



To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	9 September 2014
From	Helen Hardy	Pages	5
Subject	Origin successfully prices €1 billion hybrid capital securities with 50% equity credit from S&P and Moody's		

Please find attached a release on the above subject.

Regards

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## ASX/Media Release

9 September 2014

### **Origin successfully prices €1 billion hybrid capital securities with 50% equity credit from S&P and Moody's**

Origin Energy Limited ("Origin") today announced the successful pricing and allocation of a €1 billion hybrid capital issuance with the proceeds subsequently swapped into approximately \$1.4 billion Australian dollars.

Origin expects that the hybrid will be awarded 50 per cent equity credit for ratings purposes from Standard & Poor's and Moody's, thereby supporting Origin's current credit ratings.

Origin Executive Director, Finance and Strategy, Ms Karen Moses said, "Historically, Origin has enjoyed a strong level of support from investors across debt, hybrid and equity markets. This is demonstrated by the successful issue of €800 million and US\$800 million senior unsecured notes in October 2013, together with the successful pricing of this €1 billion hybrid.

"The issuance of these hybrid securities will complete Origin's financing associated with the acquisition of interests in two exploration permits located in Western Australia's prospective Browse Basin. Additional funds raised will be used for general corporate purposes," Ms Moses said.

The hybrid is Euro-denominated and has been hedged into Australian dollars, is subordinated, matures after 60 years and can be redeemed by Origin at years 5 and 10 or on any interest payment date thereafter. The hybrid pays fixed semi-annual interest at a rate of 4.00 per cent per annum for the first 5 years and thereafter at reset rates in accordance with the terms and conditions (refer to Annexure A for a summary of key terms). After hedging to Australian dollars, the cost to Origin will be 7.91 per cent per annum for the first 5 years. The hybrid instrument is treated as debt for accounting and taxation purposes. The hybrid terms do not include any rights to convert into Origin ordinary shares.

The settlement of the offering is expected to occur in mid-September 2014 and is subject to customary conditions.

UBS Limited acted as structuring advisor on the hybrid capital raising and Barclays Bank PLC, Goldman Sachs International and UBS Limited were Joint Lead Managers.



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**About Origin Energy**

Origin Energy (ASX: ORG) is the leading Australian integrated energy company focused on gas and oil exploration and production, power generation and energy retailing. A member of the S&P/ASX 20 Index, the company has more than 6,000 employees and is a leading producer of gas in eastern Australia. Origin is Australia's largest energy retailer servicing 4.3 million electricity, natural gas and LPG customer accounts and has one of the country's largest and most flexible generation portfolios with approximately 6,010 MW of capacity, through either owned generation or contracted rights. Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth across the energy industry. Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest 2P CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, a leading integrated energy company, operating geothermal, thermal and hydro generation facilities and servicing electricity, gas and LPG customers across both the North and South islands. Origin is also a major operator and participant in petroleum exploration acreage in New Zealand.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.

For more information go to [www.originenergy.com.au](http://www.originenergy.com.au)

This announcement (including Annexure A) is not a prospectus for the purposes of EU Directive 2003/71/EC, as amended (the "Prospectus Directive") and/or Part VI of the Financial Services and Markets Act 2000 ("FSMA") or Chapter 6D of the Australian Corporations Act 2001 (Corporations Act). A European prospectus will be prepared and made available in accordance with the Prospectus Directive. Eligible investors should not subscribe for the hybrid capital securities to be issued by origin Energy Finance Limited referred to in this document ("Capital Securities") except on the basis of information contained in the European prospectus. The European prospectus, when published, will be available on the website of the Luxembourg Stock Exchange. This announcement does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of the Capital Securities nor is it intended to be an inducement to engage in investment activity for any purpose, including Section 21 of the FSMA.

The European prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission and is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act. Any offer of Capital Securities by the Issuer in Australia will only be made to persons who are not retail clients within the meaning of section 761G of the Corporations Act and who are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act.

The offering is addressed to, and directed in member states of the European Economic Area which have implemented the Prospectus Directive at, persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("qualified investors"). In addition, in the United Kingdom, the offering is directed only at qualified investors (i) who



have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and qualified investors falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"), and (ii) to whom it may otherwise lawfully be communicated under the Order. This announcement must not be acted on or relied on by persons who are not relevant persons in the United Kingdom or qualified investors as the case may be. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons or qualified investors as the case may be.

Each of Origin, Origin Energy Finance Limited, the Joint Lead Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any statement contained in this announcement whether as a result of new information, future developments or otherwise.

The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"). Accordingly, the Capital Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.



## Annexure A – Summary of key terms and conditions

Issuer	Origin Energy Finance Limited
Guarantor	Origin Energy Limited
S&P equity credit	Intermediate (50%)
Moody's equity credit	Basket C (50%)
Offering type	Reg S
Currency	EUR
Issue size	EUR 1 billion
Guarantor credit ratings	BBB (Negative) / Baa2 (Stable)
Nature of instrument	Subordinated notes
Ranking	Subordinated, ranking only in priority to ordinary shares, and ranking equally with the existing €500 million and A\$900 million hybrid securities
Settlement date	16 September 2014, subject to customary closing conditions
Maturity date	16 September 2074 (Year 60)
Call dates	Years 5 and 10 and any interest payment date thereafter, and following certain defined events occurring
Interest	<p>Fixed semi-annual interest at 4.00% p.a. until the first call date in Year 5</p> <p>Reset fixed rate interest thereafter in accordance with the terms and conditions, including interest rate step-ups as follows:</p> <ul style="list-style-type: none"><li>• Year 10: 0.25% p.a.</li><li>• Year 25: 1.00% p.a. (cumulative)</li></ul>
Optional interest deferral	Yes, subject to a dividend stopper
Accumulation	Any deferred interest is cash cumulative on a compounding basis and must be paid in the event any discretionary dividends or distributions on ordinary equity or parity obligations are paid
Change of Control	Origin has the right to redeem at par plus accrued interest and any deferred and outstanding interest at any time following a change of control of Origin if, consequent on the change of control, Origin's credit rating is downgraded by S&P or Moody's and the lowered credit rating is below BBB and/or Baa2. If Origin does not redeem following a change of control, the interest rate on the Capital Securities increases by 5% p.a.
Listing	Luxembourg Stock Exchange

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