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27 MARCH 2023

Origin signs binding Scheme Implementation Deed

Origin Energy Limited (Origin) has entered into a binding Scheme Implementation Deed (SID) in relation to the transaction with the Consortium comprising Brookfield Asset Management¹ (Brookfield) and MidOcean Energy (MidOcean), an entity managed by EIG partners (EIG), for the acquisition of all the issued shares in Origin by way of a scheme of arrangement (Scheme).

Following further discussions with the Consortium on its revised proposal announced on 22 February 2023, the consideration mix has been

amended to comprise \$5.78 per share and US\$2.19 per share and applies equally to all shareholders.²

Based on an assumed AUD/USD exchange rate of 0.70, this implies a total consideration of \$8.912 per share.³

The total consideration payable will be reduced by any dividends paid by Origin prior to implementation of the Scheme, including the interim 16.5 cents per share fully franked dividend paid to shareholders on 24 March 2023. Any reduction in the amount payable to shareholders due to the payment of dividends would reduce the Australian dollar component of the total consideration.

Scheme consideration

Shareholders will have the total consideration paid in Australian dollars, with the US dollar component converted to Australian dollars based on the prevailing exchange rate at the time of implementation of the Scheme. Shareholders can elect to have the US dollar component paid in US dollars.

The total consideration payable to shareholders will vary subject to currency fluctuations between the date of this announcement and implementation of the Scheme. The consideration mix between Australian dollars and US dollars is expected to change as future US dollar receipts are converted into Australian dollars at the prevailing foreign exchange rate, and if the Consortium elects to convert an additional fixed amount of US dollar consideration to Australian dollars.⁴

Any conversion from US dollars to Australian dollars would increase the Australian dollar component and reduce the US dollar component of the total consideration. The US dollar component of the consideration will not increase above US\$2.19 per share. Origin will advise shareholders periodically of the currency mix between Australian dollars and US dollars prior to implementation of the Scheme.

Origin has also agreed with the Consortium that a fully franked special dividend may be paid to shareholders subject to satisfaction of certain conditions. Any such special dividend will be considered by the Board closer to the time, but prior to implementation, of the Scheme.

A 4.5 cents per month ticking fee, accruing on a daily basis, will be payable if implementation of the Scheme is delayed beyond 30

November 2023.

The implied consideration of \$8.912 per share corresponds to an enterprise value of \$18.7 billion⁵ for Origin and represents a premium of:

- 53.4% to Origin's closing price of \$5.81 per share on 9 November 2022, being the last trading day prior to the initial proposal by the Consortium;
- 59.0% to Origin's one month VWAP of \$5.60 per share on 9 November 2022; and
- 54.7% to Origin's three month VWAP of \$5.76 per share on 9 November 2022.

The Board unanimously recommends that Origin shareholders vote in favour of the Scheme in the absence of a superior proposal, and subject to an independent expert concluding the Scheme is in the best interests of shareholders.

Scheme conditions

The Scheme is conditional upon the satisfaction of certain conditions, including:

- Origin shareholders approving the Scheme at a meeting of shareholders (Scheme Meeting);
- court and regulatory approvals including the Foreign Investment Review Board (FIRB), the Australian Competition and Consumer Commission (ACCC), the National Offshore Petroleum Titles Administrator and certain other foreign investment approvals;
- the issue of an Independent Expert's Report that concludes that the Scheme is in the best interests of Origin shareholders; and
- customary other conditions, including that no material adverse change occurs prior to implementation.

The SID contains customary exclusivity obligations, including 'no shop', 'no talk', 'no due diligence', notification obligations and a matching right regime in respect of any superior proposal received by Origin. The SID also details circumstances under which Origin may be required to pay a reimbursement fee to the Consortium should the Scheme not proceed.

A copy of the SID is attached to this announcement.

Separation of businesses

Origin has undertaken to assist EIG and Brookfield in the preparatory steps for the separation of Origin into two separate businesses, Integrated Gas and Energy Markets.

MidOcean has advised Origin that it has reached agreement for ConocoPhillips to acquire 2.49 per cent of Australia Pacific LNG from MidOcean, following implementation of the Scheme. ConocoPhillips has indicated that subject to the Scheme being implemented, it intends to exercise its rights under the Australia Pacific LNG shareholders agreement to assume certain service provider roles currently performed by Origin. These comprise the roles of Upstream Operator, CSG Marketing Agent, and Corporate Services Provider to Australia Pacific LNG.

Origin has also undertaken to assist in the preparatory steps for an orderly transfer of the service provider roles to ConocoPhillips.

