



AMITY OIL LIMITED

A.C.N. 009 230 835

Our Ref: 2003 1209ASXS7222HM WR5:AO126:WR

10 December 2003

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

Dear Madam,

Whicher Range-5 Well, 10 December 2003

Main Points

Unloaded water to bottom of hole. Re-commenced air drilling at 14:30 local time. Air drilled to a depth of 4035 metres. Regular but short lived flares of gas during drilling.

Operations Summary for 24 Hours to 06:00 Hours 10 December 2003

Water was unloaded progressively until TD reached at 14:30. Dry to bottom of hole. Began air drilling with a penetration rate between 10-20 metres per hour. Regular but discontinuous gas flares coincident with drilling breaks. Occasional application of foam to aid cuttings removal. Top drive failure required repair.

Operation for next 24 hours

Repair top drive and continue air drilling.

Geological Summary

Sue group sandstones and siltstones.

Background

The Whicher Range field was discovered by Union Oil Development Corporation in 1968 and drilled near the centre of a large domal structure approximately 12 kilometres by 6 kilometres in size. A 450 metres interval of gas bearing Permian sandstones was intersected in Whicher Range-1. Three additional 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 field has estimated gas in place of 4 trillion cubic feet (more than 4,000 Petajoules).

Well Location

The Whicher Range Gas Field is located onshore, approximately 200 kilometres south of the city of Perth, Western Australia and 22 kilometres south of the city of Busselton. The well is located at Latitude 33 deg 50' 54.35"S and Longitude 115 deg 21' 36.83"E in Petroleum Exploration Permit EP 408. The ground elevation is 124.8 metres above mean sea level.

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.

Objective

The objective of Whicher Range-5 is to appraise the flow potential of the gas bearing Sue group in the same general area as Whicher Range-1 and 4. There is virtually no exploration risk at this location of not intersecting the gas bearing zone. A great deal of effort will be expended to protect the formation from reservoir damage. By drilling the main objective with only air there will be no water based formation damage, which is one of the main suspected reasons for the poor results in previous wells. Gas will be allowed to flow out of the reservoir continuously while drilling and be burnt in a specially designed flare pit. If a commercial rate is achieved in the top part of the Sue group the drilling will be terminated and the commercial flow potential evaluated.

Drilling Program

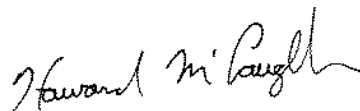
The drilling programme is designed so that the Sue Group objective section can be drilled with air, while the overlying formations are behind casing. Drilling to the top of the Sue Group was by conventional over-balanced, water based drilling fluids, which proved effective and virtually trouble free during the drilling of Whicher Range-4. The gas reservoirs are being drilled under-balanced with air to avoid reservoir damage and to attempt to obtain commercial gas flow rates (greater than 6 million cubic feet per day) without reservoir stimulation. If reservoir stimulation is required, a full scale liquid carbon dioxide frac will be applied.

Ownership

Amity	47.957% (operator)
Korea National Oil Corporation	20.000%
Seoul City Gas Company Limited	15.000%
GeoPetro Resources Company	17.043%

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

Yours faithfully,
AMITY OIL LIMITED



HOWARD McLAUGHLIN
Managing Director