



HD Australia, China, United States : ORIGIN pays US \$800 million for gas stake in WA BROWSE BASIN

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Origin **Energy** has to act after agreeing to fork up to US \$800 million for a **stake** in a new gas project off the Western Australian coast. The **company** is Australia's largest electricity retailer and generator, has taken a potential second major liquefied natural gas (LNG) project before its flagship \$24.7 billion Queensland project comes online. Origin struck a deal to buy junior Karoon Gas's 40% **b** interest in the Poseidon discovery in WA's Browse Basin. Investors were asking what the **company** planned to do with the extra \$1 billion in cash flow its Australia Pacific LNG project would eventually start delivering. The answer is that is setting itself up through this investment and has a very good opportunity to reinvest part of those cashflows for continued development. It is balancing the risks of acting now versus the risks of not acting at all. Origin saw the gasfields as potentially producing a 45-year LNG project.

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Origin's partner in APLNG, US **energy** giant ConocoPhillips is the project operator of the Poseidon gas fields, and PetroChina holds a major **stake**. Origin plans to conduct a \$1 billion equity offer after August to help pay for the deal.

CO aulngj : Australia Pacific LNG Pty. Ltd. | karoon : Karoon Gas Australia Ltd | philp : ConocoPhillips | boral : Origin Energy Ltd

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