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|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------|
| To      | Company Announcements Office                                                                                                                             | Facsimile | 1300 135 638 |
| Company | ASX Limited                                                                                                                                              | Date      | 10 June 2011 |
| From    | Helen Hardy                                                                                                                                              | Pages     | 9            |
| Subject | <b>ORIGIN SUCCESSFULLY RAISES €500 MILLION HYBRID CAPITAL SECURITIES<br/>WITH 100% EQUITY CREDIT FROM S&amp;P AND 50% EQUITY CREDIT FROM<br/>MOODY'S</b> |           |              |

Please find attached a release on the above subject.

Regards

A handwritten signature in black ink, appearing to read "Helen Hardy".

Helen Hardy  
Company Secretary

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## ASX/Media Release

10 June 2011

### **Origin successfully raises €500 million hybrid capital securities with 100% equity credit from S&P and 50% equity credit from Moody's**

Origin Energy Limited ("Origin") today announced the successful pricing and allocation of a €500 million hybrid issue (approximately A\$680 million).

Standard & Poor's has confirmed to Origin that the hybrid will receive 100 per cent equity credit and Moody's has confirmed to Origin that the hybrid will receive 50 per cent equity credit for ratings purposes, thereby supporting Origin's BBB+/Baa1 credit ratings. Standard & Poor's and Moody's press releases are attached to this announcement.

Origin Executive Director, Finance and Strategy, Ms Karen Moses said, "Origin has historically enjoyed strong support from investors across both debt and equity markets. This is demonstrated by the success of the recent \$2.3 billion equity raising, the syndication of a \$2.15 billion and US\$350 million bank debt facility earlier in 2011, together with execution of this hybrid issue."

"We continue to assess a range of options in relation to the funding requirements for the Australia Pacific LNG project. The hybrid proceeds strengthen Origin's balance sheet ahead of our contribution to this project" Ms Moses said.

Australia Pacific LNG continues to make good progress towards a final investment decision, when capital estimates for the project will be approved. The joint venture remains in discussion with customers regarding further off-take arrangements and equity participation.

The hybrid security is Euro-denominated and will be hedged into US dollars, is subordinated, matures after 60 years and can be redeemed by Origin at years 7 and 12 or any distribution payment date thereafter. The hybrid pays fixed semi-annual distributions at a rate of 7.875% per cent per annum for the first 7 years and thereafter at reset or floating rates in accordance with the terms and conditions (refer to Annexure A for a summary of key terms). After hedging, the cost to Origin will be 7.48% per cent per annum in US dollar terms for the first 7 years. The hybrid instrument is treated as debt for accounting and taxation purposes. The hybrid terms do not include any rights to convert into Origin ordinary shares.

The hybrid securities will be issued by Origin Energy Finance Limited (a subsidiary of Origin) and will be guaranteed on a subordinated basis by Origin Energy Limited.

J.P. Morgan and UBS were Structuring Advisers on the hybrid raising and Deutsche Bank, J.P. Morgan and UBS were Joint Lead Managers.

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**About Origin Energy**

Origin Energy is Australia's leading integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. Listed in the S&P/ASX top 20 the company has approximately 4,400 employees and is a leading producer of gas in eastern Australia. Origin is Australia's largest energy retailer servicing 4.6 million electricity, natural gas and LPG customer accounts and has one of the country's largest and most flexible generation portfolios with more than 5,800 MW of capacity, through either owned generation or contracted rights. Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth across the energy industry. Through Australia Pacific LNG, its 50:50 incorporated joint venture with ConocoPhillips, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, the country's leading integrated energy company, operating geothermal, thermal and hydro generation facilities and servicing electricity, gas and LPG customers across both the North and South islands. Origin also operates several oil and gas projects in New Zealand and is one of the largest holders of petroleum exploration acreage in the country.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.

