation

#### 1.1 Definitions

In these Terms and Conditions:

**ASX** means the Australian Stock Exchange Limited;

**Constitution** means the Constitution of Origin Energy as amended or added to from time to time;

**Origin Energy** means Origin Energy Limited ABN 30 000 051 696;

**Directors** means the Board of Origin Energy as defined in the Constitution;

**DRP** means the Origin Energy Dividend Reinvestment Plan implemented and maintained by the Directors pursuant to the Constitution;

**DRP Notice** means a notice in such form as Origin Energy may from time to time require;

**DRP Shares** means Shares in respect of which a Shareholder has elected to participate in the DRP;

**Listing Rules** means the official Listing Rules of the ASX as in force from time to time;

**Non-DRP Shares** means Shares in the capital of Origin Energy not subject to the DRP;

**Participant** means a Shareholder some or all of whose Shares are DRP Shares;

**Record Date** means the date nominated by the Directors for the purpose of identifying the Shareholders who are entitled to receive a particular issue of dividends;

**Shares** means fully paid ordinary Shares in the capital of Origin Energy;

**Shareholder** means a person holding Shares;

**Terms and Conditions** means the terms and conditions of the DRP as set out herein and as amended from time to time in accordance with clause 16 and the Constitution.

#### 1.2 Interpretation

In this DRP, unless the context otherwise requires:

- (a) Words importing the singular include the plural and vice versa;
- (b) Words importing a gender include any gender;
- (c) An expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate; and
- (d) A word or expression in the Terms and Conditions that deals with a matter dealt with by a provision of the Constitution has the same meaning as in that provision.

### 2. Terms and Conditions

These Terms and Conditions are subject to all applicable law, the ASX Listing Rules and to the Constitution.

### **3. Participation in the DRP**

- (a) Participation on the DRP is optional and subject to the Terms and Conditions.
- (b) If, in the reasonable opinion of the Directors, the issue or transfer of the Shares by Origin Energy or the holding of those Shares by the relevant Participant may breach any provision of applicable law or is otherwise in the sole opinion of the Directors undesirable or impractical, the Directors may at any time and from time to time:
  - (i) decline to issue or transfer Shares under the DRP;
  - (ii) reduce the issue or transfer of Shares under the DRP on a proportionate basis; and/or
  - (iii) reduce or suspend the participation in the DRP by any Participant.
- (c) The Directors may in their discretion exclude participation by shareholders whose addresses (as they appear in the register of the company) are in countries where regulations make it impracticable in the opinion of the Directors for them to participate.
- (d) Subject to clause 3(c) above, participation in the DRP is open to those Shareholders to whom the Directors resolve from time to time to make the DRP available.

### **4. Degree of Participation**

- (a) A holder may participate in the DRP in respect of all his/her Shares or in respect of some only of those Shares.
- (b) If a Shareholder wishes all of his/her Shares to become DRP Shares he/she shall lodge a duly completed and executed DRP Notice electing full participation.
- (c) If a Shareholder wishes some only of his/her Shares to become DRP Shares he/she shall lodge a duly completed and executed DRP Notice indicating how many Shares are to become DRP Shares and only the number of Shares so specified shall become DRP Shares.
- (d) A Shareholder may elect in a DRP Notice to have a greater number of Shares than that held by the Shareholder as at the date of the DRP Notice participate in the DRP. In that case, the number of Shares so specified in the DRP Notice or the number of Shares actually held by the Participant on the relevant record date, whichever is the lesser, will be DRP Shares.
- (e) Where the Shareholder is a full Participant in the DRP then all Shares subsequently acquired by the Shareholder whether under the DRP or otherwise shall be DRP Shares.
- (f) Where a Shareholder is a partial Participant, then Shares subsequently acquired by the Shareholder whether under the DRP or otherwise shall, subject to Clause 4(d) above, only be DRP Shares to the extent that the Shareholder so elects in a DRP Notice in accordance with Clause 11 below.

### **5. Application for Participation**

Application must be made on a duly completed and executed DRP Notice.

### **6. Operation of Plan**

- (a) The Directors in their complete discretion will determine with respect to the operation of the plan for any dividend whether to issue new Shares or to cause the transfer of Shares to a participant, or to apply a combination of both options, to satisfy the obligations of Origin Energy under these Terms and Conditions. If the

Directors determine to cause the transfer of Shares to Participants, the Shares may be acquired in the market in such manner as the Directors consider appropriate.

- (b) Origin Energy will establish and maintain a DRP account for each shareholding account of each Participant. Origin Energy will in respect of each dividend payable to a Participant:
  - (i) determine the amount of that dividend payable in respect of the Participant's DRP Shares;
  - (ii) determine (where applicable) the Australian withholding tax deductible by Origin Energy in respect of the dividend, and any other sum Origin Energy is entitled to retain in respect of the DRP Shares;
  - (iii) credit the amount in (i) above and debit any amount in (ii) above to the Participant's DRP account;
  - (iv) determine the maximum whole number of Shares which can be acquired under these Terms and Conditions by dividing the amount in the Participant's DRP account by the price determined under Clause 7 of these Terms and Conditions and rounded to the nearest whole share with 0.5 of a share rounded down; and
  - (v) allot or cause the transfer of that number of Shares to the Participant and debit the subscription amount or the acquisition amount (as the case may be) against the balance in the Participant's DRP account.

