

ARC ENERGY
ASX RELEASE

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To: Australian Stock Exchange Ltd

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From: Eric Streitberg

Re: Hakia 2 gas exploration and appraisal well update 2

ARC Energy Limited advises that the operation at 06:00 hours WST at the gas exploration and appraisal well Hakia 2, operated by ARC and located in the onshore Perth Basin Production Licence L2, was drilling ahead in 216mm hole at 2,252 metres. Progress for the week is 2,002 metres.

The proposed total depth of Hakia 2 is 2,900 metres measured depth and it is expected to take 15 days to drill on a dry hole basis.

Preliminary co-ordinates for the surface drilling location are as follows:-

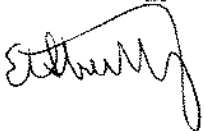
Latitude	29° 14' 25.94" S
Longitude	115° 5' 29.28" E

Participants in L1 and L2 (excluding the Dongara, Mondarra and Yardarino fields) and Hakia 2 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