For more information go to [www.originenergy.com.au](http://www.originenergy.com.au)

## Annexure A — Summary of key terms and conditions

|                                 |                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer                          | Origin Energy Finance Limited                                                                                                                                                                                                                                                                                                                         |
| Guarantor                       | Origin Energy Limited                                                                                                                                                                                                                                                                                                                                 |
| S&P equity credit               | High (100%)                                                                                                                                                                                                                                                                                                                                           |
| Moody's equity credit           | Basket C (50%)                                                                                                                                                                                                                                                                                                                                        |
| Offering type                   | Reg S                                                                                                                                                                                                                                                                                                                                                 |
| Currency                        | EUR                                                                                                                                                                                                                                                                                                                                                   |
| Issue size                      | €500 million                                                                                                                                                                                                                                                                                                                                          |
| Guarantor credit ratings        | BBB+ (Stable) / Baa1 (Stable)                                                                                                                                                                                                                                                                                                                         |
| Issue ratings                   | BB/ Baa3                                                                                                                                                                                                                                                                                                                                              |
| Nature of instrument            | Non-voting preference shares ("Capital Securities")                                                                                                                                                                                                                                                                                                   |
| Ranking                         | Subordinated                                                                                                                                                                                                                                                                                                                                          |
| Settlement date                 | 16 June 2011, subject to customary closing conditions                                                                                                                                                                                                                                                                                                 |
| Maturity date                   | June 2071 (Year 60)                                                                                                                                                                                                                                                                                                                                   |
| Call dates                      | Years 7 and 12 and any distribution payment date thereafter, and following certain defined events occurring                                                                                                                                                                                                                                           |
| Step-up dates                   | Year 10 (25bp) and Year 27 (an additional 75bp)                                                                                                                                                                                                                                                                                                       |
| Distributions                   | <p>Fixed semi-annual distributions at 7.875% until the first call date in Year 7</p> <p>Reset fixed rate distributions thereafter at 5 year Euro swap rate plus 5.00%, which increases by a further 0.25% at Year 10</p> <p>Floating rate distributions from Year 12 at 3 month EURIBOR plus 5.25%, which increases by a further 0.75% at Year 27</p> |
| Optional distribution deferral  | Yes, subject to a dividend stopper                                                                                                                                                                                                                                                                                                                    |
| Mandatory distribution deferral | Yes, the mandatory deferral trigger is set at BB+ (three notches below current S&P corporate rating)                                                                                                                                                                                                                                                  |
| Accumulation                    | Any deferred distributions are cash cumulative on a compounding basis and must be paid following cessation of the mandatory distribution deferral trigger (provided no optional deferral) or in the event the Dividend Pusher is operative, no later than 5 years from the date of initial deferral                                                   |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Change of Control            | <p>Origin has the right to redeem at par plus accrued distributions and any deferred and outstanding distributions at any time following a change of control of Origin if as a consequence of the change of control Origin's credit rating is downgraded by S&amp;P or Moody's and the lowered credit rating is below BBB+ and/or Baa1. If Origin does not redeem following a change of control, the distribution rate on the Capital Securities increases by 5% p.a.</p> <p>Prior to redeeming the Capital Securities as a result of the change of control, Origin must make an offer to buy back any senior debt which does not give senior lenders rights on a change of control at the lower of par and market value.</p> |
| Listing                      | London Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Replacement Capital Covenant | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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NB this table provides a summary of the key terms and conditions of the Capital Securities. For the complete terms and conditions please refer to the Prospectus, which is expected to be lodged with the ASX on 14 June 2011.

This announcement (including this Annexure A) is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (the "Directive") and/or Part VI of the Financial Services and Markets Act 2000 ("FSMA") or Chapter 6D of the Australian Corporations Act 2001 (Corporations Act). A prospectus will be prepared and made available to the public in accordance with the Directive. Eligible investors should not subscribe for any securities referred to in this document except on the basis of information contained in the prospectus. The prospectus, when published, will be available on the website of the London Stock Exchange, and the Australian Stock Exchange for information purposes only. This announcement does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities nor is it intended to be an inducement to engage in investment activity for any purpose, including Section 21 of the FSMA.

This prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act.

Any offer of Capital Securities by the Issuer in Australia will only be made to persons who are not retail clients within the meaning of section 761G of the Corporations Act and who are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act.

The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"). Accordingly, the Capital Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.



