



ASX RELEASE

Release Date: 5 December 2005
To: Australian Stock Exchange Ltd
From: Eric Streitberg

No of Pages: 2

Re: Bunjong 1 exploration well spuds

ARC Energy Limited advises that drilling of the exploration well Bunjong 1, operated by ARC and located in the onshore Perth Basin Production Licence L2, commenced at 1300 hours on Sunday 4 December 2005 using the Century 11 drilling rig. As at 0600 hours, the current operation was running 340 mm (13 ⁵/₈ inch) casing at 115 metres measured depth.

The well is located approximately 2.2 kilometres north of the town of Dongara.

The depth to the prognosed top of the primary objective Dongara Sandstone is approximately 1,745 metres measured depth. The proposed total depth of the well is 2,060 metres measured depth and it is expected to take 13 days to drill on a dry hole basis.

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

	Surface	Top primary target
Northing	6 764 513	6 764 622
Easting	299 499	299 143

The top of the primary target is located approximately 350 metres from the surface location.

Bunjong 1 is an exploration well being drilled on a structure defined by the Denison 3D seismic survey.

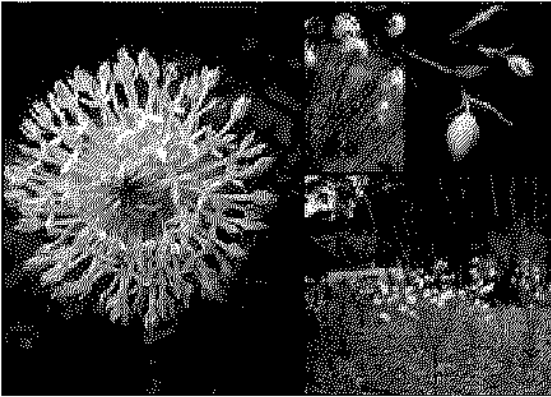
Participants in L1 and L2 (excluding the Dongara, Mondarra and Yardarino fields) and Bunjong 1 are:

- 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 horizontal line.

ERIC STREITBERG
Managing Director



“Bunjong” *Pimelea spectabilis*

Location map

