

To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	31 July 2019
From	Helen Hardy	Pages	18
Subject	June 2019 Quarterly Production Report		

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

02 8345 5000



ASX/Media Release

31 July 2019

Quarterly Report June 2019

Integrated Gas: continued growth in revenue from Australia Pacific LNG

- Revenue from Australia Pacific LNG increased 36 per cent in FY2019 driven by higher effective commodity prices.
- Australia Pacific LNG delivered stable production in FY2019, despite a period of significant planned upstream maintenance.
- Total cash received from Australia Pacific LNG of \$943 million for FY2019.
- Effective commodity prices eased in the June quarter, driven by lower oil prices.
- Preparatory work continues in the Beetaloo Basin for two horizontal appraisal wells planned over calendar 2019.

Energy Markets: lower electricity customer usage; increased external gas sales

- Electricity sales volumes decreased by 3 per cent in FY2019 due to lower customer usage and account numbers.
- External gas sales volumes increased by 3 per cent in FY2019 driven by higher Business sales. This was offset by lower sales to internal generation.

Origin CEO Frank Calabria said: "Australia Pacific LNG continues its strong operational and financial performance. Revenue was up 36 per cent on the prior year driven by higher effective commodity prices which translated to \$943 million of cash flow to Origin.

"Pleasingly a number of Australia Pacific LNG gas supply contracts were signed during the quarter with domestic manufacturing customers. This demonstrates the important role the gas industry plays in supporting local industry."

Corporate costs in FY2019 are expected to include a non-cash remediation provision increase of \$160 - \$180 million primarily relating to further on-site assessment of required works at a former gas works site in South Australia.

The \$231 million sale of Ironbark to Australia Pacific LNG is expected to complete in August and Australia Pacific LNG has retained sufficient cash during FY2019 to fund the transaction.

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Origin Energy Quarterly Report

June 2019



Overview of quarterly result

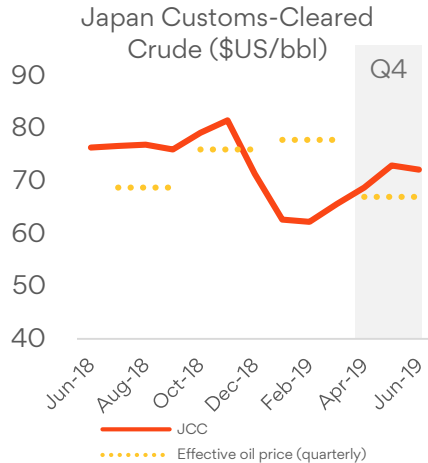


	Unit	Jun-19	Mar-19	% Mvt	Jun-18	% Mvt	FY2019	FY2018	% Mvt
Integrated Gas – Share of APLNG									
Production	PJ	64.0	63.3	1%	64.0	-	254.7	253.6	-
Sales	PJe	62.3	63.4	(2%)	62.8	(1%)	253.6	254.9	(1%)
Commodity Revenue	\$m	643.4	763.9	(16%)	570.2	13%	2,788.6	2,054.4	36%
Energy Markets									
Electricity sales	TWh	8.7	9.3	(6%)	9.1	(4%)	36.2	37.5	(3%)
Natural gas sales	PJ	65.1	58.5	11%	77.5	(16%)	271.3	281.0	(3%)
Corporate									
Origin capex	\$m	77	77	-	132	(42%)	348	328*	6%
Investments	\$m	-	57	n/a	-	n/a	57	-	n/a
Net cash from APLNG	\$m	478	72	564%	247	94%	943	363	160%

