



ASX RELEASE

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To: Australian Stock Exchange Ltd

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From: Eric Streitberg

Re: Snottygobble 1 gas exploration well update 2

ARC Energy Limited advises that at 0600 hours WST the operations at the Snottygobble 1 well, operated by ARC and located in the onshore Perth Basin Production Licence L1 was drilling ahead at 1,870 metres measured depth.

The objective for Snottygobble 1 is the Dongara Sandstone which is the producing reservoir for the nearby Mondarra, Apium and Xyris Gasfields. The prognosed top of the Dongara Sandstone is some 2,865 metres measured depth.

Participants in 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)

(Origin has confirmed that it will not be participating in the drilling of the Snottygobble well and consequently ARC will be drilling the well as a Sole Risk Project).

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