


ARC ENERGY
ASX RELEASE

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To: Australian Stock Exchange Ltd

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From: Eric Streitberg

Re: Jingemia 7 update 3

ARC Energy Limited advises that as at 0600 hours the current operation at the Jingemia 7 well was preparing for a BOP test.

Since the last report the well has been drilled ahead to a total measured depth of 2,750 metres and wireline logging has been attempted but has been unsuccessful to date due to hole conditions. However, preliminary review of the Jingemia 7 well data obtained to date indicates that the well has intersected the Dongara Sandstone at a depth of approximately 2,520.5 metres measured depth (2,455 metres true vertical depth), approximately 41 metres below the assumed oil water contact of the Jingemia Oil Field and in a separate fault block to the Jingemia Oil Field. The Dongara Sandstone appears to be water bearing at the Jingemia 7 location.

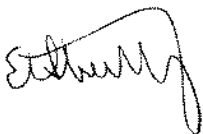
The forward program for the well will be decided once the logging program has been completed but may include the well being sidetracked to the southeast to a bottom hole location interpreted to be on the upthrown side of the fault.

Participants in Jingemia 7 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