To	Company Announcements Office	Facsimile	1300 300 021
Company	ASX Limited	Date	26 February 2009
From	Bill Hundy	Pages	75
Subject	**RESULTS FOR ANNOUNCEMENT TO THE MARKET**		

We attach the following documents relating to Origin Energy's Results for the half year ended 31 December 2008:

1. ASX Appendix 4D
2. Management Discussion and Analysis
3. Directors' Report and Consolidated Interim Financial Report

Regards

Bill Hundy
Company Secretary

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Origin Energy Limited and Controlled Entities
Appendix 4D

31 December 2008

Origin Energy Limited and Controlled Entities
Appendix 4D
31 December 2008

				$'000
Results for announcement to the market:				
Revenue	up	10.4%	to	4,215,700
Net profit for the period attributable to members of the parent entity	up	1890.8%	to	6,662,969
Basic earnings per share	up	1886.9%	to	761.0¢
Diluted earnings per share	up	1878.5%	to	753.8¢
Significant items:				
Impairment of assets				(310,016)
Decrease in fair value of financial instruments				(178,174)
Gain on dilution of Origin's interest in Australia Pacific LNG Ltd ("APLNG")				7,412,599
Unwinding of discounted liability payable to APLNG				(34,532)
Share of unwinding of discounted receivables within APLNG				39,978
Impact of significant items before tax				6,929,855
Income tax expense on significant items				(566,076)
Significant items after tax				6,363,779
Minority interest on significant items				22,251
Impact of significant items attributable to members of the parent entity				6,386,030
Underlying profit for the period attributable to members of the parent entity	up	38.2%	to	276,939
Underlying basic earnings per share	up	38.0%	to	31.6¢
Underlying diluted earnings per share	up	37.3%	to	31.3¢
Net tangible asset backing per ordinary security	up	369.6%	to	$8.58

Dividends	Amount per security	Franked amount per security at 30% tax
Interim dividend declared subsequent to 31 December 2008	25 cents	25 cents
Previous corresponding period	12 cents	12 cents

Record date for determining entitlements to the dividend: 10 March 2009

Dividend payment date: 25 March 2009

Brief explanation of any of the figures reported above or other item(s) of importance not previously released to the market:

Refer to the attached Directors' Report and Management Discussion and Analysis included in the consolidated financial report for explanations.

Discussion and Analysis of the results for the half year ended 31 December 2008:

Refer to the attached Directors' Report and Management Discussion and Analysis for commentary.

Origin Energy Results for the six months ended 31 December 2008
Management Discussion and Analysis

All figures in this report relate to businesses of the Origin Energy Group ("Origin") for the six months ended 31 December 2008 ("the half year") compared with the six months ended 31 December 2007 (the "prior half year"), except where otherwise stated. A reference to Contact is a reference to Origin's subsidiary Contact Energy in New Zealand. In accordance with Australian accounting standards Origin consolidates 100% of Contact within its result. All reference to $ is a reference to Australian dollars unless specifically marked otherwise. Individual items and totals are rounded to the nearest appropriate number or decimal. Some totals may not add down the page due to rounding of individual components.

Contents

Report for the six months ended 31 December 2008
Management Discussion and Analysis

The Statutory Profit of Origin Energy Group ("Origin") detailed below includes the contribution resulting from the transaction with ConocoPhillips ("COP") to form Australia Pacific LNG Ltd ("APLNG") – Australia's largest proposed coal seam gas ("CSG") to liquefied natural gas ("LNG") joint venture - together with a number of other items as detailed in Section 1.4 which have in aggregate a significant positive impact on the half year result.

Within this Management Discussion and Analysis, Origin therefore also focuses on the underlying performance of its business – particularly in the presentation of EBITDAF[1] and various measures prefaced with the term "Underlying", such as "Underlying Profit".

Following completion of the APLNG transaction, Origin has no net debt, substantial cash reserves and significant undrawn bank facilities. This strong balance sheet position, together with a strongly performing integrated energy business, will facilitate the funding of significant development and acquisition opportunities in the coming years.

1. Profit and Dividend Declaration

1.1 Statutory Profit – $6,663 million, up from $335 million

Origin reported a net profit after tax and Minority Interests ("Statutory Profit") of $6,663 million for the six months ended 31 December 2008, an increase of over 1800% compared with $335 million reported in the prior half year.

1.2 Earnings per share – 761.0 cents per share (cps), up from 38.3 cps

Basic earnings per share (EPS) calculated from Statutory Profit increased by over 1800% to 761.0 cps from 38.3 cps in the prior half year. This was achieved on an expanded weighted average capital base of 876 million shares up from 874 million in the prior half year.

1.3 Interim Dividend – 25 cps fully franked, up 108%

An interim fully franked dividend of 25 cps will be paid on 25 March 2009 to shareholders of record on 10 March 2009. This compares with 12 cps in the prior half year, an increase of 108%. Origin shares will trade ex-dividend from 3 March 2009.

1.4 Underlying Profit - $277 million, up 38%

The Statutory Profit for Origin contains the impact of a number of significant items as outlined in the table below. This includes the following impacts on profit (after tax and minority interests):

- positive impacts from:
  - net impact of the APLNG transaction ($6,706 million);

- reductions to profit from:
  - the net impact of changes in the fair value of financial instruments ($102 million in total); and
  - impairment of assets ($217 million).

[1] Earnings before interest, tax, depreciation, amortisation, financial instruments and significant items

These significant items provide an overall benefit of $6,386 million after tax and the elimination of minority interests.

The profit after tax and minority interests and before significant items ("Underlying Profit") for Origin for the half year ended **31 December 2008** was therefore $277 million.

Origin's Statutory Profit for the six months to **31 December 2007** also contained a number of significant items that had a net positive impact of $134 million as outlined in the table below.

Origin's Underlying Profit therefore increased 38% half year to half year from $200 million to $277 million.

Reconciliation of Statutory and Underlying Profit

	Dec 2008		Dec 2007		
($millions)	**Impact After Tax & MI**	**NPAT**	**Impact After Tax & MI**	**NPAT**	**Change (%)**
Statutory Profit		**6,663**		**335**	**1,891**
Significant items					
Net impact of APLNG transaction	6,706				
Impairment of assets	(217)				
Changes in fair value of financial instruments					
- Commodity instruments	(25)		(10)		
- Financing instruments	(77)		1		
Asset Sales			156		
Other			(13)		
Total significant items	**6,386**	**(6,386)**	**134**	**(134)**	**4,653**
Underlying Profit		**277**		**200**	**38**
Statutory EPS (cents per share)		*761.0*		*38.3*	1,887
Underlying EPS (cents per share)		*31.6*		*22.9*	38

A more detailed reconciliation of Statutory to Underlying Profit is provided in Appendix 1.

1.5 Underlying EPS – 31.6 cps, up from 22.9 cps

Basic EPS calculated on the Underlying Profit increased by 38% to 31.6 cps from 22.9 cps on an expanded capital base of 876 million shares.

Origin's dividend represents a payout ratio of 79% based on Underlying EPS, and a dividend payout ratio of 3% of Statutory EPS. The Dividend Reinvestment Plan is currently suspended and will not apply with respect to this dividend. Origin has rebased its annual dividend to 50 cps and will target an increased dividend payout ratio of at least 60% of Underlying EPS.

1.6 EBITDAF - $686 million, up 12%

EBITDAF for the half year to 31 December 2008 was $686 million, a 12% increase compared with the EBITDAF from continuing businesses of $614[2] million last half year.

[2] Origin now discloses its equity accounted results in two lines "Share of EBITDAF of equity accounted investees" included in EBITDAF and "Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees" included between EBITDAF and EBIT. As a consequence EBITDAF for the prior half year has increased to $614 million from $608 million.

The increase in EBITDAF was attributable to higher contributions from the Retail segment (+$99 million) and Exploration and Production segment (+$42 million) partially offset by a significantly lower contribution from Contact Energy (-$58 million) and the Generation segment (-$11 million).

Further details are available in Section 4.3 and Section 11.

2. Australia Pacific LNG (APLNG)

On 29 October 2008 Origin completed a transaction with COP to form APLNG, a 50:50 CSG to LNG joint venture.

Under the agreement COP became a 50% shareholder in APLNG (formerly known as Origin Energy CSG Limited) which retains all of Origin's CSG interests in Queensland, together with its conventional oil and gas interests in the Denison Trough.

APLNG will develop these interests into a CSG to LNG project, providing a fully aligned partnership across the LNG value chain. The existing gas supply agreements in Origin's CSG business are part of the joint venture, including contracts to Origin on their pre-existing contractual terms. Origin will also provide a market for ramp-up gas that may be produced in the development phase of the project.

The investment by COP includes:

- An upfront cash payment of US$5.0 billion;
- Additional fixed contribution of $1.15 billion to carry Origin's share of costs to Final Investment Decision on development of the initial LNG project, expected by the end of 2010; and
- Additional payments of US$500 million at the point that each of the four proposed LNG trains is approved, to partly carry Origin's share of costs.

The effect of this transaction is that Origin has diluted its interest in APLNG by 50% and as a result has recognised a significant pre-tax gain on dilution of $7,413 million. This gain is subject to a tax expense of $723 million resulting in an after tax gain of $6,690 million. The transaction has also resulted in Origin recognising a net after tax gain of $16 million arising from the unwinding of the discount on the payables to and receivables within APLNG for the period between completion of the transaction and 31 December 2008, relating to contractually agreed capital expenditure from its shareholders. These items are recorded as significant items and are included in Appendix 1. The combined effect of the gain on dilution and unwinding of discounts associated with receivables is a net after tax gain from the transaction of $6,706 million. These items are recorded in Origin's Income Statement.

On an ongoing basis Origin will use the equity accounting method to account for its interest in APLNG. As such, Origin will record the EBITDAF contribution of its 50% interest in APLNG at the EBITDAF line, and will not consolidate any line items above this level on the Income Statement. Origin will record all depreciation, amortisation, interest, tax and changes in fair value of financial instruments in a single line item called "Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees" between EBITDAF and EBIT. Origin's share of net profit after tax from APLNG will therefore be recorded at the EBIT line.

Origin's share of APLNG EBITDAF from completion of the transaction on 29 October 2008 to the end of the half year ended 31 December 2008 is $6 million.

Origin has recorded a one line asset on its Balance Sheet "Investments accounted for using the equity method" of $4,978 million at 31 December 2008 to account for Origin's 50% interest in the net assets of APLNG. The net assets of APLNG has property, plant and equipment recorded at historical cost ($1.0 billion), and primarily comprises of receivables recorded in APLNG in relation to contractually agreed capital expenditure from its shareholders ($8.7 billion).

Further details of the transaction from an accounting perspective are contained within the document "Origin Energy Limited and Controlled Entities, Directors' Report and Consolidated Interim Financial Report, 31 December 2008" lodged with the ASX on 26 February 2009.

Since forming the APLNG joint venture with ConocoPhillips substantial progress has been made towards the goal of establishing the largest CSG to LNG project in Australia.

Origin and ConocoPhillips senior executives have been appointed to the APLNG Board, which has in turn appointed the Project Director, Chief Financial Officer, Commercial Manager and LNG Marketing Manager. The $2.3 billion work program required to reach a Final Investment Decision in late 2010 is approved and underway, covering upstream planning and appraisal, front end engineering and design, marketing and approvals processes. LNG technology has been selected, an Initial Advice Statement seeking Major Project Status has been submitted to the Queensland Government, marketing and shipping studies are underway, and in the six months to 31 December proved, probable and possible (3P) reserves of CSG attributable to APLNG have increased by almost 1,000 PJ.

3. Outlook

In the second half of the financial year, a number of development projects and acquisitions are expected to make initial, or significantly increased, contributions to Origin's financial performance compared to the first half of the year. These include the Uranquinty Power Station and the expanded Quarantine Power Station as well as continuing increases in CSG production.

Following completion of the APLNG transaction, Origin has reduced debt and has a significant cash balance. As a result, second half earnings will also benefit from reduced interest expense and increased interest revenues although to a lesser extent than previously anticipated due to falling interest rates.

The following factors are likely to offset these increases:

- Margins in the retail business are expected to be substantially lower in the second half due to increases in the wholesale cost of electricity, although margins for the full year are expected to be consistent with the prior year;
- Exploration expense will be higher in the second half as a result of the renegotiation of a number of well commitments in future years into less expensive seismic exploration during this period; and
- Earnings from oil and condensate production in the second half are likely to be lower than previously expected due to the fall in oil prices during the past few months.

When compared with the prior year, it is now expected that Contact will make a materially lower contribution due to the impact of adverse hydrology and transmission constraints.

Taking all these factors into account and based on current market conditions, Origin now expects the Underlying Profit for the 2009 financial year to be 20 to 25 per cent higher than the prior year.

In the 2010 financial year the following projects will contribute to increased earnings:

- The Kupe Gas Project in New Zealand which is targeting to commence gas production in mid calendar year 2009;
- Continued development of domestic CSG production, which is expected to more than double from current levels and reach over 100 PJ per annum for APLNG by 2011 (Origin share 50%);
- The 126 MW expansion of the Mt Stuart Power Station in Townsville – due for completion in late calendar year 2009;
- Construction of the 30 MW Cullerin Range Wind Farm in NSW due for completion in mid calendar year 2009; and
- Completion of the 630 MW combined cycle, base load, gas fired Darling Downs Power Station in Queensland which is expected to commence commissioning in late 2009

The company also looks forward to the contribution from Contact recovering to more normal levels.

Perhaps most importantly in a more challenging economic environment Origin (excluding Contact) has access to approximately $6.4 billion of cash and uncommitted debt facilities to fund its existing capital program and the many opportunities which Origin expects to emerge over the coming year.

4. Financial Review of Performance

4.1 Financial Review Summary

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Total external revenue	4,216	3,817	10
EBITDAF	686	614	12
EBIT	7,590	634	1,098
Net profit after tax before elimination of Minority Interests	6,679	384	1,639
Minority Interests	(16)	(49)	(68)
Statutory Profit	6,663	335	1,891
Significant items	(6,386)	(134)	4,653
Underlying Profit	277	200	38
Basic earnings per share on Statutory Profit (cents)	761.0	38.3	1,887
Basic earnings per share on Underlying Profit (cents)	31.6	22.9	38
Free cash flow[3]	216	259	(17)
Capital expenditure	1,275	714	79
OCAT Ratio[4] - 12 months to 31 December	11.8%	11.8%	n/a
Origin Cash (excluding Contact)	4,073	135	2,917
Origin Debt (excluding Contact)	(2,264)	(2,439)	(7)
Contact Net Debt	(915)	(552)	66

4.2 Revenue - $4,216 million, up 10%

Total external revenue increased by $399 million or 10% to $4,216 million from $3,817 million.

This primarily reflected higher revenues from the Retail segment after increases in gas and electricity tariffs across all major markets, higher revenues for Contact in New Zealand and record production and revenues in the Exploration and Production segment in the first half of the financial year.

4.3 EBITDAF - $686 million, up 12%

For the half year to 31 December 2008 EBITDAF was $686 million, a 12% increase from the prior half year EBITDAF of $614 million.

The segment contributions to this result are presented in the following table:

Earnings before interest, tax, depreciation, amortisation, financial instruments and significant items (EBITDAF)

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Exploration & Production	175	133	32
Generation	21	33	(34)
Retail	300	201	49
Contact Energy	190	248	(24)
EBITDAF	686	614	12

[3] Free cash flow is defined here as cash available to fund distributions to shareholders and growth capital expenditure. It includes deductions for stay-in-business capital expenditure, interest and tax.
[4] OCAT Ratio = (OCAT – interest tax shield) / funds employed excluding capital work in progress and the APLNG investment for calendar year 2008 and 2007 respectively.

Exploration & Production EBITDAF increased 32% to $175 million from $133 million. This reflected record first half production and revenue together with lower average unit operating costs. This increase in EBITDAF was achieved despite the 50% reduction in Origin's interest in its CSG holding following completion of the APLNG transaction on 29 October 2008.

Further details are available in Section 11.1.

Generation EBITDAF decreased $11 million or 34% from $33 million to $21 million mainly due to a significantly lower contribution from the Worsley plant in Western Australia, together with higher operating costs as the capabilities of the business are increased in anticipation of new power stations coming on line.

Further details are available in Section 11.2.

In **Retail,** EBITDAF grew by $99 million or 49% from $201 million to $300 million. This was primarily due to higher revenues in gas and electricity retailing, recouping increased wholesale cost of goods sold. The LPG business recorded a lower contribution reflecting a lag in the ability to pass on the record high wholesale cost of LPG experienced in the September Quarter, which led to margin contraction.

Further details are available in Section 11.3.

Contact Energy contributed $190 million to EBITDAF, 24% lower than the $248 million recorded for the half year ended 31 December 2007. This was primarily due to an unusual combination of weather events and transmission constraints between the North and South Islands which adversely impacted wholesale costs and generating revenue.

Further details are available in Section 11.4.

4.4 EBIT - $7,590 million, up from $634 million

A number of items are recorded between EBITDAF and EBIT, as identified in the table below:

Half year ended 31 December	**2008 ($m, before tax)**	**2007 ($m, before tax)**
EBITDAF	**686**	**614**
- Depreciation and amortisation expense	(189)	(171)
- Change in fair value of non-financing cost related financial instruments	(39)	(14)
- Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees	30	(6)
- Gain on dilution of Origin's interest in APLNG	7,413	-
- Impairment of assets	(310)	-
- Gain on sale of significant businesses and assets	-	243
- Other	-	(32)
Total	*6,904*	*19*
EBIT	**7,590**	**634**

Together these items provided a benefit of $6,904 million in the half year to 31 December 2008, compared with $19 million in the prior half year and are described in more detail below.

