



AMITY OIL LIMITED

A.C.N. 009 230 835

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19 August, 2003

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

Dear Madam,

Production and Exploration Report for the First Half of August 2003

This report covers Amity's production and exploration activities for the first 15 days of August 2003.

Gas Processing Plant Stage 2 Upgrade

Construction of the Stage 2 plant upgrade is complete and testing is underway. The completion allows all the Gocerler wells to begin production and processed gas output to increase. Present plant peak capacity is now 30 mmcf/d of high quality, low dew-point gas. The upgrade will allow gas production to increase to approximately 18-20 mmcf/d on average. The plant continues to operate reliably, with minimal downtime. The Gocerler gas processing plant is located on Thrace Joint Venture Area A and is operated by Amity.

Turkish Gas & Condensate Sales

Average daily sales of joint venture gas from the Gocerler Gas field in Western Turkey, for the first 15 days of August 2003 were 15.867 million standard cubic feet per day (444,275 standard cubic metres per day) compared with 14.14 mmcf/d in the previous reported period. Condensate production for the first 15 days of August was 1623 STbbls.

New Customer Connections Finalised

All 15 new factory customers are contracted and all are connected with branch lines. Five more customers are taking gas, Sauhan Chemicals, Aycan Textiles, Super Textiles, SADA Textiles and Flumen Textiles.

Yesiltepe-1 Exploration Well, Turkey

Yesiltepe-1, Amity's fifth well in Turkey in 2003 reached a total depth of 1897 metres by 10 August. Log analysis indicated that there were no significant hydrocarbons zones below 1150 metres. 7 inch casing was run and cemented to a depth of 1192 metres. A zone from 1109-1124 metres was perforated and a production test was attempted. The well flowed a small amount of gas to surface too small to measure and the test was terminated. The current partners, Omax and Krystal have elected to sole risk a further test of another zone from 1157-1165 metres.

The prospect is a high relief anticline in Miocene age sediments.

Amity has farmed out a 20% interest in the block of Exploration Licences, which include the well and now holds an 80% interest.

Yuksekkoy-1 Exploration Well To Drill After Yesiltepe-1

Amity has scheduled the drilling of the Yuksekkoy-1 wildcat exploration well immediately after the Yesiltepe-1 well.

Yuksekkoy-1 is located in crop lands, 95 kilometres west of Yesiltepe-1, 25 kilometres south-west of the city of Adana (population 1.5 million) and 14 kilometres east of the city of Tarsus (population 300,000).

The well is 5 kilometres from the Adana-Mersin freeway. Mersin is a major Mediterranean port city (population 800,000) with an extensive oil refining industry.

Yuksekkoy-1 well is positioned to test at relatively shallow depth, a domal structure, well defined by good quality 2D seismic, shot by Amity early this year.

The dome is developed in Upper Miocene age sediments on the western on-shore flank of the Adana Basin, a major Upper Tertiary age sedimentary basin, straddling the Turkish Mediterranean coast. The Adana Basin is sparsely explored and has one producing oil field, located some 32 kilometres to the north of Yuksekkoy-1 and an undeveloped gas field, 21 kilometres to the east.

The domal feature is believed to be a reefal complex, possibly of agal origin, overlain by salt and shales. Reefs can be prolific hydrocarbon producers if they have favourable reservoir characteristics. Salt is an excellent seal.

The top of the primary reefal target is anticipated at 950 metres, with a secondary sandstone target at 1,340 metres and proposed total depth of 1,500 metres.

Based on seismic mapping and assuming reasonable reservoir characteristics, Amity has estimated Yuksekkoy has potential in-place oil resources of 30 million barrels, or 36 billion cubic feet of gas in place.

The seismic survey shot by Amity early this year, together with reprocessed old seismic, has defined more than 16 drilling targets in Amity's four licences in the Adana Basin.

Amity holds a 90% interest in the block of four Exploration Licences which include the Yuksekkoy structure. Amity has farmed out a 10% interest in this licence block.

Thrace Basin Exploration Well

After the drilling of Yuksekkoy-1, the drilling rig is scheduled to move immediately to the Thrace Basin to drill in Amity's 100% held Exploration Licence 3599.

The well will test a robust and shallow structural closure, well defined by high quality 2D seismic, shot by Amity late last year. The structure is up-dip of an old well with strong gas shows and possible by-passed gas pay, interpreted from limited wire-line log data. The structure has a coincident seismic amplitude anomaly, suggesting the presence of gas. More details will be released closer to drilling date.

This is an attractive and relatively low risk exploration target, which can be drilled at low cost, close to a regional city of about 500,000 people and large industrial areas.

The Exploration Licence has several other attractive drilling targets, all with seismic amplitude anomalies. Considering the low cost and high quality of the prospect, Amity intends to retain a 100% interest through the drilling of at least this first prospect in the Exploration Licence.

Whicher Range-5 Well on schedule to Spud in Mid September

Awaiting arrival of Rig 28 from Indonesia.

Whicher Range Gas Field– Background

The Whicher Range Gas Field is a major undeveloped tight gas field, located onshore, some 22 kilometres south of Busselton in Western Australia. The field has estimated gas in place of 4 trillion cubic feet (more than 4,000 Petajoules) in Permian age sandstone reservoirs.

The favourable location of the field, about 35 kilometres south-west of the southern end of the main gas pipeline from the North-West Shelf, means it can compete on price and transport tariff with gas from the North-West Shelf. A gas supply from Whicher Range would be strategically advantageous for Perth and the South-West, by reducing dependence on the long single pipeline from the North-West Shelf.

Four wells have been drilled on the Whicher Range field and all recovered gas at low rates from many tested intervals. Two wells, Whicher Range-1 and 4, are presently capable of producing at about one million cubic feet per day (1.1 terajoules/day) and three million cubic feet per day (3.2 terajoules/day), respectively. The gas is clean and of high quality.

Much has been learned from the existing wells about drilling, completion and reservoir stimulation practices. Water is particularly damaging to the reservoirs.

In 1999, Amity successfully increased gas flow in the Whicher Range-4 well, from about one million cubic feet per day (1.1 terajoules/day) to about 3 million cubic feet per day (3.2 terajoules/day), with a pilot liquid carbon dioxide frac (fracture stimulation operation). This was the first frac to increase gas flow. All 12 previous fracs used water and, as a result, decreased gas flow due to reservoir damage.

The Whicher Range-5 well has been designed with the benefit of this knowledge. The gas reservoirs will be drilled under-balanced with air to avoid reservoir damage and to attempt to obtain commercial gas flow rates (greater than 5 million cubic feet per day) without reservoir stimulation. If reservoir stimulation is required, a full scale liquid carbon dioxide frac will be applied.

The well is programmed to be drilled in 50 days. More details of the drilling program will be provided closer to spud date.

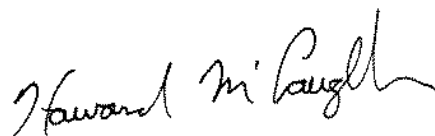
Joint Venture Interests

Amity	47.957% (operator),
Korea National Oil Corporation	20.000%
Seoul City Gas Company Limited	15.000% .
Geopetro Resources Company	17.043%"

Information

For more information, images and updates, please refer to Amity's website at www.amityoil.com.au.

Yours faithfully,
AMITY OIL LIMITED



Howard McLaughlin
Managing Director