The Scheme is not conditional on these separation steps.

Hedging

Consistent with the conditions outlined in the Consortium's revised proposal announced on 22 February, Origin has undertaken hedging of oil and JKM commodity exposure for the 2024, 2025 and 2026 calendar years. For oil, these hedges total 11.7 MMbbl⁶ and for JKM 8.2 tBtu⁷.

Scheme timetable

Origin and the Consortium are targeting implementation of the Scheme by early in the 2024 calendar year. The actual timing for implementation of the Scheme will depend on the timing for satisfaction of the required regulatory approvals. The Consortium is under an obligation to make an ACCC application filing by 14 April 2023. Origin will support the Consortium in this process.

Scheme recommendation

The Origin Board unanimously recommends that Origin shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding the Scheme is in the best

interests of Origin shareholders. Each Origin Director intends to vote all shares they hold or control in Origin in favour of the Scheme subject to the same qualifications.

Origin Chairman Scott Perkins said, “The Board is unanimous in its view that this transaction is in the best interests of shareholders. The transaction represents a significant premium to the share price prior to the original indicative proposal, and reflects the strategic nature of Origin’s platform, its growth prospects and anticipated earnings recovery.

“We believe the Consortium will be responsible owners of Origin’s businesses. Our

discussions with the Consortium confirm a high degree of alignment with Origin’s strategy and a desire to accelerate initiatives consistent with Origin’s critical role in Australia’s energy transition. This alignment validates the vision and hard work of Origin’s management team and employees.”

Origin CEO Frank Calabria said, “The significant premium placed on Origin by the Consortium reflects the value of our strategy and our advantaged position to capture value from the energy transition. We believe this transaction is a great outcome not only for our shareholders, but for all stakeholders including our customers, employees and partners. We believe this transaction also stands to benefit the broader Australian community as it will unlock significant capital that can help accelerate the energy transition and deliver benefits in the form of cleaner, smarter and lower cost energy for our nation over time.

“I’m immensely proud of our team at Origin who have remained dedicated and focused on the successful execution of our strategy and continuing to deliver good outcomes for our customers and the community.”

At this stage, shareholders do not need to take any action. Prior to the Scheme Meeting, Origin shareholders will be provided with additional information relating to the Scheme in the form of a Scheme Booklet, which will also include an Independent Expert’s Report.

Schedule of commodity hedging

Commodity Hedging	CY2024		CY2025		CY2026	
	Volume	Price	Volume	Price	Volume	Price
Oil (MMbl and USD/barrel)	5.9	76.6	4.4	72.3	1.5	70.0
JKM (tBtu and USD/MMBtu ⁸)	3.5	15.7	3.1	12.3	1.6	9.4

1 This differs from the Consortium's proposal of 22 February 2023 which proposed that Origin shareholders would receive 100% AUD consideration for the first 100,000 shares held.

2 This amount differs from the \$8.90 value contained in Origin's 22 February 2023 announcement due to certain hedging gains realised subsequent to that date. At the spot exchange rate of 0.665 on 24 March 2023 at 5pm, the scheme consideration would imply a value of \$9.077 prior to the deduction of the 16.5 cents per share fully franked dividend paid to shareholders on 24 March 2023.

3 US\$904 million of calendar 2023 receipts from Australia Pacific LNG have been hedged to Australian dollars at an average rate of 0.69 and are included in the Australian dollar component of the total consideration. The Consortium may elect to convert up to an additional ~US\$640 million included in the US dollar component of the total consideration to Australian dollars at a rate of 0.70.

4 Based on 1,728,724,644 diluted shares outstanding, net debt of \$3.3 billion as disclosed in Origin's 2023 half year report and an assumed AUD/USD exchange rate of 0.70.

5 Million barrels of oil.

6 Trillion British thermal units.

7 Millions of British thermal units.

8 Millions of British thermal units.

Scheme Implementation Deed (SID 1 MB)

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Home

Move house

Electricity & gas

Solar & batteries

LPG

Internet

Electricity for apartments

Business

Move premises

Electricity & gas

Solar

LPG

Origin Zero

Rewards

Hot water for apartments

Meter connections

Home Support

Origin Rewards

Everyday Rewards

Origin Spike

Fuel offer

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Help & support

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Where all good change starts

© 2023 Origin Energy Limited

We acknowledge the Traditional Owners of the land where we work and live. We pay our respects to Elders past, present and emerging. We celebrate the stories, culture and traditions of Aboriginal and Torres Strait Islander Elders of all communities who also work and live on this land.