

ARC ENERGY
ASX RELEASE

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From: Eric Streitberg

Re: Hovea 11 development well update 3

ARC Energy Limited advises that 0600 hours WST the operation at the Hovea 11 well, operated by ARC, was preparing to run 7 inch casing after completion of wireline logging operations which confirmed an oil column extending over approximately 18 metres in the Dongara Sandstone. This is in line with expectations from field production modeling of a rise in the original field oil water contact of approximately 4 metres.

The well will be completed as an oil producer and the rig will be moved to the Xyris South 1 location.

Participants in Hovea 11 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