To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	20 February 2020
From	Helen Hardy	Pages	5
Subject	**Origin Reports Half Year Results**		

Please find attached the ASX/Media Release relating to Origin Energy's Results for the half year ended 31 December 2019.

Regards

Helen Hardy
Company Secretary

02 8345 5000

ASX/Media Release

20 February 2020

Profit lower, with strong cash generation driving increase in dividend

Origin Energy Limited (Origin) today announced a statutory profit of $599 million for the half-year ended 31 December 2019, down $197 million on the prior corresponding period.

Underlying EBITDA was $1,590 million, an 8 per cent decrease on HY2019, and underlying profit was $528 million, an 11 per cent decrease. Free cash flow increased 22 per cent to $680 million.

Strong performance from Australia Pacific LNG, delivering record production and higher revenue, underpinned a 7 per cent increase in underlying EBITDA in Integrated Gas before non-cash accounting changes.

This was more than offset by the impact of price re-regulation, one-off generation outages and lower electricity volumes in Energy Markets.

Origin reconfirmed Underlying EBITDA guidance for Energy Markets for FY2020, reflecting an expected improvement in generation performance. Cost guidance for Integrated Gas has improved, reflecting the strong operational performance of Australia Pacific LNG, which is expected to make a full-year cash distribution to Origin of $1.1-$1.3 billion.

Origin has declared a fully franked interim dividend of 15 cents per share, up from 10 cents per share at HY2019.

Performance summary	HY2020	HY2019
Statutory profit/(loss)	$599 million	$796 million
Statutory EPS	34.0 cps	45.3 cps
Underlying profit	$528 million	$592 million
Underlying EPS	30.0 cps	33.7 cps
Underlying EBITDA	$1,590 million	$1,727 million
Free cash flow	$680 million	$556 million
Underlying ROCE (rolling 12 months)	8.3%	8.6%
Interim dividend	15 cps	10 cps

Origin CEO Frank Calabria said, “In the first half, the robust operational performance of our business continued to generate strong cash flow.

“We reported record production and an increase in profit in Integrated Gas, on the back of the continued operational strength of Australia Pacific LNG. Distributions to Origin increased 32 per cent on the prior half to $520 million.

"We have continued to deliver significant supply to the domestic market, with plenty of gas available for manufacturers and other large users and at lower prices.

"As expected, we saw margin pressure in Energy Markets with the impact of price re-regulation, as well as lower volumes reflecting reduced energy usage and lower customer numbers.

"We are implementing actions to improve the profitability of our retail business, by enhancing the customer experience, simplifying our processes and growing new revenue streams. In addition to the $15 million reduction last year, cost to serve reduced by a further $28 million in the half, putting us on track to achieve the targeted $100 million in savings in our retail business by FY2021.

"Our generation team worked against the clock to return a damaged unit to service at Mortlake Power Station in just six months, while output at Eraring was lower due to planned and unplanned outages. These one-off outages detracted from an otherwise strong operational performance. Given the relatively tight supply in the market, our focus was on ensuring that all our generation units were available for the summer peak so that homes and businesses could continue to enjoy reliable supply.

"The contribution from Australia Pacific LNG and proceeds from the sale of Ironbark, as well as good cash conversion in Energy Markets, drove strong growth in free cash flow. We have continued to repair our balance sheet, paying down more than $1 billion in debt over the past 12 months.

"Our safety performance improved over the past six months from a TRIFR of 4.5 to 3.5 through an ongoing and relentless commitment to safety across all our operations," Mr Calabria said.

Dividend

The Board has determined to pay a fully franked interim dividend of 15 cents per share. The interim dividend will be paid on 27 March 2020 to shareholders registered as at 3 March 2020.

Origin Chairman Gordon Cairns said, "Returning value to shareholders in a sustainable way is important to the board and our strong free cash flow growth has allowed us to lift the dividend this half."

The Dividend Reinvestment Plan (DRP) will operate with nil discount, and the requirements of the DRP shares will be satisfied through on-market purchase.

OPERATIONAL PERFORMANCE

Energy Markets

Retail price re-regulation, one-off unplanned generation outages at Mortlake and Eraring and lower electricity volumes contributed to a 15 per cent fall in earnings to $723 million.

Gas sales were lower primarily due to some short-term wholesale contracts rolling off.

The retail market remains competitive and Origin continues to take a disciplined approach to customer lifetime value with a focus on streamlining and enhancing key customer journeys such as moving house and new connections.

Cost to serve improved by 9 per cent, or $28 million, achieved by reducing headcount, increasing digitisation, targeted marketing and optimising sales channels. Planning is underway for the next phase of retail transformation beyond the current target.

Integrated Gas

Integrated Gas delivered record production of 358 PJ during the half, a 5 per cent increase compared to 12 months ago. Both operated and non-operated fields delivered improved performance, due to improved well and processing availability and the commissioning of the Eurombah Reedy Creek Interconnect pipeline in July 2019.

Underlying EBITDA increased 1 per cent to $906 million. Excluding accounting changes to reflect dewatering and workover costs in operating expenses, underlying EBITDA in Integrated Gas increased by 7 per cent. Revenue growth was supported by increased production and a higher proportion of LNG sales with contract customers nominating higher volumes.

Australia Pacific LNG shipped 66 cargoes in HY2020, while continuing to make a significant contribution to the domestic market, signing new supply agreements with Orora and Orica.

The Beetaloo exploration project continues to progress, with production testing expected to occur over the last quarter of FY2020 and the first quarter FY2021. Drilling operations on the Kyalla well have been completed and preparations are underway for the next phase of operations. Origin remains positive about the potential of the lower Kyalla formation, with good results obtained to date.

Environmental approval to drill and fracture-stimulate the Velkerri shale play was granted in December 2019, with the lease pad for the well complete and drilling expected in the last quarter of FY2020.

Outlook

The following update to FY2020 guidance is subject to market conditions not materially changing and the regulatory and political environment not adversely impacting operations.

Energy Markets Underlying EBITDA is unchanged at $1.4-$1.5 billion.

Production at Australia Pacific LNG is expected to be at the upper end of the previously guided 690-710 PJ (100 per cent share) range. Australia Pacific LNG is targeting total capital expenditure and operating expenditure of $2.5-$2.7 billion[1] and a lower distribution breakeven of US$29-32/boe.[2]

Australia Pacific LNG is expected to make a cash distribution to Origin of $1.1-$1.3 billion for FY2020.

[1] Excludes Ironbark acquisition costs and purchases, and reflects royalties payable at breakeven oil prices.
[2] Assuming an AUD:USD exchange rate of 0.70.

Capital expenditure, excluding Australia Pacific LNG and acquisitions, remains unchanged and is expected to be $530-$580 million.

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