

To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	31 July 2020
From	Helen Hardy	Pages	24
Subject	June 2020 Quarterly Report		

Please find attached a release on the above subject.

Regards

A handwritten signature in black ink, appearing to read 'Helen Hardy'.

Authorised by:
Helen Hardy
Company Secretary

02 8345 5000



ASX/Media Release

31 July 2020

Quarterly Report June 2020

Origin Energy (Origin) has released its Quarterly Report for the period to 30 June 2020, covering the performance of its Integrated Gas and Energy Markets divisions.

Integrated Gas

- Origin received record cash distributions from APLNG of \$1,275 million in FY2020, at the top end of the guidance range and up from \$974 million in FY2019.
- Australia Pacific LNG delivered record production in FY2020 and reached the milestone of exporting its 500th cargo in June.
- Full year revenue declined 5 per cent with increased production offset by fewer purchases, gas inventory movements, a higher proportion of spot LNG sales and lower domestic prices.
- June quarter production was down 3 per cent in response to lower demand as a result of the COVID-19 pandemic.
- June quarter revenue declined 3 per cent due to fewer scheduled cargoes and lower spot LNG volumes, partially offset by increased domestic sales.
- June quarter realised price was A\$10.21/GJ, comprising an average LNG price (contracted and spot) of US\$8.80/mmbtu (A\$12.72/GJ) and an average domestic price of A\$4.90/GJ.

Energy Markets

- FY2020 electricity volume was down 7 per cent across retail and business segments reflecting a combination of milder weather, solar and energy efficiency and COVID impacts in the final quarter, as well lower SME and C&I customers.
- FY2020 gas volume was down 4 per cent, with higher retail volume and gas to generation, more than offset by lower business volume due to roll-off of wholesale and C&I contracts.
- June quarter movements in electricity and gas volumes reflect seasonality as well as the impacts of COVID-19 on demand.
- Good progress has been made on implementing a new retail operating model in partnership with Octopus Energy. Development of the customised Kraken platform for Origin is progressing well and preparations are underway to migrate the first cohort of customers by the end of the year. A small team has been seconded to Octopus to service its customers and gain experience with the Kraken platform ahead of the Australian deployment.

Origin CEO Frank Calabria said, "There were a number of highlights at Australia Pacific LNG this year, with record production, very high plant reliability and continued improvement in field performance and reduction in capital and operating costs.

"Origin also received record cash distributions from Australia Pacific LNG, demonstrating the value of this world-class asset to our business.

"In retail, we were able to pass lower wholesale costs onto our customers, which contributed to lower prices for most customers in Queensland, South Australia, New South Wales and the Australian Capital Territory.

"The pandemic has impacted natural gas and electricity demand and some residential and small to medium enterprise customers are facing financial difficulties. Our focus has been on supporting customers, and we have extended our commitments not to disconnect those in financial distress and to waive late payment fees until 31 October.



“We have also responded by reducing our operating costs and capital expenditure, to help minimise the impact of the pandemic on our business. As we continue to navigate these challenging times, we will be closely monitoring the impact on our business and responding accordingly,” Mr Calabria said.

Quarterly results overview

	Unit	Jun-20	Mar-20	% Mvt	Jun-19	% Mvt	FY20	FY19	% Mvt
Integrated Gas – Share of APLNG									
Production	PJ	64.5	66.8	(3%)	64.0	1%	265.3	254.7	4%
Commodity Revenue	\$m	610.2	628.5	(3%)	643.4	(5%)	2,643.5	2,788.6	(5%)
Energy Markets									
Electricity sales	TWh	7.8	8.7	(10%)	8.7	(9%)	33.5	36.2	(7%)
Natural gas sales	PJ	67.2	57.7	16%	65.1	3%	259.2	271.3	(4%)
Corporate									
Origin capex	\$m	127	114	11%	76	67%	500	341	47%
Origin investments	\$m	141	16	n/a	1	n/a	165	64	158%

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Origin Energy

Quarterly Report

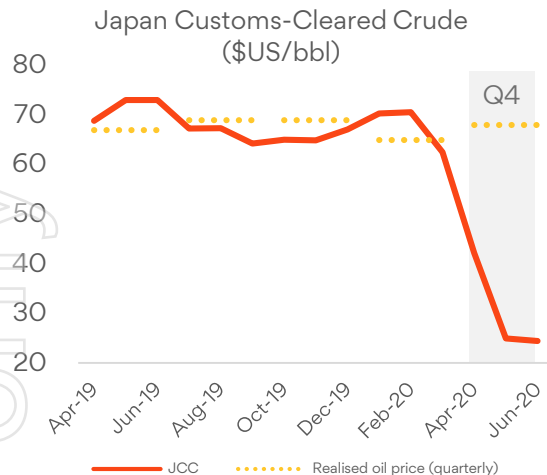
June 2020



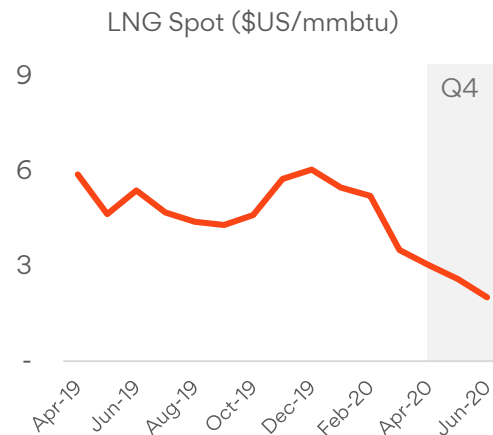


Integrated Gas

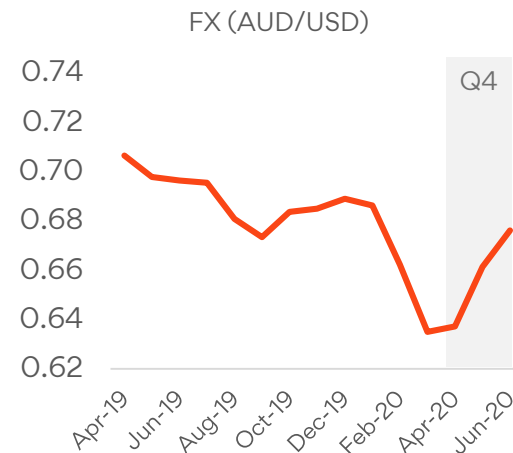
Oil and LNG markets



Source: Petroleum Association of Japan, Refinitiv



Source: IHS Markit¹



• APLNG's realised lagged oil price in the Jun-20 quarter was US\$68/bbl (A\$104/bbl), up from US\$65/bbl (A\$99/bbl) in the Mar-20 quarter and US\$67/bbl (A\$95/bbl) in the Jun-19 quarter

