



To	Company Announcements Office	Facsimile	1300 300 021
Company	Australian Stock Exchange Limited	Date	1 February 2007
From	Bill Hundy	Pages	4
Subject	ORIGIN ENERGY ACQUIRES SUN RETAIL		

Please find attached an announcement regarding the completion of the acquisition of Sun Retail by Origin Energy.

Regards

A handwritten signature in black ink, appearing to read "Bill Hundy", written in a cursive style.

Bill Hundy
Company Secretary

02 8345 5467 - bill.hundy@originenergy.com.au

ASX/Media Release

1 February 2007

Origin Energy acquires Sun Retail

Origin Energy Limited ("Origin") today announced it had completed the acquisition of Sun Retail Pty Ltd from the Queensland Government for \$1,202 million.

Sun Retail is the largest incumbent electricity supplier in the south-east Queensland growth corridor, supplying some 840,000 electricity customer accounts and 55,000 LPG customers. The acquisition brings Origin's customer account numbers in Australia to over 3 million, and 3.6 million including customers in its New Zealand subsidiary, Contact Energy.

Commenting on the acquisition Origin's Managing Director, Grant King said, "The acquisition of Sun Retail establishes our position as the leading energy company in Queensland - the fastest growing state in Australia - and secures the company a leading position in the continuing consolidation and integration of the Australian and New Zealand energy markets.

"The depth of integration that Origin now has in the Queensland market, from energy retailing through generation and, most importantly, directly into gas supply, provides the company with a compelling competitive advantage. It is a unique position and replicates the integrated strategy Origin has pioneered over the last ten years across south-east Australian energy markets. This strategy reduces the risks that arise from operating in contestable markets, provides Origin with an expanded range of growth opportunities and has delivered significant returns to its shareholders.

"In the broader context, the acquisition provides increased scale for our retail business which will allow us to drive further reductions in our cost to serve. It also brings further reductions in the cost of risk-management of our electricity supply portfolio across eastern Australia. In addition, we are now able to offer an unparalleled range of products and services to meet the needs of eastern Australian energy consumers, and enhance our position as the leading Green Power provider in Australia.

"Our experience in acquiring and integrating similar retail businesses in Victoria means that Origin is uniquely positioned to draw on the combined strengths of the Origin and Sun Retail organisations and go to market with a strong sales proposition for Queensland customers when full retail competition is introduced in July.

"Since the November announcement (of the agreement to purchase Sun Retail) we have been working with the Sun Retail team to plan for the integration with Origin's existing Retail business. We have appreciated the contribution of the Queensland Government, the management and staff of Sun Retail and associated advisers in successfully reaching the completion milestone. In this process, the benefits we envisaged at the time of our bid have been confirmed and we look forward to the contribution that Sun Retail will make to our overall business.

Origin will fund the acquisition through a combination of:

- a share placement to institutional investors which raised \$400 million in December;
- a Share Purchase Plan for registered shareholders which is currently being undertaken and is expected to raise \$75 million; and
- new and existing debt facilities.

For more information, please contact:

For media

Tony Wood

General Manager, Public and Government Affairs

Mobile: 0419 642 098

For investors

Angus Guthrie

Manager, Investor Relations

Telephone: (02) 8345 5558

Mobile: 0417 864 255

Additional material concerning the acquisition is available through earlier releases to the Australian Stock Exchange which may be found on our website, including:

- ASX / Media release on the acquisition of Sun Retail
<http://www.originenergy.com.au/files/SunRetailFINAL.pdf>
- Presentation to investors
http://www.originenergy.com.au/files/sun_retail_presentation_FINAL.pdf

Information regarding customers and the change that this acquisition will bring may be found at:

- www.originenergy.com.au/welcome for residential customers and
- www.originenergy.com.au/businesswelcome for business customers.

About Sun Retail - The Sun Retail Business was formed out of the former ENERGEX retail business. It has around 840,000 electricity customers and sites, mostly located in south east Queensland around the Gold Coast and the southern parts of Brisbane and around 55,000 LPG customers. In its customer base Sun Retail has a large number of customers who purchase Green Power products.

Total electricity sales are around 16 TWh and revenue of around \$1.7 billion annually. Sun Retail employs around 200 people who are involved in energy purchasing and retailing, customer service, and sales and marketing.

About Origin Energy - With a history dating back 140 years, Origin Energy is a leading Australian ASX-listed energy company and participates in most segments of the energy supply chain, including natural gas and oil exploration and production; power generation; energy retailing and trading; and asset management services. Origin Energy currently supplies energy to more than 2.1 million Australian homes and businesses and employs over 3,200 people. Origin Energy is also the major shareholder in New Zealand's Contact Energy. In 2005-06 Origin's revenue was \$5,950 million.

Origin in Queensland at a glance (prior to the acquisition):

- Invested over \$800 million in oil and gas production, exploration and power generation since 2000
- Employs 620 Queenslanders in its oil and gas and LPG businesses
- National head office for the Exploration, Oil and Gas Production and LPG business
- Owns and operates the Spring Gully coal seam gas plant in central Queensland where by September 2007 it will have invested over \$314 million
- Is the leading producer of coal seam gas in Queensland and has an active exploration program to secure additional reserves
- Owns and operates the Roma and Mt Stuart Power Stations, and has a 50% interest in the Bulwer Island Power Station
- Manages over 2,600 km of gas distribution pipelines
- Retailers natural gas to over 90,000 customers
- Supplies 123,000 customers with LPG across Queensland
- Potential to construct a 1,000MW power station at Spring Gully, near Roma.

Table 1 Summary of Origin Energy customer accounts

Customer accounts/sites ('000) [#]	Sun Retail	Origin Energy Qld	Combined Qld	Australia wide	New Zealand and Pacific	Total Origin Energy	Contact Energy	Origin Energy Group
Electricity	841		841	1,787	-	1,787	514	2,301
Gas		90	90	879	-	879	79	958
Total Mass Market	841	90	931	2,666	-	2,666	593	3,259
LPG	55	123	178	317	40	357	-	357
Total	896	213	1,109	2,983	40	3,023	593	3,616

[#] Origin customer numbers as at end October 2006. Sun Retail numbers estimated at time of completion.

Table 2 Origin Energy sales volumes including full year Sun Retail sales

Annual Energy Sales	Units	Origin Energy	Sun Retail	Total	Contact Energy	Origin Energy Group
Electricity [#]	Terawatt hours	17	16	33	7	40
Gas	Petajoules	127	-	127	21	148
LPG	Kilotonnes	522	31	553	-	553

[#] Origin and Sun Retail electricity volumes based on full year forecast for the year ending 30 June 2007