Depreciation and amortisation expense (expense of $189 million)

Depreciation and amortisation expense increased by 10% to $189 million compared with $171 million in the prior half year. It primarily reflects a full six months of production and depreciation from both the Otway Gas Project and the onshore Taranaki Basin oil and gas fields together with higher depreciation in the Cooper Basin.

Changes in fair value of non-financing cost related financial instruments (expense of $39 million)

An expense of $39 million is included in the Income Statement associated with the value of valid commodity hedging instruments which do not qualify for hedge accounting. This compares with an expense of $14 million in the prior half year.

An explanation of the accounting treatment of these instruments is provided in Section 7.

Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees (benefit of $30 million)

The line item, "Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees" is included between the EBITDAF and EBIT line on the Income Statement and accounts for Origin's share of all items between EBITDAF and NPAT for its investments in equity accounted investees.

For the half year a net benefit of $30 million was recognised comprising:

- the interest benefit in relation to the unwinding of the discount on the receivables from APLNG shareholders (+$40 million);
- -$4 million in relation to APLNG ongoing business activities;
- -$7 million attributable to the remaining equity accounted investments in the Generation segment and Contact.

This compared to the prior half year which recorded an expense of $6 million attributable to the Generation segment and Contact.

Gain on dilution of Origin's interest in APLNG (benefit of $7,413 million)

On 29 October 2008 Origin completed a transaction with COP whereby that company became a 50% shareholder in APLNG, the company that owns all of Origin's CSG interests. As a consequence of this transaction Origin has diluted its interest in APLNG by 50% and has recognised a significant pre-tax gain on dilution of $7,413 million.

Further detail is available in Section 2.

Impairment of assets (expense of $310 million)

Following an assessment of the carrying values of Origin's assets, an impairment charge totalling $310 million before tax has been raised against various oil and gas producing assets, legacy retail systems, the SLIVER photovoltaic technology development assets, the Heytesbury gas reservoir in the Otway Basin and capitalised costs for the potential Spring Gully Power Station.

Further details of these impairments are provided in Appendix 2.

Other prior half year items

In the six months to 31 December 2007, a net gain of $243 million was recognised in relation to the sale of the remainder of the Networks business and Mokai geothermal assets. In addition, an expense of $27 million was recognised in relation to the New Plymouth Power Station in New Zealand and a $5 million expense was recognised in relation to one-off costs associated with the Sun Retail business.

The items described above contribute to an EBIT for this half year of $7,590 million compared with $634 million in the prior half year.

4.5 Net financing costs - $95 million, down 9%

Net financing costs for the half year were $95 million, down 9% from $104 million in the prior half year. This includes an expense of $102 million in relation to interest bearing liabilities, interest revenue of $55 million and non cash expenses of $47 million being the unwinding of the discounted liability payable to APLNG ($35 million - recorded as a significant item) and the unwinding of the discount on restoration provisions ($13 million).

The overall reduction in net financing costs was primarily due to the repayment of $2.1 billion of debt upon receipt of the funds from the APLNG transaction and $55 million of interest revenue from cash on deposit primarily associated with the proceeds from the APLNG transaction.

Excluding the $35 million non cash significant item expense, net financing costs are $60 million down 42% from the prior half year.

4.6 Fair value of financing cost related financial instruments - $139 million

Changes in the fair value of financial instruments relating to financing costs amounted to $139 million. This included costs associated with treasury instruments employed by Origin ($81 million) and Contact ($58 million).

The fair value of financing costs is included in the calculation of Statutory Profit and is excluded from the calculation of Underlying Profit.

Further details are provided in Section 7.

4.7 Tax Expense

4.7.1 Statutory Tax Expense - $676 million, up 363%

Tax expense for the half year was $676 million, 363% higher than the $146 million in the six months to 31 December 2007. Prima facie tax was higher reflecting the higher pre-tax profits as a result of the APLNG transaction.

4.7.2 Underlying Tax Expense - $110 million, up 33%

Tax expense excluding tax related significant items for the half year was $110 million, 33% higher than the $83 million in the six months to 31 December 2007. The underlying effective tax rate was 25.9% compared with the effective tax rate of 24.9% in the prior half year.

4.8 Minority Interests - $16 million, down 68%

Profit attributable to minority interests reduced to $16 million for this half year from $49 million for the prior half year reflecting the lower contribution of Contact.

4.9 Underlying Profit - $277 million, up 38%

As outlined in Section 1.4 the Statutory Profit contains a number of significant items totalling $6,386 million. Removing these items provides an Underlying Profit of $277 million, 38% higher than the Underlying Profit of $200 million last half year.

5. Cash flow

The operating cash flow after tax of $363 million for the first half was 6% lower than the prior first half of $385 million.

EBITDAF for Origin (excluding Contact) was up by $130 million for the half year offset by a reduction in EBITDAF for Contact of $58 million. When compared to the prior half year, Origin recorded an improved movement in working capital (+$51 million), offset by higher stay-in-business capital expenditure (-$46 million), higher tax payments (-$34 million) and higher prepayments for energy hedging and renewable energy instruments (-$54 million).

Cash flow available for funding growth and distributions to shareholders (free cash flow) was $216 million for the half year compared with $259 million for the prior half year. Net interest paid of $147 million for the current half year was $21 million higher than the prior half year. Included in the net interest paid amount for the current half year was interest received in cash of $17 million ($6 million prior half year). Origin held a significant cash balance as at 31 December 2008 on term deposit. An amount of $38 million in interest earned on term deposits was accrued in the income statement but was not received in cash during the current half year.

Origin's OCAT Ratio for the calendar year 2008 remained in line with the prior year at 11.8%. Average funds employed excluding CAPWIP increased marginally by 3%.

6. Capital expenditure and divestments

Capital expenditure on stay-in-business and growth projects was $1,144 million.

Stay-in-business capital expenditure associated with the maintenance of ongoing operations was $115 million compared with $70 million in the prior year. The main increases were in Contact and the Exploration and Production segment.

Growth capital expenditure was $1,029 million, 61% higher than in the prior half year. This included expenditure on significant projects of $10 million or more in the following areas:

- Generation Projects ($554 million in total) – including:
  - Darling Downs Power Station ($269 million);
  - Uranquinty Power Station ($123 million);
  - Mortlake Power Station ($63 million);
  - Mt Stuart Power Station ($33 million);
  - Expansion of the Quarantine Power Station ($26 million); and
  - Cullerin Range Wind Farm ($15 million).
- Contact – including Stratford Power Station and Geothermal drilling ($129 million);
- CSG assets in Queensland ($137 million);
- The Darling Downs pipeline ($61 million);
- The Kupe Gas Project ($63 million);
- Retail systems development and LPG assets ($46 million);
- The Geodynamics geothermal joint venture ($15 million); and
- Cooper Basin ($13 million).

On 4 July 2008 Origin acquired a subsidiary of Babcock and Brown Power that owned the Uranquinty Power Station. Origin's purchase was based on a fully constructed enterprise value of $700 million. This consisted of future capital expenditure to commissioning date of which $123 million is recorded as growth capital expenditure for the period ended 31 December 2008, a net $126 million cash paid on acquisition and assumption of existing debt facilities and obligations.

Capital expenditure on acquisitions totalled $131 million, including the net $126 million described above in relation to the Uranquinty Power Station.

Total capital expenditure including acquisitions was $1,275 million, compared with $714 million last half year.

7. Movements in fair value of financial instruments

Origin utilises a range of financial instruments and derivatives in order to hedge the various commodity, interest rate and foreign exchange risks to which it is exposed. The intention of hedging is to reduce these risks and deliver a higher level of certainty to the cash flows of Origin's business. While Origin utilises valid economic risk management instruments to hedge these risks, these instruments must also meet the stringent criteria prescribed under accounting standards in order to qualify for hedge accounting. Instruments that qualify for hedge accounting are recognised in the Balance Sheet through the Equity Hedge Reserve. If the instruments do not qualify for hedge accounting then the change in fair value of these instruments is recognised in the Income Statement.

The most notable instruments that do not qualify for hedge accounting are electricity cap products. These products are used by Origin (and other electricity retailers) to protect the Retail business from extreme price events. However, such instruments do not qualify for hedge accounting, as the timing of potential risk events they protect against cannot be predicted with sufficient certainty.

The following tables summarise the key balances at 31 December 2008 and compares them with the balances at 30 June 2008:

Summary of movements in financial instruments

Balance Sheet	**Net Assets ($m)**		**Change ($m)**
	Dec 2008	**June 2008**	
Commodity Risk Management	69	273	(204)
Contact	(253)	(212)	(41)
Treasury and Other	(191)	(16)	(175)
Origin Total	**(375)**	**45**	**(420)**

Reconciliation of Balance Sheet and Income Statement items associated with movements in financial instruments	**($m)**	**($m)**
Change in net assets		(420)
Recognition of "effective" instruments in Balance Sheet		**(242)**
Recognised in Equity (Hedge Reserve post tax)	(165)	
Recognised in Deferred Tax Liability	(77)	
Recognition of "ineffective" instruments in the Income Statement		**(178)**

The fair value of financial instruments as measured against market prices is recorded in the Balance Sheet in the derivative asset and derivative liability balances.

The total decrease in the value of financial instruments for the six months ended 31 December 2008 was $420 million of which $242 million qualified for hedge accounting and is recognised in the Equity Hedge Reserve. The balance of $178 million is recognised as an expense in the Income Statement and is attributable to:

- Commodity risk management instruments ($39 million) – predominantly electricity caps and the decrease in forward market prices of energy commodities during the period. Of the total of $39 million, $7 million is attributable to Contact and $32 million is attributable to Origin (excluding Contact);

- Interest rate risk management instruments ($139 million) predominantly interest rate swaps due to decreases in forward interest rates and the depreciation of the Australian and New Zealand Dollars against the US Dollar during the period. Of the total of $139 million, $58 million is attributable to Contact and $81 million is attributable to Origin (excluding Contact).

The expense in the Income Statement of $178 million in this half year compares with an expense of $13 million in the prior half year, which was predominantly attributable to commodity risk management instruments.

8. Funding and capital management

8.1 Net Debt, Equity and Interest Cover

Under Australian accounting standards the net balance of debt and cash for the consolidated entity improved to a net cash balance of $894 million at 31 December 2008 from a net debt balance of $3,283 million at 30 June 2008. The calculation of these positions includes an unfavourable mark-to-market adjustment of $9 million (a favourable adjustment of $325 million at 30 June 2008) which acts to reduce the debt quoted. Excluding this mark-to-market adjustment, the "adjusted net debt" for Origin was an adjusted cash balance of $903 million at 31 December 2008 compared with a $3,608 million adjusted net debt balance at 30 June 2008.

Shareholder's equity increased from $5,176 million at 30 June 2008 to $11,269 million at 31 December 2008. This is predominantly due to the APLNG transaction, share buyback and dividends paid. In addition, there was a decrease in the Hedge Reserve of $170 million to $25 million and a decrease in the Available-For-Sale Reserve of $0.1 million to $9 million due to changes in the fair value of financial instruments. Removing the effects of this change in fair value, the "adjusted equity" of shareholders has increased from $4,972 million to $11,236 million.

The following tables provide two different calculations of the Net Debt to Net Debt plus Equity ratio as discussed above.

Calculation of Net Debt to Debt plus Equity as reported in the Interim Financial Report:

	Dec 2008 ($m)	Jun 2008 ($m)	Dec 2007 ($m)
Net (cash)/debt as reported	(894)	3,283	2,855
Equity as reported	11,269	5,176	5,660
Net debt to (net debt + equity)	n/a	39%	34%

Calculation of Adjusted [Net Debt to (Net Debt plus Equity)] - excluding fair value impacts:

	Dec 2008 ($m)	Jun 2008 ($m)	Dec 2007 ($m)
Adjusted net (cash)/debt	(903)	3,608	3,171
Adjusted equity	11,236	4,972	5,076
Adjusted [net debt to (net debt + equity)]	n/a	42%	38%

EBIT cover of interest[5] is 70.9 times, compared with 4.2 times at 30 June 2008 and 5.3 times at 31 December 2007.

[5] Includes capitalised interest, excludes unwinding discounts on provisions and liability payable.

Origin owns 51.3% of the ordinary shares of Contact and is therefore required under the accounting standards to consolidate all of the assets and liabilities of Contact on Origin's balance sheet. This includes consolidating 100% of Contact's outstanding debt obligations with Origin's debt obligations. Under the terms of those debt obligations Origin has no liability associated with Contact's debt obligations. Excluding Contact's debt obligations, Origin has an adjusted net cash position as at 31 December 2008 of $1,767 million compared with an adjusted net debt position of $2,911 million as at 30 June 2008.

Following completion of the transaction with COP, Origin has no net debt, substantial cash reserves and significant undrawn bank facilities. This strong balance sheet position will facilitate the funding of significant development and acquisition opportunities.

8.2 Share Capital

8.2.1 Share Buyback

As part of its capital management initiative following completion of the APLNG transaction, on 30 October 2008, Origin lodged a notice with ASIC of its intention to conduct a share buyback of up to $1.275 billion. At 31 December 2008 Origin had bought 12,120,880 shares for a total consideration of $195 million.

Since 19 December Origin has not purchased any shares on market. The Board and management have determined that in the current market conditions where the global availability of capital has been severely reduced it is prudent for Origin to retain its funding capacity to enable it to invest in growth opportunities. Origin has now decided to terminate the buyback program. Assessment of further capital management initiatives will be made at an appropriate time in the future, taking into consideration growth opportunities and market conditions.

8.2.2 Share Capital Movements

During the period an additional 4.8 million shares were issued. This included 1.1 million shares issued under the Dividend Reinvestment Plan (DRP) which raised $19 million and 3.6 million shares issued as the result of the exercise of options which raised $20 million. Under the share buyback plan approximately 12.1 million shares were bought on market and subsequently cancelled.

As a consequence the total number of shares on issue at 31 December 2008 reduced by 7,365,741 shares to 873,407,981 from 880,773,722 at 30 June 2008. The weighted average number of shares used to calculate basic earnings per share increased to 875,603,411 from 873,628,684 as at 31 December 2007.

9. Risk management

9.1 General

Origin manages its risk exposure in energy markets through a combination of natural hedges in the business, contracts and financial hedges. Policy limits have been approved by the Board for products or financial variables for which there is a material risk exposure. Regular reporting is provided to the Board to review exposures and compliance with these limits.

Consistent with this policy framework Origin undertakes hedging of its exposure to electricity prices, oil prices, interest rates and foreign currency exchange rates.

9.2 Electricity and Gas

In the electricity and gas markets Origin assesses its policy limits against a combination of profit at risk and extreme events. Within the policy limits Origin has arrangements in place to cover extreme price and demand events as well as average forecast demand for the near to mid term.

9.3 Oil

Each year Origin assesses its anticipated medium term production volumes and forward oil prices and enters into hedges for a portion of this volume. Of Origin's production for the six months to December 2008, approximately 43% of oil and condensate had been previously hedged over a number of years at an average price of US$71.43 per barrel, a price increase of 17% compared with the prior half year.

Looking forward Origin currently has 300,000 barrels of its anticipated production for the six months to June 2009 hedged at an average oil price of approximately US$66 per barrel and US/AUD of $0.79.

Origin carries a residual exposure associated with the spread (premium or discount) it receives for the hydrocarbon products it sells relative to the oil benchmarks for which liquid forward markets are available to write hedges. Such spreads generally relate to the relative quality of the hydrocarbons sold, issues associated with location, transportation and contract flexibility, and supply demand balances for particular hydrocarbon blends. While for most of this decade such spreads have been modest and relatively stable, the volatility in oil markets and shifts in supply and demand patterns can lead to significant movements in such spreads.

9.4 Foreign Exchange

With regard to foreign exchange, Origin is prudently hedged over the next 12 months through external hedging arrangements. Origin expects that variability in the US dollar and Euro exchange rates will not have a material impact on group cash flows. Origin's foreign exchange hedge position associated with US dollar receipts from the sale of oil is reflected in the oil commentary above.

Origin is exposed to the translation of Contact's NZ dollar earnings to Australian dollars. A one cent depreciation in the NZ dollar versus the Australian dollar is expected to result in approximately $0.4 million reduction in Origin's Australian dollar profit after tax and Minority Interests for the six months ending June 2009.

9.5 Interest Rates

Upon receipt of the funds from APLNG, Origin repaid $2.1 billion of its outstanding debt obligations where the debt facilities are available to be redrawn in the future. The remaining consolidated debt obligations outstanding at December 2008 comprise Origin's bank and capital market facilities that are not available to be redrawn once repaid and Contact's outstanding debt obligations.

Origin's consolidated average interest rate paid on debt for the six months to December 2008 is 7.5%. This includes Contact's NZ dollar denominated debt and Origin's AUS dollar, US dollar and NZ dollar debt obligations. Looking forward, approximately 60% of Origin's consolidated debt obligations are hedged to June 2009 at an average rate of 6.8% including margin. This hedge percentage gradually reduces over the following five plus years.

As at December 2008, Origin held cash on deposit of approximately $4.1 billion. This cash was invested at an average rate of 6.1% for the period from receipt to 31 December 2008. Looking forward, $2.5 billion of this amount is invested in fixed rate term deposits with maturities from April to June 2009 at an average rate of approximately 4.0% and the balance held at call.

10. People, Health, Safety & Environment

People

Origin's employee numbers (excluding Contact) increased by 146 to 4,086 from 30 June 2008. The majority of this increase was associated with the Generation and the Exploration and Production businesses as Origin further builds its capabilities in delivering major developments in these areas.

