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| To | Company Announcements Office | Facsimile | 1300 135 638 |
| Company | ASX Limited | Dateq | 10 November 2022 |
| From | Helen Hardy | Pages | 8 |
| Subject | Origin receives non-binding, indicative offer at \$9.00 per share | | |

Please find attached a release on the above subject.

Regards



Authorised for lodgement by:
Helen Hardy
Company Secretary

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ASX/Media Release

10 November 2022

Origin receives non-binding, indicative offer at \$9.00 per share

Origin Energy Limited (Origin) advises it has received an indicative, conditional and non-binding proposal from Brookfield Asset Management Inc., together with its affiliates and their managed funds (Brookfield) and MidOcean Energy (MidOcean), an LNG company formed and managed by EIG (the Consortium), to acquire all the issued shares in Origin, by way of a scheme of arrangement, at a price of \$9.00 cash per share¹ (Indicative Proposal). This Indicative Proposal values Origin at \$18.4 billion on an enterprise value basis.

The price payable under the Indicative Proposal would be reduced by the amount of any dividend paid by Origin prior to implementation of the proposed scheme of arrangement, however, if implementation occurs later than 15 May 2023, the offer price under the Indicative Proposal would then increase by \$0.03 per month.

The Indicative Proposal follows an earlier indicative proposal from the Consortium to acquire Origin for \$7.95 cash per share on 8 August 2022 (equivalent to \$7.79 cash per Origin share following the announcement and payment of the H2 2022 dividend of 16.5 cents per share). On 18 September 2022, the Consortium made a further proposal to acquire Origin at an indicative price of \$8.70 to 8.90 per share².

Given the preliminary and highly conditional nature of these initial indicative proposals, and following the signing of a confidentiality agreement containing customary disclosure restrictions and standstills, the Board undertook a period of limited discussions and information sharing with the Consortium in order to address certain conditions and ascertain whether the Consortium could develop a proposal which was likely to be in the best interests of Origin shareholders.

Following that engagement, the Consortium has submitted the Indicative Proposal, which represents an increase of 16 per cent on its initial proposal and at a premium to Origin's last trading share price (as at 9 November 2022) of:

- 54.9% to the closing price of \$5.81 per share on 9 November 2022;
- 60.6% to the one month volume weighted average price (VWAP) of \$5.60 per share on 9 November 2022; and
- 56.3% to the three month VWAP of \$5.76 per share on 9 November 2022.

The Indicative Proposal from the Consortium proposes that ultimately Brookfield would acquire Origin's Energy Markets business and MidOcean would acquire the Integrated Gas business.

¹ The indicative offer price would be:

- reduced by the value of any dividends declared or paid by Origin prior to implementation of the proposed scheme of arrangement; and
- increased by \$0.03 every month from (15 May 2023) if implementation of the scheme occurs after 15 May 2023.

² Reduced by the value of any dividends declared or paid by Origin prior to the scheme of arrangement being implemented.



Considering all the relevant factors, Origin has entered into a confidentiality and exclusivity agreement with the Consortium. Under the terms of the agreement, either party can terminate the exclusivity provisions after five weeks and four days with one week's notice. The Board intends to grant the Consortium the opportunity to conduct due diligence to enable it to put forward a binding proposal. Due diligence is expected to complete within eight weeks. Should Origin receive any proposals which the Board considers may lead to a superior outcome for Origin shareholders, these will be evaluated in accordance with the exclusivity provisions as summarised in Appendix A and the Board's fiduciary obligations.

Based on current information and market conditions, if the Consortium makes a binding offer at \$9.00 cash per share¹, then it is the current intention of the Origin Board to unanimously recommend that shareholders vote in favour of the proposal, in the absence of a superior proposal. This is subject to the parties entering into a binding scheme implementation agreement on terms acceptable to Origin. It is also subject to an independent expert concluding (and continuing to conclude) that the proposed transaction is fair and reasonable and in the best interests of Origin shareholders.

The Indicative Proposal is subject to several conditions, including:

- the Consortium completing satisfactory due diligence;
- agreement of, and entry into, a binding scheme implementation agreement subject to a range of conditions including approvals by the Australian Competition and Consumer Commission and Foreign Investment Review Board; and
- a unanimous Origin Board recommendation that shareholders vote in favour of the Indicative Proposal (in the absence of a superior proposal and subject to an independent expert report concluding that the Indicative Proposal is in the best interests of Origin shareholders).

