



To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	16 February 2011
From	Helen Hardy	Pages	4
Subject	CONDITIONAL DIVESTMENT OF INTEREST IN PRODUCTION SHARING CONTRACT, BLOCK L8, LAMU BASIN, KENYA		

Please find attached release on above subject.

Regards

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

Helen Hardy  
Company Secretary

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## ASX/Media Release

16 February 2011

### Conditional divestment of interest in Production Sharing Contract, Block L8, Lamu Basin, Kenya

Origin Energy Limited, on behalf of its wholly owned subsidiary Origin Energy Kenya Pty Ltd ("Origin") advises that it has reached agreement with a subsidiary of US independent Apache Corporation (NYSE and Nasdaq: APA) ("Apache"), to divest a 50% undivided interest in a Production Sharing Contract (PSC) for petroleum exploration and production, pertaining to Block L8 located in the Lamu Basin, offshore Republic of Kenya.

Under the terms of the agreement Origin will, on completion, be reimbursed historical costs of US \$13.2 million and Apache will become operator of the PSC. In addition, Apache will meet a component of Origin's costs of an exploration well to be drilled in Block L8, on the Mbawa structure.

The agreement is subject to certain joint venture rights and to approvals from the other joint venture parties in Block L8, namely Pancontinental Oil & Gas NL (ASX: PCL) and its wholly owned subsidiary Afrex Limited. Approvals are also required from the Kenyan Ministry of Energy. It is expected that these conditions will be satisfied and completion will take place by the end of June.

Commenting on this agreement, Origin's Executive General Manager, Geoscience & Exploration New Ventures, Dr Rob Willink said: "Origin is pleased to have secured this agreement with Apache which, subject to joint venture and government approvals, will see the joint venture go forward and assume a commitment to drill. We also welcome Apache, as incoming operator, bringing to the joint venture its specialist drilling expertise".

Offshore East Africa at large has become an industry focus for exploration as a result of recent deepwater gas discoveries offshore Tanzania and Mozambique. Block L8 comprises 5,123 square kilometres with attractive exploration opportunities that include several large objectives. Prospectivity of the block centres on the Mbawa structure, a large but complexly faulted anticline mapped on 3D seismic data with potential for both oil and gas at inferred Cretaceous and Jurassic reservoir levels.

Subject to joint venture and government approvals interest holders in PSC Block L8 will become:

Apache	50%
Origin Energy Kenya Pty Ltd	25%
Afrex Ltd *	15%
Pancontinental Oil & Gas NL	10%

\*Wholly owned subsidiary of Pancontinental Oil & Gas NL



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**About Origin Energy**

Origin Energy is Australia's leading integrated energy company focused on gas and oil exploration and production, power generation and energy retailing.

Listed in the ASX top 20 the company has approximately 4,400 employees, is a leading producer of gas in eastern Australia, is the largest owner and developer of gas-fired electricity generation in Australia and is a leading wholesaler and retailer of energy. The company services approximately 3 million electricity, natural gas and LPG customers across Australia. Origin's strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth in the ever changing energy industry. Through Australia Pacific LNG, its 50:50 incorporated joint venture with ConocoPhillips, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, the country's leading integrated energy company, operating geothermal, thermal and hydro generation facilities and servicing electricity, gas and LPG customers across both the North and South islands. Origin also operates several oil and gas projects in New Zealand and is one of the largest holders of petroleum exploration acreage in the country.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.  
For more information go to [www.originenergy.com.au](http://www.originenergy.com.au)

**About Apache**

Apache Corporation is an oil and gas exploration and production company with operations in the United States, Canada, Egypt, the United Kingdom North Sea, Australia and Argentina.

