AMITY OIL LIMITED

A.C.N. 009 230 835

Our Ref: 20021107ASXS307:AO126:WR

Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
SYDNEY NSW 2000

7 November, 2002

Dear Madam,

AMITY OIL ANNOUNCES RECORD TURKISH GAS PRODUCTION

Amity Oil Limited today announced that gas production from its cornerstone Gocerler Gas Facility in Turkey's Thrace Basin achieved a record high of 14.4 million cubic feet per day (mmcf/d), bringing the average up to 11.1 mmcf/d for the first five days of November.

Speaking at Amity's Annual General Meeting today, Chairman Richard Elliott said the Company was on track to complete a plant upgrade at Gocerler that would increase gas production capacity to 20mmcf/d.

"We are budgeting to produce at a rate of 18mmcf/d from 1 January and these figures assume no reserves upgrade. "

Mr Elliott said Amity planned to drill a total of eleven wells within twelve months and that seismic had indicated that the chances of adding additional commercial reserves from this program were exceptional.

Mr Elliott said Amity was now in a sufficient cash flow and reserves position to deliver this exploration and development program. At 10 mmcf/d Amity's EBITDA (earnings before income tax depreciation and amortisation) is over $8 million on an annualised basis before any exploration write-offs.

"Your Board is discussing a future dividend policy for the company for implementation when we judge that our cash flow is in excess of our requirements to support our forward program. At the moment, it is the Board's view that investing in our exploration program is a better use of our available funds than returning them to shareholders by way of a dividend. We believe the most immediate driver of shareholder wealth will be further success on our Turkish licences. However, this position will be constantly under review, and will be heavily impacted by the results of the forward program."

Mr Elliott said Amity expected to spud the Gocerler-4 well during December.

"We have several leads along the Gocerler trend and fully expect some of those to develop into exciting prospects. The "boundary" lead alone, if it develops into a prospect, could contain reserves of the size of Gocerler," he said.

In reviewing the results of the recent election in Turkey, Mr. Elliott said that Amity welcomed the stability that will result from a single party Government. Amity views this as a positive outcome.

"I am confident that our experience and relationships in Turkey will deliver big rewards to shareholders," he said.

Yours faithfully,
AMITY OIL LIMITED

Richard Elliott
Chairman

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