Origin Chairman, Mr Scott Perkins said, "This proposal confirms that Origin, its operations and management team represent a highly strategic platform, well-placed to benefit from the energy transition. Our confidence in Origin's prospects underscored our engagement with the Consortium and delivered a material increase on their initial offer. While the due diligence process advances, we will remain focussed on the successful execution of our strategy."

Origin CEO, Mr Frank Calabria said, "Over the past year, Origin has executed a number of important strategic initiatives that have strengthened the balance sheet, sharpened our strategic focus and positioned the company to prosper from the energy transition. At the same time, we have a dedicated, engaged and highly-skilled workforce who are committed to delivering good outcomes for our customers and communities. We believe Origin is in a strong position to lead the energy transition, capture opportunities and create value for shareholders."

The Board notes that there is no certainty at this stage that the Indicative Proposal and engagement between Origin and the Consortium will progress to a binding proposal for consideration by shareholders.

At this stage, shareholders do not need to take any action. The Board will continue to update shareholders.



Origin is being advised by Barrenjoey Capital, Jarden and Herbert Smith Freehills.

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Appendix A – Summary of key terms of confidentiality and exclusivity agreement

1.1 No shop restriction

During the Exclusivity Period, the Discloser must not, and must procure that each of its related bodies corporate and their respective Representatives do not, directly or indirectly solicit, encourage, initiate or invite from any other person any offer, expression of interest, proposal or transaction in relation to, or that may be reasonably expected to encourage or lead to, a Competing Proposal or communicate with any person an intention to do so.

1.2 No talk restriction

Subject to the fiduciary exception described below, during the Exclusivity Period, the Discloser must not, and must procure that each of its related bodies corporate and their respective Representatives do not, directly or indirectly, enter into or continue or participate in any negotiations or discussions with respect to any offer, expression of interest or proposal by any person to make, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal or negotiate, accept or enter into any agreement, arrangement or understanding regarding, or which would reasonably be expected to lead to, a Competing Proposal.

1.3 No due diligence restriction

Subject to the fiduciary exception described below, during the Exclusivity Period, the Discloser must not, and must procure that each of its related bodies corporate and their respective Representatives do not, directly or indirectly, grant access to material non-public information about the business or affairs of the Discloser or its related bodies corporate to any other person who has submitted, or might reasonably be expected to submit, a Competing Proposal.

1.4 Fiduciary exception

The no talk and no due diligence restriction do not prohibit any action or inaction by the Discloser, its related bodies corporate or their respective Representatives in relation to a bona fide actual, proposed or potential Competing Proposal provided that such actual, proposed or potential Competing Proposal has not arisen as a result of a breach of the no shop restriction or notification obligation (described below) and the board of directors of the Discloser, acting in good faith, has determined:

- (a) after consultation with its advisors, that the Competing Proposal could reasonably be expected to become a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers, that compliance with the no talk restriction and no due diligence restriction (as applicable) would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the directors of the Discloser.



1.5 Notification obligation

During the Exclusivity Period, the Discloser must as soon as reasonably practicable (and in any event within 24 hours) notify the Recipients in writing if it, any of its related bodies corporate or their respective Representatives become aware of any of the following (whether direct or indirect, solicited or unsolicited, and in writing or otherwise):

- (a) negotiations, discussions or approach or attempt to initiate any negotiations, discussions or other communications in respect of any expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
- (b) proposal made to the Discloser, any of its related bodies corporate or any of their respective Representatives, in connection with, or in respect of an actual, proposed or potential Competing Proposal; or
- (c) request for, or any provision by the Discloser, any of its related bodies corporate or any of their respective Representatives, of any material non-public information about the business or affairs of the Discloser or its related bodies corporate to any other person in connection with an actual, proposed or potential Competing Proposal.

Such notice must include all material terms and conditions of the actual, proposed or potential Competing Proposal, including price, form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing and conditions precedent and the identity of the third party that made the actual, proposed or potential Competing Proposal, to the extent known by the Discloser.