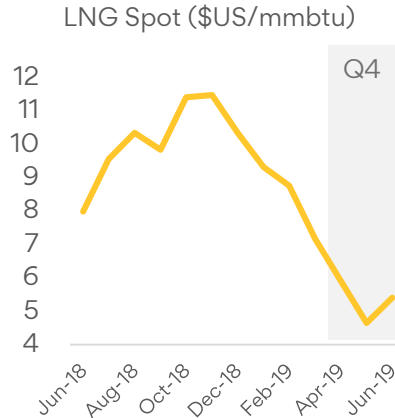
* Continuing operations

- APLNG revenue up 36% on prior year driven by higher effective oil prices. Quarterly revenue decreased 16% on Mar-19 primarily due to a lower effective oil price in the final quarter.
- APLNG production remained stable in FY2019 despite planned upstream maintenance outages.
- Origin received \$943 million cash from APLNG in FY2019, higher than guidance of \$850 million.
- In Energy Markets, electricity volumes decreased 3% in FY2019 due to lower customer accounts and usage. Natural gas volumes decreased 3% reflecting less volumes to generation, partially offset by higher Business sales.
- Origin capex of \$348 million was slightly lower than guidance due to timing of spend.

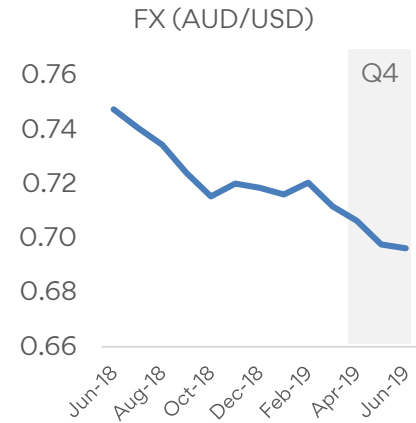
Oil and LNG markets



Source: Petroleum Association of Japan, Origin analysis



Source: IHS Markit¹



- APLNG's effective oil price in Jun-19 quarter was US\$67/bbl, down from US\$78/bbl in Mar-19 quarter. The FY2019 effective oil price was US\$73/bbl (FY2018 US\$56/bbl).
- JCC prices recovered in the Jun-19 quarter, largely driven by OPEC supply cuts and supply outages in Russia.
- Spot LNG prices continued to soften in the Jun-19 quarter driven by additional supply from new projects and subdued demand growth.

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Integrated Gas – 37.5% share of APLNG



	Unit	Jun-19	Mar-19	% Mvt	Jun-18	% Mvt	FY2019	FY2018	% Mvt
Total production (ORG share) LNG (ORG share)	PJ	64.0	63.3	1%	64.0	-	254.7	253.6	-
Production	kt	799.8	834.1	(4%)	711.9	12%	3,244.7	3,204.7	1%
Sales	kt	793.5	862.4	(8%)	729.7	9%	3,256.6	3,212.9	1%
Commodity Revenue	\$m	553.7	688.8	(20%)	456.4	21%	2,420.0	1,708.1	42%
Average realised price	US\$/mmbtu	9.31	10.84	(14%)	8.99	4%	10.12	7.90	28%
Domestic Gas (ORG share)									
Sales	PJ	18.3	15.6	17%	22.3	(18%)	73.2	76.9	(5%)
Commodity Revenue	\$m	89.6	75.0	19%	113.8	(21%)	368.5	346.3	6%
Average realised price	\$/GJ	4.89	4.80	2%	5.10	(4%)	5.04	4.50	12%
Origin Only costs									
Origin hedging/trading costs	\$m	(35.9)	(33.7)	7%	(57.3)	(37%)	(198.7)	(111.3)	79%

- LNG production decreased 4% on Mar-19 quarter driven by an increase in gas being directed to the domestic market. Full year production remained stable compared to the prior year despite planned outages on upstream gas processing facilities in CY2019.
- LNG revenue was down 20% on Mar-19 quarter due to lower effective oil prices and lower volumes. Over the full year a higher effective oil price drove a 42% increase in LNG revenue.
- Domestic gas revenue was up 19% on Mar-19 quarter driven by higher volumes. FY2019 revenue increased 6% due to higher realised prices (including oil-linked prices).
- Total FY2019 Origin oil and LNG hedging and trading costs amounted to \$199 million, in line with guidance.

