



ASX Announcement

December 3, 2004

BassGas Project – Dispute with EPIC Contractor

Origin Energy Limited, as operator of the BassGas Project, has released an update on the dispute with the EPIC Contractor today.

Origin's release is attached.

Yours Faithfully

Bruce Phillips
Managing Director

ASX Release

3 December 2004

BassGas Project - Dispute with EPIC Contractor Clough

Origin Energy as operator for the BassGas Joint Venture confirms that on 30 November 2004 the Joint Venture parties called on a bank guarantee in the sum of \$19.3 million provided by EPIC Contractor Clough Engineering Limited.

The Joint Venturers decided to call upon the Guarantee following the failure or refusal by Clough to perform significant work that is required of it to achieve completion of Separable Portion 3 of the contract (Ready for Start Up - RFSU) in accordance with the EPIC Contract.

It is noted that in the release by Clough reference was made to third party verification that "the offshore facilities are contractually Ready for Start Up". Origin Energy wishes to clarify that while an inspection of certain elements of the systems on the platform was undertaken by a third party engaged by Clough, it did not cover all of the work required to be completed under the Contract to ensure that RFSU was achieved.

While delays in completion of works has resulted in the project being significantly behind schedule the construction phase of the project is now nearing completion.

The Joint Venture does not wish to make any further comment on the claims or statements made by Clough as the matter should be more appropriately addressed through the agreed contractual dispute processes and not in the public forum.

Participants in the BassGas Joint Venture 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

For further information, contact:

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