



To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	4 April 2014
From	Helen Hardy	Pages	7
Subject	HALF YEAR REPORT TO SHAREHOLDERS		

In accordance with Listing Rule 3.17 please find attached the Half Year Report to Shareholders for the half year ended 31 December 2013 which is being sent to Origin Energy Shareholders who have elected to receive it.

Regards

Helen Hardy
Company Secretary

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EVERY DAY

Half Year Report
to Shareholders
for the half year ended
31 December 2013

06:17PM

Workers at Australia Pacific LNG
continuing to make good progress
on the delivery of the CSG
to LNG project.

Strategy Performance Growth

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

Fellow shareholder

For the half year ended 31 December 2013, Origin reported Statutory Profit of \$322 million, a decrease of \$202 million compared to the prior corresponding period and a 5 per cent increase in Underlying Profit⁽¹⁾ to \$381 million.

Underlying EBITDA⁽¹⁾ increased 3 per cent to \$1.08 billion reflecting increased contributions from the Exploration & Production, Contact Energy and Corporate segments, partially offset by a lower contribution from the Energy Markets business.

There have been substantial improvements in operational performance during the first half which is reflected in the strong increase in Group Operating Cash Flow After Tax⁽¹⁾ from \$461 million to \$1.04 billion.

In the Energy Markets business, there have been tangible improvements as the investment in our Retail Transformation program is delivering operational and cash flow improvements. Despite continued competitive conditions, Origin has also achieved a net gain in customers.

Investment and reliability improvements in Upstream assets have delivered increased availability and production as demonstrated by higher production volumes at Otway, BassGas and Kupe basins.

During the half, Origin completed a number of funding initiatives to extend its debt maturity profile and improve its liquidity position. Origin has \$6.5 billion⁽²⁾ in existing liquidity, which is substantially more than that required to satisfy the remaining funding requirement for its 37.5 per cent shareholding in Australia Pacific LNG.

As expected, Origin's cash contribution to Australia Pacific LNG increased to \$1.4 billion. The project remains on track for delivery of first LNG in mid-2015, which will deliver a step change in Origin's earnings and cash flow in the 2016 financial year when the project is delivering LNG under its existing long-term contracts.

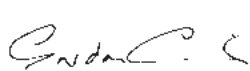
Dividend

The Board has determined to pay an unfranked interim dividend of 25 cents per share, to be paid to shareholders on 4 April 2014.

Prospects

We continue to progress our four key priorities of improving the performance of existing businesses, delivering Australia Pacific LNG, managing our funding and balance sheet position, and creating growth opportunities for your Company.

Thank you for your ongoing support.



Gordon Cairns
Chairman



Grant King
Managing Director

ENERGY MARKETS

Energy Markets is an integrated provider of energy solutions to retail and wholesale markets in Australia and the Pacific, and is Australia's leading electricity, gas and LPG retailer with 4.3 million customer accounts.

Energy Markets reported Underlying EBITDA of \$505 million, a 23 per cent decrease on the prior corresponding period. This reflects a reduction in sales volumes due to the impact of warmer winter weather, prior year customer losses, higher solar PV usage, lower underlying energy consumption due to energy efficiency and the impact of discounts written in the 2013 financial year.

Tangible improvements across the business

In Energy Markets there are many improving trends.

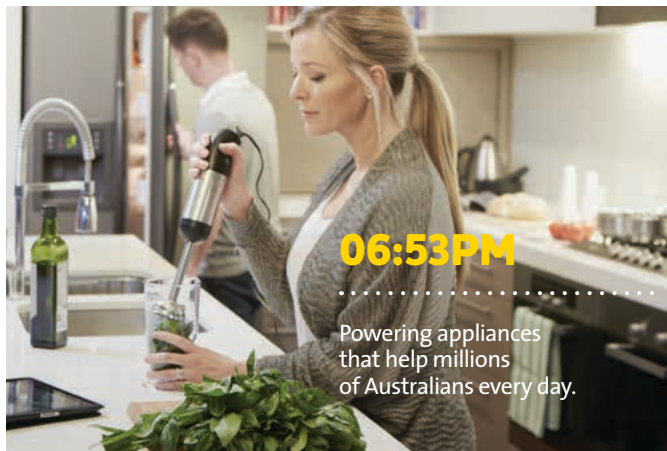
Origin is now servicing all of its Mass Market customers on its new SAP system, one year ahead of schedule. Operational improvements including reduced late bills, shorter billing cycles and cost rationalisation benefits from reduced headcount, have led to reduced working capital requirements and improved cash flow.

