



Thursday, 11 September 2008

Origin Energy Limited 02 – Panel Decision

The Panel has decided not to make a declaration of unacceptable circumstances in response to an application from BG International (AUS) Investments 1 Pty Limited in relation to the affairs of Origin Energy Limited. (See TP08/89)

BG's application related to disclosure in Origin's target statement. Origin announced on 8 September 2008 its proposed CSG-LNG joint venture with ConocoPhillips and the conclusions of its independent expert's report. BG announced on 9 September that it would not increase or extend its offer for Origin, or waive any of the conditions to the offer. BG's offer is scheduled to close on 26 September 2008.

Origin has stated that it will provide its shareholders with an independent expert's report prior to the close of BG's offer. The Panel considered that the following matters require further disclosure but considered that they could be adequately dealt with by Origin through supplementary disclosure that included the independent expert's report.

1. The target's statement stated that BG's offer undervalued Origin. The Panel considered that the target's statement did not provide sufficient disclosure of the bases on which Origin's directors considered the bid undervalued Origin and considered that the information which was provided was inadequate insofar as some of the information sourced from third parties was not adopted as the Origin directors' own views.
2. There was insufficient disclosure of why Origin considered the use of the selected broker valuations to be relevant and Origin gave insufficient prominence to disclosure that the valuations were published after the announcement of BG's offer and not adopted by the directors. This had the effect of overstating the importance of the broker valuations. A footnote, given the context, was not sufficiently prominent or otherwise adequate.
3. The use of an expert's report in relation to Origin's gas reserves without disclosing the whole report or alternatively disclosing the qualifications and assumptions underlying the valuation was potentially misleading to shareholders.

The sitting Panel for the proceedings was Diana Chang, Chris Photakis (sitting President) and Simon Withers.

The Panel will publish its reasons for its decision on its website at www.takeovers.gov.au in due course.

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