#### **7. Allotment and Transfer Price**

- (a) Each Share allotted or transferred under the DRP will be allotted or transferred at the Market Price of Origin Energy Shares (rounded to the nearest cent) less such discount (if any), of the Market Price of Origin Energy Shares, as the Directors may determine from time to time and notify to the ASX.
- (b) For the purposes of these Terms and Conditions, the expression "Market Price of Origin Energy Shares" shall mean the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Shares sold on the ASX during the ten trading days immediately following the relevant Record Date, or such other period as the Directors determine and announce to the ASX.
- (c) The arithmetic average of the daily volume weighted average market price to be used for the purposes of these Terms and Conditions may be calculated excluding such transactions as special crossings, overseas trades and option exercises as determined by the Directors. The calculation may be made by the Directors or a similarly qualified person nominated by the Directors, and may be determined by reference to such information as the Directors approve for the purpose from time to time, and, in the absence of manifest error, is binding on Participants.

#### **8. Allotments Under DRP**

Shares allotted under the DRP will:

- (a) Be allotted in accordance with the Listing Rules;
- (b) Rank equally with other fully paid Shares; and
- (c) Be registered on a register chosen by Origin Energy where the Participant already holds Shares.

Shares transferred under the DRP will be registered in the name of the Participant on the register where the participant already holds Shares.

**9. Costs to Participants**

No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of any allotment or transfer of Shares under the DRP.

**10. Statements to Participants**

After each allotment or transfer of Shares under the DRP, Origin Energy will forward to each Participant a statement setting out:

- (a) The number of DRP Shares held by the Participant excluding those Shares last allotted or transferred to the Participant under the DRP;
- (b) The amount of the last dividend paid in respect of those DRP Shares;
- (c) The allotment or transfer price of the last Shares allotted or transferred to the Participant under the DRP;
- (d) The number of Shares allotted or transferred to the Participant under the last DRP allotment or transfer; and
- (e) The Participant's total holding of Shares after allotment or transfer.

**11. Variation to Participation**

- (a) A Participant may, at any time, increase or decrease the number of Shares subject to the DRP by lodging a duly completed and executed DRP Notice.
- (b) If a DRP Notice decreases or increases the level of participation in the DRP to below full participation, only that number of Shares specified in the DRP Notice will be DRP Shares and no after-acquired Shares will be DRP Shares except as specified in Clause 4(d).
- (c) If a DRP Notice increases the level of participation in the DRP to full participation, all of the Shareholder's Shares as at the date of the DRP Notice and all Shares subsequently acquired by the Shareholder (including Shares allotted or transferred under the DRP) shall be DRP Shares.

**12. Termination of Participation**

A Participant may, at any time, terminate his/her participation in the DRP by lodging a duly completed and executed DRP Notice.

**13. Disposals**

- (a) Where all of the Participant's Shares are DRP Shares, in the event that some only of those Shares are disposed of, the remaining Shares held by the Participant will continue to be DRP Shares.
- (b) Where some only of a Participant's Shares are DRP Shares the Participant will, unless Origin Energy receives notice otherwise, be deemed to dispose of his/her Non-DRP Shares first.

**14. Applications and Notices**

- (a) Any application or notice referred to in these Terms and Conditions shall be in writing and in such form as Origin Energy may from time to time require.
- (b) DRP Notices received at the Origin Energy's Share Registry prior to 5pm on the Record Date for a particular dividend will be effective in respect of that dividend and all subsequent dividends.

- (c) Subject to Clause 14 (b), applications and notices are effective on receipt at the Origin Energy's Share Registry and take effect from the next Record Date following such receipt.
- (d) Any notice to be given to Shareholders or Participants may be given by notice on the Origin Energy's Website and to the ASX or, at the Directors' discretion, may be given in accordance with the provisions regarding the giving of notices to Shareholders contained in the Constitution.

**15. Stock Exchange Listing**

Origin Energy will apply for Shares allotted under the DRP to be listed for quotation on the official list of the ASX as soon as practicable.

**16. Amendment, Suspension and Termination of DRP**

- (a) The Directors may amend, suspend or terminate the DRP at any time by giving not less than one month's notice in accordance with clause 14(d).
- (b) In the case of an amendment, a Participant will be deemed to continue its participation in the DRP under the Terms and Conditions as amended unless the Participant lodges a DRP Notice with the Origin Energy's Share Registry.
- (c) If the Directors terminate the DRP, Origin Energy will send to each Participant a cheque for the residual cash balance (if any) in the Participant's DRP account.

**17. Equitable Claims**

Origin Energy, unless otherwise required by law, need not recognise a person as owner of additional Shares issued or transferred under the DRP other than the registered holder of the DRP Shares in respect of which the additional Shares are issued or transferred.