


ARC ENERGY
ASX RELEASE

Release Date: 19 August 2004

To: Australian Stock Exchange Ltd

No of Pages: 1

From: Eric Streitberg

Re: Centella 1 gas exploration well update 3

ARC Energy Limited advises that at 0600 hours WST the operation at the Centella 1 well, operated by ARC, was drilling ahead at 2,588m. Since the last report, 216mm (8 ½ inch) hole was drilled from 1,470m to the current depth.

The well is located approximately 6.5 kilometres east of the Hovea Production Facility and approximately 1.3 kilometres north of the Mondarra gas field. The well is being drilled directionally to allow flexibility for additional well locations from the same pad. The target bottom hole location is approximately 856 metres east of the surface location.

The depth to the prognosed top of the primary objective Dongara Sandstone is approximately 2970 metres measured depth. The proposed total depth of the well is 3040 metres measured depth and it is expected to take 25 days to drill on a dry hole basis.

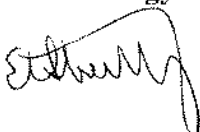
Preliminary co-ordinates for the surface drilling location are as follows:-

Latitude 29° 18' 01.68" S
Longitude 115° 06' 12.11" E

Participants in Centella 1 and L1 and L2 (excluding the Dongara, Mondarra and Yardarino fields) are:

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

Yours faithfully
ARC Energy Limited



ERIC STREITBERG
Managing Director