origin

To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	31 October 2018
From	Helen Hardy	Pages	18
Subject	September 2018 Quarterly Production Report		

Please find attached a release on the above subject.

Regards

Helen Hardy
Company Secretary

02 8345 5000

ASX/Media Release

31 October 2018

Origin Energy September 2018 Quarterly Report

Origin Energy Limited (Origin) has released its Quarterly Report for the three months to 30 September 2018, which discusses the performance of both the Integrated Gas and Energy Markets businesses.

Integrated Gas revenue increased by 12% due to higher commodity prices

- Australia Pacific LNG continues to operate well, with Origin's share of production steady at 64.3 PJ for the quarter.
- Revenue increased strongly due to higher commodity prices, with Origin's share of revenue of $640 million representing a 12% increase on the prior quarter.
- Revenue increased by 35% when compared to the prior corresponding quarter in September 2017.
- A total of 29 LNG cargoes were loaded and shipped for the quarter.

Energy Markets electricity and natural gas sales higher due to seasonal demand

- Electricity sales of 9.5 TWh represented a 4% increase on the prior quarter.
- Natural gas sales of 82.2 PJ reflected a 6% increase on the prior quarter
- Gas sales to retail and business customers increased by 18% and 25% respectively reflecting seasonal demand and new short term contracts in Queensland, partially offset by less internal sales to generation.

Origin CEO Frank Calabria said, "The strong performance of our Integrated Gas and Energy Markets businesses has continued in the first quarter of FY2019.

"Australia Pacific LNG continues to produce at steady rates, allowing it to meet its LNG contract commitments and deliver large volumes of gas into the east coast domestic market, while higher realised prices delivered a strong uplift in revenue for the quarter.

"In our Energy Markets business, sales of electricity and gas were both up for the quarter which reflected higher seasonal demand, and we also continued to grow gas sales to business customers," Mr Calabria said.

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Origin Energy Quarterly Report

September 2018

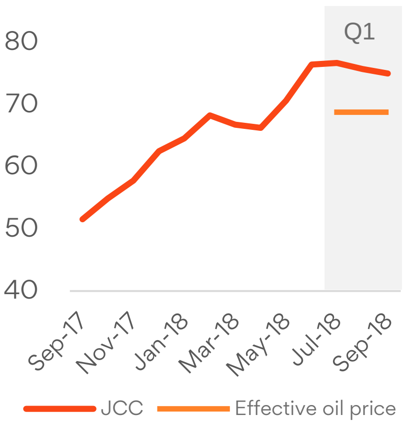
Summary

	Unit	Sep-18 QTR	Jun-18 QTR	% Mvt	Sep-17 QTR	% Mvt
Integrated Gas (Origin Share)						
Production	PJ	64.3	64.0	-	63.5	1%
Sales	PJe	63.7	62.8	1%	63.9	-
Commodity Revenue	$m	640.5	570.2	12%	474.5	35%
Energy Markets						
Electricity sales	TWh	9.5	9.1	4%	9.7	(2%)
Natural gas sales	PJ	82.2	77.5	6%	81.5	1%
Corporate						
Origin capex – continuing operations	$m	42	132	(68%)	60	(30%)

- Whilst production was stable, Origin's share of APLNG revenue increased by 12% on Jun-18 quarter and 35% on Sep-17 quarter to $640 million, driven by higher realised prices for both LNG and domestic gas.
- Energy Markets electricity sales increased from Jun-18 quarter in line with seasonal demand
- Energy Markets gas sales increased by 6% on Jun-18 quarter reflecting new short term contracts in QLD and higher seasonal demand in VIC, partially offset by lower sales to generation.
- Origin capex was lower than expected due to timing and primarily relates to Energy Markets, including Power of Choice investment, retail digital spend and generation maintenance.

