ARC ENERGY NL
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AUSTRALIAN STOCK EXCHANGE
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ASX RELEASE

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From: Eric Streitberg

Re: HOVEA 4 ST1 WEEKLY PROGRESS REPORT

ARC Energy NL advises that at 0600 hours WST the Hovea 4 sidetrack well (Hovea 4 ST1) operated by ARC Energy NL and located in the onshore Perth Basin Production Licence L1, was preparing to run wireline logs after drilling to a total measured depth of 2,486 metres. As planned, the well intersected the reservoir at approximately the same elevation as the original well bore with similar hydrocarbon shows and 9 5/8 inch casing has been cemented at the base of the Kockatea Shale. Confirmation on the depth to top reservoir, size of the hydrocarbon column and reservoir quality will be determined once logging has been completed, at which time the well will be completed for production by running a 7 inch liner.

It is anticipated that drilling operations on Hovea 4 ST1 will be completed early next week and the well will be handed to the field production operators who will commence test production from the well as soon as practicable. A decision on the forward program for the drilling rig will be made shortly by the joint venture.

Participants in L1 and L2 (excluding the Dongara, Mondarra and Yardarino fields), and Hovea 4 are as follows:

- ARC Energy NL 50%
- Origin Energy Developments Pty Ltd* 50%

  *a wholly owned subsidiary of Origin Energy Limited

Yours faithfully
ARC Energy NL

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