



ASX RELEASE

Release Date: 15 March 2004
To: Australian Stock Exchange Ltd No of Pages: 1
From: Eric Streitberg

Re: Redback 1 gas exploration well update

ARC Energy Limited advises that at 0600 hours WST the gas exploration well Redback 1 operated by Origin and located in the onshore Perth Basin Production Licence L11 was pulling out of the hole to run wireline logs at a total depth of 3796 metres.

The top of the primary objective Wagina Formation was intersected at approximately 3689 metres measured depth, approximately 14 metres high to prognosis. Elevated gas readings over a 3 to 5 metre interval were encountered on penetration of the inferred higher porosity reservoir zone at approximately 3726 metres. This zone is interpreted to be equivalent to the producing horizon in the nearby Beharra Springs Gas Field. The significance of these shows will be determined over the next few days following the completion of the wireline logging program after which time a decision on the forward plan for the well will be made.

Redback 1 is located approximately 3 kilometres east of the Beharra Springs gas processing plant. Co-ordinates for the drilling location are as follows:

Latitude: 29° 27' 28.05" S
Longitude: 115° 09' 43.51" E

Participants in L11 and Redback 1 are as follows:

Origin Energy Developments Pty Limited*	67.00%
ARC Energy Limited **	33.00%

*a wholly owned subsidiary of Origin Energy Limited

** via the wholly owned subsidiary AWE (Perth Basin) Pty Ltd

Yours faithfully
ARC Energy Limited

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

ERIC STREITBERG
Managing Director