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10 NOVEMBER 2022

Origin receives non-binding, indicative offer at \$9.00 per share

Origin Energy Limited (Origin) advises it has received an indicative, conditional and non-binding proposal from Brookfield Asset Management Inc., together with its affiliates and their managed funds (Brookfield) and MidOcean Energy (MidOcean), an LNG company formed and managed by EIG (the Consortium), to acquire all the issued shares in Origin, by way of a scheme of arrangement, at a price of \$9.00 cash per share^[1] (Indicative Proposal). This Indicative Proposal values Origin at \$18.4 billion on an enterprise value basis.

The price payable under the Indicative Proposal would be reduced by the amount of any dividend paid by Origin prior to implementation of the proposed scheme of arrangement, however, if implementation occurs later than

15 May 2023, the offer price under the Indicative Proposal would then increase by \$0.03 per month.

The Indicative Proposal follows an earlier indicative proposal from the Consortium to acquire Origin for \$7.95 cash per share on 8 August 2022 (equivalent to \$7.79 cash per Origin share following the announcement and payment of the H2 2022 dividend of 16.5 cents per share). On 18 September 2022, the Consortium made a further proposal to acquire Origin at an indicative price of \$8.70 to 8.90 per share^[1].

Given the preliminary and highly conditional nature of these initial indicative proposals, and following the signing of a confidentiality agreement containing customary disclosure restrictions and standstills, the Board undertook a period of limited discussions and information sharing with the Consortium in order to address certain conditions and ascertain whether the Consortium could develop a proposal which was likely to be in the best interests of Origin shareholders.

Following that engagement, the Consortium has submitted the Indicative Proposal, which represents an increase of 16 per cent on its initial proposal and at a premium to Origin's last trading share price (as at 9 November 2022) of:

- 54.9% of the closing price of \$5.81 per share on 9 November 2022
- 60.6% to the one month volume weighted average price (VWAP) of \$5.60 per share on 9 November 2022; and
- 56.3% to the three month VWAP of \$5.76 per share on 9 November 2022.

The Indicative Proposal from the Consortium proposes that ultimately Brookfield would acquire Origin's Energy Markets business and MidOcean would acquire the Integrated Gas business.

Considering all the relevant factors, Origin has entered into a confidentiality and exclusivity agreement with the Consortium. Under the terms of the agreement, either party can terminate the exclusivity provisions after five weeks

and four days with one week's notice. The Board intends to grant the Consortium the opportunity to conduct due diligence to enable it to put forward a binding proposal. Due diligence is expected to complete within eight weeks. Should Origin receive any proposals which the Board considers may lead to a superior outcome for Origin shareholders, these will be evaluated in accordance with the exclusivity provisions as summarised in Appendix A and the Board's fiduciary obligations.

Based on current information and market conditions, if the Consortium makes a binding offer at \$9.00 cash per share¹, then it is the current intention of the Origin Board to unanimously recommend that shareholders vote in favour of the proposal, in the absence of a superior proposal. This is subject to the parties entering into a binding scheme implementation agreement on terms acceptable to Origin. It is also subject to an independent expert concluding (and continuing to conclude) that the proposed transaction is fair and reasonable and in the best interests of Origin shareholders.

The Indicative Proposal is subject to several conditions, including:

- the Consortium completing satisfactory due diligence;
- agreement of, and entry into, a binding scheme implementation agreement subject to a range of conditions including approvals by the Australian Competition and Consumer Commission and Foreign Investment Review Board; and
- a unanimous Origin Board recommendation that the shareholders vote in favour of the Indicative Proposal (in the absence of a superior proposal and subject to an independent expert report concluding that the Indicative Proposal is in the best interests of Origin shareholders).

Origin Chairman, Mr Scott Perkins said, "This proposal confirms that Origin, its operations and management team represent a highly strategic platform, wellplaced to benefit from the energy transition. Our confidence in Origin's prospects underscored our engagement with the

Consortium and delivered a material increase on their initial offer. While the due diligence process advances, we will remain focussed on the successful execution of our strategy.”

Origin CEO, Mr Frank Calabria said, “Over the past year, Origin has executed a number of important strategic initiatives that have strengthened the balance sheet, sharpened our strategic focus and positioned the company to prosper from the energy transition. At the same time, we have a dedicated, engaged and highly-skilled workforce who are committed to delivering good outcomes for our customers and communities. We believe Origin is in a strong position to lead the energy transition, capture opportunities and create value for shareholders.”

The Board notes that there is no certainty at this stage that the Indicative Proposal and engagement between Origin and the Consortium will progress to a binding proposal for consideration by shareholders.

At this stage, shareholders do not need to take any action. The Board will continue to update shareholders.

Origin is being advised by Barrenjoey Capital, Jarden and Herbert Smith Freehills.

[1] The indicative offer price would be:

- reduced by the value of any dividends declared or paid by Origin prior to implementation of the proposed scheme of arrangement; and
- increased by \$0.03 every month from (15 May 2023) if implementation of the scheme occurs after 15 May 2023.

[2] Reduced by the value of any dividends declared or paid by Origin prior to the scheme of arrangement being implemented.

➤ [Appendix A](#)

Asx Media Release

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LPG

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Meter connections

Business

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Electricity & gas

Solar

LPG

Origin Zero

Rewards

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Where all good change starts

© 2022 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.