Health and Safety

Origin uses as its primary safety performance measurement the industry standard measure of Total Recordable Incident Frequency Rate (TRIFR). This measure increased by 8% from 8.5 at 30 June 2008 to 9.2 at 31 December 2008. This disappointing result coincides with increased contractor activity at our major project sites. Origin continues to focus on the safety of its employees and contractors through ongoing reviews of its site induction processes, implementing frequent safety initiatives and conducting health and safety awareness programs as it strives towards a zero harm objective.

Environment

Environmental management plans and remediation strategies were developed or reviewed for all relevant sites.

For the six month period ended 31 December 2008, there was one reportable environmental incident involving the unauthorised clearing of a small number of plants listed as vulnerable. Origin notified the relevant Government department, implemented immediate additional on-site environmental awareness and together with a consultant ecologist will assess and implement further site management recommendations.

11. Operational Review

11.1 Exploration & Production

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Total revenue	298	260	14
EBITDAF	175	133	32
EBIT	7,369	59	-

Sales Volumes

Half year ended 31 December	2008	2007	Change (%)
Natural gas (PJ)	50	39	26
Crude oil (kbbls)	683	665	3
Condensate/naphtha (kbbls)	427	428	-
LPG (ktonnes)	45	37	23
Ethane (ktonnes)	1	1	-
Total (PJe)	**59**	**48**	**23**

PJ = petajoules
Kbbls = 1,000 barrels
Ktonnes = 1,000 tonnes
PJe = petajoules equivalent – a measure of energy content

The Exploration and Production segment achieved record production, sales volumes, revenue and EBITDAF for the December half year reflecting strong aggregate growth in Origin's upstream assets. These records were achieved despite the 50% reduction in Origin's interest in its CSG and Denison Trough assets as a consequence of the APLNG transaction with COP in late October.

EBIT for the Exploration and Production segment includes a significant gain on completion of the APLNG transaction as discussed in Section 11.1.3.

For further detail on the significant items refer to Section 4.4 and Appendix 2.

11.1.1 Production, Sales and Revenues

Production and sales volumes below include Origin's share in APLNG after completion of the transaction on 29 October 2008. However, revenue quoted here excludes Origin's share of revenue from the APLNG joint venture whose financial contribution to Origin is equity accounted. Further details of production may be found in the Quarterly Production Report for the Quarter ended 31 December 2008, released on 30 January 2009.

Sales volumes increased by 23% to 59 PJe from 48 PJe compared with the prior half year. Sales increased from the Otway Gas Project (+10.3 PJe), CSG assets (+3.3 PJe), the Taranaki Basin (initial contribution 1.2 PJe) and the Cooper Basin (+0.6 PJe). These increases more than offset declines from the Surat Basin (-1.3 PJe), the Perth Basin (-1.1 PJe), the Bass Basin (-1.0 PJe) and the sale of the onshore Otway Basin (-0.3 PJe).

Sales of natural gas increased by 26% as higher sales from the Otway Basin and CSG combined with an initial contribution from the Taranaki Basin to offset the decline from other mature producing areas. Steady sales of condensate and marginally higher sales of crude oil (+3%) resulted in combined sales of oil and condensate of 1,110 kbbls compared with 1,093 kbbls in the prior half year. Sales of LPG increased 23% to 2.2 PJe or 45 ktonnes compared with 37 ktonnes, in the last half year. The increase in LPG sales was predominantly due to a six month contribution from the Otway Gas Project.

Total revenue (excluding Origin's share of APLNG revenues) increased by 14% as a result of aggregate higher sales volumes together with higher prices realised for gas and LPG. The average price received for sales of oil, condensate and naphtha over the period including the impact of hedging was $90 per barrel – marginally higher than the average price received in the prior year.

Despite this increase, prices for these commodities have declined significantly since the end of the financial year ended 30 June 2008. Condensate pricing was particularly weak in the December Quarter as the discount at which benchmark condensates in the Asian region trade relative to crude oil benchmarks widened. The discount of the North West Shelf (NWS) condensate benchmark to the Tapis oil benchmark widened from an historical average of less that US$5 per barrel between 2004 and June 2007 to US$16 per barrel in the December Quarter 2008. Approximately 40% of Origin's liquid production is condensate and much of this is settled against the NWS condensate benchmark, with local adjustments. Origin was therefore adversely impacted by this change in spreads relative to producers who have a higher ratio of crude oil to condensate in their production mix.

11.1.2 Expenses

Total costs within the Exploration and Production business increased 7% compared with the prior half year as outlined in the table below.

The main source of variance compared with the prior half year was a reversal in stock movements (-$13 million), lower exploration write-offs (+$11 million) and a net $8 million increase in general operating costs. The increase in general operating cost reflects new producing assets (the Otway Gas Project and Taranaki Basin operations which together added $16 million) and an $8 million reduction in operating costs due to the 50% reduction in Origin's interests in CSG assets. This 11% increase in general costs compares favourably with a 23% increase in production when measured against the prior half year.

Exploration and Production costs	**2008 ($m)**	**2007 ($m)**	**Change (%)**
Cost of Goods sold	19	19	-
Stock Movements	4	(9)	147
Royalties and tariffs	29	30	(2)
General costs (Labour, JV costs, etc)	79	71	11
Exploration write-downs	4	16	(71)
Total Costs	**136**	**128**	**7**

11.1.3 Earnings

EBITDAF

As a consequence of record production, a 14% increase in revenues and a 7% increase in underlying costs, EBITDAF increased by 32% to $175 million from $133 million in the prior half year.

Depreciation and Amortisation

Depreciation and amortisation charges increased 22% to $89 million from $73 million. This is in line with the 23% increase in production over the prior half year and reflects a full six months of production and depreciation from the offshore Otway Gas Project and Taranaki Basin together with higher depreciation in the Cooper Basin.

EBIT

EBIT for the six months was $7,369 million reflecting the gain on dilution of Origin's interest in APLNG of $7,413 million and asset impairment charges of $173 million. In addition, depreciation charges of $89 million (as discussed above), a benefit from the change in fair value of financial instruments of $7 million and a $36 million gain on the share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees. This is predominantly related to the unwinding of an interest discount in relation to APLNG.

This compares with EBIT for the prior half year which was $59 million.

11.1.4 Reserves

Origin undertakes a full assessment of its reserves on an annual basis coinciding with the end of the financial year. Due to the rapid maturation of the CSG industry Origin has undertaken to update the market on its CSG reserves position on a six monthly basis.

Origin now holds all its interests in CSG assets through its 50% interest in the APLNG joint venture. During the period APLNG has increased its 1P, 2P and 3P reserves by 11%, 15% and 10% respectively.

The change in APLNG's CSG reserves and resources for the half year ending 31 December 2008 is detailed below:

APLNG CSG Reserves (PJ)[6]	Reserves June 2008	Gross Increase	Production	Net Increase	Reserves Dec 2008	Increase %
Proved (1P)	1,375	178	26	152	1,527	11
Proved and Probable (2P)	4,751	757	26	731	5,482	15
Proved, Probable and Possible (3P)	10,138	998	26	972	11,110	10

APLNG CSG Resources (PJ)	Resources June 2008	Net Increase/ (Decrease)	Resources Dec 2008	Increase %
Contingent Resources (2C)	15,869	(905)	14,964	(6)
Prospective Resources	17,947	-	17,947	-

The information in this Reserves Statement has been compiled by Tim Scholefield, a full-time employee of Origin. Tim Scholefield is qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which this statement appears.

The 2008 assessment of Origin's CSG reserves has been prepared by internationally recognised petroleum consultant Netherland, Sewell & Associates, Inc. (NSAI) as per their report dated 23 February 2009, compiled by Mr John G. Hattner, a full-time employee of NSAI. Mr John G. Hattner has consented to the statements based on this information, and to the form and context in which these statements appear.

[6] Some of APLNG's CSG interests are subject to reversionary rights. Reversion only occurs when cumulative revenue exceeds cumulate expenditure plus an uplift factor (which is calculated monthly at a rate of 8% per annum on cumulative capital, operating and overhead expenditure) and only applies to the reserves and resources remaining at that future date. This test is applied on an aggregated basis across the entire portfolio of interests which are subject to reversionary rights. Origin believes that under current market conditions and planned developments, none of APLNG's 3P CSG reserves will revert.

A factor of 1.045 petajoules per billion cubic feet of gas has been used in the conversion of volumetric petroleum product measures to the energy measure of petajoules

Origin will provide a full update of its reserves position across CSG and conventional resources in association with its full year results.

11.1.5 Producing Assets

CSG and Denison Trough[7] (Queensland)

Prior to completion of the APLNG transaction all of Origin's CSG interests and interests in the Denison Trough were held through Origin Energy CSG Ltd. From 29 October Origin's interest in these assets was reduced by 50% and the holding company was renamed to APLNG. All of Origin's interests in CSG are now held through APLNG (50% interest).

Despite the 50% reduction in Origin's CSG interests, production net to Origin increased by 24% to 20.9 PJ for the half year from CSG assets compared with 16.9 PJ for the prior half year. Conventional production net to Origin in the Denison Trough, which also includes the APLNG Joint Venture, reduced by 32% to 1.9 PJ compared with 2.8 PJ in the prior half year.

APLNG's equity share of CSG production reached 135 TJ/d at the end of 2008. The Joint Venture is the largest CSG producer in Australia.

By the end of 2008, Phase 5 of the Spring Gully project to deliver plant processing capacity of 150 TJ/d was close to completion. The 5th compressor was installed at the Strathblane Gas Plant and the Taloona Gas Plant, which will initially use 3 compressors, was largely completed. The export pipeline from the Taloona Gas Plant was completed and tied into the Spring Gully to Wallumbilla pipeline.

The beneficial and commercial use of the treated water from the 9 ML reverse osmosis water treatment plant, which was commissioned in early 2008, is being investigated with a number of interested parties.

Construction of the APLNG operated Talinga Gas Plant and Water Treatment Plant commenced in the December Quarter of 2008 following a public consultation period and receipt of the necessary environmental approvals. The Talinga development program includes an initial 100 wells and the gas will supplement supply from the Spring Gully field to meet gas demand from the Darling Downs Power Station and Rio Tinto Aluminium in Gladstone. A number of pilot wells have been drilled during the half year and full development drilling will commence in April 2009. Production of 90 TJ/d is targeted by early 2011.

At Fairview the operator, Santos, has continued with expansion plans which are designed to increase production capacity to 110 TJ/d during. A new gas plant is scheduled to be commissioned in the March Quarter 2009.

Development agreements have been executed which will facilitate the full development of a number of CSG fields in the Walloons area operated by Queensland Gas Company. APLNG holds a number of interests of up to 41% in these areas. Gross gas production from these fields currently stands at around 25 TJ/day with the Kenya Gas Plant scheduled to be commissioned in the March Quarter 2009. Targeted production rates are 120 TJ/day by 2010 and 160 TJ/day by 2012.

Applications were made for 6 petroleum leases in the Queensland Walloon CSG areas and remain pending approval.

[7] Includes conventional production from the Denison Trough as CSG potential exists and hence Origin's interests were included in the APLNG transaction.

Bass Basin (Victoria/Tasmania)

Net Production to Origin was down 18% to 4.9 PJe from 6.0 PJe when compared with the prior half year. This was primarily due to the failure of a hydraulic control valve on the Yolla 4 well in early November which resulted in the well being shut in and production being restricted to the Yolla 3 well only. Remedial work was completed and production was restored to normal operating levels in late December. Production rates prior to the control valve failure were at or around the design capacity.

Otway Gas Project (Victoria/Tasmania)

The Otway Gas Project produced reliably during the period. It operated over extended periods at or around peak design during times of high seasonal demand in the September Quarter prior to the onset of lower seasonal demand over the spring and summer.

Production net to Origin for the half year was in line with expectations at 10.3 PJe.

Cooper Basin (Queensland/South Australia)

Production from the Cooper Basin declined marginally to 13.3 PJe during the half year compared with 13.4 PJe in the comparable period in 2007. Gas production fell by 4% to 10.3 PJ and was offset by increased production from the oil program which rose by 51% to 219 kbbls. Purchases of oil and gas from third parties of 1.7 PJe were 5% higher than the 1.6 PJe in the prior half year.

Perth Basin (Western Australia)

Oil production from the Hovea, Jingemia and Eremia fields continued on a natural decline path. Origin's net share of oil production decreased by 46% from 329 kbbls to 177 kbbls for the half year.

Origin's net share of gas production from the Perth Basin decreased from 2.2 PJe to 2.0 PJe due to well constraints at the Beharra Springs field. A workover is scheduled for early in 2009 to rectify the production constraint.

Tariki/Ahuroa/Waihapa/Ngaere (TAWN) and Rimu/Kauri

Origin assumed operatorship of these producing assets on 12 June 2008 following the acquisition of interests from Swift New Zealand. Production for the six months to 31 December 2008 was 1.6 PJe comprising of 1.3 PJ of natural gas, 44.8 kbbls of crude, 4.6 kbbls of condensate and 1.0 ktonne of LPG.

During the first half the onshore assets have been reviewed to identify and develop new opportunities. This has involved field remapping, reservoir modelling and engineering studies. An eight well workover program that commenced in November 2008 aimed at lifting production rates is ongoing and three development wells are planned for 2009.

As part of the Swift acquisition, Origin is developing the Ahuroa Gas Storage Project on behalf of Contact. Conservation of 'pad gas' for the storage project has resulted in some assets being temporarily shut in, including the Waihapa Production Station (WPS) and TAWN oil fields. Consequently production for the half year ended 31 December 2008 was lower than expected under a normal operating regime. The WPS was restarted late in 2008 and has recommenced supplying gas for gas lift operations at the TAWN oil fields, which have in turn recommenced production.

Other Producing areas

In the Surat Basin area of Queensland Origin diverted significant volumes of gas from producing fields into gas storage. This gas remains counted in Origin's reserves and is not reported as production until such later date as it is retrieved from storage and sold.

Predominantly as a consequence of this storage activity, Origin's share of production from the Surat declined from 3.3 PJe in the prior half year to 1.7 PJe in this half year.

In the onshore Otway Basin net production of 0.1 PJe was attributable to Origin prior to completion of the sale of these assets to Adelaide Energy Ltd. Origin does not have any ongoing exploration and production interest in this area.

11.1.6 Development Projects

Kupe Gas Project (New Zealand)

The Kupe Gas Project remains on track for commercial gas sales to commence in the September Quarter 2009.

During the half year the main offshore operations associated with development of the Kupe field were completed. Progress at the onshore Production Station was hampered due to unusually harsh winter conditions and some delays in committed delivery dates of equipment and bulk materials. Construction of two large condensate storage tanks on land at the Omata Tank Farm near New Plymouth was commenced during the half year. Installation of the sales gas pipeline and the 33 kilovolt power supply line was completed.

11.1.7 Exploration

Australia

Exploration in the offshore Otway Basin has focussed on generation of drilling targets from the interpretation of recently acquired and reprocessed seismic data. The Razorback prospect which straddles the boundary between T/30P and T/34P has been approved for drilling in 2009 subject to the availability of a suitable offshore drilling rig.

Also in the Otway Basin, Retention Lease VIC/RL2(V) over the Halladale/Black Watch gas discovery was granted to Origin in September 2008.

In the Bass Basin, a contract has been entered into to secure the Kan Tan IV semi-submersible rig during 2009 to evaluate the Rockhopper prospect and the Trefoil discovery, both in T/18P.

Origin surrendered two permits, EP 413 in the Perth Basin and Vic/P37(V) in the Otway Basin, Victoria.

New Zealand

In the Northland Basin, interpretation of 2D seismic and 3D seismic has identified a number of potential drilling targets. The Ministry for Economic Development has agreed to an extension of PEP 38619 to cover the area of PEP 38618 and Origin has committed to drill two wells and acquire 150km of seismic within the new larger permit area. Farminees will be sought before drilling commences.

Origin successfully renegotiated work program commitments for Canterbury Basin permit PEP 38262, such that it will acquire 3D seismic in the coming year instead of drilling a well in this deep water permit. Acquisition of the 1,145 sq km Waka 3D Seismic Survey over the Carrack-Caravel prospect complex has commenced. Further 2D seismic is being also acquired in the neighbouring PEP 38264.

Following an evaluation of the Taranaki offshore permits obtained as part of the Swift transaction, exploration permits PEP 381201 381201 and PEP 38495 have been have been surrendered.

Kenya

Origin and its joint venture partners have agreed to surrender the L9 block and to enter into a second additional exploration period of four years in respect of the L8 block under revised PSC work program conditions. These revised conditions are the result of negotiations with, and are still subject to the approval of, the Kenyan Government. If approved, Origin will fully fund a US$10 million 3D seismic survey over the very large Mbawa prospect within the first year of the new period. By the end of the second year it will either commit to drill in the third year or withdraw from the joint venture.

Vietnam

A Production Sharing Contract in respect of Block 121, offshore Song Hong Basin, has been negotiated with the Vietnamese Government and is awaiting its approval. Origin is planning to acquire a 550 km 2D seismic survey in the permit area and will reprocess 3,900 km of existing seismic.

11.1.8 Drilling Activity

During the half year Origin participated in the drilling of 133 exploration, appraisal, and development wells across its areas of interests, of which 118 were cased for future production.

An active drilling program is planned in the second half of the 2008/09 financial year, including 148 CSG wells, 13 wells in the Cooper Basin, four wells in the Perth Basin, two wells in the Bass Basin and three development wells in the Taranaki Basin.