Integrated Gas Capex



	Unit	Jun-19	Mar-19	% Mvt	Jun-18	% Mvt	FY2019	FY2018	% Mvt
Origin only capex									
Capex	\$m	2	4	(50%)	3	(33%)	11	9*	33%
E&A	\$m	6	6	-	4	50%	17	12	42%
APLNG capex (100%)									
E&A	\$m	14	27	(48%)	18	(22%)	102	65	57%
Sustain and Other	\$m	307	305	1%	272 ¹	13%	1,175	1,121 ¹	5%

* Continuing operations; 1) FY2018 has been restated to include capex related working capital movements.

Origin only capex

- Preparatory work ongoing in the Beetaloo. Two horizontal appraisal wells planned in CY2019:
 - Kyalla liquids rich gas play - water extraction licence in place, drilling approval anticipated in August. Water bores drilled and access road and well pad construction nearing completion.
 - Velkerri liquids rich gas play - water extraction licence in place, water bore and access roads approved, awaiting well pad civils and drilling approval.

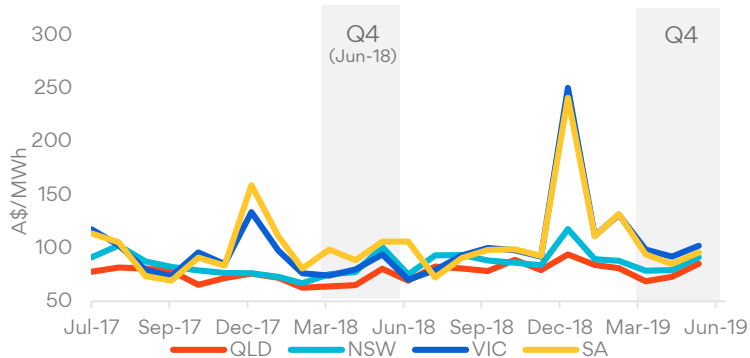
APLNG capex

- E&A spend in the Jun-19 quarter primarily related to drilling in Peat and preparation for fracture stimulation and production testing for Burunga South 2.
- Sustain and Other spend increased 5% in FY2019 driven by higher non-operated field development, planned operated infrastructure spend and higher workover spend; partly offset by well cost savings and scope changes.
- FY2019 capex is lower than guidance primarily due to deferral of activity and reduced scope e.g. less fracture stimulation as a result of better than expected flow rates in Combabula / Reedy Creek.
- ERIC low pressure pipeline from Reedy Creek to Eurombah Creek started in July.

Electricity and Gas markets



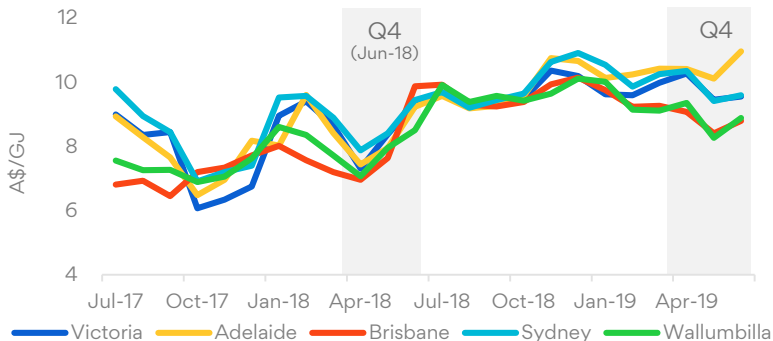
Electricity (\$/MWh)



- Average NEM spot electricity price for Jun-19 quarter was \$86.8/MWh, compared to \$127.4/MWh in the prior quarter and \$83.6/MWh in Jun-18:
 - Lower average prices compared with Mar-19 quarter due to seasonal demand and extreme weather events in summer
 - Higher average prices vs Jun-18 quarter in Queensland and Victoria due to baseload outages

Source: AEMO

Natural Gas (\$/GJ)