Improved acquisition and retention activity has increased electricity and natural gas customer accounts by 14,000 compared with the prior period.

As Origin continues to build on its strong gas position, natural gas customer accounts increased by 25,000 compared with the prior period, primarily in NSW and Victoria. While electricity customer accounts reduced by 11,000, primarily in Queensland, this was an improvement on the prior period.

Energy Markets has strengthened its gas position through a new gas purchase agreement with Esso and BHP Billiton and is continuing to secure benefits of rising gas prices through oil price-linked gas sales agreements with QCLNG and GLNG.

The acquisition of Eraring Energy, including the cancellation of the Cobbora Coal Contract and entering into a new coal supply agreement with Centennial Coal, provides additional generation and fuel flexibility to Origin's wholesale portfolio.



06:53PM

Powering appliances
that help millions
of Australians every day.

(1) Refer to Glossary.

(2) As at 31 December 2013. Excluding Contact Energy and bank guarantees.

EXPLORATION & PRODUCTION

01:29PM

The BassGas onshore production facility helping to meet the gas demands of south east Australia.



Origin has exploration and production interests in eastern and southern Australia and the Perth Basin in Western Australia, as well as international exploration interests in New Zealand, South East Asia, Kenya and Botswana.

Higher production and commodity prices

Exploration & Production reported a 57 per cent increase in Underlying EBITDA to \$302 million driven by higher production volumes at Otway, BassGas and Kupe basins and higher commodity prices.

Origin's strong production performance can be attributed to completion of investments and planned shutdowns made in prior periods to improve the availability of producing assets.

Total production increased by 27 per cent due to higher plant availability at Otway, and the Geographe 2 well commencing production in July 2013. Increased production from BassGas following an extended shutdown for the Yolla Mid Life Enhancement project in the prior corresponding period also contributed, as did increased production at Kupe.

Exploration activities to increase Origin's gas resource position continued with the commencement of drilling on the Caravel-1 exploration well in February 2014 in the Canterbury Basin in New Zealand.

As previously foreshadowed, Origin divested the TAWN assets in New Zealand on 29 October 2013.

LNG

Origin's shareholding in Australia Pacific LNG at 31 December 2013 was 37.5 per cent.

Higher contribution

LNG delivered an increase in Underlying EBITDA of 30 per cent to \$35 million, reflecting higher domestic gas sales and production.

Origin's cash contribution to Australia Pacific LNG increased by \$1.3 billion to \$1.4 billion during the period.

Australia Pacific LNG continues to make good progress on the delivery of the CSG to LNG project. The Upstream component was 58 per cent complete at 31 December 2013. Drilling and completions, and gathering are progressing ahead of schedule. The main pipeline is nearing completion and commissioning continues on the Condabri Central gas plant and water treatment facility.

Downstream was 62 per cent complete at 31 December 2013. All LNG refrigeration compressors for Train 1 have been set. The 2,600 bed accommodation camp is complete. The compressor table tops for Train 2 are complete. The methane and ethylene cold boxes were delivered and set in January 2014. The last Train 1 module is expected to be set in May 2014.

As at 31 December 2013, \$17.2 billion of the \$24.7 billion⁽¹⁾ project cost estimates had been spent.

CONTACT ENERGY

Origin holds a 53.1 per cent shareholding in Contact Energy, one of New Zealand's leading integrated generation and energy retailing companies. Contact supplies energy to approximately 567,000 customers and owns and operates a generation portfolio of 2,218 MW across New Zealand.