11.2 Generation

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Total revenue	30	43	(30)
EBITDAF	21	33	(34)
EBIT	(51)	20	(356)

Sales Volumes

Half year ended 31 December	2008	2007	Change (%)
Total Sales (GWh)	677	667	2

EBITDAF for the Generation segment was $21 million, $11 million lower than the prior half year primarily due to an extended outage of the Worsley cogeneration plant in Western Australia following the failure of the third stage blades in the power turbine in mid August.

Origin acquired the 640 MW gas-fired open cycle Uranquinty Power Station from Babcock and Brown Power in July 2008, and continued with major power project developments at Quarantine, Mt Stuart, Darling Downs, Mortlake and Cullerin Range. By mid 2010 these projects will have increased Origin's generation capacity from around 1,340 MW to 2,800 MW.

11.2.1 Production Sales and Revenue

Revenue in the Generation segment for the half year decreased by 30% to $30 million from $43 million. The key driver for this decrease was the outage of the Worsley cogeneration plant.

Total sales volumes were up by 2%. This was predominantly due to the increased generation from the Osborne and Roma Power Stations. Osborne Power Station's operating regime is determined under a PPA arrangement and Roma Power Station operates to provide a hedge for the Retail business. These run hours more than offset the significantly reduced generation from the Worsley cogeneration plant.

11.2.2 Earnings

EBITDAF decreased by 34% from $33 million to $21 million, mainly due to the outage at Worsley from mid August ($9.5 million) together with increased operational costs as Origin increased capabilities in the generation area in preparation for new power projects coming online. An insurance claim for business interruption and capital repair costs will be pursued in relation to the Worsley power turbine failure.

Depreciation expense decreased by 39% to $5.1 million, from $8.4 million, primarily due to Origin reviewing the residual value assumption in its depreciation calculation.

An impairment charge of $60 million has been recognised in relation to costs associated with Origin's investment in solar photovoltaic research and development ($53 million) and the potential development of a power station at Spring Gully in Queensland ($7 million). Further details are provided in Appendix 2. As a consequence of the operational performance of the business and these impairments the Generation segment recorded an EBIT loss of $51 million; $70 million lower than in the prior half year.

11.2.3 Generation in a low carbon economy

In late December 2008, the Federal Government issued the Carbon Pollution Reduction Scheme ("CPRS") White Paper and announced a 2020 emissions reduction target of 5% below 1990 levels. A likely impact of the 5% emission reduction target and associated regulation is to provide strong support for a long-term shift towards lower emission gas-fired power generation in preference to the use of coal for generating electricity.

Origin's integrated energy business which includes its own gas supplies, a portfolio of 1,340 MW of existing gas-capable generation assets and a development pipeline of over 1,400 MW of gas-capable power generation provide it with a strong competitive position.

In addition, Origin has been investing in renewable energy technologies that have the potential to provide Origin with a broad portfolio of opportunities in the transition to a lower carbon economy. This includes Origin's first wind farm which is expected to begin commissioning in 2009, agreements for additional wind sites with wind generation developers Epuron, investments in geothermal technologies and ongoing development of its SLIVER solar photovoltaic technology.

11.2.4 Power Generation Developments

The Uranquinty Power Station, which was purchased on a partially constructed basis in July 2008, reached its rated 640 MW output on 16 December 2008 with full commissioning achieved on schedule.

Origin also commenced construction of the 120 MW expansion of its Quarantine Power Station near Adelaide, South Australia in December 2007. The turbine achieved its rated output in early February 2009 and the plant will be fully commissioned by early March 2009. The open cycle gas-fired turbine will supplement peaking capacity in the South Australian market. The project will be completed on budget.

An expansion of Mt Stuart Power Plant peaking facility was announced on 1 February 2008. Origin has purchased a 126 MW 9E gas turbine from GE Energy for the development. The construction phase is well advanced and on schedule with completion targeted for late 2009.

The Darling Downs Power Station (DDPS) project began construction in November 2007. At 630 MW, the DDPS will be Australia's largest combined cycle gas-fired power plant. The operations office was opened in Dalby in August 2008. All gas turbines are now installed on site with construction of boilers and condensers well advanced. The pre-operations project schedule remains on track with commissioning expected to commence in early 2010.

On 4 July 2008 Origin advised it would proceed with development of a 550 MW open cycle power station at Mortlake in Victoria. Origin has permitted the Mortlake site for around 1000 MW and the design of Mortlake incorporates features to allow for the expansion of capacity and conversion of the power station to a highly efficient base load combined cycle power station at a later date. The power station, and its ability to be expanded at a later date, provides optionality and flexibility to Origin's electricity supply portfolio in Southern Australia. The project is expected to be completed in the middle of the 2011 financial year.

11.2.5 Growth in Renewable Energy

Wind

On 22 January 2008 Origin entered into a strategic relationship with wind generation developers Epuron, acquiring an option to develop up to 590 MW of wind farm projects starting with the construction of the first 30 MW wind farm at Cullerin Range which continued during the period. The development will be completed in 2009.

On 20 October 2008 Origin Energy and ACCIONA Energy announced a long-term power purchase agreement that will see Origin play a key role in the commercialisation of Australia's largest wind farm at Waubra (192 MW) in western Victoria. The agreement demonstrates Origin's strategy of supporting a broad range of renewable energy sources and its portfolio approach to managing its renewable energy exposure.

Geothermal
In Australia, Origin is investing in geothermal energy through a 30% interest in a joint venture covering various geothermal permits in northern South Australia held by Geodynamics Limited. In addition, Origin holds an equity interest of approximately 7% in Geodynamics. During the period Geodynamics commenced closed loop flow testing between the Habanero 1 and 3 wells as part of its proof of concept testing. Fabrication and installation of the above ground pilot plant continues with commissioning of the 1 MW power plant expected in 2009. Origin has invested $76 million to date in the joint venture and has committed to invest a total of approximately $150 million in the Geodynamics joint venture.

Solar
Origin remains focussed on commercialising its SLIVER Solar photovoltaic technology and believes that it has an important part to play in the future of renewable energy both in Australia and globally. Origin has recognised an impairment charge in relation to the research and development of its SLIVER technology given the potential commercialisation benefits in the current economic environment. Origin will continue with appropriate investment in SLIVER technology commensurate with the expected benefits of commercialisation. Pilot production of 92W panels started in June and achieved international certification in November 2008. The first commercial panels are being installed during March and April 2009 at key sites around Australia.

11.3 Retail

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Total revenue	2,988	2,641	13
EBITDAF	300	201	49
Underlying EBIT	271	177	53
EBIT	157	158	(1)

During the six months to December 2008 the Retail segment increased its revenues and margins across natural gas and electricity while maintaining its clearly established leadership position in green energy products with over 35% market share of accredited GreenPower accounts[8]. Sales volumes, revenues and margins across natural gas and electricity were records for the first half, while margins in the LPG business were placed under pressure by record wholesale purchasing costs during the middle of 2008.

11.3.1 Sales and Revenue

During the period, the Retail segment recorded revenues of approximately $3 billion, an increase of 13% on the prior half year. This was driven by higher sales volumes across natural gas, electricity and LPG coupled with tariff increases which reflected long term increases in the wholesale cost of energy procurement.

Performance is discussed and referenced to the commodity product splits in the table below.

Performance metrics by product and variance from prior half year

Half year ended 31 December 2008	Natural Gas	Electricity	LPG
Revenue ($m)	539 *(+12%)*	1,972 *(+12%)*	353 *(+22%)*
Gross Profit ($m)	89 *(+46%)*	377 *(+46%)*	73 *(+18%)*
EBITDAF ($m)	291 *(+64%)*		8 *(-65%)*
Underlying EBIT ($m)	274 *(+67%)*		(4) *(-129%)*
Sales – (PJ)	68 *(+2%)*		
Sales – (TWh)		16 *(+2%)*	
Sales – (ktonnes)			245 *(+5%)*
Total Sales (PJe)	68 *(+2%)*	57 *(+2%)*	12 *(+5%)*
Customer accounts ('000) – *(Change from 30 June 2008)*	878 (-)	1,735 (-)	338 (+1%)

Customer numbers in the above table have been revised following a detailed assessment of the conversion of marketing wins into billing accounts. This has caused a downward adjustment to opening customer numbers for electricity (-28,814), natural gas (-15,906) and LPG (-21,538). For further details see "Market Churn" below.

Electricity

The average wholesale price of electricity in the NEM has increased significantly over the last two years. In the half year to 31 December 2007 spot electricity prices in the NEM reached the highest average level experienced to date. In the half year to 31 December 2008 average spot prices decreased 19% compared with the last half year, and yet remained significantly above the long run average. While spot prices have decreased from this peak, electricity purchasing costs as represented by the forward contract price in the electricity

[8] Source: GreenPower Website Quarterly Report (September 2008).

market continue to rise, reflecting tightening market conditions and the long run marginal cost of new generation.

Origin's electricity procurement and risk management policies are designed to mitigate the downside risk of increased costs from short and medium term wholesale price volatility. However Origin will remain subject to long run average wholesale electricity cost increases.

The long run average cost increases described above are evident in the higher purchasing costs of $1.6 billion for the half year ended 31 December 2008 compared with $1.5 billion in the prior half year. Tariff increases and margin management strategies through 2007 and 2008 have reflected these increasing wholesale electricity costs.

Compared to December 2007 electricity customer sales volumes increased by 2% to 15.8 TWh and revenues increased 12% to $1,972 million. As a result gross profit was $377 million or 19% of revenue.

Natural Gas

Natural gas sales volumes increased marginally from 67 PJ to 68 PJ. This was mainly the result of increased sales to large commercial customers and power generators and increased mass market usage due to favourable weather patterns. Revenues of $539 million were 12% higher than prior half year ($481 million) reflecting increased volumes, tariff increases and C&I contracts that were struck during the drought induced period of high gas prices. Gross Profit improved 46% from $61 million to $89 million reflecting mass market tariff increases and margin management as higher wholesale purchasing costs were passed through to C&I customers.

Market Churn

Origin has consistently positioned its business to provide a broad range of products to address customer requirements and maintain customer account numbers in the face of market competition without unnecessarily escalating churn activity.

Origin's efforts in this area resulted in it winning 238,000 new accounts across its gas and electricity businesses to record a net increase of 5,000 accounts. This compares to the prior first half in which Origin won 236,000 accounts and increased account numbers by 4,000.

As part of the data cleansing phase of the retail transition and transformation Origin undertook a review of its customer data. Origin reports on customers within its billing system, together with new accounts signed and accounts lost or notified to have churned to other retailers. In situations where a signed customer fails to be established in the billing system within a specified timeframe, Origin will not recognise that customer account. Following a review of activities Origin lowered its historical gas and electricity customer numbers by 45,000 in recognition of the number of customers that had not been established in the billing system within the necessary timeframe.

Origin's LPG customer base includes customers billed directly by Origin and customers serviced and billed by Origin's agents. Indirect customer numbers are estimated on the basis of average volume usage. A review of billing arrangements during the period has highlighted an historical overstatement of indirect customer numbers by around 21,000 accounts. Origin has therefore reduced its 30 June 2008 LPG customer accounts by this amount.

Adjustments to customer numbers in gas, electricity and LPG have not impacted on the volumes, revenues or costs reported by the business. It will, however, impact on metrics calculated on a per customer basis (such as cost to serve and average consumption per customer).

The table below reflects these changes together with the win-loss activity for the half year.

	Jun 2008	Adjustments	Revised Jun 2008	Wins/Losses	Dec 2008
Electricity	1,757,630	(28,814)	1,728,816	6,539	1,735,355
Gas	895,710	(15,906)	879,804	(1,587)	878,217
LPG	357,999	(21,538)	336,461	1,775	338,236
Total	**3,011,339**	(66,258)	**2,945,081**	6,727	**2,951,808**

At the end of the period Origin had around 2,614,000 customer accounts across electricity and natural gas. This compares with a revised assessment of 2,609,000 accounts in June 2008. Origin's customer account numbers at 31 December 2008 include 479,000 signed green customers, an increase of 34% compared with the prior half year (see Section 11.3.2).

Cost to serve - Electricity and Natural Gas

Origin includes within its retail cost to serve all costs associated with servicing and maintaining customers, all churn and customer acquisition and retention costs, and an allocation of corporate costs.

The total cost to serve for Origin's gas and electricity retail business increased by around 24% from $142 million to $176 million. The increase included an additional corporate allocation of $14 million compared to the prior half year together with an additional $20 million of costs incurred directly within the Retail segment. Of the additional costs $10 million reflects an increase in costs due to increasing numbers of customers experiencing payment difficulties. The balance of the increase covers a variety of activities that have led to an increase in contractor numbers, predominantly associated with systems upgrades and continuing costs associated with the Managed Evolution project and migration of Sun Retail accounts on to Origin systems.

Consequently, Origin's cost to serve per customer for its retail gas and electricity business increased 29% across the two half year periods, from $53 per customer to $67 per customer.

Origin announced on 30 October 2008 that it had selected WIPRO as the preferred partner to conduct the transformation of Origin's Retail business processes and systems. WIPRO is a global provider of integrated business, technology and process solutions. Under this arrangement WIPRO will work with Origin to provide an integrated billing and customer management system as well as IT and back-office processing support for Origin's Retail business. In addition, a number of back office and IT process activities will be outsourced to WIPRO. This transition of services will commence in the June Quarter 2009 and is scheduled to be completed through 2010.

Electricity and Natural Gas Margins

EBITDAF across the gas and electricity business increased by 64% from $177 million to $291 million while EBITDAF margins improved from 7.9% to 11.6%. This predominantly reflected tariff increases to domestic customers required to recoup long term increases in wholesale purchasing costs, higher margins from C&I customers reflecting the benefit of risk management activities undertaken by the business in more volatile markets and reversion of wholesale electricity purchasing costs to more normal levels following the sharp increase and peak in 2007.

Underlying Retail EBIT across electricity and natural gas increased 67% from $164 million to $274 million primarily reflecting the same factors as above. Margins at this level improved from 7.3% to 10.9%.

While this is a strong first half result, rising purchasing costs are expected to result in lower electricity and gas margins in the second half of the year. This should result in margins per customer for the full year to 30 June 2009 being similar to margins experienced in the year ended 30 June 2008.

LPG

The LPG business recorded sales volumes of 245 ktonnes, 12 ktonnes or 5% higher than the prior half year.

Sales revenue increased 22% to $353 million from $289 million in the prior half year. This reflected the pass through of higher prices to recoup higher purchasing costs compared with the prior half year.

Unfavourable impact of stock revaluations due to the decline in CP prices together with higher fuel and shipping costs from US denominated fuel and charter costs were somewhat offset by higher gross margins resulting in EBITDAF for the LPG business of $8 million for the period, 65% lower than the prior half year.

After adjusting customer numbers for an historical overstatement at the beginning of the period (see Market Churn above), LPG account numbers remained steady at approximately 338,000 over the period.

11.3.2 Green Energy and Carbon Offsets

Origin continues to maintain market leadership of accredited GreenPower products with around 479,000 signed green energy accounts comprising 367,000 electricity and 112,000 gas customer accounts. As at September 2008 Origin had 35%[9] market share of accredited GreenPower products, more than double Origin's nearest competitor. Origin is also continuing to grow its carbon offset business with sales 80% higher than the prior half year.

Origin continues to invest in, and grow its solar installation business. Sales of grid-connected solar photovoltaic installations grew strongly during the period with over 330% increase in unit sales and 230% in PV watts. During the period Origin sold its 5,000th solar system.

The Adelaide Solar City Project (ASC) has passed its twelve month milestone with the solar PV product offerings fully subscribed ahead of schedule. A selection of residential customers are currently being billed under an innovative "time of use" pricing model with consumption reports accessible to them through the internet. A broader roll out of time of use and select critical peak pricing customers is scheduled for the first half of calendar year 2009.

Origin signed agreements in late 2008 in relation to the Central Victorian Solar Cities program which will result in Origin installing two 300kW grid connected solar farms at Bendigo and Ballarat during 2009.

[9] Source: GreenPower Website Quarterly Report (September 2008).

11.4 Contact Energy

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Total revenue	1,015	965	5
EBITDAF	190	248	(24)
EBIT	115	171	(33)

Performance of operations

Half year ended 31 December	2008	2007	Change (%)
Electricity Generated (GWh)	5,054	5,874	(14)
Customer Electricity Sales (GWh)	4,047	4,064	-
Gas Sales (retail and wholesale) (PJ)	8.6	8.8	(2)
LPG Sales (Tonnes)	41,800	46,000	(9)
Electricity Customers	499,000	514,000	(3)
Gas Customers	70,000	74,000	(5)
LPG Customers (including franchisees)	54,400	50,900	7
Total Customers	623,400	638,900	2

Origin owns a 51.3% interest in Contact Energy of New Zealand and consolidates 100% of Contact Energy in accordance with Australian accounting standards. The interests attributable to minority shareholders are recognised as Minority Interests in the Financial Statements.

A financial report entitled "Management discussion of financial results for the six months ended 31 December 2008" was issued by Contact Energy to the New Zealand Stock Exchange on Wednesday 24 February 2009 and is available on Origin's website www.originenergy.com.au. That document contains details regarding Contact's financial and operating performance during the period, including comparisons to the performance of Contact Energy in the prior half year.

In consolidating Contact Energy's results, Origin has used an average exchange rate for the period of NZ$1.21 to the A$, compared with NZ$1.15 to the A$ for the prior half year.

On consolidation Contact Energy contributed $190 million to Origin's EBITDAF 24% or $58 million lower than the prior half year of $248 million.

Significant volatility in the wholesale electricity market has been the primary driver of the financial performance.