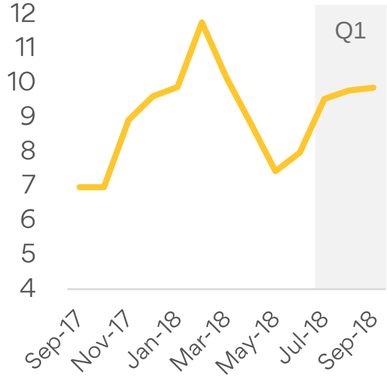
Oil and LNG markets

Japan Customs-Cleared Crude ($US/bbl)



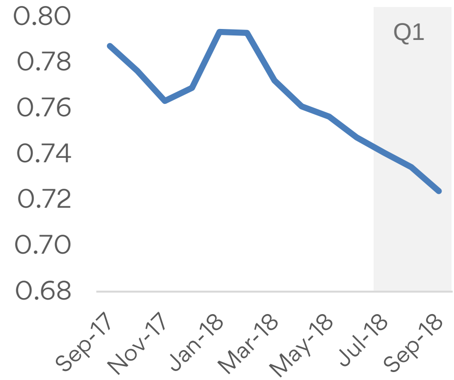
Source: Petroleum Association of Japan

LNG Spot ($US/mmbtu)



Source: Origin analysis

FX (AUD/USD)



Source: Reserve Bank of Australia

- APLNG effective oil price for September 2018 quarter was US$68.77/bbl
- Higher commodity prices and lower AUD/USD exchange rate resulted in higher APLNG revenue
- Oil prices have risen as the oil market enters a period of supply deficit due to reduced available spare capacity in the market
- LNG prices remain elevated due to delays to key international liquefaction projects, low gas inventory levels in Europe (due to a hot summer and high carbon prices) and continued strong demand in China

Integrated Gas

	Unit	Sept-18 QTR	Jun-18 QTR	% Mvt	Sept-17 QTR	% Mvt
Total production (Origin share)	PJ	64.3	64.0	-	63.5	1%
LNG (Origin share)						
Production	kt	766.7	711.9	8%	825.9	(7%)
Sales	kt	762.1	729.7	4%	788.0	(3%)
Commodity Revenue	$m	527.0	456.4	15%	385.2	37%
Domestic Gas (Origin share)						
Sales	PJ	21.4	22.3	(4%)	20.2	6%
Commodity Revenue	$m	113.5	113.8	-	89.3	27%
Origin Only costs						
Origin hedging costs	$m	(51.1)	(57.3)	(11%)	(13.9)	268%

- Total production volumes have remained stable at 64.3 PJ
- LNG production increased by 8% on Jun-18 quarter (reflecting higher customer demand) but was down 7% on Sep-17 quarter (due to the two train lenders test in the prior year)
- LNG revenue of $527 million was up 15% on Jun-18 quarter and 37% on Sep-17 quarter, primarily reflecting higher realised prices
- Domestic revenue of $114 million was flat on prior quarter but up 27% on Sep-17 quarter, reflecting higher realised prices and higher sales volumes
- Hedging costs of $51 million reduced by 11% on Jun-18 quarter reflecting lower hedge premium amortisation partly offset by increased oil hedge losses
- FY2019 hedge contracts provide approximately 75% participation in oil prices changes between US$60/bbl and US$75/bbl with full participation above US$75/bbl

Integrated Gas

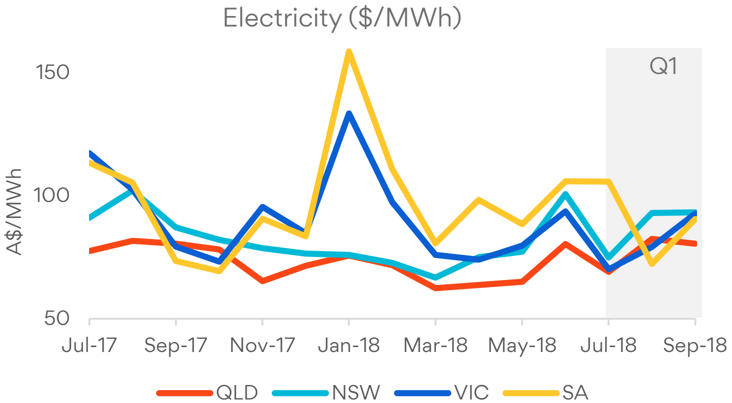
	Unit	Sept-18 QTR	Jun-18 QTR	% Mvt	Sept-17 QTR	% Mvt
Origin Only costs						
Capex - continuing operations	$m	2	7[1]	(71%)	5[1]	(60%)
APLNG Capex (100%)						
Exploration and appraisal	$m	27	18	49%	12	123%
Sustain and Other	$m	333	255	31%	313	7%