Flexible portfolio delivers lower cost production

Contact's Underlying EBITDA increased by 17 per cent to \$232 million primarily due to the strengthening of the New Zealand dollar and a lower cost of generation.

In New Zealand dollars, Contact's reported Underlying EBITDA increased by 4 per cent to \$264 million.

The stronger performance by Contact primarily reflects its lower cost of generation, as higher rainfall enabled hydro generation to displace more expensive thermal generation.

The 166 MW Te Mihi geothermal power station is in the final stages of commissioning with completion expected in the final quarter of the 2014 financial year.

Contact's Retail Transformation project is also in its final stages including testing and training ahead of 'go-live'.

(1) At 31 December 2012 exchange rates.

PROSPECTS

Looking ahead, Origin continues to focus on its four key priorities:

- improving the performance of the existing businesses;
- delivering first LNG through Australia Pacific LNG in mid-2015;
- managing funding and balance sheet position; and
- creating growth opportunities for the medium to longer term.

Improving the performance of the existing businesses

Energy Markets

The key drivers of Energy Markets' future performance are the impact on volumes from downward underlying trends in energy consumption and the potential recovery in margins from improvements in the competitive environment.

Despite operational improvements and the moderating of intense discounting in NSW, the impact of discounting in prior and current periods will continue to affect margin recovery in the short term.

The focus of the Energy Markets business will be on: realising earnings and cash flow benefits from Retail Transformation and operational improvements; maintaining market share through more effective customer retention and acquisition, and margin management; and building on the Company's strong position in natural gas.

Exploration & Production

Exploration & Production is expected to continue to benefit from the improved availability of its existing assets in the remainder of the 2014 financial year. The focus in the medium term will be on offsetting the natural decline in production from existing Upstream assets through near field development and exploration activities.

Contact Energy

In New Zealand, Contact will benefit from reduced take-or-pay gas contracts and the completion of the Te Mihi geothermal power station, which will provide additional lower cost generation. The implementation of Contact's Retail Transformation program is expected to provide new capabilities to offer products and solutions that better meet customer needs.

Delivering first LNG through Australia Pacific LNG in mid-2015

The Australia Pacific LNG project remains on track for first LNG in mid-2015 and estimated costs to complete are in line with budget.

Planning is underway for transitioning from the project phase to investing in sustaining production and ongoing operations. With the current good progress in the drilling and completions, and gathering parts of the project, resources will continue to be used and costs incurred in advance of first LNG in mid-2015 to sustain production.

The LNG project will deliver a step change in Origin's earnings and cash flow from the 2016 financial year when the project begins to deliver LNG under its existing long-term contracts.



Managing funding and balance sheet position

As the LNG project progresses to completion, estimates of Origin's remaining capital contribution to Australia Pacific LNG in advance of first LNG in mid-2015 will become more dependent on the month of the first LNG shipment, exploration activity, and the amount of investment in sustaining production that occurs prior to the first LNG shipment date.

Origin has \$6.5 billion⁽¹⁾ of committed undrawn debt facilities and cash, substantially more than that required to satisfy Origin's remaining funding requirement for its 37.5 per cent shareholding in Australia Pacific LNG.

Origin does not have any material refinancing requirements until the 2018 financial year.

Creating growth opportunities for the medium and longer term

Origin is progressing existing development opportunities to provide ongoing growth following the completion of the Australia Pacific LNG project. This includes preparing existing gas and renewable energy opportunities to be ready for final investment decisions such as Ironbark and the large-scale wind project at Stockyard Hill.

Origin will continue exploration activities to increase its gas resource position. In addition, the Company will continue to grow its position in international geothermal and hydro opportunities with controlled spend on these activities.

(1) As at 31 December 2013. Excluding Contact Energy and bank guarantees.