During August and September 2008, wholesale electricity prices in the South Island were significantly higher than those in the North Island driven by a combination of material factors:

- ongoing drought conditions in the South Island;
- the loss of pole one of the high voltage transmission cable between the North and South Islands which limited the ability to move lower cost North Island energy to the South Island; and
- relatively wet conditions in the North Island which resulted in much lower wholesale prices in the North Island than the South Island.

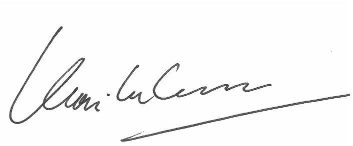
The drought conditions in the South Island during this time constrained Contact's ability to generate electricity and, with the North-South Island transmission also constrained, left it short of electricity to service its South Island customer base. This, combined with high prices in the South Island, resulted in Contact paying considerably more for its purchases of energy for its retail customer base than it was earning for its generation.

Towards the end of the six month period ended 31 December 2008, conditions reversed in the South Island with a significant increase in hydro flows and storage. At around the same time the Tiwai Aluminium Smelter in the South Island experienced a transformer outage that closed one of its production lines and resulted in a loss of 180 MW of demand. Local transmission constraints in the Otago/Southland region limiting transmission of energy to Benmore and the inter-island transmission constraint (pole 1 outage) resulted in an excess of generation in the South Island, leading to hydro spill and very low prices. Contact accordingly generated much less in the South Island than it would expect to in similar hydro conditions, while the lower demand and excess of supply during this period also depressed the wholesale prices received for generation.

While it is anticipated that the transmission constraint between the North and South Islands will take some years to resolve, the transmission constraint in the Benmore area is likely to be resolved by Spring of 2009.

Further details on how these market dynamics have impacted the financial performance of Contact are available in the reports it has lodged with the NZX.

At the EBIT level Origin has consolidated \$115 million from Contact Energy for the six months ended 31 December 2008, \$56 million lower than the \$171 million in the prior half year.



H Kevin McCann
Chairman

Sydney, 25 February 2009

12. Origin Energy Key Financials

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Total external revenue	4,216	3,817	10
EBITDAF	686	614	12
EBIT	7,590	634	1098
Profit after tax	6,679	384	1639
Minority Interests	16	49	(68)
Statutory Profit	6,663	335	1891
Underlying Profit	277	200	38
Free cash flow	216	259	(17)
OCAT ratio including CAPWIP (12 months to 31 December)[10,11]	8.8%	10.1%	n/a
OCAT ratio excluding CAPWIP (12 months to 31 December)[10,11]	11.8%	11.8%	n/a
Average Funds Employed including CAPWIP (12 months to 31 December)[11]	8,872	7,612	17
Average Funds Employed excluding CAPWIP (12 months to 31 December)[11]	6,675	6,473	3
Capital expenditure (including acquisitions)	1,275	714	79
Total assets	22,038	12,310	79
Adjusted total assets[12]	21,192	10,836	96
Net (cash)/debt	(894)	2,855	-
Adjusted net debt[12]	(903)	3,171	-
Shareholders equity	11,269	5,660	117
Adjusted shareholders equity[12]	11,236	5,076	121
Key Ratios			
Earnings per share - Statutory	761.0¢	38.3¢	1887
Earnings per share – Underlying	31.6¢	22.9¢	38
Free cash flow per share	24.7¢	29.6¢	(17)
Total dividend per share	25¢	12¢	108
Net asset backing per share	$12.90	$6.47	100
Adjusted net asset backing per share[12]	$12.86	$5.80	122
Net debt to debt plus equity	n/a	33.5%	n/a
Adjusted net debt to debt plus equity[12]	n/a	38.4%	n/a
Interest cover[13]	70.9x	5.3x	n/a
Segment Analysis (EBITDAF)			
Exploration & Production	175	133	32
Generation	21	33	(34)
Retail	300	201	49
Contact Energy	190	248	(24)
EBITDAF	**686**	**614**	**12**

[10] OCAT Ratio = (OCAT – interest tax shield)/Average funds employed. CAPWIP is capital work in progress
[11] Average funds employed excludes the investment in APLNG.
[12] Adjusted to exclude impact of derivative financial instruments.
[13] EBIT/Interest – Includes capitalised interest, excludes unwinding discounts on provisions and liability payable.

13. Appendix 1 – Reconciliation of Statutory to Underlying Profit

Reconciliation half year ended 31 December 2008	Before Tax Impact ($m)	Tax ($m)	Minority Interests ($m)	After Tax Impact ($m)	NPAT ($m)
Statutory Profit					**6,663**
Significant items					
Gain on dilution of Origin's interest in APLNG	7,413	(723)	-	6,690	
Unwinding of discounted liability payable to APLNG	(35)	10	-	(24)	
Share of unwinding of discounted receivables within APLNG	40	-	-	40	
Impairment of assets	(310)	93	-	(217)	
Changes in fair value of financial instruments					
- Commodity instruments	(39)	12	2	(25)	
- Financing instruments	(139)	42	20	(77)	
Total significant items	**6,930**	**(566)**	**22**	**6,386**	**6,386**
Underlying Profit					**277**
Underlying Basic EPS (cps)					**31.6**

Reconciliation half year ended 31 December 2007	Before Tax Impact ($m)	Tax ($m)	Minority Interests ($m)	After Tax Impact ($m)	NPAT ($m)
Statutory Profit					**335**
Significant Items					
Asset Sales					
- Networks	225	(78)	-	147	
- Mokai geothermal assets	18	-	(9)	9	
Changes in fair value of financial instruments					
- Commodity instruments	(14)	4	-	(10)	
- Financing instruments	1	(0)	(0)	1	
New Plymouth asbestos removal and related costs	(27)	9	9	(9)	
Sun Retail one-off costs	(5)	2	-	(4)	
Total significant items	**198**	**(63)**	**(0)**	**134**	**(134)**
Underlying Profit					**200**
Underlying Basic EPS (cps)					**22.9**

14. Appendix 2 – Impairment of assets

During the period ended 31 December 2008 the consolidated entity reviewed the carrying amount of its assets. The review led to the recognition of an impairment loss of $310 million pre-tax. This amount has been included in the income statement in the line item "Impairment of assets". A summary of the impairments and their before and after tax impacts is provided below.

Assets	Pre-tax Impairment $ million	Post-tax Impairment $ million
SLIVER Solar technology assets	53	37
Spring Gully Power Plant	7	5
Existing Retail Systems	78	55
Cooper Basin Assets	71	50
BassGas Assets	66	46
Perth Basin Assets	16	11
Heytesbury Gas Storage	20	14
Total	**310**	**217**

Generation Assets

An impairment loss of $60 million was recognised in the Generation business segment; $53 million was recognised in relation to Origin's SLIVER Solar technology assets and $7 million was recognised in relation to the initial costs incurred on the planned development of a gas fired power plant at Origin's Spring Gully site. The impairment loss of $53 million on Origin's SLIVER Solar technology followed a review of Origin's current stage of development of the technology and potential commercialisation benefits in the current environment. The impairment loss of $7 million in relation to the Spring Gully power plant development site follows the dilution of Origin's interest in its CSG assets after the COP transaction and the subsequent dedication of the CSG to LNG development. It is therefore unlikely that the Spring Gully power plant development will proceed.

Retail Assets

An impairment loss was recognised in the Retail business segment in relation to its existing Retail systems following the decision to commence the Retail System Transformation Project. Origin announced on 30 October 2008 that it had selected WIPRO as the preferred partner to conduct the transformation of Origin's Retail business processes and systems. WIPRO is a global provider of integrated business, technology and process solutions. Under this arrangement WIPRO will work with Origin to provide an integrated billing and customer management system as well as IT and back-office processing support for Origin's Retail business. Following this announcement Origin reviewed the carrying value of its existing Retail billing systems. This review resulted in the recognition of an impairment loss of $78 million in relation to the carrying value of Origin's existing Retail systems.

Exploration and Production Assets

An impairment loss of $173 million was recognised in the Exploration and Production business segment in relation to certain areas of interest. A review of the assumptions regarding forward oil price and foreign exchange rates led to an impairment loss of $71 million on the Cooper Basin assets, $66 million on the BassGas assets and $16 million on the Perth Basin assets. Additionally an impairment loss of $20 million was recognised in relation to the Heytesbury gas storage assets located onshore Victoria following a review of Origin's potential options regarding Victorian onshore gas storage requirements.

Origin Energy Limited and Controlled Entities
Directors' Report and Consolidated Interim Financial Report

31 December 2008

Contents

Directors' Report for the six months ended 31 December 2008

In accordance with the Corporations Act, the Directors of Origin Energy Limited (the "Company" or "Origin") submit their report together with the consolidated financial report on the consolidated entity, being the Company and its controlled entities, for the half year ended 31 December 2008 ("the period") as follows:

Directors

The names of the Directors of the Company holding office during the half year ended 31 December 2008 and up until the date of this report are as follows:

H Kevin McCann	Non-executive Chairman since February 2000
Grant A King	Managing Director since February 2000
Bruce G Beeren	Executive Director, Commercial from March 2000 Non-executive Director since February 2005
Trevor Bourne	Non-executive Director since February 2000
Helen M Nugent	Non-executive Director since March 2003
Gordon Cairns	Non-executive Director since June 2007
J Roland Williams	Non-executive Director since February 2000

Result

Statutory Profit - $6,663 million up $335 million

Origin reported a net profit after tax and minority interests ("Statutory Profit") of $6,663 million for the six months ended 31 December 2008, an increase of over 1800% compared with $335 million reported in the prior half year.

Underlying Profit - $277 million up 38%

The Statutory Profit for Origin contains the impact of a number of significant items as outlined in the table on the following page. This includes the following impacts on profit (after tax and minority interests):

- positive impacts from:
  - net impact of the Australia Pacific LNG (APLNG) transaction ($6,706 million);
- reductions to profit from:
  - the net impact of changes in the fair value of financial instruments ($102 million in total); and
  - impairment of assets ($217 million).

These significant items provide an overall benefit of $6,386 million after tax and the elimination of minority interests.

The profit after tax and minority interests and before significant items ("Underlying Profit") for Origin for the half year ended 31 December 2008 was therefore $277 million.

Origin's Statutory Profit for the six months to 31 December 2007 also contained a number of significant items that had a net positive impact of $134 million as outlined in the table below.

Origin's Underlying Profit therefore increased 38% half year to half year from $200 million to $277 million.

Reconciliation of Statutory and Underlying Profit

	Dec 2008		Dec 2007		
($millions)	Impact After Tax & MI	NPAT	Impact After Tax & MI	NPAT	Change (%)
Statutory Profit		6,663		335	1,891
Significant items					
Net impact of APLNG transaction	6,706				
Impairments	(217)				
Changes in fair value of financial instruments					
- Commodity instruments	(25)		(10)		
- Financing instruments	(77)		1		
Asset Sales			156		
Other			(13)		
Total significant items	6,386	(6,386)	134	(134)	4,653
Underlying Profit		277		200	38
Statutory EPS (cents per share)		*761.0*		*38.3*	1,887
Underlying EPS (cents per share)		*31.6*		*22.9*	38

Dividend

The Directors have declared an interim fully franked dividend of 25 cents per share which will be paid on 25 March 2009 to shareholders of record on 10 March 2009 (compared with 12 cents per share in the prior corresponding period).

Review of Operations

Earnings before interest, tax, depreciation, amortisation, financial instruments and significant items (EBITDAF) for the half year to 31 December 2008 was $686 million, a 12% increase from the prior half year EBITDAF of $614 million.

The segment contributions to this result are presented in the following table:

Earnings before interest, tax, depreciation, amortisation, financial instruments and significant items (EBITDAF)

Half year ended 31 December	2008 ($m)	2007 ($m)	Change (%)
Exploration & Production	175	133	32
Generation	21	33	(34)
Retail	300	201	49
Contact Energy	190	248	(24)
EBITDAF	686	614	12

Exploration & Production

EBITDAF increased 32% to $175 million from $133 million. This reflected record first half production and revenue together with lower average unit operating costs. This increase in EBITDAF was achieved despite the 50% reduction in Origin's interest in its coal seam gas ("CSG") holding following completion of the APLNG transaction on 29 October 2008.

Generation

EBITDAF decreased $11 million or 34% from $33 million to $21 million mainly due to a significantly lower contribution from the Worsley plant in Western Australia, together with higher operating costs as the capabilities of the business are increased in anticipation of new power stations coming on line.

Retail

EBITDAF grew by $99 million or 49% from $201 million to $300 million. This was primarily due to higher revenues in gas and electricity retailing, recouping increased wholesale cost of goods sold. The LPG business recorded a lower contribution reflecting a lag in the ability to pass on the record high wholesale cost of LPG experienced in the September Quarter, which led to margin contraction.

Contact Energy

Contact Energy contributed $190 million to EBITDAF, 24% lower than the $248 million recorded for the half year ended 31 December 2007. This was primarily due to an unusual combination of weather events and transmission constraints between the North and South Islands which adversely impacted wholesale costs and generating revenue.

Earnings before Interest and Tax (EBIT) - $7,590 million up from $634 million

A number of items are recorded between EBITDAF and EBIT, as identified in the table below:

Half year ended 31 December	2008 ($m, before tax)	2007 ($m, before tax)
EBITDAF	**686**	**614**
- Depreciation and amortisation expense	(189)	(171)
- Change in fair value of non-financing cost related financial instruments	(39)	(14)
- Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees	30	(6)
- Gain on dilution of Origin's interest in APLNG	7,413	-
- Impairment of assets	(310)	-
- Gain on sale of significant businesses and assets	-	243
- Other	-	(32)
Total	*6,904*	*19*
EBIT	**7,590**	**634**

Together these items provided a benefit of $6,904 million in the half year to 31 December 2008, compared with $19 million in the prior half year and are described in more detail below.

Depreciation and amortisation expense (expense of $189 million)

Depreciation and amortisation expense increased by 10% to $189 million compared with $171 million in the prior half year. It primarily reflects a full six months of production and depreciation from both the Otway Gas Project and the onshore Taranaki Basin oil and gas fields together with higher depreciation in the Cooper Basin.

Changes in fair value of non-financing cost related financial instruments (expense of $39 million)

An expense of $39 million is included in the Income Statement associated with the value of valid commodity hedging instruments which do not qualify for hedge accounting. This compares with an expense of $14 million in the prior half year.

Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees (benefit of $30 million)

The line item, "Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees" is included between the EBITDAF and EBIT line on the Income Statement and accounts for Origin's share of all items between EBITDAF and NPAT for its investments in equity accounted investees.

For the half year a net benefit of $30 million was recognised comprising:

- the interest benefit in relation to the unwinding of the discount on the receivables from APLNG shareholders (+$40 million);
- -$4 million in relation to APLNG ongoing business activities;
- -$7 million attributable to the remaining equity accounted investments in the Generation segment and Contact.

This compared to the prior half year which recorded an expense of $6 million attributable to the Generation segment and Contact.

Gain on dilution of Origin's interest in APLNG (benefit of $7,413 million)

On 29 October 2008 Origin completed a transaction with COP to form APLNG, a 50:50 CSG to LNG joint venture.

Under the agreement COP became a 50% shareholder in APLNG (formerly known as Origin Energy CSG Limited) which retains all of Origin's CSG interests in Queensland, together with its conventional oil and gas interests in the Denison Trough.

APLNG will develop these interests into a CSG to LNG project, providing a fully aligned partnership across the LNG value chain. The existing gas supply agreements in Origin's CSG business are part of the joint venture, including contracts to Origin on their pre-existing contractual terms. Origin will also provide a market for ramp-up gas that may be produced in the development phase of the project.

The investment of COP includes:

- An upfront cash payment of US$5.0 billion;
- Additional fixed contribution of $1.15 billion to carry Origin's share of costs to Final Investment Decision on development of the initial LNG project, expected by the end of 2010; and
- Additional payments of US$500 million at the point that each of the four proposed LNG trains is approved, to partly carry Origin's share of costs.

The effect of this transaction is that Origin has diluted its interest in APLNG by 50% and as a result has recognised a significant pre-tax gain on dilution of $7,413 million. This gain is subject to a tax expense of $723 million resulting in an after tax gain of $6,690 million. The transaction has also resulted in Origin recognising a net after tax gain of $16 million arising from the unwinding of the discount on the payables to and receivables within APLNG for the period between completion of the transaction and 31 December 2008, related to contractually agreed capital expenditure from its shareholders. The combined effect of the gain on dilution and unwinding of discounts associated with receivables is a net after tax gain from the transaction of $6,706 million. These items are recorded in Origin's Income Statement.

Impairment of assets (expense of $310 million)

Following an assessment of the carrying values of Origin's assets, an impairment charge totalling $310 million before tax has been raised against various oil and gas producing assets, legacy retail systems, the SLIVER photovoltaic technology development assets, the Heytesbury gas reservoir in the Otway Basin and capitalised costs for the potential Spring Gully Power Station.

Other prior half year items

In the six months to 31 December 2007, a net gain of $243 million was recognised in relation to the sale of the remainder of the Networks business and Mokai geothermal assets. In addition, an expense of $27 million was recognised in relation to the New Plymouth Power Station in New Zealand and a $5 million expense was recognised in relation to one-off costs associated with the Sun Retail business.