• FY2020 APLNG US\$ realised lagged oil price (US\$68/bbl) was down on FY2019 (US\$73/bbl), but stable in A\$ terms (A\$101/bbl)

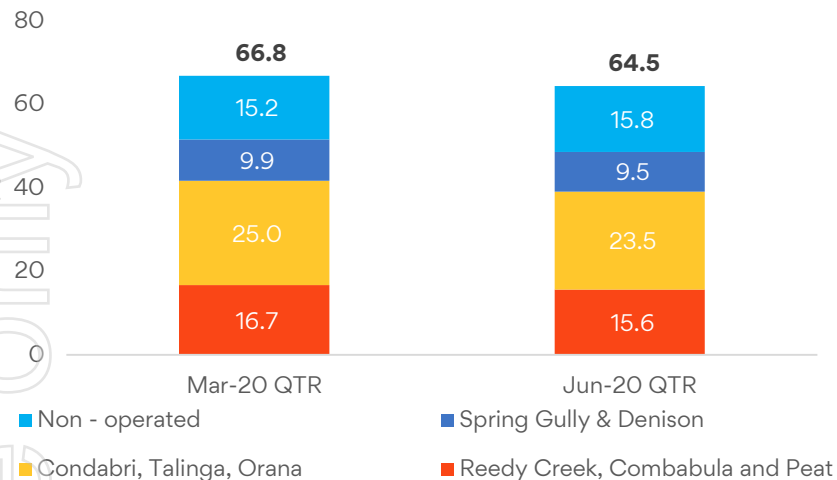
• JCC and Spot LNG prices materially declined in the Jun-20 quarter as a result of weaker demand linked to COVID-19. JCC was also impacted by a disagreement amongst OPEC+ members on production in early March 2020

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APLNG delivered record production in FY2020

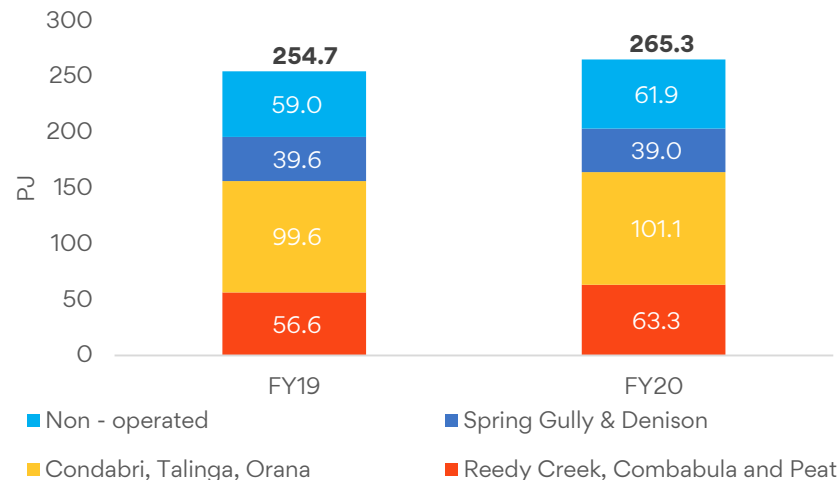


Quarterly Production (Origin Share)



- Jun-20 production down 2.3 PJ (3%) from Mar-20 quarter
 - reduced operated production in response to lower demand due to COVID-19
 - partially offset by improved non-operated facility reliability and well availability

Financial Year Production (Origin Share)

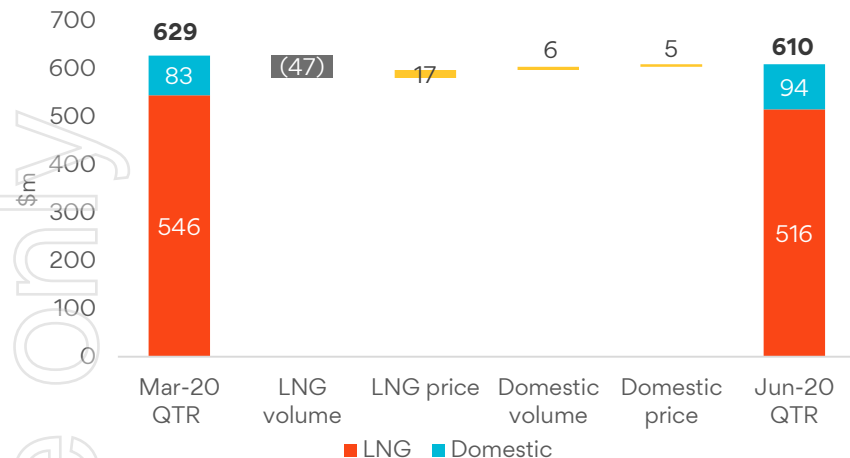


- FY2020 production up 10.6 PJ (4%) from prior year
 - improved operated and non-operated field performance with higher well availability and facility reliability
 - commissioning of the Eurombah Reedy Creek Interconnect (ERIC) pipeline in July 2019 improved utilisation of processing capacity
 - partially offset by reduction in operated production in Jun-20 quarter in response to lower demand

