


ARC ENERGY
ASX RELEASE

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To: Australian Stock Exchange Ltd

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From: Eric Streitberg

Re: Xyris South 1 gas appraisal well completed

ARC Energy Limited advises that the Century Rig 11 was released from the Xyris South 1 well at 2.00pm WST today.

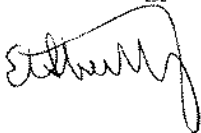
Since the last report the wireline logging program has been completed and 178 mm (7 inch) casing has been run to 2930 metres measured depth. A completion assembly has been run and the well suspended as a future gas producer.

The well head is located some 200 metres from the almost completed Xyris gas processing facility, and subject to necessary joint venture and regulatory approvals the well will be able to be quickly and efficiently brought onstream.

Participants in L1 and L2 (excluding the Dongara, Mondarra and Yardarino fields) and Xyris South 1 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