1 Restated from prior period to include corporate reallocations

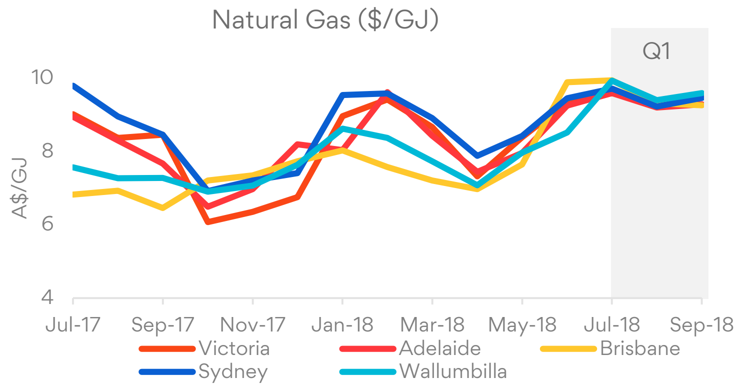
APLNG capex

- E&A capex increased to $26.8 million due to drilling of Burunga South 2 and the preparation for Peat 3D seismic
- Burunga South 2 is a deep conventional exploration well and during the quarter reached total depth of 3,608 mRT. Drilling confirmed the presence of hydrocarbons and the well is now cased and suspended as further testing is required to determine commercial deliverability.
- One exploration well was spudded during the quarter
- Sustain and other capex has increased by 31% from Jun-18 quarter, reflecting
  - wet weather and reduced rig availability in the prior quarter;
  - increased workover activity to improve well availability; and
  - higher non-operated capex due to increased activity including development of new fields Roma East and Arcadia

Electricity and Gas markets



Source: AEMO

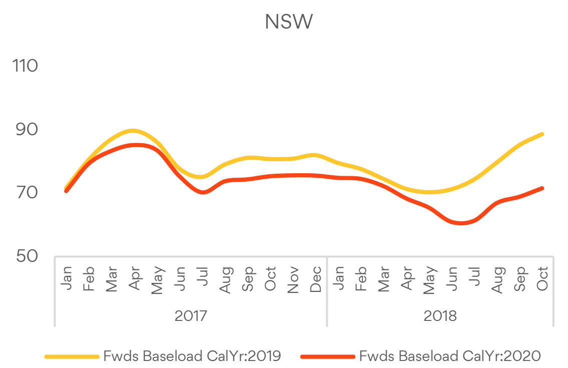


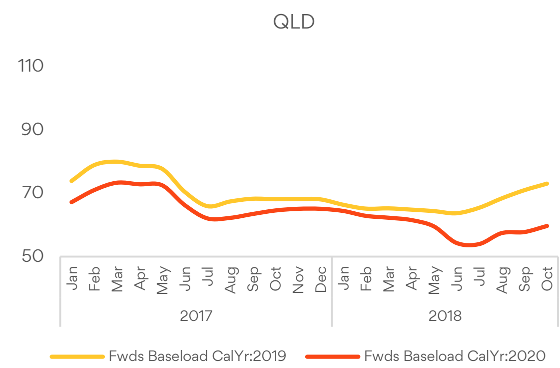
Source: AEMO

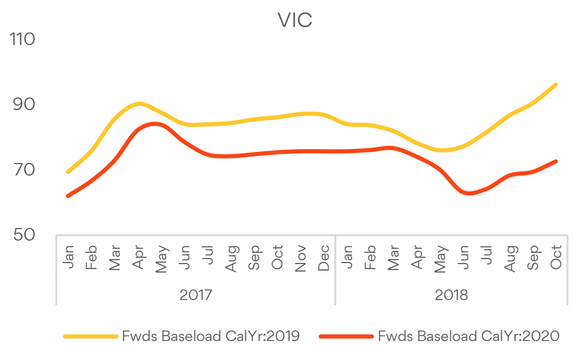
- Average spot electricity price for September 2018 quarter was $83.7/MWh, up $0.14/MWh from the June 2018 quarter:
  - Higher average QLD and NSW prices driven by lower baseload coal and gas generation availability
  - Lower average SA and VIC prices due to higher renewable generation and Basslink returning to service

