

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

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To: Australian Stock Exchange Ltd

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From: Eric Streitberg

**Re: Hovea 10 Progress Report**

ARC Energy NL advises that at 0600 hours WST the water injection well, Hovea 10, operated by ARC and located in the onshore Perth Basin Production Licence L1, was preparing for completion. The Hovea 10 well bore is a sidetrack from the original Hovea 9 st1 well bore and is designed as a water injection well to provide pressure support to the Hovea and Eremia Fields.

Hovea 10 kicked off from a cement plug set at a depth of 1004 metres in the Hovea 9 st1 well bore and was then drilled to a total depth of 2232 metres. The well intersected the top of the Dongara Sandstone at a sub-sea depth of 1959 metres, 27 metres below the original field oil water contact and approximately 360 metres to the west of the Hovea 9 surface location. Wireline logs have been acquired and 178 mm (7 inch) casing has been run in the well.

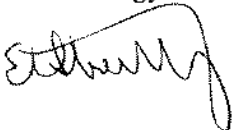
The rig will undertake completion and injection test operations before being released.

Subject to final joint venture approval the drilling rig will then drill the Eremia 2 horizontal oil development well.

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

- ARC Energy NL 50% (Operator)
- Origin Energy Developments Pty Ltd 50% (a wholly owned subsidiary of Origin Energy Limited)

Yours faithfully  
ARC Energy NL



**ERIC STREITBERG**  
**Managing Director**