APLNG revenue down 3% from prior quarter

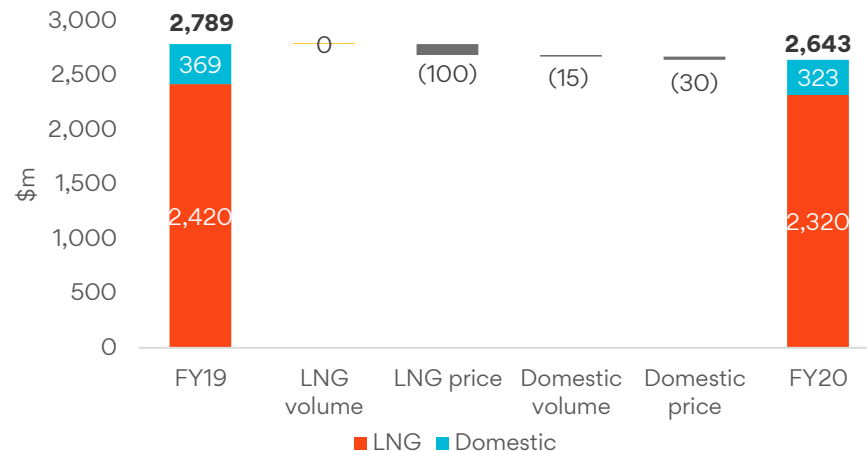


Jun-20 QTR vs Mar-20 QTR (Origin Share)



- APLNG revenue down 3% on Mar-20 quarter with lower LNG revenue partially offset by higher domestic revenue
 - LNG revenue down 5% due to fewer contracted cargoes scheduled and lower spot volumes and prices, partially offset by higher realised oil prices
 - Domestic revenue up 14% with more gas directed to short term domestic sales

FY2020 vs FY2019 (Origin Share)

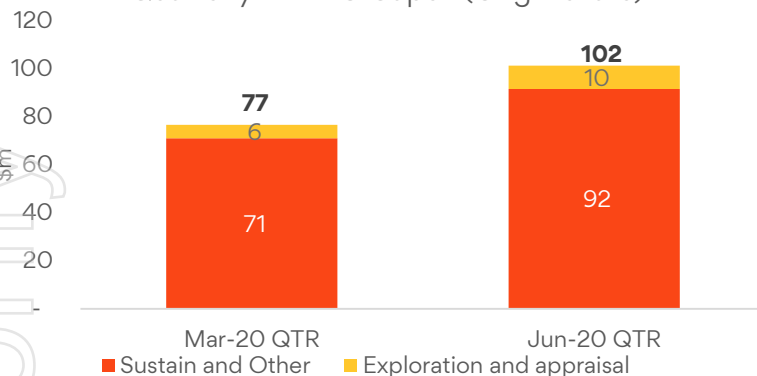


- FY2020 APLNG revenue down 5% from prior year with increased production offset by lower purchases and gas inventory movements
 - LNG revenue down 4% driven by a higher proportion of sales into a weaker spot market
 - Domestic gas revenue down 12% due to lower sales volumes and lower average prices

APLNG capital expenditure (Origin share)

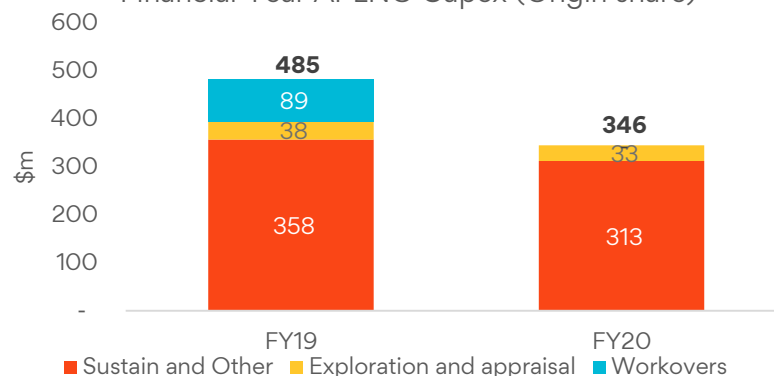


Quarterly APLNG Capex (Origin share)



- Sustain and other capex is higher due to purchase of spares for maintenance and increased activity following wet weather impacts last quarter
- E&A spend in the quarter primarily related to two Condabri Deep pilot wells, production testing of South Burunga 2 and restoration and preparatory activities
 - South Burunga 2 results did not achieve commercial targets, as such the exploration costs were written off (\$21 million Origin share)

Financial Year APLNG Capex (Origin share)¹



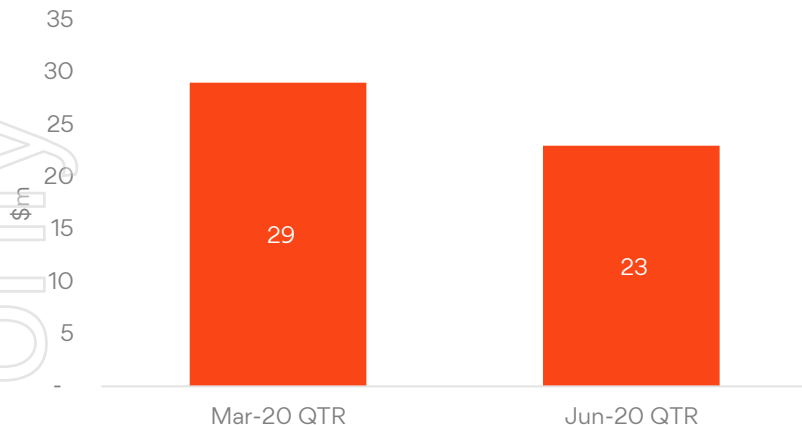
- Workover costs are directly expensed as incurred from FY2020
- FY2020 sustain and other capex was down \$45 million (Origin share) on FY2019 driven by
 - Lower operated spend primarily related to infrastructure with the ERIC pipeline build in FY2019
 - \$19 million benefit in FY2020 related to settlement of a claim in respect of initial project construction work
 - Lower non-operated spend due to lower well development activity.