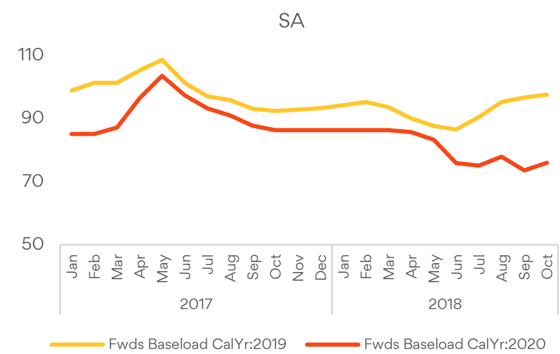
- Average domestic natural gas price for September 2018 quarter was $9.45/GJ, up $1.0/GJ from the June 2018 quarter, driven by Asia regional LNG pricing.

Electricity forward prices









Source: AEMO

Energy Markets operations

	Unit	Sep-18 QTR	Jun-18 QTR	% Mvt	Sep-17 QTR	% Mvt
Sales volumes						
Electricity sales – Retail	TWh	4.7	4.4	7%	4.8	(2%)
Electricity sales – Business	TWh	4.8	4.7	2%	4.9	(2%)
Natural gas sales – Retail	PJ	15.8	13.4	18%	17.4	(9%)
Natural gas sales – Business	PJ	54.7	43.9	25%	48.7	12%
Natural gas sales – Internal	PJ	11.7	20.2	(42%)	15.4	(24%)
Capex – continuing operations	$m	40	123	(67%)	54	(26%)

- Electricity Retail sales increased from Jun-18 quarter in line with seasonal demand, but was slightly lower than Sep-17 quarter
- Gas Retail sales increased 18% from Jun-18 quarter due to seasonal demand, but was 9% lower than Sep-17 quarter due to milder weather in Victoria
- Gas Business sales increased 25% due to new short term sales contracts in Queensland and higher seasonal demand in Victoria compared with Jun-18 quarter
- Internal gas sales decreased as gas was redirected from generation to the wholesale market
- Capex in the quarter primarily comprised of:
  - mandatory spend on Power of Choice regulatory reforms;
  - investment in our retail digital capabilities;
  - maintenance spend on Uranquinty and Eraring; and
  - growth spend on Quarantine re-power

Data tables

APLNG sources of gas

Production volumes	Units	Sep-18 QTR Origin Share 37.5%	Jun-18 QTR Origin Share 37.5%	% Change	Sep-17 QTR Origin Share 37.5%	FYTD2019 Origin Share 37.5%	FYTD2018 Origin Share 37.5%
Operated							
Spring Gully	PJ	10.0	10.0	-	9.5	10.0	9.5
Peat	PJ	0.2	0.2	-	0.3	0.2	0.3
Denison	PJ	0.1	0.1	-	-	0.1	-
Talinga	PJ	6.9	6.8	1%	6.0	6.9	6.0
Orana	PJ	6.4	6.1	5%	5.7	6.4	5.7
Condabri	PJ	11.8	12.3	(4%)	12.1	11.8	12.1
Combabula/Reedy Creek	PJ	14.2	13.4	6%	13.9	14.2	13.9
Total operated production	**PJ**	**49.6**	**49.0**	**1%**	**47.4**	**49.6**	**47.4**
Non-operated							
Fairview/Arcadia (GLNG)	PJ	3.6	3.7	(3%)	4.0	3.6	4.0
Kenya East (QGC)	PJ	5.4	5.4	-	5.8	5.4	5.8
Kenya (QGC)	PJ	5.4	5.6	(4%)	5.9	5.4	5.9
Bellevue (QGC)	PJ	0.3	0.3	-	0.4	0.3	0.4
Total non-operated production	**PJ**	**14.6**	**15.0**	**(3%)**	**16.0**	**14.6**	**16.0**
Total upstream production	**PJ**	**64.3**	**64.0**	**-**	**63.5**	**64.3**	**63.5**
Natural gas purchases	PJ	3.7	2.1	76%	6.0	3.7	6.0
Changes in Upstream gas inventory/other	PJ	(0.7)	(1.1)	(36%)	0.3	(0.7)	0.3
Total sources of natural gas	**PJ**	**67.3**	**65.1**	**4%**	**69.8**	**67.3**	**69.8**

