



AMITY OIL LIMITED

A.C.N. 009 230 835

Our Ref: 20031222ASX7237HM WR5.doc AO126

23 December 2003

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

Dear Madam,

Whicher Range-5 Well, 23 December 2003

Main Points

Set kick-off cement plug at 3,985 metres. Waiting on cement.

Operations Summary for 24 Hours to 06:00 Hours 23 December 2003

Cleaned and inspected the casing and drill pipe. Ran in hole with cementing assembly and set a kick-off cement plug at a depth of 3,985 metres. This will be used to guide the bit past the abandoned drill pipe that was left in the hole.

Operation for next 24 hours

Make up drilling assembly and begin the sidetracked hole.

Forward Program

Drill a new sidetrack hole from 3,985 metres to approximately 4,800 metres. Run logs and set a liner. After the casing liner is set and cemented, the hole will once again be emptied of fluids and air drilling will commence over the best quality sands in the field. There is approximately 200 metres of section to be air drilled to evaluate the formation's ability to flow gas at commercial rates.

Geological Summary

No new geology.

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.

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 is being 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.

Drilling Program

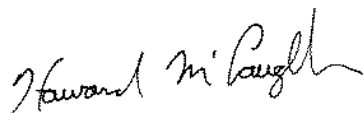
The drilling programme is designed so that the Sue Group objective section can be drilled with air, while the overlying formations are behind casing. Drilling to the top of the Sue Group was by conventional over-balanced, water based drilling fluids, which proved effective and virtually trouble free 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