

To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	19 September 2022
From	Helen Hardy	Pages	3
Subject	Origin to divest Beetaloo Basin interests		

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

19 September 2022

Origin to divest Beetaloo Basin interests, intends to exit upstream exploration permits

Origin Energy Limited (Origin) will divest 100 per cent of its interest in the Beetaloo Basin, and has announced an intention to exit its upstream exploration permits, as the company focuses on its strategy and ambition to lead the energy transition.

Agreements have been executed with Tamboran (B1) Pty Limited (Tamboran (B1)), an entity 50/50 owned by Tamboran Resources Limited (Tamboran) and its substantial shareholder, Bryan Sheffield, to divest Origin's interest in the Northern Territory's Beetaloo Basin for an upfront consideration of \$60 million and a royalty on future production over the life of field across the Origin interest being acquired. Origin has also executed a gas sale agreement for offtake of future gas production.

Origin will undertake a strategic review of all remaining exploration permits (excluding its interests in Australia Pacific LNG) with a view to exiting those permits over time. Origin will continue to comply with its obligations under existing joint venture agreements and work with its joint venture partners as it considers its exit.

Origin CEO Frank Calabria said, "The decision to divest our interest in the Beetaloo and exit other upstream exploration permits over time, will enable greater flexibility to allocate capital towards our strategic priorities to grow cleaner energy and customer solutions, and deliver reliable energy through the transition.

"We believe gas will continue to play an important role in the energy mix and it remains a core part of our business.

"Notwithstanding the prospectivity of any of these permits, typically the experience in progressing these types of projects is that the exploration and appraisal phase can be uncertain, and it can be capital intensive to bring projects into production. Ultimately, we believe Origin is better placed prioritising capital towards other opportunities that are aligned to our refreshed strategy.

"The suite of agreements executed with Tamboran (B1), allow Origin to realise value created by our investment and exploration activities to date, and ensures another operator present in the area and committed to developing its resources, can continue to take the venture forward.

"We have also signed a gas sales agreement that will deliver competitively priced gas supply to Origin if development ultimately occurs from the Beetaloo.

"We've been exploring in the Beetaloo Basin alongside our partner Falcon for eight years, and we're grateful for the strong support we have received from the local community, including Native Title holders and contractors, as well as the Northern Territory and Federal governments.

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“Gas will continue to have an important role in our business, particularly through our interest in Australia Pacific LNG and role as upstream operator in that venture, and in the broader energy mix as we look to underpin reliable energy supply to customers and accelerate our investment into the energy transition,” Mr Calabria said.

Under the terms of the agreement with Tamboran (B1), Origin will fully divest the entity which holds its 77.5 per cent interest in the Beetaloo Basin joint venture. Tamboran will assume operatorship of the Beetaloo Basin joint venture, which is 22.5 per cent owned by Falcon Oil & Gas Australia. The agreement has an economic effective date of 1 July 2022, and as a result, Tamboran (B1) will reimburse Origin for any costs incurred for the current Beetaloo workplan from the effective date until completion.

Origin will also receive a 5.5 per cent royalty based on wellhead revenues produced from the three Beetaloo permits which are held by the entity being acquired by Tamboran (B1).

In addition, Origin has executed a gas sales agreement for up to 36.5 PJ per annum over 10 years, conditional on Tamboran taking a final investment decision on developing the project and associated infrastructure and obtaining regulatory approvals.

Completion of the transaction is subject to certain conditions, including Northern Territory Ministerial consent relating to the transfer of the shares in the entity which holds its 77.5 per cent interest in the Beetaloo Basin joint venture. Origin will work closely with Tamboran to facilitate a smooth transition to the new ownership, particularly for key stakeholders in the Northern Territory. Falcon has a pre-emptive right to acquire Origin’s 77.5 per cent interest in the Beetaloo Basin joint venture.

Origin expects to record a non-cash post-tax loss of \$70 - \$90 million in relation to the transaction. This estimate is subject to finalisation of Origin’s half year 2023 financial statements.

Divestment of the Beetaloo interests and the review of remaining exploration permits will have no impact on other aspects of Origin’s Integrated Gas business, primarily the company’s investment in Australia Pacific LNG and role as upstream operator, or Future Fuels which includes potential hydrogen projects and carbon offset projects.

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About the Beetaloo joint venture

Origin is currently the majority participating interest holder (77.5%) and operator of a joint venture with Falcon Oil and Gas Australia (22.5%) exploring for shale gas across three permit areas (EP 76, 98 and 117) in the Northern Territory’s Beetaloo Basin.

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