The items described above contribute to an EBIT for this half year of $7,590 million compared with $634 million in the prior half year.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on the following page and forms part of the Directors' Report for the half year ended 31 December 2008.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:

Mr H Kevin McCann
Chairman

Sydney, 25 February 2009

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Origin Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2008 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

D McLennan

Duncan McLennan
Partner

Sydney
25 February 2009

CONSOLIDATED INTERIM INCOME STATEMENT

Origin Energy Limited and Controlled Entities

for the half year ended 31 December $'000	Note	Consolidated 2008			Consolidated 2007		
		Continuing operations	Discontinued operations	Total operations	Continuing operations	Discontinued operations	Total operations
Revenue		4,215,700	-	4,215,700	3,816,905	-	3,816,905
Other income	3(b)	5,012	-	5,012	8,699	-	8,699
Total revenue and other income		4,220,712	-	4,220,712	3,825,604	-	3,825,604
Raw materials and consumables used, and changes in finished goods and work in progress		3,081,745	-	3,081,745	2,803,839	-	2,803,839
Advertising expense		27,754	-	27,754	31,967	-	31,967
Bad debts expense		18,278	-	18,278	7,738	-	7,738
Consultancy expense		16,120	-	16,120	18,154	-	18,154
Contracting expense		33,229	-	33,229	24,909	-	24,909
Employee benefits expense		192,987	-	192,987	158,783	-	158,783
Exploration expense		4,458	-	4,458	15,638	-	15,638
Oil and gas production expense		29,345	-	29,345	37,508	-	37,508
Motor vehicle expense		7,511	-	7,511	7,692	-	7,692
Occupancy expense		24,088	-	24,088	20,649	-	20,649
Repairs and maintenance expense		25,210	-	25,210	20,637	-	20,637
Royalties expense		17,651	-	17,651	15,432	-	15,432
Administration and other expenses		78,876	-	78,876	62,884	-	62,884
Total expenses, excluding financing costs		3,557,252	-	3,557,252	3,225,830	-	3,225,830
Share of EBITDAF of equity accounted investees	9(a)	22,311	-	22,311	14,491	-	14,491
Earnings before interest, tax, depreciation, amortisation, financial instruments and significant items (EBITDAF)		**685,771**	**-**	**685,771**	**614,265**	**-**	**614,265**
Depreciation and amortisation expense		(189,463)	-	(189,463)	(171,463)	-	(171,463)
Impairment of assets	3(d)	(310,016)	-	(310,016)	-	-	-
Decrease in fair value of financial instruments		(178,174)	-	(178,174)	(13,019)	-	(13,019)
Gain on dilution of Origin's interest in APLNG	8	7,412,599	-	7,412,599	-	-	-
Gain on sale of significant businesses and assets	5	-	-	-	18,153	225,061	243,214
New Plymouth asbestos removal and related costs		-	-	-	(26,749)	-	(26,749)
Sun Retail one-off costs		-	-	-	(5,321)	-	(5,321)
Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees	9(a)	29,501	-	29,501	(6,358)	-	(6,358)
Net financing costs	3(c)	(94,907)	-	(94,907)	(104,350)	-	(104,350)
Profit before income tax		**7,355,311**	**-**	**7,355,311**	**305,158**	**225,061**	**530,219**
Income tax expense	4	676,373	-	676,373	68,247	77,809	146,056
Profit for the period		**6,678,938**	**-**	**6,678,938**	**236,911**	**147,252**	**384,163**
Attributable to:							
Minority interest		15,969	-	15,969	49,474	-	49,474
Members of the parent entity		6,662,969	-	6,662,969	187,437	147,252	334,689
Profit for the period		**6,678,938**	**-**	**6,678,938**	**236,911**	**147,252**	**384,163**
Earnings per share:							
Basic earnings per share	15	**761.0 cents**	**-**	**761.0 cents**	**21.5 cents**	**16.8 cents**	**38.3 cents**
Diluted earnings per share	15	**753.8 cents**	**-**	**753.8 cents**	**21.3 cents**	**16.8 cents**	**38.1 cents**

Underlying earnings:

Underlying earnings for the consolidated entity for the half year ended 31 December 2008 were $276,939,000 (2007: $200,326,000), refer note 3(a).

Basic underlying earnings per share were 31.6 cents (2007: 22.9 cents), refer note 15.

The income statement should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE

Origin Energy Limited and Controlled Entities

for the half year ended 31 December $'000	Consolidated 2008	2007
Available for sale assets:		
Valuation (loss)/gain taken to equity	(798)	327
Valuation gain taken to profit on disposal of the Networks business	-	(45,423)
Cash flow hedges:		
Losses/(gains) transferred to income statement	29,450	(445,294)
Transferred to carrying amount of assets	(7,623)	2,161
Foreign currency translation gain/(loss)	(2,354)	(427)
Valuation loss taken to equity	(172,820)	(1,212,642)
Share of increase in hedging reserves attributable to equity accounted investees	305	403
Net (loss)/gain on hedge of net investment in foreign subsidiary taken to equity	(68,466)	11,269
Translation of foreign operations:		
Exchange differences taken to equity	169,939	(68,673)
Translation of cash flow hedge reserve	2,354	427
Actuarial loss on defined benefit superannuation plan	(6,138)	(112)
Net expense recognised directly in equity	**(56,151)**	**(1,757,984)**
Profit for the period	6,678,938	384,163
Total recognised income and expense for the period	**6,622,787**	**(1,373,821)**
Attributable to:		
Minority interest	102,724	19,346
Members of the parent entity	6,520,063	(1,393,167)
Total recognised income and expense for the period	**6,622,787**	**(1,373,821)**

The statement of recognised income and expense should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report. The above amounts and other movements in equity arising from transactions with owners as owners are set out in note 11.

CONSOLIDATED INTERIM BALANCE SHEET

Origin Energy Limited and Controlled Entities

as at $'000	Note	Consolidated 31 December 2008	30 June 2008	31 December 2007
Current assets				
Cash and cash equivalents		4,083,926	96,010	149,920
Trade and other receivables		1,093,544	1,437,885	1,092,492
Inventories		123,083	147,562	129,745
Other financial assets, including derivatives		774,923	771,923	1,230,757
Other assets		105,320	80,176	87,994
Total current assets		6,180,796	2,533,556	2,690,908
Non-current assets				
Trade and other receivables		97	164	615
Investments accounted for using the equity method	9(a)	5,046,486	67,407	67,714
Other financial assets, including derivatives		304,604	293,640	376,549
Property, plant and equipment		6,715,166	6,402,908	6,102,254
Exploration and evaluation expenditure		52,230	61,291	30,397
Development expenditure		906,709	631,001	501,009
Intangible assets		2,615,360	2,463,459	2,500,815
Deferred tax assets		121,108	102,685	20,256
Other assets		18,205	12,041	19,147
Total non-current assets		15,779,965	10,034,596	9,618,756
Total assets		**21,960,761**	**12,568,152**	**12,309,664**
Current liabilities				
Trade and other payables		998,510	1,478,450	1,197,429
Interest-bearing liabilities		10,755	232,666	258,184
Other financial liabilities, including derivatives		623,956	481,147	491,249
Tax liabilities		861,168	118,383	127,400
Provisions		102,264	118,969	101,572
Total current liabilities		2,596,653	2,429,615	2,175,834
Non-current liabilities				
Trade and other payables		98,169	90,238	101,069
Interest-bearing liabilities		3,178,951	3,145,888	2,746,990
Other financial liabilities, including derivatives		3,689,153	536,133	453,010
Tax liabilities		660,817	817,548	925,507
Provisions		467,759	373,141	246,881
Total non-current liabilities		8,094,849	4,962,948	4,473,457
Total liabilities		**10,691,502**	**7,392,563**	**6,649,291**
Net assets		**11,269,259**	**5,175,589**	**5,660,373**
Equity				
Share capital	10	1,597,696	1,754,616	1,715,621
Reserves	11	(30,378)	100,308	563,536
Retained earnings	11	8,538,024	2,217,079	2,143,673
Total parent entity interest		**10,105,342**	**4,072,003**	**4,422,830**
Minority interest	11	1,163,917	1,103,586	1,237,543
Total equity	11	**11,269,259**	**5,175,589**	**5,660,373**
Net tangible asset backing				
Net tangible asset backing per ordinary security		$8.58	$1.83	$2.20

The balance sheet should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Origin Energy Limited and Controlled Entities

for the half year ended 31 December $'000	Note	Consolidated 2008	2007
Cash flows from operating activities			
Cash receipts from customers		4,910,656	4,250,701
Cash paid to suppliers		(4,326,312)	(3,724,360)
Cash generated from/(used in) operations		584,344	526,341
Dividends/distributions received from equity accounted investees		8,400	6,970
Other dividends received		811	554
Income taxes paid		(138,049)	(83,444)
Net cash from/(used in) operating activities		455,506	450,421
Cash flows from investing activities			
Payments for property, plant and equipment and exploration and development expenditure		(1,126,151)	(496,158)
Acquisition of controlled entities and businesses, net of cash acquired	7(c)	(130,502)	(4,500)
Interest received		16,755	6,111
Net proceeds from disposal of Networks business	8	-	401,196
Net proceeds from sale of non-current assets		698	28,624
Costs associated with takeover defence and dilution of Origin's interest in APLNG		(104,581)	-
Proceeds from dilution of Origin's interest in APLNG		6,888,967	-
Cash in APLNG at dilution		(19,466)	-
Net cash from/(used in) investing activities		5,525,720	(64,727)
Cash flows from financing activities			
Proceeds from borrowings		2,645,180	1,807,832
Repayment of borrowings		(3,962,555)	(2,228,191)
Interest paid		(163,916)	(132,207)
Dividends paid by the parent entity		(317,081)	(72,210)
Dividends paid to minority interest		(47,036)	(41,789)
Proceeds from issue of New Zealand preference shares		-	171,218
Share buy-back	10	(195,270)	-
Proceeds from issue of share capital		19,545	3,450
Net cash from/(used in) financing activities		(2,021,133)	(491,897)
Net increase/ (decrease) in cash and cash equivalents		3,960,093	(106,203)
Cash and cash equivalents at the beginning of the period		94,605	261,381
Effect of exchange rate changes on cash		23,330	(5,684)
Cash and cash equivalents at the end of the period	7(a)	**4,078,028**	**149,494**

The statement of cash flows should be read in conjunction with the accompanying condensed notes to the consolidated interim financial report.

NOTES TO THE FINANCIAL STATEMENTS

Origin Energy Limited and Controlled Entities

1. Statement of significant accounting policies

(a) Reporting entity

Origin Energy Limited (the "company") is a company domiciled in Australia. The consolidated interim financial report of the company for the half year ended 31 December 2008 comprises the company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2008 is available upon request from the company's registered office at Level 45, Australia Square 264 - 278 George Street Sydney NSW 2000 or at www.originenergy.com.au.

(b) Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity for the full year ended 30 June 2008.

The consolidated interim financial report was approved by the Board of Directors on 25 February 2009.

The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(c) Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated annual financial report for the full year ended 30 June 2008.

Estimates and underlying assumptions are reviewed on an ongoing basis. The basis of estimation for the period and the key areas where estimates have been applied is consistent with the basis described in the consolidated annual financial report for the full year ended 30 June 2008.

(d) Functional currency

The financial report is presented in Australian dollars, which is the functional currency of the consolidated entity. Unless otherwise stated all reference to '$' refers to Australian dollars.

2. Segments
(a) Primary reporting - geographical segments for the half year ended 31 December

	Australia [1] [2]		New Zealand [3]		Consolidated	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Total segment revenue	3,190,566	2,852,269	1,025,134	964,636	4,215,700	3,816,905
Earnings before interest, tax, depreciation, amortisation, financial instruments and significant items (EBITDAF)	**495,322**	**376,425**	**190,449**	**237,840**	**685,771**	**614,265**
Depreciation and amortisation expense	(120,639)	(104,866)	(68,824)	(66,597)	(189,463)	(171,463)
Impairment of assets	(310,016)	-	-	-	(310,016)	-
Change in fair value of non-financing cost related financial instruments (decrease)/increase	(30,852)	(14,012)	(7,995)	42	(38,847)	(13,970)
Gain on dilution of Origin's interest in APLNG (refer note 9(b))	7,412,599	-	-	-	7,412,599	-
Gain on sale of significant businesses and assets	-	225,061	-	18,153	-	243,214
New Plymouth asbestos removal and related costs	-	-	-	(26,749)	-	(26,749)
Sun Retail one-off costs	-	(5,321)	-	-	-	(5,321)
Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees	31,096	(4,510)	(1,595)	(1,848)	29,501	(6,358)
Earnings before interest and tax (EBIT)	7,477,510	472,777	112,035	160,841	**7,589,545**	**633,618**
Net financing costs					(94,907)	(104,350)
Change in fair value of financing cost related financial instruments (decrease)/increase					(139,327)	951
Profit before income tax					**7,355,311**	**530,219**
Income tax expense					(676,373)	(146,056)
Profit for the period					**6,678,938**	**384,163**
Minority interests					(15,969)	(49,474)
Profit attributable to the parent entity					**6,662,969**	**334,689**
Additional supporting information						
Share of EBITDAF of equity accounted investees (included in EBITDAF above)	19,270	11,596	3,041	2,895	22,311	14,491
Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees	31,096	(4,510)	(1,595)	(1,848)	29,501	(6,358)
Share of net profits of equity accounted investees (refer note 9(a))	**50,366**	**7,086**	**1,446**	**1,047**	**51,812**	**8,133**
Acquisitions of non-current assets (includes capital expenditure)	**1,018,766**	**506,778**	**256,509**	**207,128**	**1,275,275**	**713,906**

(1), (2) and (3) refer to footnotes on next page.

Origin Energy Limited and Controlled Entities

2. Segments (continued)
(a) Primary reporting - geographical segments (continued)
as at 31 December

	Australia [1] [2]		New Zealand [3]		Consolidated	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Assets						
Segment assets	7,659,211	7,586,474	4,996,354	4,453,890	12,655,565	12,040,364
Investments accounted for using the equity method (refer note 9(a))	5,039,831	61,689	6,655	6,025	5,046,486	67,714
Total segment assets	12,699,042	7,648,163	5,003,009	4,459,915	17,702,051	12,108,078
Cash and interest rate derivatives and current and deferred tax assets					4,258,710	201,586
Total assets					21,960,761	12,309,664
Liabilities						
Segment liabilities	2,112,001	1,927,142	325,448	352,508	2,437,449	2,279,650
Other financial liabilities, interest-bearing liabilities and related derivatives and current and deferred tax liabilities					8,254,053	4,369,641
Total liabilities					10,691,502	6,649,291

(1) *The Australian geographic segment includes operations in Australia and the Pacific.*

(2) *The Australian geographic segment includes the operations of the discontinued Networks business segment as disclosed in the secondary segment reporting note (refer note 2(b)).*

(3) *The New Zealand geographic segment includes Exploration and Production activities as well as the operations of Contact Energy Limited and its controlled entities.*

Origin Energy Limited and Controlled Entities

2. Segments (continued) (b) Secondary reporting - business segments for the half year ended 31 December	Exploration & Production		Retail		Generation		Networks (discontinued) [2]		Contact Energy		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue												
Total revenue	297,941	260,300	2,987,861	2,641,169	30,231	43,000	-	-	1,015,438	964,636	4,331,471	3,909,105
Intersegment sales elimination [1]	(91,155)	(69,000)	-	-	(24,616)	(23,200)	-	-	-	-	(115,771)	(92,200)
Total segment revenue	206,786	191,300	2,987,861	2,641,169	5,615	19,800	-	-	1,015,438	964,636	4,215,700	3,816,905
Earnings before interest, tax, depreciation, amortisation, financial instruments and significant items (EBITDAF)	**174,778**	**132,705**	**299,723**	**200,647**	**21,438**	**32,722**	-	-	**189,832**	**248,191**	**685,771**	**614,265**
Depreciation and amortisation expense	(88,933)	(73,045)	(28,967)	(23,428)	(5,103)	(8,393)	-	-	(66,460)	(66,597)	(189,463)	(171,463)
Impairment of assets	(172,606)	-	(77,611)	-	(59,799)	-	-	-	-	-	(310,016)	-
Change in fair value of non-financing cost related financial instruments (decrease)/increase	6,754	(540)	(36,182)	(13,472)	(2,252)	-	-	-	(7,167)	42	(38,847)	(13,970)
Gain on dilution of Origin's interest in APLNG (refer note 9(b))	7,412,599	-	-	-	-	-	-	-	-	-	7,412,599	-
Gain on sale of significant businesses and assets	-	-	-	-	-	-	-	225,061	-	18,153	-	243,214
New Plymouth asbestos removal and related costs	-	-	-	-	-	-	-	-	-	(26,749)	-	(26,749)
Sun Retail one-off costs	-	-	-	(5,321)	-	-	-	-	-	-	-	(5,321)
Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees	36,035	-	-	-	(4,939)	(4,510)	-	-	(1,595)	(1,848)	29,501	(6,358)
Earnings before interest and tax (EBIT)	7,368,627	59,120	156,963	158,426	(50,655)	19,819	-	225,061	114,610	171,192	**7,589,545**	**633,618**
Net financing costs											(94,907)	(104,350)
Change in fair value of financing cost related financial instruments (decrease)/increase											(139,327)	951
Profit before income tax											**7,355,311**	**530,219**
Income tax expense											(676,373)	(146,056)
Profit for the period											**6,678,938**	**384,163**
Minority interests											(15,969)	(49,474)
Profit attributable to the parent entity											**6,662,969**	**334,689**
Additional supporting information												
Share of EBITDAF of equity accounted investees (included in EBITDAF above)	5,555	-	-	-	13,715	11,596	-	-	3,041	2,895	22,311	14,491
Share of interest, tax, depreciation, amortisation and financial instruments of equity accounted investees	36,035	-	-	-	(4,939)	(4,510)	-	-	(1,595)	(1,848)	29,501	(6,358)
Share of net profits of equity accounted investees (refer note 9(a))	**41,590**	-	-	-	**8,776**	**7,086**	-	-	**1,446**	**1,047**	**51,812**	**8,133**
Acquisitions of non-current assets (includes capital expenditure)	**321,541**	**319,098**	**83,560**	**58,130**	**689,429**	**248,189**	-	-	**180,745**	**88,489**	**1,275,275**	**713,906**

(1) and (2) refer to footnotes on next page.

