



ASX Announcement

September 27, 2004

BassGas status update

Origin Energy Limited, as operator of the BassGas project has released a status update on the project this morning.

Origin's release is attached.

Yours Faithfully

Bruce Phillips
Managing Director

ASX Release

27 September 2004

BassGas Status Update

Origin Energy advises that as a result of significant delays in the completion of the BassGas project in Victoria, Origin and the other Joint Venture participants in the BassGas project confirm they intend to seek liquidated damages from the EPIC contractor, Clough Engineering Limited. Liquidated damages are payable by the contractor for each day that Separable Portion 3 of the contract (Ready for Start Up - RFSU) is not complete.

Based on informal advice from Clough, Origin has previously reported to the ASX that start up of the BassGas project will be delayed into October 2004. This compares with the contractual date for RFSU of early June, 2004. Unfortunately, RFSU was not met by the EPIC contractor Clough, and Clough is yet to formally advise of the completion date.

Clough has indicated that the project delays are due at least in part to productivity issues and weather delays, both of which are the responsibility and liability of Clough.

Drilling of the first development well on the Yolla field was completed on 6 August and handed over to Clough for tie-in on 10 August. Since that time the BassGas joint venture has been in a position to deliver gas aboard the Yolla-A platform. However construction and pre-commissioning of the platform and the onshore processing facility has been delayed and it is this delay that is the subject of the liquidated damages being claimed in accordance with the terms and conditions of the construction contract.

The final development well Yolla 3 is currently being tested and results will be released at the end of the testing program. Detailed analysis of the Yolla 4 results indicate that the raw gas is within contractual specifications but that traces of mercury have been detected in the Yolla gas stream. This eventuality was anticipated in the contractual arrangements with Clough and consequently the onshore plant was designed with the flexibility to deal with this issue. This has not impacted the delays experienced by Clough and is not expected to have any significant economic impact on the performance of the BassGas project.

Participants are:

Origin Energy Resources Limited*	32.5% (Operator)
Origin Energy Northwest Limited*	5.0%
AWE Petroleum Pty Ltd	30.0%
CalEnergy Gas (Australia) Limited	20.0%
Wandoo Petroleum Pty Ltd	12.5%

*a wholly owned subsidiary of Origin Energy Limited



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