APLNG uses of gas

Uses of gas	Units	Sep-18 QTR Origin Share 37.5%	Jun-18 QTR Origin Share 37.5%	% Change	Sep-17 QTR Origin Share 37.5%	FYTD2019 Origin Share 37.5%	FYTD2018 Origin Share 37.5%
LNG feed gas	PJ	45.8	42.7	7%	49.5	45.8	49.5
Domestic sales	PJ	21.4	22.3	(4%)	20.2	21.4	20.2
Total uses of natural gas	**PJ**	**67.3**	**65.1**	**3%**	**69.8**	**67.3**	**69.8**

LNG	Units	Sep-18 QTR Origin Share 37.5%	Jun-18 QTR Origin Share 37.5%	% Change	Sep-17 QTR Origin Share 37.5%	FYTD2019 Origin Share 37.5%	FYTD2018 Origin Share 37.5%
LNG Production	kt	766.7	711.9	8%	825.9	766.7	825.9
Changes in LNG inventory	kt	(4.6)	17.8	(126%)	(37.9)	(4.6)	(37.9)
Total LNG sales volume	**kt**	**762.1**	**729.7**	**4%**	**788.0**	**762.1**	**788.0**
LNG cargos loaded and shipped	**#**	**29**	**28**	**4%**	**32**	**29**	**32**

APLNG Sales

Share of APLNG Sales revenue	Units	Sep-18 QTR Origin Share 37.5%	Jun-18 QTR Origin Share 37.5%	% Change	Sep-17 QTR Origin Share 37.5%	FYTD2019 Origin Share 37.5%	FYTD2018 Origin Share 37.5%
LNG	$m	527.0	456.4	15%	385.2	527.0	385.2
Domestic Gas	$m	113.5	113.8	-	89.3	113.5	89.3
Total Commodity Revenue (ORG share)	$m	**640.5**	**570.2**	**12%**	**474.5**	**640.4**	**474.5**

Sales – APLNG average realised prices	Units	Sep-18 QTR Origin Share 37.5%	Jun-18 QTR Origin Share 37.5%	% Change	Sep-17 QTR Origin Share 37.5%	FYTD2019 Origin Share 37.5%	FYTD2018 Origin Share 37.5%
LNG	US$/mmbtu	9.63	8.99[1]	7%	7.34	9.63	7.34
Domestic Gas	$/GJ	5.29	5.10	4%	4.42	5.29	4.42
Average Commodity price	**$/GJe**	**10.06**	**9.09**	**11%**	**7.43**	**10.06**	**7.43**

1 Restated from prior period

Origin only costs	Units	Sep-18 QTR	Jun-18 QTR	% Change	Sep-17 QTR	FYTD2019	FYTD2018
Hedge premium amortisation	$m	(2.2)	(16.7)	(87%)	(17.4)	(2.2)	(17.4)
Gain / (Loss) on oil hedging	$m	(27.9)	(19.2)	45%	(0.2)	(27.9)	(0.2)
Gain / (Loss) on LNG hedging	$m	(21.0)	(21.4)	(2%)	3.7	(21.0)	3.7
Total	$m	**(51.1)**	**(57.3)**	**(11%)**	**(13.9)**	**(51.1)**	**(13.9)**

Operated drilling & production

APLNG Operated Production Wells

		Avg daily production (APLNG share)		Development Wells: Wells drilled	Development Wells: Wells commissioned
Bowen	Spring Gully	291.1 TJ/d	Sept-18 QTR FYTD 2019	- -	1 1
	Peat	6.0 TJ/d	Sept-18 QTR FYTD 2019	- -	- -
	Denison	2.8 TJ/d	Sept-18 QTR FYTD 2019	- -	- -
Surat	Talinga	198.6 TJ/d	Sept-18 QTR FYTD 2019	- -	27 27
	Orana	185.1 TJ/d	Sept-18 QTR FYTD 2019	2 2	26 26
	Condabri	341.8 TJ/d	Sept-18 QTR FYTD 2019	16 16	7 7
	Combabula / Reedy Creek	413.0 TJ/d	Sept-18 QTR FYTD 2019	49 49	28 28
	TOTAL	**1,438.4 TJ/d**	**Sept-18 QTR** **FYTD 2019**	67 67	89 89