## Press Release

### Origin Energy's Hybrid Capital Securities Rated 'BB' And Assigned 'High' Equity Credit

Melbourne, June 9, 2011—Standard & Poor's Ratings Services today said that it had assigned its 'BB' long-term issue rating to Origin Energy Finance Ltd.'s EUR500 million hybrid capital securities issuance. These securities, which are guaranteed on a subordinated basis by Origin Energy Ltd. (Origin; BBB+/Stable/A-2), are subordinated to all current and future senior creditors of the group. Standard & Poor's has assigned the notes 'high' equity credit. This means that we will treat the notes entirely as equity in our financial ratio calculations.

Key features of the securities include a mandatory deferral of interest for up to five years if the long-term corporate credit rating on Origin falls to 'BB+' or below. Other features of the securities include: a 60-year term to maturity; a 25 basis point step-up at year 10; issuer call dates at years seven, 12, and each coupon date thereafter; optional deferral of distributions; and a limited number of additional issuer call rights linked to the occurrence of certain prescribed events.

The group has indicated that proceeds of the issue will be used for general corporate purposes and to fund its growth strategy, including Origin's funding obligations to the Australia Pacific Liquefied Natural Gas project if this project achieves final investment decision.

#### About Standard & Poor's

Standard & Poor's, a part of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of credit ratings. With offices in 23 countries, Standard & Poor's is an important part of the world's financial infrastructure and has played a leading role for 150 years in providing investors with information and independent benchmarks for their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>

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**Rating Action: Moody's assigns (P)Baa3 rating to Origin's proposed hybrid; stable outlook**

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**Global Credit Research - 10 Jun 2011**

Sydney, June 10, 2011 -- Moody's Investors Service has assigned a provisional (P)Baa3 long-term rating to the proposed issuance of a hybrid instrument -- namely Capital Securities - by Origin Energy Finance Limited ("OEF"). OEF is a newly formed subsidiary of Origin Energy Limited which is rated Baa1/stable for senior unsecured debt obligations. The rating outlook on the Capital Securities is stable.

The size of the Capital Securities is EUR 500 million and completion of the transaction is subject to market conditions. The holders of the Capital Securities will have the benefit of a subordinated guarantee from Origin over obligations of the OEF and these obligations will be subordinated to the rights of Origin's creditors.

**RATINGS RATIONALE**

The rating of (P)Baa3 is two notches below the senior unsecured rating of Baa1 for Origin. The Baa3 rating captures the underlying credit profile of Origin -- as reflected in its Baa1 senior unsecured rating - and features of the Capital Securities, including 1) its 60 year term, 2) issuer call options in 2018 - with a 25 and an additional 75 basis point step-up in 2021 and 2038 respectively, 3) its very deeply subordinated status within the overall capital structure and 4) the option for OEF to defer distribution on a cumulative basis.

Moody's issues provisional ratings in advance of the final sale of securities and these ratings reflect Moody's preliminary credit opinion regarding the transaction only. Upon a conclusive review of the final documentation, Moody's will endeavour to assign a definitive rating to the Capital Securities. A definitive rating may differ from a provisional rating.

Moody's expects the proceeds from the issuance will be on lent to Origin and applied to strengthen the leverage position of Origin and to support the future funding requirements in the event the proposed Australia Pacific LNG project (APLNG) proceeds past Financial Investment Decision (FID).

The most important issue for Origin's Baa1 rating is the potential impact from the APLNG project if and when the project is approved for development. This is due to the substantial size of the investment requirement and the likely technical complexity in developing the project.

The rating impact of APLNG will be assessed based on the scope and final funding structure of the project at the time when more detail regarding FID is available. Origin expects FID to be reached in calendar 2011.

The principal methodology used in this rating was the Global Unregulated Utilities and Power Companies methodology, published in August 2009.

Origin Energy Limited ("Origin") is an integrated Australian-based company involved in energy retailing, power generation, and gas and oil exploration and production. The company is listed on the Australian Stock Exchange.

**REGULATORY DISCLOSURES**

Information sources used to prepare the credit rating are the following: parties involved in the ratings, public information, and confidential and proprietary Moody's Investors Service information.

Moody's Investors Service considers the quality of information available on the issuer or obligation satisfactory for the purposes of assigning a credit rating.

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