1) APLNG capex is reported on an accrual basis. For the purpose of comparability FY2019 workover costs have been shown separately. These costs are expensed as incurred from FY2020
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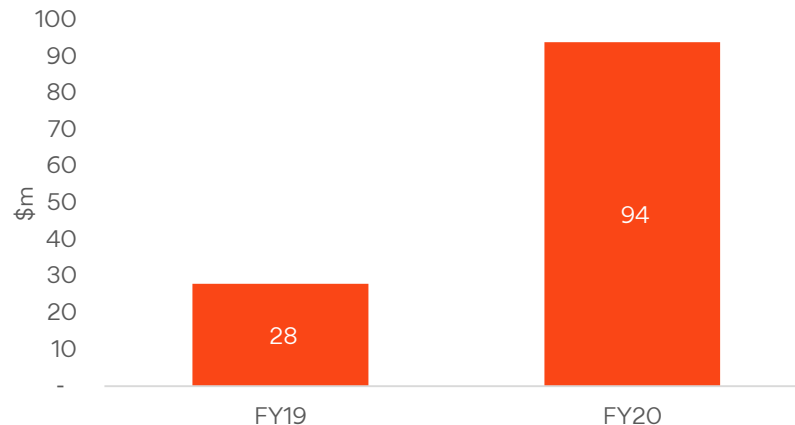
Integrated Gas – Origin capex



Quarterly Integrated Gas - Other Capex



Financial Year Integrated Gas - Other Capex

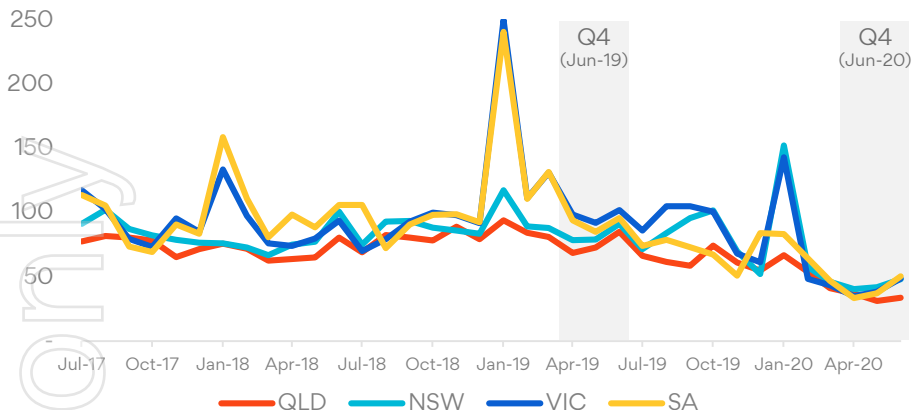


- During the Jun-20 quarter, capex primarily relates to E&A spend on the Kyalla drilling program prior to the decision to pause due to COVID-19 as well as demobilisation and stand-by costs

- Capex spend primarily relates to Beetaloo E&A activity including Kyalla and Velkerri civil works, rig mobilisation and Kyalla drilling
- Results to date from the Kyalla well demonstrate good reservoir continuity, conductive natural fractures, and continuous gas shows

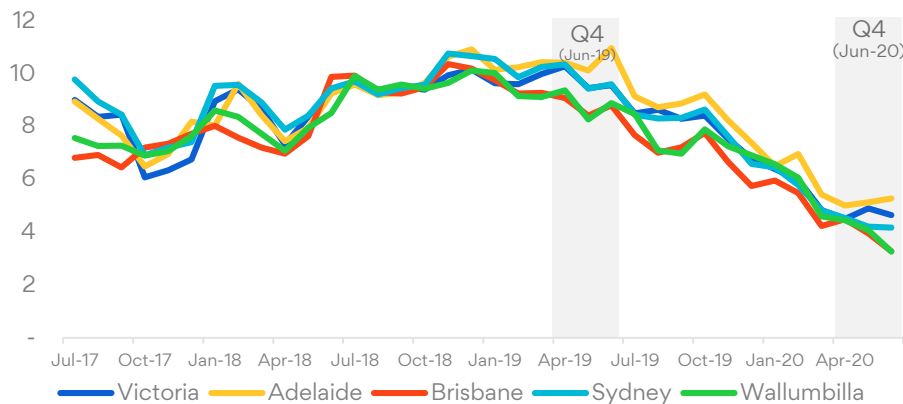
Electricity and natural gas markets

Electricity (\$/MWh)



