

  
**ARC ENERGY NL**  
ABN 74 009 204 031  
**ASX RELEASE**

Release Date: 14 August 2003  
To: Australian Stock Exchange Ltd  
Facsimile: 1300 300 021 No of Pages: 2  
From: Eric Streitberg

**Re: HOVEA 8 WEEKLY PROGRESS REPORT**

**Current Status and Results**

ARC Energy NL advises that at 0600 hours WST the Hovea 8 development well operated by ARC Energy NL and located in the onshore Perth Basin Production Licence L1, had been completed for production and the rig was being prepared for release.

Operations since the last report have been to drill a largely horizontal section in the Dongara Sandstone reservoir from the casing shoe to a point 158 metres to the north-northeast of the reservoir entry point. The well was then completed for production and briefly flowed to clean-up the open-hole section. Once clean oil was flowing consistently and the pressure had built, the well was shut-in to allow the rig to be moved, a process expected to take about a week.

**Forward Program**

The rig will be released shortly to the EP413 joint venture for the Jingemia 2 well operated by Origin Energy. ARC Energy is a participant in this well. Hovea-8 will then be available for production, adding to the overall capacity of the Hovea field. At the completion of Jingemia 2 it is intended to take the rig back for the Hovea 9 appraisal well, subject to joint venture and government approvals.

**Background**

The Hovea 8 well was drilled from the Hovea Production Facility as a horizontal well with the horizontal Dongara Sandstone section located between the Hovea 3 and Hovea 4 wells. Hovea 8 has now successfully demonstrated that horizontal drilling in the Dongara Sandstone onshore in the Perth Basin can be achieved.

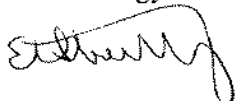
Successful horizontal wells are expected to allow optimal recovery of the reserves in Hovea and similar fields and provide a strong impetus for further exploration.

Participants in L1 and L2 (excluding the Dongara, Mondarra and Yardarino fields), and Hovea 8 are as follows:

- ARC Energy NL 50% (Operator)
- Origin Energy Developments Pty Ltd\* 50%

\*a wholly owned subsidiary of Origin Energy Limited

Yours faithfully  
ARC Energy NL

A handwritten signature in black ink, appearing to read 'Eric Streitberg', written over a horizontal line.

ERIC STREITBERG  
**Managing Director**