

To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	23 November 2023
From	Helen Hardy	Pages	4
Subject	Update on Scheme and Scheme Meeting adjournment		

Please find attached a release on the above subject.

Authorised for lodgement by:



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Company Secretary
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ASX/Media Release

23 November 2023

Update on Scheme and Scheme Meeting adjournment

Origin Energy Limited (Origin) provides the following update on the proposed acquisition of Origin involving a Brookfield-led consortium of investors (Brookfield) and EIG, by way of Scheme of Arrangement (Scheme).

Origin advises that yesterday evening it received a non-binding and indicative proposal from the Consortium to amend the current Scheme (Revised Proposal), which is outlined in more detail below. To allow time to consider the Revised Proposal and other relevant matters, Origin has determined to adjourn today's Scheme Meeting to Monday 4 December 2023.

Origin also advises that based on the proxy votes received to date, had the Scheme Meeting proceeded today, it is unlikely that the Scheme would have achieved the required 75 per cent approval by shareholders.

Revised Proposal

The key components of the Revised Proposal are:

- under the existing Scheme, the addition of a potential opportunity for institutional shareholders to re-invest into the Brookfield owned Energy Markets business after completion of the Scheme, with the Scheme otherwise on the same terms as currently proposed to Origin shareholders (including a total cash payment of approximately \$9.43¹ per share as outlined by Origin in its 21 November announcement); and
- in the event that the Scheme is not approved by the requisite majorities, an alternative transaction option (Alternative Transaction), consisting of a sale of Energy Markets (including Origin's share of Octopus Energy) to Brookfield for \$12.3 billion, conditional on approval by Origin shareholders through an ordinary resolution (Energy Markets Sale), with a subsequent off market takeover offer by EIG for Origin, subject to a 50.1 per cent minimum acceptance condition (Takeover).

The Revised Proposal is conditional on a deferral of the existing Scheme Meeting.

In the event the Alternative Transaction proceeds, it is proposed that shareholders would receive total cash consideration of up to approximately \$9.08² per Origin share comprising:

- \$5.25 per share from the estimated post-tax sale proceeds of the Energy Markets Sale, to be distributed to shareholders through a combination of dividend and capital return (subject to an ATO ruling); and
- \$3.83 per share from the Takeover, consisting of a mix of AUD and USD yet to be determined, and to be reduced by any dividends paid by Origin from this date (including

¹ Based on the AUD/USD exchange rate at 5:00PM on 20 November 2023 of 0.655.

² Based on the AUD/USD exchange rate at 5:00PM on 20 November 2023 of 0.655. The total cash consideration of the Alternative Transaction may increase or decrease based on the AUD/USD exchange rate at the time of any potential transaction.



the 39 cents per share special dividend announced on 13 November 2023, should it be paid under this Alternative Transaction³).

In addition to franking credits associated with the special dividend noted above, the Consortium estimates that shareholders would receive approximately 35 cents per share of additional franking credits that would attach to the dividends paid from the proceeds of the sale of Energy Markets.

If EIG reaches acceptances under the Takeover of at least 90 per cent, then shareholders will receive an additional 22 cents cash per share (but will not receive the 35 cents per share of franking credits attached to the dividend arising from the Energy Markets Sale proceeds) resulting in a total cash payment of approximately \$9.30 per share.

There are a range of conditions attached to the Revised Proposal including finalising amendments to the Consortium's funding arrangements, updates to regulatory approvals and entry into revised legal documentation.

While the Alternative Transaction may present an additional opportunity for shareholders to receive cash value for their shares, the Board notes that the transaction appears inferior to the existing Scheme. The Board has significant reservations as to the complexity, conditionality and differing value, and potential adverse tax outcomes to Origin and shareholders, nevertheless the Board has a responsibility to fully assess this Revised Proposal so it can provide an informed view about its merits or otherwise to shareholders.

Federal Government announcement

Origin also notes the announcement today by the Federal Government that it intends to expand its Capacity Investment Scheme (CIS) and National Energy Transformation Partnership (NETP) from the pilot stage to a scheme that is targeted to deliver 9 GW of dispatchable capacity and 23 GW of variable capacity nationally. This represents a potential source of significant new generation supply into, and a meaningful intervention in, the National Electricity Market.

While the impacts on Origin of the expanded CIS cannot be determined at this point, the Board has concluded that shareholders should be given the opportunity to consider this development in the context of the Scheme.

Update on regulatory approvals

The Consortium has also informed Origin that the regulatory approvals from the Foreign Investment Review Board (FIRB), the National Offshore Petroleum Titles Administrator (NOPTA), and Spanish foreign investment approval, remain outstanding. These approvals were expected prior to the Scheme Meeting and are conditions to the Scheme under the Scheme Implementation Deed (SID) dated 27 March 2023, which are required to be satisfied by 8.00am on the Second Court Date (currently scheduled for 27 November 2023).

³ Any potential future dividend declared under the Alternative Transaction would be subject to Board determination at that time.



The Consortium has advised Origin that it expects to receive these outstanding regulatory approvals by early December 2023 and is not aware of any reason why these approvals would not be obtained.

Further details regarding the conditions precedent to the Scheme can be found in clause 3.1 of the SID and section 4.6 of the Scheme Booklet.

Implementation of the Scheme remains subject to satisfaction of other conditions as previously announced, including Origin shareholder approval at the Scheme Meeting, Court approval, and other conditions precedent contained in clause 3.1 of the SID.

Adjournment of Scheme Meeting

In light of the Board's duty to inform shareholders and to give due consideration to options available to enhance shareholder value, and consider other developments including the Federal Government announcement, the Board has decided to adjourn the Scheme Meeting. Adjournment of the Scheme Meeting will provide the Board with time to carefully assess the terms of the Revised Proposal and consider its merits for Origin shareholders.

Therefore, Origin will defer the vote on the Scheme Resolution to Monday 4 December 2023⁴.

Given the short notice, Origin intends to open the Scheme Meeting at 2.00pm today, Thursday 23 November 2023, and immediately adjourn it to Monday 4 December 2023. Origin will notify shareholders of the details of the rescheduled Scheme Meeting and amended Second Court Date as soon as they have been confirmed.

The new proxy deadline for shareholders who were on Origin's share register on the Scheme Meeting record date of 7.00pm on 21 November 2023 will be 48 hours before the adjourned Scheme Meeting on 4 December 2023. Shareholders who wish to maintain a proxy they have already submitted do not need to take any action.

Further information

Shareholders with any questions in relation to the Scheme should contact the Origin Shareholder Information Line on 1300 540 303 (within Australia) or +61 2 9066 4083 (outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time).

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⁴ Ten days from the date of this announcement: see ASIC Regulatory Guide 60.95-96