Source: AEMO

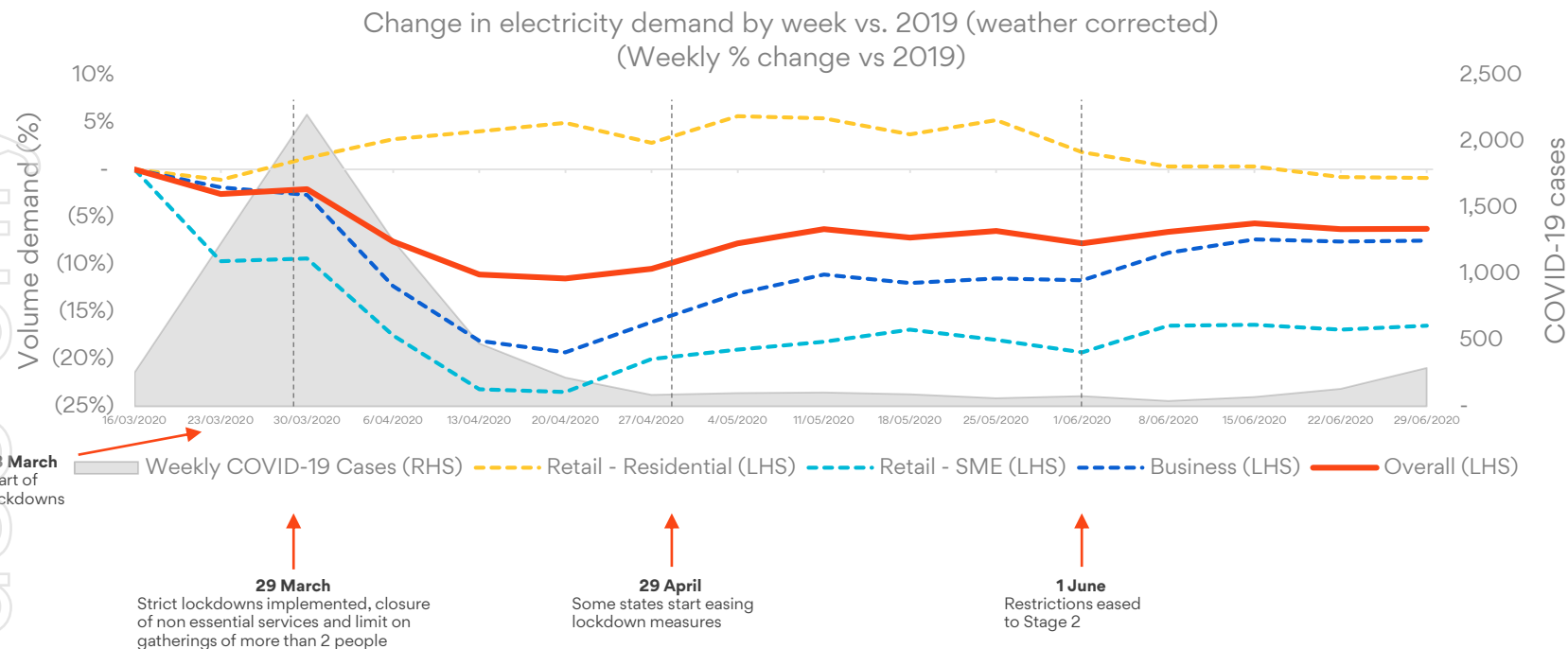
Natural Gas (\$/GJ)



Source: AEMO

- Average NEM spot electricity price for the Jun-20 quarter dropped significantly to \$39.6/MWh, down from both \$70.6/MWh in the Mar-20 quarter and \$86.8/MWh in the Jun-19 quarter:
 - Lower demand continued across the quarter driven by milder weather in April and the continued impact of COVID-19, while electricity supply increased as baseload plants previously offline returned in April, falling spot gas prices resulted in higher gas generation, and renewable generation continued to increase
 - Refer to slide 10 for further details on the impact of COVID-19 on Origin's electricity demand
- Average domestic spot gas price for the Jun-20 quarter was \$4.39/GJ, compared to \$5.74/GJ in the Mar-20 quarter and \$9.53/GJ in Jun-19 quarter:
 - Decrease driven by linkage to lower Asian LNG prices, exacerbated by impacts of COVID-19 on demand and storage levels.

COVID-19 impacts on Origin electricity demand



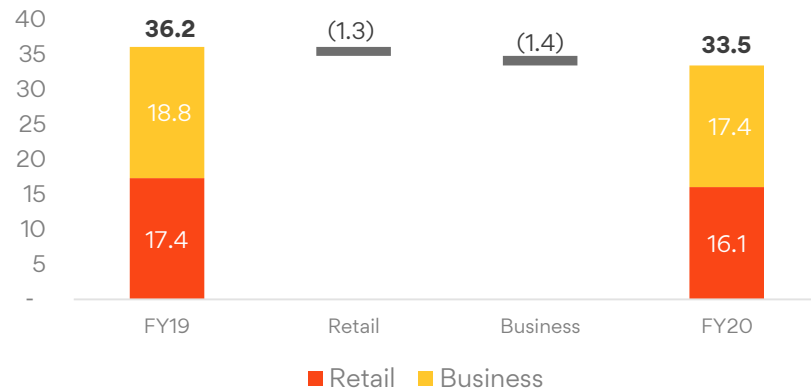
Source: Weekly Cases: Australian Government, Department of Health; Electricity Demand (weather corrected): Origin internal analysis

Jun-20 Quarter vs Jun-19 Quarter
(TWh)



- Retail volumes down 9% on Jun-19 quarter due to
 - lower usage from solar/energy efficiency and COVID-19, partially offset by cooler weather (~0.1 TWh)
 - lower SME customers from large tenders (~0.1 TWh) and prior period market revisions (~0.2 TWh)
- Business volumes were down 11% on Jun-19 quarter due primarily to lower demand impacts from COVID-19

FY20 vs FY19
(TWh)

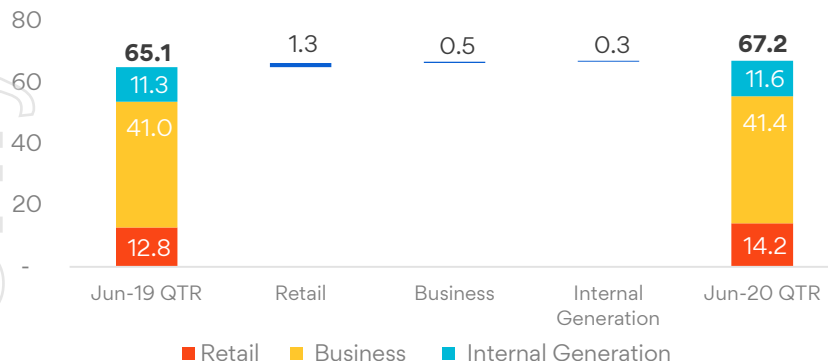


- Retail volumes down 7% on FY2019 due to
 - lower usage from milder weather (~0.3 TWh), solar uptake / energy efficiency (~0.3 TWh) and COVID-19 (~0.2 TWh)
 - lower SME customers from large tenders (~0.4 TWh) and changes in residential customer mix (~0.1 TWh)
- Business volumes down 7% due to the expiration of contracts, and lower demand impacts from COVID-19