1.6 Matching right

During the Exclusivity Period, the Discloser must not, and must procure that each of its related bodies corporate do not:

- (a) enter into any legally binding or otherwise definitive agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party or the Discloser or any of its related bodies corporate proposes to undertake or implement or otherwise give effect to an actual, proposed or potential Competing Proposal (including any related cost underwriting or cost sharing agreement, arrangement or understanding) (but excluding, for the avoidance of doubt, any non-disclosure arrangements commonly found in a confidentiality agreement necessary to facilitate engagement or due diligence in respect of a Competing Proposal permitted by the fiduciary exception); or
- (b) make a public statement endorsing or recommending an actual, proposed or potential Competing Proposal,

unless the following conditions are satisfied:

- (c) the board of directors of the Discloser acting in good faith, and to satisfy what it considers to be their statutory or fiduciary duties (having received written legal advice from its external legal advisers), has determined that the actual, proposed or potential Competing Proposal is, or would be reasonably likely to be, a Superior Proposal;



- (d) the actual, proposed or potential Competing Proposal has not arisen as a result of the Discloser's breach of the no shop, no talk or no due diligence restrictions;
- (e) the Discloser has provided the Recipients with the material terms and conditions of the actual, proposed or potential Competing Proposal, including price, form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing and conditions precedent and the identity of the third party that made the actual, proposed or potential Competing Proposal, to the extent known by the Discloser;
- (f) following the Discloser providing the material terms and conditions of the actual, proposed or potential Competing Proposal to the Recipients (including the information specified above), the Discloser has given the Recipients at least three Business Days to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal; and
- (g) the board of directors of the Discloser determines that the Recipients have not provided a proposal that matches or is superior to the terms of the actual, proposed or potential Competing Proposal by the expiry of the three Business Day matching period specified above.

Each successive material modification of any actual, proposed or potential Competing Proposal constitutes a new actual, proposed or potential Competing Proposal for the purposes of the matching right, and the matching right process must again be complied with in respect of such proposal.

1.7 Ordinary course discussions

The exclusivity provisions do not prevent the Discloser from making presentations to, responding to enquiries from, or otherwise engaging in the ordinary course with brokers, analysts, financiers and other third parties in relation the business generally or promoting the merits of the Potential Transaction.

1.8 Key defined terms

Competing Proposal means any offer, proposal, agreement, arrangement or transaction (or expression of interest), whether existing before, on or after the date of this document, which, if entered into or completed, would result in a person (either alone or together with any associate), other than the Recipients and their associates:

1. directly or indirectly acquiring a Relevant Interest (as defined in sections 608 and 609 of the *Corporations Act 2001* (Cth)) in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the shares of the Discloser (other than as a custodian, nominee or bare trustee);
2. acquiring Control (being the possession, directly or indirectly, of the power to direct or cause the direction of management or policies whether through the ownership of voting securities, by agreement or otherwise) of the Discloser or any of its material related bodies corporate;
3. directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control



of, all or substantially all or a material part of the business or assets of the Discloser and its related bodies corporate (as a whole);

4. otherwise directly or indirectly acquire, merge or amalgamate with, or acquire a controlling shareholding or economic interest in, the Discloser and its related bodies corporate or in all or substantially all of their assets or business (as a whole); or
5. requiring the Discloser to abandon, or otherwise fail to proceed with, the Potential Transaction.

Discloser means Origin Energy Limited.

Exclusivity Period means the period:

- (a) commencing on 9 November 2022; and
- (b) ending the day that is one week after either party gives notice of termination of exclusivity to the other party, provided that such notice can only be given on and from the date that is 5 weeks and 4 days after 9 November 2022.

Potential Transaction means a transaction which is approved or recommended by the board of the Discloser, under which the Recipients would acquire all of the shares of the Discloser on terms approved by the Recipient and such other terms as may be agreed between the parties, provided that nothing in this deed imposes any binding obligation on either party to proceed to implement the Potential Transaction.

Recipients means Brookfield Renewable Group Australia Pty Ltd and EIG Global Energy (Australia) Pty Ltd.

Representatives means directors, officers, employees and advisers.

Superior Proposal means a bona fide written Competing Proposal received by the Discloser that the board of directors of the Discloser determines, acting in good faith:

1. is reasonably capable of being completed, taking into account all relevant aspects of the Competing Proposal (including its conditions, the identity and financial condition of the party or parties making the Competing Proposal, and all relevant legal, financial, regulatory and other matters); and
2. would, or would be reasonably likely to, if completed substantially in accordance with its terms, provide a superior outcome overall for the Discloser shareholders than the Potential Transaction (as the Potential Transaction is amended or varied based on the most recent proposal provided to the Discloser from the Recipients, including following application of the matching right, if applicable), taking into account all relevant factors, including the terms, conditions and other aspects of the Competing Proposal and the Potential Transaction.