Origin Energy Limited and Controlled Entities

2. Segments (continued)
(b) Secondary reporting - business segments (continued)
as at 31 December

	Exploration & Production		Retail		Generation		Networks (discontinued) [2]		Contact Energy		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets												
Segment assets	2,322,322	2,517,067	4,252,847	4,760,238	1,948,633	623,390	-	-	4,131,763	4,139,669	12,655,565	12,040,364
Investments accounted for using the equity method (refer note 9(a))	4,977,647	-	-	-	62,184	61,689	-	-	6,655	6,025	5,046,486	67,714
Total segment assets	7,299,969	2,517,067	4,252,847	4,760,238	2,010,817	685,079	-	-	4,138,418	4,145,694	17,702,051	12,108,078
Cash and interest rate derivatives and current and deferred tax assets											4,258,710	201,586
Total assets											21,960,761	12,309,664
Liabilities												
Segment liabilities	486,138	374,391	1,500,092	1,484,269	199,917	183,816	-	-	251,302	237,174	2,437,449	2,279,650
Other financial liabilities, interest-bearing liabilities and related derivatives and current and deferred tax liabilities											8,254,053	4,369,641
Total liabilities											10,691,502	6,649,291

[1] *Intersegment pricing is determined on an arm's length basis. Intersegment sales are eliminated on consolidation.*
A tolling arrangement operates between the Retail and Generation segments in relation to the consolidated entity's Australian merchant power stations. The tolling arrangement pricing is at commercial rates. The external revenue from the merchant power stations is recognised in Retail's revenue while Generation receives a tolling fee from Retail for the capacity provided and costs incurred by these power stations.
The Exploration and Production segment sells gas and LPG to the Retail segment.

[2] *The results of discontinued operations are included in note 5.*

Australian corporate revenue and expenses are allocated across all business segments, excluding Contact Energy, on the basis of external sales revenue. Australian corporate assets and liabilities, excluding unallocated assets and liabilities, are allocated across all business segments, excluding Contact Energy, based on their share of total assets and liabilities.

Business segments:	***Products and services:***
Exploration & Production	*Natural gas and oil exploration and production in Australia and New Zealand.*
Retail	*Natural gas, electricity, LPG and energy related products and services in Australia and the Pacific.*
Generation	*Natural gas-fired cogeneration and power generation in Australia.*
Contact Energy	*Natural gas and electricity energy related products and services in New Zealand.*
	Power generation in New Zealand.
	LPG and related products and services in New Zealand.
Networks (discontinued)	*Infrastructure investment and management services in Australia.*

Origin Energy Limited and Controlled Entities

for the half year ended 31 December	Consolidated 2008 $'000	2007 $'000
3. Profit		
(a) Reconciliation of underlying earnings		
Net profit attributable to members of the parent entity	6,662,969	334,689
Impact of significant items included in net profit attributable to members of the parent entity:		
Impairment of assets	(310,016)	-
Decrease in fair value of financial instruments	(178,174)	(13,019)
Gain on dilution of Origin's interest in APLNG (refer note 9(b))	7,412,599	-
Unwinding of discounted liability payable to APLNG (refer note 3c)	(34,532)	-
Share of unwinding of discounted receivables within APLNG (refer note 9(b))	39,978	-
Gain on sale of Networks business (refer note 5)	-	225,061
Gain on sale of Mokai assets in Contact subsidiary [(1)]	-	18,153
New Plymouth asbestos removal and related costs [(2)]	-	(26,749)
Sun Retail one-off costs	-	(5,321)
Significant items included in profit for the period before tax	6,929,855	198,125
Income tax expense on significant items	(566,076)	(63,454)
Significant items after tax	6,363,779	134,671
Minority interest	22,251	(308)
Impact of significant items attributable to members of the parent entity	6,386,030	134,363
Underlying net profit attributable to members of the parent entity	276,939	200,326

[(1)] *In November 2007, Contact Energy sold land and geothermal rights relating to the Mokai geothermal field, north of Taupo, to Mighty River Power and the Tuaropaki Trust.*

[(2)] *In December 2007, Contact Energy announced the de-commissioning of its 31-year-old New Plymouth power station following discovery of asbestos at the station. The expense recognised principally represents an estimate of the cost to remove asbestos at the plant and other related costs.*

	2008	2007
(b) Other income		
Dividends received from other parties	811	554
Net gain on sale of other assets	295	4,758
Net foreign exchange gain/(loss)	575	(177)
Government grants/subsidies	364	211
Other	2,967	3,353
Total other income	5,012	8,699
(c) Net financing costs		
Interest income		
Other parties	54,854	6,109
Interest expense		
Other parties	102,409	103,036
Unwinding of discount on restoration provisions	12,820	7,423
	115,229	110,459
Significant item:		
Unwinding of discounted liability payable to APLNG	34,532	-
Total net financing costs	(94,907)	(104,350)
Financing costs capitalised	59,563	23,747

3. Profit (continued)

(d) Impairment of assets

During the period ended 31 December 2008 the consolidated entity reviewed the carrying amount of its assets. The review led to the recognition of an impairment loss of $310,016,000. This amount has been included in the income statement in the line item *impairment of assets.* The asset impairments were measured using a fair value less costs to sell methodology.

(i) An impairment loss of $172,606,000 was recognised in the Exploration and Production business segment in relation to certain areas of interest. A review of the assumptions regarding forward oil price and foreign exchange rates led to an impairment loss of $71,100,000 on the Cooper Basin assets, $65,900,000 on the BassGas assets and $16,100,000 on the Perth Basin assets. Additionally an impairment loss of $19,506,000 was recognised in relation to the Heytesbury gas storage assets located onshore Victoria following a review of Origin's potential options regarding Victorian onshore gas storage requirements.

(ii) An impairment loss of $59,799,000 was recognised in the Generation business segment; $52,547,000 was recognised in relation to Origin's SLIVER Solar technology assets and $7,252,000 was recognised in relation to the initial costs incurred on the planned development of a gas fired power plant at Origin's Spring Gully site.

The impairment loss of $52,547,000 on Origin's SLIVER Solar technology followed a review of Origin's current stage of development of the technology and potential commercialisation benefits in the current environment.

The impairment loss of $7,252,000 in relation to the Spring Gully power plant development site followed a review of recent and impending Queensland power station developments.

(iii) An impairment loss was recognised in the Retail business segment in relation to its existing Retail systems following the decision to commence the Retail System Transformation Project. Origin announced on 30 October 2008 that it had selected WIPRO as the preferred partner to conduct the transformation of Origin's Retail business processes and systems. WIPRO is a global provider of integrated business, technology and process solutions. Under this arrangement WIPRO will work with Origin to provide an integrated billing and customer management system as well as IT and back-office processing support for Origin's Retail business. Following this announcement Origin reviewed the carrying value of its existing Retail billing systems. This review resulted in the recognition of an impairment loss of $77,611,000 in relation to the carrying value of Origin's existing Retail systems.

4. Income tax expense

The effective tax rate for the period is 9.2% compared to 27.5% in the prior period.

The underlying effective tax rate for the period ended 31 December 2008 is 25.9% (24.9% prior period) compared to the Australian & New Zealand tax rates of 30%. Underlying tax expense has been primarily affected by the successful resolution of amounts provided for in prior years with respect to uncertain tax positions.

The effective tax rate on significant items for the period ending 31 December 2008 is 8.2% (32.0% prior period). Tax expense on significant items has been primarily affected by a non assessable gain arising from the dilution of Origin's interest in APLNG.

A taxable temporary difference in respect of the APLNG JV investment of $1.5 billion has not been recognised as Origin is able to control the timing of the reversal of the temporary difference through voting rights prescribed in the shareholders agreement and it is not expected that the temporary difference will reverse in the foreseeable future.

$74.4 million of tax capital losses have not been recognised as they are uncertain.

5. Discontinued operations

The profit after tax of $147,252,000 disclosed as discontinued operations in the income statement is related to the disposal of the Networks business segment.

In April 2007, the consolidated entity entered into an agreement to sell the Networks business segment to the APA Group (including Australian Pipeline Trust and other associated businesses). The sale of the Networks business segment was completed in two tranches. The first tranche (which incorporated the consolidated entity's share of the SEA Gas Partnership) was completed on 29 June 2007. The second tranche, which incorporated the sale of the remaining Networks business, was completed on 2 July 2007.

Origin Energy Limited and Controlled Entities

for the half year ended 31 December	Note	Consolidated 2008 $'000	2007 $'000
6. Dividends			
(a) Dividend reconciliation			
Final dividend of 13 cents per share, fully franked at 30%, paid 3 October 2008 (2007: Final dividend of 11 cents per share, fully franked at 30%, paid 3 October 2007).		114,607	95,958
Additional dividend of 25 cents per share, fully franked at 30%, paid 21 November 2008.		221,279	-
(b) Subsequent event			
Since the end of the period, the directors have declared an interim dividend of 25 cents per share, fully franked at 30%, payable 25 March 2009.		218,352	

The financial effect of this dividend has not been brought to account in the interim financial statements for the half year ended 31 December 2008 and will be recognised in subsequent financial reports.

(c) Dividends per share

	2008	2007
Dividends paid or provided for during the reporting period		
Previous final year franked dividend per share	13.0 cents	11.0 cents
Additional franked dividend per share	25.0 cents	-
Dividends proposed and not recognised as a liability		
Franked dividend per share	25.0 cents	

(d) Dividend reinvestment plan

The company's dividend reinvestment plan will not operate in respect of the payment of the interim dividend.

Origin Energy Limited and Controlled Entities

for the half year ended 31 December	Note	Consolidated 2008 $'000	Consolidated 2007 $'000

7. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

Cash includes cash on hand, at bank and short-term deposits at call, net of outstanding bank overdrafts.
Cash as at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Note	2008 $'000	2007 $'000
Cash and cash equivalents		4,083,926	149,920
Bank overdrafts		(5,898)	(426)
		4,078,028	149,494

(b) The following non-cash financing and investing activities have not been included in the statement of cash flows:

	Note	2008 $'000	2007 $'000
Issue of shares in respect of the Dividend Reinvestment Plan	10	18,805	23,748

for the half year ended 31 December

7. Notes to the statement of cash flows (continued)

(c) Net assets acquired

31 December 2008

Origin Energy Uranquinty Power Pty Ltd

On 4 July 2008, the consolidated entity acquired 100% of the shares in BBP Uranquinty Power Pty Ltd (renamed Origin Energy Uranquinty Power Pty Ltd "OEUP"). The principal asset of OEUP is the Uranquinty Power Station. The purchase consideration was $537.2 million. As part of the acquisition Origin acquired existing debt of $403.9 million and existing cash of $66.9 million. The net cash outflow resulting from the acquisition was $125.7 million.

Origin LPG (Vietnam) LLC

On 30 July 2008 the consolidated entity acquired a 51% interest in Origin LPG (Vietnam) LLC. The purchase consideration of $4.8 million including transaction costs was allocated to property, plant and equipment.

The fair value of the net assets acquired are detailed below.

31 December 2007

During the half year ended 31 December 2007, the consolidated entity acquired three entities for a combined consideration of $4.5 million. The companies acquired were Cullerin Range Wind Farm Pty Ltd, Conroy's Gap Wind Farm Pty Ltd and Snowy Plains Wind Farm Pty Ltd.

The net assets of the acquired companies comprised wind data and wind farm approvals. The fair value of the assets recorded at the acquisition date are detailed below.

	Consolidated		Consolidated	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
	Book value		Fair value	
Current assets				
Cash and cash equivalents	66,862	-	66,862	-
Trade and other receivables	1,033	-	1,033	-
Other financial assets, including derivatives	3,880	-	3,880	-
Total current assets	71,775	-	71,775	-
Non-current assets				
Other financial assets, including derivatives	3,868	-	3,868	-
Property, plant and equipment	348,900	750	405,371	750
Intangible assets	-	3,750	-	3,750
Total non-current assets	352,768	4,500	409,239	4,500
Total assets	**424,543**	**4,500**	**481,014**	**4,500**
Current liabilities				
Trade and other payables	8,108	-	8,108	-
Total current liabilities	8,108	-	8,108	-
Non-current liabilities				
Interest-bearing liabilities	403,853	-	403,853	-
Tax liabilities	12,537	-	29,478	-
Total non-current liabilities	416,390	-	433,331	-
Total liabilities	**424,498**	**-**	**441,439**	**-**
Net assets	**45**	**4,500**	**39,575**	**4,500**
Goodwill on acquisition	-	-	165,498	-
Fair value of net assets acquired	**45**	**4,500**	**205,073**	**4,500**
Total consideration			**205,073**	**4,500**
Non-cash consideration			(7,709)	-
Cash acquired			(66,862)	-
Net cash outflow			**130,502**	**4,500**

In accordance with the Group's policies the fair value of acquired assets and liabilities are provisional and subject to further review for a period of up to 12 months from the date of acquisition.

8. Acquisition/disposal of controlled entities

for the half year ended 31 December 2008	Date of acquisition/disposal/loss of control	Interest acquired	Carrying amount $'000	Net consideration paid $'000	Beneficial ownership
The following entities were acquired during the half year:					
Origin Energy Uranquinty Power Pty Ltd (formerly BBP Uranquinty Power Pty Ltd)	4 July 2008	100%	200,240	125,669	100%
Origin LPG (Vietnam) LLC	30 July 2008	51%	4,833	4,833	51%

The contributions of Origin Energy Uranquinty Power Pty Ltd and Origin LPG (Vietnam) LLC were not significant to the Origin Energy consolidated net profit during the six months ended 31 December 2008 as the Uranquinty Power Station, the main asset of Origin Energy Uranquinty Power Pty Ltd, was under construction during the period.

Refer to note 7(c) for details of net assets acquired.

The following entities ceased to be controlled during the half year:	
Australia Pacific LNG Ltd	29 October 2008
Australia Pacific LNG (CSG) Pty Ltd	29 October 2008
Australia Pacific LNG CSG Marketing Pty Ltd	29 October 2008
Australia Pacific LNG CSG Processing Pty Ltd	29 October 2008
Australia Pacific LNG (Moura) Pty Ltd	29 October 2008

The above entities ceased to be controlled as a result of the APLNG joint venture transaction with ConocoPhillips discussed in note 9(b). The contribution to consolidated underlying net profit for the period 1 July 2008 to 29 October 2008 has been included in the consolidated entity's results for the period. Origin's share of underlying profits since 29 October 2008 have been included in Origin's share of equity accounted profits detailed on the income statement and note 9(a). On entering the joint venture Origin recorded a pre-tax gain of $7,412,599,000 (after tax gain of $6,694,765,000), this gain has been disclosed as a significant item, refer note 3(a).

Name changes during the half year:

Origin Energy Resources NZ (SPV 1) Limited to Origin Energy Resources NZ (Rimu) Limited
Origin Energy Resources NZ (SPV 2) Limited to Origin Energy Resources NZ (TAWN) Limited
BBP Uranquinty Power Pty Ltd to Origin Energy Uranquinty Power Pty Ltd
Origin Energy CSG Ltd to Australia Pacific LNG Ltd
OCA CSG Pty Ltd to Australia Pacific LNG (CSG) Pty Ltd
Origin Energy CSG Marketing Pty Ltd to Australia Pacific LNG CSG Marketing Pty Ltd
Origin Energy CSG Processing Pty Ltd to Australia Pacific LNG CSG Processing Pty Ltd
Oil Company of Australia (Moura) Pty Ltd to Australia Pacific LNG (Moura) Pty Ltd
Origin Energy Universal Holdings to Origin Energy Universal Holdings Ltd

8. Acquisition/disposal of controlled entities (continued)

	Date of acquisition/disposal/loss of control	Interest acquired	Carrying amount $'000	Consideration paid/(received) $'000	Beneficial ownership
for the half year ended 31 December 2007					
The following entities were acquired during the half year:					
Cullerin Range Wind Farm Pty Ltd	19 December 2007	100%	4,500	4,500	100%
Conroy's Gap Wind Farm Pty Ltd	19 December 2007	100%			100%
Snowy Plains Wind Farm Pty Ltd	19 December 2007	100%			100%
Refer to note 7(c) for details of net assets acquired.					
The following entities were disposed of during the half year:					
Origin Energy Asset Management Holdings Pty Ltd	2 July 2007				
Origin Energy Asset Management Services (Queensland) Pty Ltd	2 July 2007				
Origin Energy Asset Management Services Pty Ltd	2 July 2007			(401,196) (1)	
Origin Energy Water Management Holdings Pty Ltd	2 July 2007				
Origin Energy Water Management Pty Ltd	2 July 2007				

(1) $401,196,000 was the total consideration received (net of disposal costs) for the disposal of the remaining Networks business segment in the half year ended 31 December 2007. The disposal of the Networks business segment included the disposal of the entities listed above and certain other net assets (note 5). A pre-tax gain of $225,061,000 was recorded on disposal of the Networks business and was disclosed in discontinued operations in the income statement.

