To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	16 February 2017
From	Helen Hardy	Pages	4
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 2016.

Regards

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ASX/Media Release

16 February 2017

Origin reports solid operational performance; Recognises $1.9 billion (post tax) impairment; Improves Underlying EBITDA guidance range for FY2017

Origin Energy Limited (Origin) today announced its HY2017 results including a Statutory Loss of $1.68 billion, principally driven by an impairment charge of $1.9 billion. This charge is comprised of Origin's 37.5 per cent share of Australia Pacific LNG's impairment of its assets ($1.03 billion), and impairment of investments in Browse Basin ($578 million), conventional exploration assets ($170 million) and Energía Austral SpA ($114 million).

Underlying EBITDA increased $277 million or 32 per cent to $1.15 billion, reflecting the solid operational performance of the business.

Underlying Profit of $184 million was a 28 per cent reduction on the prior period driven by a lower contribution from Australia Pacific LNG due to low oil prices resulting in insufficient LNG revenue to cover increases in Interest, Tax, Depreciation and Amortisation.

Operating cash flow of $495 million was up 6 per cent or $27 million. Net cash from operating and investing activities reduced 60 per cent to $326 million, reflecting the sale of Contact Energy in the prior year.

Origin advises that its FY2017 Underlying EBITDA guidance range has improved to $2,450 million to $2,615 million, subject to market conditions.

Financial Summary	HY2017	HY2016
Statutory (Loss)	($1,677) million	($254) million
Statutory EPS	(95.6) cps	(18.1) cps
Items excluded from Underlying Profit	($1,861) million	($508) million
Underlying Profit	$184 million	$254 million
Underlying EPS	10.5 cps	18.1 cps
Underlying EBITDA	$1,145 million	$868 million
Interim Dividend Unfranked	Nil	10c

Origin CEO Frank Calabria said, "Our operational performance was solid during the period and a number of important milestones were achieved. The review of the carrying value of all Origin assets led also to a number of impairments that heavily impacted the statutory result.

"Pleasingly, higher contributions from Origin's two business units, Integrated Gas and Energy Markets, delivered a $277 million increase in Underlying EBITDA to $1.15 billion.

“In Integrated Gas, completion of Australia Pacific LNG was a standout achievement. This, along with first gas from the Halladale and Speculant fields in the Otway Basin, delivered a significant increase in production, EBITDA and cash flow.

“Energy Markets continued to deliver increasing earnings with the natural gas and electricity portfolios performing well, customer numbers increasing and increased gas and electricity volumes, and higher margins in solar and energy services.

“During the period, Origin announced an intention to sell via IPO its conventional upstream assets and we are on track to complete this transaction in 2017. Other important developments included continued progress on asset sales and installation of a new leadership team, which earlier this week was bolstered by the appointment of Lawrie Tremaine as CFO.

“We continue to focus on accelerating debt reduction and improving returns to shareholders, so we can position Origin for growth in a rapidly changing market,” Mr Calabria said.

Origin Chairman Gordon Cairns said, “The Board has determined not to pay a dividend in respect of earnings for the first half of the 2017 financial year. The Board will continue to review each dividend decision in light of our focus on debt reduction.”

Energy Markets reports growth in customers and gas volumes

Energy Markets reported a $13 million increase in Underlying EBITDA to $734 million.

While the market remains competitive, Origin’s total customer accounts increased by 17,000 and churn was stable. This was a result of improved customer experience and retention and product innovation. Origin achieved a 4 point increase in its interactive Net Promoter Score to +13.

The volume of gas sold to business customers, including LNG projects, increased by 24 per cent. Origin also maintained a competitive cost of gas supply despite a reduction in the benefits of ramp gas compared to the prior period.

In electricity, a competitive cost of energy was achieved, while a one in 20-year maintenance program at Eraring was completed. This, combined with higher market prices, contributed to margin improvement.

During the period, Origin continued to grow its renewable energy portfolio. This included the signing of 275 MW of utility scale renewable PPAs at attractive prices with Clare, Bungala, Lakeland and DeGrussa solar farms. This has cemented Origin’s position as the largest contractor of solar power in Australia.

Integrated Gas reports substantial increase in production

Integrated Gas reported a $305 million increase in Underlying EBITDA to $442 million.

During the period, Australia Pacific LNG production increased by 76 per cent with the commencement of exports from Train 2, and E&P production increased by 12 per cent as the Halladale and Speculant fields came online. This led to record production for the period of 154.3 PJe.

Australia Pacific LNG continues to increase production with supply on track for the two train operational test. During the period, 45 cargoes were loaded and shipped from the Australia Pacific LNG facility, including to Sinopec and Kansai in accordance with their respective long-term contracts. Train 2 revenue recognition commenced in November 2016, following the commencement of exports from that train.

In the Beetaloo Basin, Origin has been buoyed by the results of recent drilling activity which confirm the existence of a material shale gas reservoir. Further exploration and appraisal activity will be required in order to move towards contingent resource and reserve positions.

Outlook

Origin advises that its FY2017 Underlying EBITDA guidance range, which was previously $2,370 to $2,615 million, has improved to $2,450 to $2,615 million[1], subject to market conditions. Underlying Profit guidance is $480 million to $590 million for FY2017.

Origin's remaining contribution to Australia Pacific LNG is expected to be $0.3 billion, a $0.2 billion reduction on previous guidance[2], reflecting higher revenue and lower capital spend than previously forecast.

Mr Calabria said, "Accelerating debt reduction continues to be a key priority for Origin, with adjusted net debt targeted to be well below $9 billion by the end of the 2017 financial year. Upon completion of the expected sale via IPO of the conventional upstream assets, Origin expects a further material reduction in debt."

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[1] Based on US$52.33 per barrel and AUD/USD exchange rate of $0.73. For Australia Pacific LNG, the effective oil price for oil linked LNG sales will incorporate the lag in oil prices associated with LNG Sale and Purchase Agreements. Previous guidance based on average oil price of US$52.90/bbl and AUD/USD exchange rate of $0.74

[2] Previous guidance of Origin's remaining contribution to Australia Pacific LNG was $600 million from 1 July 2016, less $124 million contributed in the six months to 31 December 2016.