Energy Markets – Natural gas sales

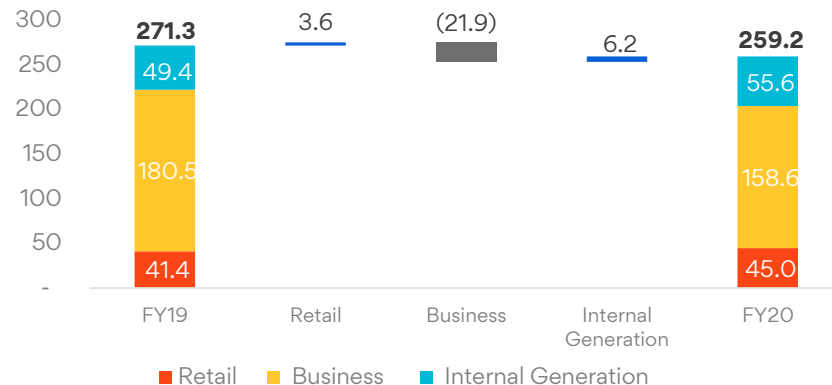


Jun-20 Quarter vs Jun-19 Quarter
(PJ)



- Retail volumes up 10% on Jun-19 quarter due to cooler weather in Victoria (1.1 PJ), and higher customer numbers (0.6 PJ), partially offset by COVID-19 impacts with increased residential demand more than offset by lower SME demand (-0.3PJ)
- Business volumes up 1% with new Business contracts (1.7PJ) partially offset by the impact of COVID-19 (-1.2PJ)
- Gas to generation up 3% on Jun-19 quarter reflecting the non-repeat of an outage at Darling Downs power station in the Jun-19 quarter

FY20 vs FY19
(PJ)

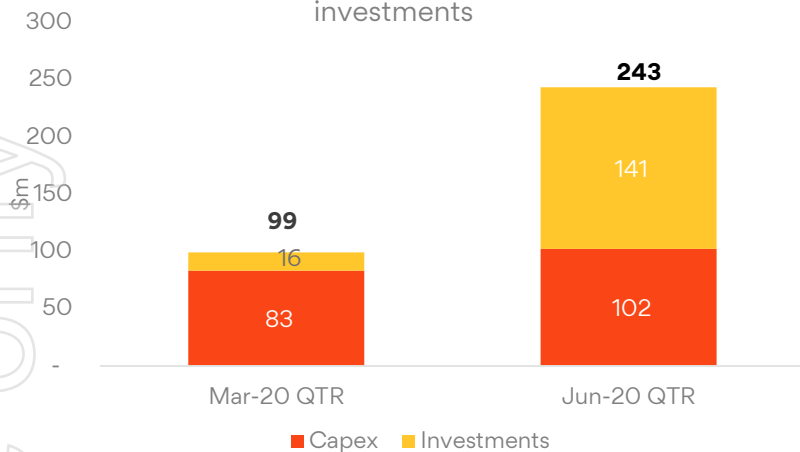


- Retail volumes up 9% on FY2019 due to cooler weather in Victoria (2.0 PJ), and higher customer numbers (1.9 PJ), partially offset COVID-19 impacts with increased residential demand more than offset by lower SME demand (-0.3 PJ)
- Business volumes down 12% due to the roll-off of short term wholesale contracts in Queensland and expiration of C&I contracts.
- Gas to generation up 13% reflecting cover for Eraring outages, and the roll-off of short term contracts which diverted gas from generation in FY2019

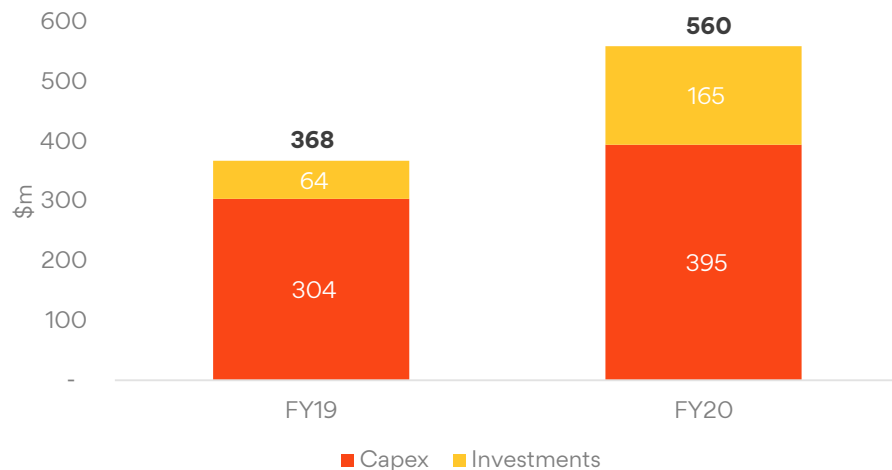
Energy Markets Capital expenditure



Quarterly Energy Markets capex and investments



FY Energy Markets capex and investments



- Jun-20 capex included generation maintenance, Community Energy Services development spend, digital initiatives, and initial Kraken IT platform spend
- Jun-20 investments primarily reflect initial payments relating to the 20% equity interest in Octopus Energy, including transaction costs (\$128 million)

- As expected, capex is up 30% or \$91 million on the prior year due to higher generation spend with major inspections at Eraring and Uranquinty and unplanned maintenance at Eraring and Mortlake
- FY2020 investments reflect initial payments relating to the 20% equity interest in Octopus Energy, deferred payment for OC Energy as well as other Future Energy investments, compared with the OC Energy and Intertrust investments in the prior year