- Average domestic spot gas price for Jun-19 quarter was \$9.53/GJ, compared to \$9.82/GJ in the prior quarter and \$8.23/GJ in Jun-18
 - Adelaide price increased during the quarter reflecting high demand for gas generation in South Australia and transportation constraints

Source: AEMO

Energy Markets operations



	Unit	Jun-19	Mar-19	% Mvt	Jun-18	% Mvt	FY2019	FY2018	% Mvt
Sales volumes									
Electricity – Retail	TWh	4.4	4.5	(2%)	4.4	-	17.4	17.7	(2%)
Electricity – Business	TWh	4.3	4.8	(10%)	4.7	(9%)	18.8	19.8	(5%)
Natural gas – Retail	PJ	12.8	5.3	142%	13.4	(4%)	41.4	43.1	(4%)
Natural gas – Business	PJ	41.0	37.4	10%	43.9	(7%)	180.5	171.4	5%
Natural gas – Internal generation	PJ	11.3	15.8	(28%)	20.2	(44%)	49.4	66.6	(26%)
Capex	\$m	66	65	2%	123	(47%)	311	302	3%
Investments ¹	\$m	-	57	100%	-	n/a	57	-	n/a

1) Investments has been restated and is shown net of cash acquired (\$4 million) with the OC Energy acquisition

- Electricity Retail and Business sales down by 2% and 10% on Mar-19 due to seasonal demand.
- Electricity Retail was flat on Jun-18 reflecting new sales following the OC Energy acquisition. Full year volumes decreased 2% due to lower average customer accounts and lower usage.
- Electricity Business volumes were down by 5% for the full year and 9% on Jun-18 due to the loss of higher volume customers.
- Gas Retail volumes declined 4% on both full year and Jun-18 primarily due to milder weather and lower usage.
- Gas Business volumes increased 5% on full year due to new wholesale contracts in Queensland in the first half, and down 7% on Jun-18 due to customer losses.
- Gas sales to generation decreased 26% on the prior year and 44% on Jun-18 driven by a planned outage at Darling Downs in the final quarter and higher sales to domestic Business customers.

Legacy site remediation provisions

- Origin holds rehabilitation provisions for a number of legacy sites that historically operated as gasworks.
- The FY2019 non-cash provision is expected to increase by \$160 – 180 million primarily due to additional remediation costs for the Osborne legacy site identified from on-site investigations. This is in addition to a \$70 million provision uplift in FY2018.
- The provision increase will be included within Corporate costs and is subject to external audit and Board approval.

Completion of sale of Ironbark

- In February FY2019, we announced the sale of Ironbark to APLNG for \$231 million
- Following clearance from the ACCC and FIRB, Origin expects the Ironbark transaction to complete in August.

A decorative background consisting of a grid of circles. Most circles are light orange, but two circles in the second row from the top and second column from the left are highlighted in a bright yellow color.

Data tables

APLNG sources of gas



	Units	Jun-19 Origin Share 37.5%	Mar-19 Origin Share 37.5%	% Change	Jun-18 Origin Share 37.5%	FY2019 Origin Share 37.5%	FY2018 Origin Share 37.5%
Production volumes							
Operated							
Spring Gully	PJ	9.7	9.6	1%	10.0	39.4	38.7
Peat	PJ	0.3	0.2	50%	0.2	0.9	1.0
Denison	PJ	-	0.0	n/a	0.1	0.2	0.1
Talinga	PJ	6.8	6.9	(1%)	6.8	27.7	26.1
Orana	PJ	6.6	6.4	3%	6.1	24.6	24.4
Condabri	PJ	12.1	11.1	9%	12.3	47.3	49.8
Combabula/Reedy Creek	PJ	13.4	13.9	(4%)	13.4	55.7	52.8
Total operated production	PJ	48.8	48.2	1%	49.0	195.7	193.0
Non-operated							
Fairview (GLNG)	PJ	3.4	3.3	3%	3.6	13.9	15.0
Arcadia (GLNG)	PJ	0.1	0.1	-	0.1	0.2	0.2
Angry Jungle ¹ (GLNG)	PJ	0.0	0.0	n/a	-	0.0	-
Anya (QGC)	PJ	0.2	0.2	-	-	0.5	-
Kenya East (QGC)	PJ	5.7	5.6	2%	5.4	21.8	21.3
Kenya (QGC)	PJ	5.6	5.6	-	5.6	21.4	22.8
Bellevue (QGC)	PJ	0.3	0.3	-	0.3	1.2	1.2
Total non-operated production	PJ	15.2	15.1	1%	15.0	59.0	60.6
Total upstream production	PJ	64.0	63.3	1%	64.0	254.7	253.6
Natural gas purchases	PJ	2.0	2.3	(13%)	2.1	12.2	16.8
Changes in Upstream gas inventory/other	PJ	0.3	-	n/a	(1.1)	0.5	(1.3)
Total sources of natural gas	PJ	66.2	65.6	1%	65.1	267.3	269.1