Non-Operated drilling & production

origin

APLNG Non-Operated Production Wells

				Development Wells	
		Avg daily production (APLNG share)		Wells drilled	Wells commissioned
GLNG	Fairview	103.5 TJ/d	Sept-18 QTR	18	22
			FYTD 2019	18	22
	Arcadia	1.8 TJ/d	Sept-18 QTR	18	-
			FYTD 2019	18	-
	Roma East	0.0 TJ/d	Sept-18 QTR	45	15
			FYTD 2019	45	15
QGC	Anya	0.0 TJ/d	Sept-18 QTR	4	25
			FYTD 2019	4	25
	Kenya East	155.5 TJ/d	Sept-18 QTR	40	8
			FYTD 2019	40	8
	Kenya	155.7 TJ/d	Sept-18 QTR	9	7
			FYTD 2019	9	7
	Bellevue	7.4 TJ/d	Sept-18 QTR	-	-
			FYTD 2019	-	-
	TOTAL	**424.0 TJ/d**	**Sept-18 QTR**	134	77
			FYTD 2019	134	77

Energy Markets sales volumes

Electricity sales volume (TWh)

Volumes sold (TWh)	Sep-18 QTR Retail	Sep-18 QTR Business	Jun-18 QTR Retail	Jun-18 QTR Business	FYTD2019 Retail	FYTD2019 Business	FYTD2018 Retail	FYTD2018 Business
NSW	2.3	2.3	2.1	2.2	2.3	2.3	2.3	2.3
Queensland	1.1	0.9	1.2	0.8	1.1	0.9	1.2	1
Victoria	0.9	1.2	0.8	1.2	0.9	1.2	1	1.1
South Australia	0.3	0.4	0.3	0.5	0.3	0.4	0.3	0.5
Total volumes sold	4.7	4.8	4.4	4.7	4.7	4.8	4.8	4.9

Natural Gas sales volume (PJ)

Volumes sold (PJ)	Sep-18 QTR Retail	Sep-18 QTR Business	Jun-18 QTR Retail	Jun-18 QTR Business	FYTD2019 Retail	FYTD2019 Business	FYTD2018 Retail	FYTD2018 Business
NSW	3.6	5.8	3.0	5.5	3.6	5.8	3.4	7.2
Queensland	0.8	26.5	0.9	18.8	0.8	26.5	0.9	20.5
Victoria	9.4	19.0	7.8	16.2	9.4	19.0	10.9	17.4
South Australia	2.1	3.4	1.7	3.4	2.1	3.4	2.1	3.6
External volumes sold	**15.8**	**54.7**	**13.4**	**43.9**	**15.8**	**54.7**	**17.4**	**48.7**
Internal sales (generation)		11.7		20.2		11.7		15.4
Total volumes sold		**82.2**		**77.5**		**82.2**		**81.5**

Conversion factors and abbreviations

Conversion factors

LNG	0.0554	PJ/ktonnes
LNG	1.0532	GJ/mmbtu

Abbreviations

APLNG	Australia Pacific LNG – an incorporated Joint Venture between Origin, ConocoPhillips and Sinopec
barrels	an international measure of oil production. 1 barrel = 159 litres
Bopd	barrels of oil per day
bwpd	barrels of water per day
C&C	cased and completed
C&S	cased and suspended
CSG	coal seam gas
FID	final investment decision
GJ	gigajoule = 10^9 joules
joule	a measure of energy
kbbls	Kilo barrels = 1,000 barrels
kT	Kilo tonnes = 1,000 tonnes
LNG	liquefied natural gas
mmbbl	million barrels
mmboe	million barrels of oil equivalent
mmbtu	million British thermal units
mmscf	million standard cubic feet
mRT	Measured depth below rotary table in meters
mtpa	million tonnes per annum
P&A	plugged and abandoned
P&S	plugged and suspended
pa	per annum
PJ	petajoule = 10^{15} joules
PJe	petajoule equivalent, a measure used to express the volume of different petroleum products on the basis of the energy contained in the product
QGC	Queensland Gas Company
Spudding	to commence drilling a well
SWQ	South West Queensland
t	tonnes
TJ	terajoule = 10^{12} joules
TJ/d	terajoules per day
YTD	year to date