



ASX RELEASE

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To: Australian Stock Exchange Ltd

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From: Eric Streitberg

Re: Kunzia 1 oil exploration well update

ARC Energy Limited advises that as at 0600 hours the operation at the exploration well Kunzia 1, operated by ARC and located in the onshore Perth Basin Production Licence L2, was running in the hole prior to drilling ahead. The well commenced on 18 October after the Bartsia 1 well bore was plugged back to the 244 mm (9 5/8 inch) casing shoe at 1387 metres measured depth and the Kunzia 1 well bore was drilled directionally from that point. The current depth of the well is 1975 metres measured depth. The prognosed top of the Dongara Sandstone reservoir objective is at 2783 metres measured depth and is located some 1.15 kilometres to the southwest of the Bartsia/Kunzia surface location.

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

A handwritten signature in black ink, appearing to read 'Eric Streitberg', written over a white background.

ERIC STREITBERG
Managing Director