1) Angry Jungle is a sub-section of Roma East

APLNG uses of gas



Uses of gas	Units	Jun-19 Origin Share 37.5%	Mar-19 Origin Share 37.5%	% Change	Jun-18 Origin Share 37.5%	FY2019 Origin Share 37.5%	FY2018 Origin Share 37.5%
LNG feed gas	PJ	47.9	49.9	(4%)	42.7	194.1	192.2
Domestic sales	PJ	18.3	15.6	17%	22.3	73.2	76.9
Total uses of natural gas	PJ	66.2	65.6	1%	65.1	267.3	269.1

LNG	Units	Jun-19 Origin Share 37.5%	Mar-19 Origin Share 37.5%	% Change	Jun-18 Origin Share 37.5%	FY2019 Origin Share 37.5%	FY2018 Origin Share 37.5%
LNG Production	kt	799.8	834.1	(4%)	711.9	3,244.7	3,204.7
Changes in LNG inventory	kt	(6.3)	28.2	(122%)	17.8	11.9	8.2
Total LNG sales volume	kt	793.5	862.4	(8%)	729.7	3,256.6	3,212.9
LNG cargoes loaded and shipped¹	#	30	33	(9%)	28	124	125

1) Number of cargoes reported are 100% APLNG



APLNG Sales



Share of APLNG commodity revenue	Units	Jun-19 Origin Share 37.5%	Mar-19 Origin Share 37.5%	% Change	Jun-18 Origin Share 37.5%	FY2019 Origin Share 37.5%	FY2018 Origin Share 37.5%
LNG	\$m	553.7	688.8	(20%)	456.4	2,420.0	1,708.1
Domestic Gas	\$m	89.6	75.0	19%	113.8	368.5	346.3
Total Commodity Revenue (ORG share)	\$m	643.4	763.9	(16%)	570.2	2,788.6	2,054.4

Sales – APLNG average realised prices	Units	Jun-19 Origin Share 37.5%	Mar-19 Origin Share 37.5%	% Change	Jun-18 Origin Share 37.5%	FY2019 Origin Share 37.5%	FY2018 Origin Share 37.5%
LNG	US\$/mmbtu	9.31	10.84	(14%)	8.99	10.12	7.90
Domestic Gas	\$/GJ	4.89	4.80	2%	5.10	5.04	4.50
Average Commodity price	\$/GJe	10.33	12.04	(14%)	9.09	11.00	8.06

Origin only costs	Units	Jun-19	Mar-19	% Change	Jun-18	FY2019	FY2018
Hedge premium expense	\$m	(13.0)	(4.0)	225%	(16.7)	(34.4)	(67.7)
Gain / (Loss) on oil hedging	\$m	(1.7)	(23.5)	(93%)	(19.2)	(80.6)	(27.3)
Gain / (Loss) on LNG hedging/trading	\$m	(21.2)	(6.2)	242%	(21.4)	(83.7)	(16.3)
Total	\$m	(35.9)	(33.7)	7%	(57.3)	(198.7)	(111.3)