FINANCIAL HIGHLIGHTS

	2013	2012 ⁽¹⁾	Change
Half year ended 31 December	(\$m)	(\$m)	(%)
Revenue	7,238	7,450	(3)
Underlying EBITDA	1,082	1,055	3
Underlying Profit	381	362	5
Underlying EPS (cps) ⁽²⁾	34.6	33.2	4
Statutory Profit	322	524	(39)
Statutory EPS (cps)	29.3	48.0	(39)
Group OCAT	1,038	461	125
Free cash flow per share (cps) ⁽²⁾	72.0	48.2	49
Capital expenditure	460	720	(36)
Origin cash contribution to Australia Pacific LNG ⁽³⁾	1,437	119	1,108
Net Debt ⁽⁴⁾	8,143	6,808	20
Undrawn Committed Debt Facilities and cash ⁽⁵⁾	6,544	5,431	20

Underlying EBITDA

	2013	2012	Change
Half year ended 31 December	(\$m)	(\$m)	(%)
Energy Markets	505	660	(23)
Exploration & Production	302	192 ⁽⁶⁾	57
LNG	35	27 ⁽⁷⁾	30
Contact Energy	232	198	17
Corporate	8	(22)	N/A
Total Underlying EBITDA	1,082	1,055	3
Items excluded from Underlying EBITDA	(78)	141	N/A
Statutory EBITDA	1,004	1,196	(16)

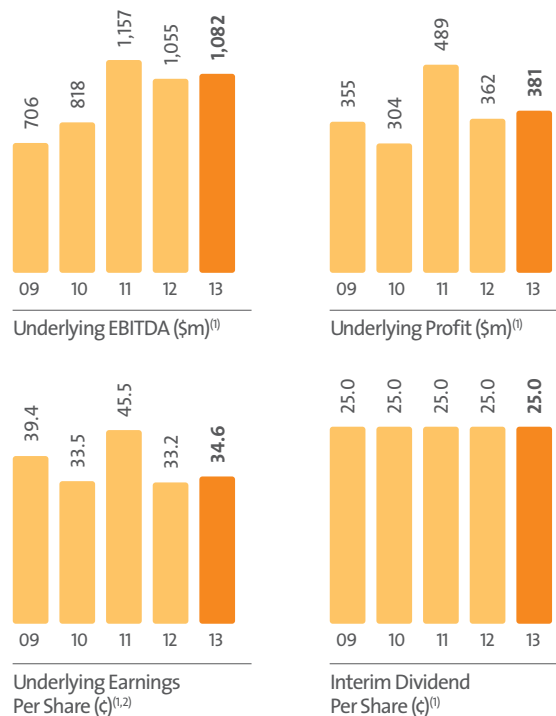
- (1) Certain comparative amounts have been re-presented to conform to the current period's presentation and/or reflect the adoption of new accounting standards.
- (2) Refer to Glossary.
- (3) Via loan repayment.
- (4) Interest bearing debt less cash. Prior period comparative is 30 June 2013.
- (5) Excluding Contact Energy and bank guarantees.
- (6) Restated from \$200 million to \$192 million due to the internal restructure of the LNG segment during the 2013 financial year.
- (7) Restated from \$19 million to \$27 million due to the internal restructure of the LNG segment during the 2013 financial year.

FINANCIAL CALENDAR 2014

4 April	Half year dividend payment
30 June	End of financial year
21 August	Full year results announcement
22 October	Annual General Meeting

FINANCIAL HIGHLIGHTS

For the half year ended 31 December



(1) Half year on half year comparison.

(2) December 2010 and prior years' Underlying EPS have been restated for the bonus element of the rights issue completed in April 2011.

Glossary

Underlying profit and loss measures:
– EBITDA
– Profit
– EPS

Underlying measures used internally by management to assess the profitability of the Origin business. The Underlying Profit measures are derived from the equivalent Statutory Profit measures disclosed in the Consolidated Interim Financial Statements and exclude the impact of certain items that do not align with the manner in which the Managing Director reviews the financial and operating performance of the business.

Group OCAT

Group Operating Cash Flow After Tax (OCAT) of the Consolidated Entity (including Origin's share of Australia Pacific LNG OCAT).

Free cash flow per share

Cash available to fund distributions to shareholders and growth capital divided by the closing number of shares on issue.



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