Data tables

Integrated Gas – APLNG 100%



APLNG	Unit	Jun-20	Mar-20	% Mvt	Jun-19	% Mvt	FY20	FY19	% Mvt
Total production	PJ	172.0	178.1	(3%)	170.7	1%	707.6	679.1	4%
Total sales	PJe	159.4	166.0	(4%)	166.1	(4%)	668.3	676.2	(1%)
LNG									
Production	kt	1,936.4	2,145.7	(10%)	2,132.8	(9%)	8,712.8	8,652.4	1%
Sales	kt	1,952.5	2,138.1	(9%)	2,116.0	(8%)	8,686.8	8,684.3	0%
Commodity Revenue	\$m	1,376.0	1,455.5	(5%)	1,476.7	(7%)	6,187.7	6,453.4	(4%)
Average realised price	US\$/mmbtu	8.80	8.56	3%	9.31	(5%)	9.12	10.12	(10%)
Domestic Gas									
Sales	PJ	51.2	47.6	8%	48.9	5%	187.1	195.1	(4%)
Commodity Revenue	\$m	251.1	220.4	14%	239.0	5%	861.5	982.8	(12%)
Average realised price	\$/GJ	4.90	4.63	6%	4.89	0%	4.61	5.04	(9%)
APLNG capex ¹									
E&A	\$m	26	15	73%	14	86%	88	102	(14%)
Sustain and Other	\$m	245	190	29%	226	8%	834	954	(13%)
Workovers	\$m	-	-	n/a	82	(100%)	-	237	(100%)

1) APLNG capex is reported on an accrual basis. For the purpose of comparability Mar-19 and FYTD-19 workover costs have been shown separately.

APLNG sources of gas – APLNG 100%



Production volumes	Units	Jun-20	Mar-20	% Change	Jun-19	FY20	FY19
Operated							
Spring Gully	PJ	25.3	26.3	(4%)	25.8	104.0	105.0
Peat	PJ	0.6	0.9	(33%)	0.7	3.0	2.4
Denison	PJ	-	-	n/a	-	-	0.5
Talinga	PJ	16.3	17.7	(8%)	18.2	72.8	73.8
Orana	PJ	16.4	17.0	(4%)	17.5	68.4	65.5
Condabri	PJ	30.3	31.9	(5%)	32.3	128.3	126.2
Combabula/Reedy Creek	PJ	41.2	43.6	(6%)	35.6	165.9	148.4
Total operated production	PJ	130.0	137.5	(5%)	130.1	542.4	521.8
Non-operated							
Fairview (GLNG)	PJ	8.4	8.5	(1%)	9.0	34.6	37.0
Arcadia (GLNG)	PJ	0.4	0.3	33%	0.2	1.2	0.7
Angry Jungle (GLNG)	PJ	0.7	0.9	(22%)	-	1.7	-
Anya (QGC)	PJ	0.4	0.4	n/a	0.5	1.7	1.2
Kenya East (QGC)	PJ	14.6	14.5	1%	15.2	59.2	58.2
Kenya (QGC)	PJ	16.4	15.1	9%	14.9	62.9	57.1
Bellevue (QGC)	PJ	1.1	0.8	38%	0.9	3.8	3.1
Total non-operated production	PJ	42.0	40.6	3%	40.6	165.2	157.3
Total upstream production	PJ	172.0	178.1	(3%)	170.7	707.6	679.1
Natural gas purchases	PJ	3.6	3.0	20%	5.2	17.5	32.5
Changes in Upstream gas inventory/other	PJ	(8.2)	(4.4)	86%	0.6	(15.2)	1.2
Total sources of natural gas	PJ	167.4	176.7	(5%)	176.5	709.9	712.7

APLNG Operated Production Wells

		Avg daily production (APLNG share)		Development Wells	
				Wells drilled	Wells commissioned
Bowen	Spring Gully	278 TJ/d	Jun-20 QTR FY20	0 15	2 20
	Peat	7 TJ/d	Jun-20 QTR FY20	- -	- -
	Denison	0 TJ/d	Jun-20 QTR FY20	- -	- -
Surat	Talinga	179 TJ/d	Jun-20 QTR FY20	1 13	- -
	Orana	180 TJ/d	Jun-20 QTR FY20	33 61	15 39
	Condabri	332 TJ/d	Jun-20 QTR FY20	6 39	24 55
	Combabula / Reedy Creek	452 TJ/d	Jun-20 QTR FY20	13 132	64 153
	TOTAL	1429 TJ/d	Jun-20 QTR FY20	53 260	105 267

APLNG uses of gas – APLNG 100%



Uses of gas	Units	Jun-20	Mar-20	% Change	Jun-19	FY20	FY19
LNG feed gas	PJ	116.2	129.1	(10%)	127.6	522.8	517.7
Domestic sales	PJ	51.2	47.6	8%	48.9	187.1	195.1
Total uses of natural gas	PJ	167.4	176.7	(5%)	176.5	709.9	712.7

LNG	Units	Jun-20	Mar-20	% Change	Jun-19	FY20	FY19
LNG Production	kt	1,936.4	2,145.7	(10%)	2,132.8	8,712.8	8,652.4
Changes in LNG inventory	kt	16.1	(7.6)	(312%)	(16.8)	(26.0)	31.9
Total LNG sales volume	kt	1,952.5	2,138.1	(9%)	2,116.0	8,686.8	8,684.3
LNG cargos sold	#	28	31	(10%)	30	125	124

APLNG commodity revenue	Units	Jun-20	Mar-20	% Change	Jun-19	FY20	FY19
LNG	\$m	1,376.0	1,455.5	(5%)	1,476.7	6,187.7	6,453.4
Domestic Gas	\$m	251.1	220.4	14%	239.0	861.5	982.8
Total Commodity Revenue	\$m	1,627.1	1,676.0	(3%)	1,715.7	7,049.2	7,436.2

Sales – APLNG average realised prices	Units	Jun-20	Mar-20	% Change	Jun-19	FY20	FY19
LNG	\$/GJ	12.72	12.29	3%	12.60	12.86	13.42
Domestic Gas	\$/GJ	4.90	4.63	6%	4.89	4.61	5.04
Average Commodity price	\$/GJe	10.21	10.09	1%	10.33	10.55	11.00