Operated drilling & production



APLNG Operated Production Wells

		Avg daily production (APLNG share)	Jun-19 QTR FY2019	Development Wells	
				Wells drilled	Wells commissioned
Bowen	Spring Gully	283.7 TJ/d	Jun-19 QTR FY2019	3 6	- 1
	Peat	7.4 TJ/d	Jun-19 QTR FY2019	- -	- -
	Denison	0.0 TJ/d	Jun-19 QTR FY2019	- -	- -
Surat	Talinga	200.3 TJ/d	Jun-19 QTR FY2019	- -	- 29
	Orana	192.1 TJ/d	Jun-19 QTR FY2019	8 10	- 28
	Condabri	354.8 TJ/d	Jun-19 QTR FY2019	18 34	7 24
	Combabula / Reedy Creek	391.6 TJ/d	Jun-19 QTR FY2019	50 201	79 184
	TOTAL	1,429.8 TJ/d	Jun-19 QTR FY2019	79 251	86 266

Non-Operated drilling & production



APLNG Non-Operated Production Wells

		Avg daily production (APLNG share)		Development Wells	
				Wells drilled	Wells commissioned
GLNG	Fairview	99.4 TJ/d	Jun-19 QTR FY2019	13 54	16 70
	Arcadia	1.7 TJ/d	Jun-19 QTR FY2019	24 107	22 35
	Angry Jungle ¹	0.3 TJ/d	Jun-19 QTR FY2019	30 137	72 181
QGC	Anya	5.7 TJ/d	Jun-19 QTR FY2019	- - ²	- 25
	Kenya East	166.6 TJ/d	Jun-19 QTR FY2019	1 4 ²	- 56
	Kenya	163.2 TJ/d	Jun-19 QTR FY2019	11 31	5 23
	Bellevue	9.4 TJ/d	Jun-19 QTR FY2019	6 10	7 7
TOTAL		446.3 TJ/d	Jun-19 QTR FY2019	85 343	122 397

1) Angry Jungle is a sub-section of Roma East

2) FY2019 wells drilled has been restated

Energy Markets sales volumes



Electricity sales volume (TWh)

Volumes sold (TWh)	Jun-19 QTR		Mar-19 QTR		FY2019		FY2018	
	Retail	Business	Retail	Business	Retail	Business	Retail	Business
New South Wales	2.2	2.2	2.1	2.4	8.4	9.4	8.4	9.2
Queensland	1.1	0.8	1.3	0.9	4.6	3.5	4.9	4.0
Victoria	0.8	0.9	0.7	0.9	3.1	4.0	3.2	4.8
South Australia	0.3	0.5	0.4	0.5	1.3	1.9	1.2	1.8
Total volumes sold	4.4	4.3	4.5	4.8	17.4	18.8	17.7	19.8

Natural Gas sales volume (PJ)

Volumes sold (PJ)	Jun-19 QTR		Mar-19 QTR		FY2019		FY2018	
	Retail	Business	Retail	Business	Retail	Business	Retail	Business
New South Wales	3.1	5.1	1.5	4.0	10.1	19.7	9.5	22.3
Queensland	0.9	16.9	0.7	19.4	3.3	92.3	3.1	83.7
Victoria	7.2	16.3	2.4	11.7	22.4	57.5	24.9	53.0
South Australia	1.6	2.7	0.8	2.2	5.6	11.0	5.5	12.4
External volumes sold	12.8	41.0	5.3	37.4	41.4	180.5	43.1	171.4
Internal sales (generation)		11.3		15.8		49.4		66.6
Total volumes sold		65.1		58.5		271.3		281.0

Conversion factors and abbreviations



Conversion factors

LNG	0.0554	PJ/ktonnes
LNG	1.0532	GJ/mmbtu

Abbreviations

\$	Australian dollars, unless stated otherwise
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
E&A	Exploration & Appraisal
FID	final investment decision
GJ	gigajoule = 10^9 joules
joule	a measure of energy
kbbbls	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