The following controlled entities were incorporated/registered during the half year:	
Origin Energy Contact Finance No.2 Limited	8 August 2007
Origin Energy Geothermal Pty Ltd	24 October 2007
Origin Energy Geothermal Holdings Pty Ltd	24 October 2007
Origin Energy Wallumbilla Transmissions Pty Ltd	15 August 2007
Origin Energy Wind Holdings Pty Ltd	30 October 2007
Origin Renewable Energy Investments No 1 Pty Ltd	24 October 2007
Origin Renewable Energy Investments No 2 Pty Ltd	24 October 2007
Origin Renewable Energy Pty Ltd	24 October 2007
Origin Energy Resources NZ (SPV 1)	19 December 2007
Origin Energy Resources NZ (SPV 2)	19 December 2007

Name changes during the half year:

OE SEA Gas Holdings Pty Limited to OE JV Holdings Pty Limited

9. Investments accounted for using the equity method

	Note	Percentage of ownership interest held at the end of the period	Share of EBITDAF	Share of interest, tax, depreciation, amortisation and financial instruments	Share of net profits	Equity accounted investment carrying value
		Consolidated				
		%	$'000	$'000	$'000	$'000
(a) Investments						
for the half year ended 31 December 2008						
Australia Pacific LNG Ltd (APLNG)	9(b)	50.0	5,555	36,035	41,590	4,977,647
BIEP Pty Ltd		50.0	-	-	-	-
BIEP Security Pty Ltd		50.0	-	-	-	-
Bulwer Island Energy Partnership		50.0	6,059	(941)	5,118	34,265
CUBE Pty Ltd (1)		50.0	7,656	(3,998)	3,658	27,919
Gas Industry Superannuation Pty Ltd		50.0	-	-	-	-
Oakey Power Holdings Pty Ltd (2)		25.0	2,963	(1,562)	1,401	6,515
Rockgas Timaru Ltd (2)		50.0	78	(33)	45	140
Vitalgas Pty Ltd		50.0	-	-	-	-
			22,311	29,501	51,812	5,046,486
for the half year ended 31 December 2007						
BIEP Pty Ltd		50.0	-	-	-	-
BIEP Security Pty Ltd		50.0	-	-	-	-
Bulwer Island Energy Partnership		50.0	4,371	(624)	3,747	34,672
CUBE Pty Ltd (1)		50.0	7,225	(3,886)	3,339	27,017
Gas Industry Superannuation Pty Ltd		50.0	-	-	-	-
Oakey Power Holdings Pty Ltd (2)		25.0	2,876	(1,846)	1,030	5,895
Rockgas Timaru Ltd (2)		50.0	19	(2)	17	130
Vitalgas Pty Ltd		50.0	-	-	-	-
			14,491	(6,358)	8,133	67,714

(1) Osborne Cogeneration Pty Ltd , a company incorporated in SA, is a wholly-owned controlled entity of CUBE Pty Ltd.

(2) Oakey Power Holdings Pty Ltd and Rockgas Timaru Ltd are associates of Contact Energy Limited, a 51.3% owned subsidiary of the consolidated entity. Contact Energy Limited has a 25% interest in Oakey Power Holdings Pty Ltd and a 50% interest in Rockgas Timaru Ltd.

Origin Energy Limited and Controlled Entities

for the half year ended 31 December

9. Investments accounted for using the equity method (continued)

(b) Australia Pacific LNG Ltd ("APLNG")

On 29 October 2008 Origin entered into a joint venture with ConocoPhillips ("COP") to develop a CSG to LNG project using Origin's CSG reserves and resources in Queensland. The joint venture arrangement results in Origin and COP each holding a 50% ownership interest in Australia Pacific LNG Limited ("APLNG" – formerly Origin Energy CSG Limited) - the incorporated joint venture entity.

On entering the joint venture arrangement, COP contributed an upfront payment of US$5.0 billion to APLNG, and both Origin and COP are contractually committed to contribute future capital expenditure. COP committed to contribute A$2.3 billion (effectively a A$1.15 billion free-carry of Origin's capital expenditure to Final Investment Decision (FID) on the LNG project) and A$3.6 billion representing contributions by COP to capital expenditure post FID. Origin has committed to fund A$3.6 billion to the project to match COP's committed capital expenditure post FID.

The committed amounts have been recorded in APLNG as receivables at their discounted amounts and Origin Energy Limited has recorded its A$3.6 billion funding commitment as an other financial liability at its discounted amount. Subsequent to their initial recognition the discounted balances are unwound through interest expense and interest revenue. For the two months ended 31 December 2008 APLNG has recognised interest revenue of A$91.9 million and Origin Energy Limited an interest expense of A$34.5 million on the unwinding of their respective discounted committed receivable and payable amounts. The interest arising on unwinding of the discounted balances has been disclosed as a significant item in determining underlying earnings for the six months ended 31 December 2008 (refer note 3(a)).

On inception of the joint venture, Origin and COP have joint controlling interests in APLNG. The underlying assets and liabilities of APLNG have been deconsolidated from the Origin Group on 29 October 2008. Origin has equity accounted its remaining 50% interest in APLNG from 29 October 2008.

On entering the joint venture Origin recorded a post-tax gain of A$6.7 billion (net of costs and benefits directly attributable to the transaction). The pre tax gain of A$7.4 billion has been recorded in the income statement in the line item "Gain on dilution of Origin's interest in APLNG."

Of COP's initial contribution to APLNG, the consolidated entity received A$6.9 billion and this amount has been disclosed in the cash flow line item "Proceeds from dilution of Origin's interest in APLNG".

Following the transaction Origin repaid A$2.1 billion of its existing debt facilities.

Origin Energy Limited and Controlled Entities

for the half year ended 31 December

9. Investments accounted for using the equity method (continued)

(b) Australia Pacific LNG Ltd ("APLNG") (continued)

A summary of APLNG's financial performance for the period from 29 October 2008 to 31 December 2008, and its financial position as at 31 December 2008 is provided below:

	Total APLNG	Origin 50% interest
	2008	2008
	$'000	$'000
Results of APLNG for the period from 29 October 2008 to 31 December 2008		
Operating revenue	26,700	
Operating expenses	(15,590)	
EBITDAF	**11,110**	**5,555**
Depreciation and amortisation expense	(6,058)	
Operating profit before income tax	**5,052**	
Income tax expense	(1,827)	
Operating profit after tax for the period	**3,225**	**1,612**
Unwinding of discounted receivables from shareholders	91,898	
Income tax expense on unwinding of discounted receivables	(11,942)	
Net profit from discounted receivables	**79,956**	**39,978**
Net profit for the period	**83,181**	**41,590**
Summary balance sheet of APLNG		
Receivables from shareholders	791,026	
Other current assets	221,030	
Current assets	**1,012,056**	
Receivables from shareholders	7,877,823	
Property, plant and equipment and exploration and development expenditure	1,046,627	
Other non-current assets	213,650	
Non-current assets	**9,138,100**	
Total assets	**10,150,156**	
Current liabilities	63,929	
Non-current liabilities	130,933	
Total liabilities	**194,862**	
Net assets	**9,955,294**	**4,977,647**

Origin Energy Limited and Controlled Entities

as at	Note	Consolidated 31 December 2008 $'000	30 June 2008 $'000	31 December 2007 $'000
10. Share capital				
Issued and paid-up capital				
873,407,981 (June 2008: 880,773,722; Dec 2007: 875,517,318) ordinary shares, fully paid		1,597,696	1,754,616	1,715,621
Ordinary share capital at the beginning of the period		1,754,616	1,688,423	1,688,423
Shares issued:				
- 3,610,900 (June 2008: 3,718,000; Dec 2007: 879,000) shares in accordance with the Senior Executive Option Plan		19,545	19,070	3,060
- 1,144,239 (June 2008: 4,767,266; Dec 2007: 2,349,862) shares in accordance with the Dividend Reinvestment Plan		18,805	45,318	23,748
- Nil (June 2008: nil; Dec 2007: nil) shares in accordance with private placement on 5 December 2006		-	1,805	390
- 12,120,880 (June 2008: nil; Dec 2007: nil) shares purchased via on-market buy-back at an average price of $16.11 (1)		(195,270)	-	-
Total movements in ordinary share capital	11	(156,920)	66,193	27,198
Ordinary share capital at the end of the period		1,597,696	1,754,616	1,715,621

(1) On 30 October 2008 Origin announced that it would commence an on market share buy back of its ordinary shares up to a maximum amount of $1.275 billion. As at 31 December 2008 Origin had purchased a total of 12,120,880 shares on market at an average price of $16.11 for a total consideration of $195.3 million.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the company, ordinary shareholders rank after creditors, and are fully entitled to any proceeds of liquidation.

Origin Energy Limited and its Controlled Entities

11. Equity reconciliations	Consolidated							
	Issued capital $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Available-for-sale reserve $'000	Retained earnings $'000	Minority interests $'000	Total equity $'000
Opening balance as at 1 July 2008	**1,754,616**	**26,695**	**(129,994)**	**193,721**	**9,886**	**2,217,079**	**1,103,586**	**5,175,589**
Profit after tax expense for the half year	-	-	-	-	-	6,662,969	15,969	6,678,938
Movement in share capital (refer note 10)	38,350	-	-	-	-	-	-	38,350
Movement in share-based payments	-	6,082	-	-	-	-	-	6,082
Loss on translation of assets and liabilities of overseas controlled entities	-	-	99,360	-	-	-	70,579	169,939
Net gain on translation of long-term borrowings and foreign currency forward contracts	-	-	(68,466)	-	-	-	-	(68,466)
Cash flow hedges - effective component recognised in equity, net of tax	-	-	-	(191,594)	-	-	18,774	(172,820)
Cash flow hedges - amount removed from equity and transferred to profit, net of tax	-	-	-	30,107	-	-	(657)	29,450
Cash flow hedges - amount transferred to the initial carrying value of non-financial assets, net of tax	-	-	-	(6,827)	-	-	(796)	(7,623)
Cash flow hedges - foreign currency translation gain, net of tax	-	-	2,354	(1,209)	-	-	(1,145)	-
Fair value adjustment on available-for-sale financial assets	-	-	-	-	(798)	-	-	(798)
Share of increase in reserves attributable to equity accounted investees, net of tax	-	-	-	305	-	-	-	305
Actuarial loss on defined benefit superannuation plan	-	-	-	-	-	(6,138)	-	(6,138)
Dividends paid	-	-	-	-	-	(335,886)	(47,036)	(382,922)
Share buy-back (refer note 10)	(195,270)	-	-	-	-	-	-	(195,270)
Acquisition of Origin LPG (Vietnam) LLC	-	-	-	-	-	-	4,643	4,643
Balance as at 31 December 2008	**1,597,696**	**32,777**	**(96,746)**	**24,503**	**9,088**	**8,538,024**	**1,163,917**	**11,269,259**
Opening balance as at 1 July 2007	**1,688,423**	**19,402**	**(18,129)**	**2,224,276**	**61,970**	**1,905,054**	**1,088,260**	**6,969,256**
Profit after tax expense for the half year	-	-	-	-	-	334,689	49,474	384,163
Movement in share capital (refer note 10)	27,198	-	-	-	-	-	-	27,198
Movement in share-based payments	-	3,761	-	-	-	-	225	3,986
Loss on translation of assets and liabilities of overseas controlled entities	-	-	(37,224)	-	-	-	(31,449)	(68,673)
Net gain on translation of long-term borrowings and foreign currency forward contracts	-	-	11,269	-	-	-	-	11,269
Cash flow hedges - effective component recognised in equity, net of tax	-	-	-	(1,211,980)	-	-	(662)	(1,212,642)
Cash flow hedges - amount removed from equity and transferred to profit, net of tax	-	-	-	(447,160)	-	-	1,866	(445,294)
Cash flow hedges - amount transferred to the initial cost of assets, net of tax	-	-	-	1,836	-	-	325	2,161
Cash flow hedges - foreign currency translation gain, net of tax	-	-	427	(219)	-	-	(208)	-
Movement in share capital of subsidiary	-	-	-	-	-	-	283	283
Fair value adjustment on available-for-sale financial assets	-	-	-	-	327	-	-	327
Available-for-sale financial assets - amount removed from equity and transferred to profit	-	-	-	-	(45,423)	-	-	(45,423)
Share of increase in reserves attributable to equity accounted investees, net of tax	-	-	-	403	-	-	-	403
Actuarial loss on defined benefit superannuation plan	-	-	-	-	-	(112)	-	(112)
Dividends paid	-	-	-	-	-	(95,958)	(41,789)	(137,747)
New Zealand preference shares issued by subsidiary	-	-	-	-	-	-	171,218	171,218
Balance as at 31 December 2007	**1,715,621**	**23,163**	**(43,657)**	**567,156**	**16,874**	**2,143,673**	**1,237,543**	**5,660,373**

12. Contingent liabilities and assets

Details of contingent liabilities and contingent assets where the probability of future payments/receipts is not considered remote are set out below, as well as details of contingent liabilities and contingent assets, which although considered remote, the directors consider should be disclosed. The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Consolidated		
as at	**31 December 2008 \$'000**	**30 June 2008 \$'000**	**31 December 2007 \$'000**
Bank guarantees - unsecured (1)	442,850	635,688	633,682
Letters of credit - unsecured (2)	32,748	25,704	9,652
	475,598	661,392	643,334

(1) The consolidated entity has provided bank guarantees in favour of the National Electricity Market Management Company to support its obligations to purchase electricity from the national electricity market.

(2) The consolidated entity has provided overseas suppliers letters of credit to facilitate the importation of equipment.

The consolidated entity has given to its bankers letters of responsibility in respect of accommodation provided from time to time by the banks to Origin Energy Limited's wholly or partly-owned controlled entities.

Warranties and indemnities have been given by entities in the consolidated entity in relation to environmental liabilities for certain properties as part of the terms and conditions of divestments.

A number of sites within the consolidated entity have been identified as contaminated, all of which are subject to ongoing environmental management programs to ensure appropriate controls are in place and clean-up requirements are implemented. For sites where the requirements can be assessed and costs estimated, the estimated cost of remediation has been expensed or provided for. The contamination has generally resulted from the manufacture of gas from coal and the treatment of the associated by-products conducted at the sites. These activities ceased in the 1970s when manufactured gas was replaced with natural gas from oil and gas fields.

Certain entities within the consolidated entity are subject to various lawsuits and claims, including claims for penalties and native title claims. Any liabilities arising from such lawsuits and claims are not expected to have a material adverse effect on the consolidated financial statements.

A Demerger Deed was entered into in the 2000 year containing certain indemnities and other agreements between Origin Energy Limited and Boral Limited and their respective controlled entities covering the transfer of the businesses, investments, tax, other liabilities, debt and assets of Boral Limited and some temporary shared arrangements. All known amounts subject to this agreement have been adequately provided for in the consolidated financial statements.

The company, as a venturer in certain joint ventures, is severally liable for 100% of all liabilities incurred by these joint ventures.

13. Related parties

Arrangements with related parties continue to be in place. For details of these arrangements refer to the June 2008 Annual Report.

as at	Consolidated	
	31 December 2008 $'000	30 June 2008 $'000
14. Commitments		
Capital expenditure commitments [1]		
Contracted but not provided for and payable:		
not later than one year	872,553	1,308,242
later than one year but not later than five years	314,460	333,996
later than five years	1,829	3,023
	1,188,842	1,645,261
Joint venture commitments		
Share of exploration, development and capital expenditure commitments not provided for and payable:		
not later than one year	367,728	300,972
later than one year but not later than five years	165,986	53,530
	533,714	354,502

(1) The capital expenditure commitments are in regard to the purchase of plant and equipment and exclude joint venture commitments which are separately disclosed in this note.

Origin Energy Limited and Controlled Entities

15. Earnings per share

for the half year ended 31 December	Consolidated 2008	2007
Total operations		
Basic earnings per share	761.0 cents	38.3 cents
Diluted earnings per share	753.8 cents	38.1 cents
Underlying operations		
Basic earnings per share	31.6 cents	22.9 cents
Diluted earnings per share	31.3 cents	22.8 cents
Continuing operations		
Basic earnings per share	761.0 cents	21.5 cents
Diluted earnings per share	753.8 cents	21.3 cents
Discontinued operations		
Basic earnings per share	0.0 cents	16.8 cents
Diluted earnings per share	0.0 cents	16.8 cents

Weighted average number of shares used as the denominator

	2008 Number	2007 Number
Number of ordinary shares for basic earnings per share calculation	875,603,411	873,628,684
Effect of executive share options and performance share rights on issue	8,326,034	5,202,555
Number of ordinary shares for diluted earnings per share calculation	883,929,445	878,831,239

Reconciliation of earnings used in calculating basic and diluted earnings per share for total operations

	2008 $'000	2007 $'000
Net profit	6,678,938	384,163
Less: Profit attributable to minority interests	(15,969)	(49,474)
Earnings used in calculating earnings per share	6,662,969	334,689
Earnings used in calculating EPS for continuing operations	6,662,969	187,437
Earnings used in calculating EPS for discontinued operations	-	147,252
	6,662,969	334,689

Refer to note 3(a) for a reconciliation of underlying earnings used in calculating EPS for underlying operations.

16. Events subsequent to balance date

Refer note 6 for dividends declared subsequent to 31 December 2008.

DIRECTORS' DECLARATION

In the opinion of the Directors of Origin Energy Limited:

a) the consolidated interim financial report and accompanying notes are in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows, for the half year ended on that date; and

   ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Kevin McCann, Chairman
Director

Sydney, 25 February 2009

Independent auditor's review report to the members of Origin Energy Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Origin Energy Limited, which comprises the consolidated interim balance sheet as at 31 December 2008, income statement, statement of recognised income and expense and cash flow statement for the interim period ended on that date, a statement of significant accounting policies and other explanatory notes 1 to 16 and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2008 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Origin Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Origin Energy Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

D McLennan

Duncan McLennan
Partner

Sydney
25 February 2009