Integrated Gas – Origin share



APLNG (ORG share)	Unit	Jun-20	Mar-20	% Mvt	Jun-19	% Mvt	FY20	FY19	% Mvt
Total production (ORG share)	PJ	64.5	66.8	(3%)	64.0	1%	265.3	254.7	4%
Total sales (ORG share)	PJe	59.8	62.3	(4%)	62.3	(4%)	250.6	253.6	(1%)
LNG (ORG share)									
Production	kt	726.2	804.6	(10%)	799.8	(9%)	3,267.3	3,244.7	1%
Sales	kt	732.2	801.8	(9%)	793.5	(8%)	3,257.6	3,256.6	0%
Commodity Revenue	\$m	516.0	545.8	(5%)	553.7	(7%)	2,320.4	2,420.0	(4%)
Average realised price	US\$/mmbtu	8.80	8.56	3%	9.31	(5%)	9.12	10.12	(10%)
Domestic Gas (ORG share)									
Sales	PJ	19.2	17.8	8%	18.3	5%	70.2	73.2	(4%)
Commodity Revenue	\$m	94.2	82.7	14%	89.6	5%	323.1	368.5	(12%)
Average realised price	\$/GJ	4.90	4.63	6%	4.89	0%	4.61	5.04	(9%)
Integrated Gas Other	Unit	Jun-20	Mar-20	% Mvt	Jun-19	% Mvt	FY20	FY19	% Mvt
Origin only capex									
Capex	\$m	1	2	(50%)	2	n/a	9	11	(18%)
E&A	\$m	22	27	(19%)	6	267%	85	17	400%
Origin oil and LNG hedging/trading									
Hedge premium expense	\$m	1.3	(10.1)	(113%)	(13.0)	(110%)	(28.5)	(34.4)	(17%)
Gain / (Loss) on oil hedging	\$m	(0.1)	7.1	(101%)	(1.7)	(94%)	7.7	(80.6)	(110%)
Gain / (Loss) on LNG hedging/trading	\$m	11.6	(16.2)	(172%)	(21.2)	(155%)	(71.5)	(83.7)	(15%)
Total oil and LNG hedging/trading	\$m	12.8	(19.2)	(167%)	(35.9)	(136%)	(92.3)	(198.7)	(54%)

- Hedging/trading costs decreased quarter-on-quarter driven by favourable price impact on LNG trading positions and option premium receipts
- Lower FY2020 hedging/trading cost driven by oil and FX hedge gains, lower LNG hedging/trading cost and option premium spend

	Unit	Jun-20	Mar-20	% Mvt	Jun-19	% Mvt	FY20	FY19	% Mvt
Sales volumes									
Electricity – Retail	TWh	4.0	4.0	0%	4.4	(9%)	16.1	17.4	(7%)
Electricity – Business	TWh	3.9	4.7	(18%)	4.3	(11%)	17.4	18.8	(7%)
Natural gas – Retail	PJ	14.2	5.9	139%	12.8	10%	45.0	41.4	9%
Natural gas – Business	PJ	41.4	37.5	11%	41.0	1%	158.6	180.5	(12%)
Natural gas – Internal generation	PJ	11.6	14.3	(19%)	11.3	3%	55.6	49.4	13%
Capex	\$m	102	83 ⁽¹⁾	23%	66	54%	395	304	30%
Investments	\$m	141	16 ⁽¹⁾	n/a	-	n/a	165	64	158%

1) OC Energy payment of \$14 million has been reclassified from capex to investments.

Electricity sales volume (TWh)

	Jun-20 QTR		Mar-20 QTR		FY20		FY19	
Volumes sold (TWh)	Retail	Business	Retail	Business	Retail	Business	Retail	Business
New South Wales	2.0	2.0	1.8	2.3	7.8	8.7	8.4	9.4
Queensland	0.9	0.8	1.2	1.0	4.1	3.6	4.6	3.5
Victoria	0.7	0.7	0.6	0.9	2.9	3.4	3.1	4.0
South Australia	0.3	0.4	0.3	0.4	1.3	1.7	1.3	1.9
Total volumes sold	4.0	3.9	4.0	4.7	16.1	17.4	17.4	18.8

Natural Gas sales volume (PJ)

	Jun-20 QTR		Mar-20 QTR		FY20		FY19	
Volumes sold (PJ)	Retail	Business	Retail	Business	Retail	Business	Retail	Business
New South Wales	3.3	7.3	1.7	6.2	11.0	22.8	10.1	19.7
Queensland	0.7	14.7	0.7	19.1	3.1	66.9	3.3	92.3
Victoria	8.4	16.7	2.7	10.2	25.2	58.3	22.4	57.5
South Australia	1.7	2.7	0.8	2.0	5.7	10.6	5.6	11.0
External volumes sold	14.2	41.4	5.9	37.5	45.0	158.6	41.4	180.5
Internal sales (generation)		11.6		14.3		55.6		49.4
Total volumes sold		67.2		57.7		259.2		271.3

Conversion factors and abbreviations



Conversion factors

LNG	0.0554 PJ/ktonnes
LNG	1.0551 GJ/mmbtu

Abbreviations

\$	Australian dollars, unless stated otherwise
APLNG	Australia Pacific LNG Pty Limited – an incorporated joint venture between Origin, ConocoPhillips and Sinopec
Barrels (bbl)	an international measure of oil production. 1 barrel = 159 litres
CSG	coal seam gas
E&A	Exploration & Appraisal
ERJC	Eurombah Reedy Creek Interconnect
FID	final investment decision
GJ	gigajoule = 10^9 joules
GLNG	Gladstone Liquefied Natural Gas
JCC	Japan Customs-cleared Crude
joule	primary measure of energy in the metric system
kbbls	Kilo barrels = 1,000 barrels
kT	Kilo tonnes = 1,000 tonnes
LNG	liquefied natural gas
mmbbl	million barrels
mmbob	million barrels of oil equivalent
mmbtu	million British thermal units
mmscf	million standard cubic feet
mtpa	million tonnes per annum
MWh	Megawatt hour = 10^3 kilowatt hours
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
Spudding	to commence drilling a well
t	tonnes
TJ	terajoule = 10^{12} joules
TJ/d	terajoules per day
TWh	Terrawatt hour = 10^9 kilowatt hours
YTD	year to date