



ASX RELEASE

Release Date: 5 September 2006
To: Australian Stock Exchange Ltd
From: Eric Streitberg
No of Pages: 3

Re: Jingemia-8 Operations Update

Please find attached an ASX Release on the progress of the Jingemia-8 well made by the operator, Origin Energy Limited.

The attached announcement will also be available on the Company's website at;

www.arcenergy.com.au

For enquiries please contact:

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About ARC Energy Limited:

ARC Energy is one of Australia's pre-eminent energy companies, owning and operating oil and gas interests in the Perth and Canning Basins, and internationally. Listed on the Australian Stock Exchange with a market capitalisation of approximately A\$350 million, ARC has an aggressive onshore and offshore exploration and development drilling program. It continues to drive increased shareholder value by the early adoption of innovative technical and commercial practices.

ASX Release

5 September 2006

Jingemia 8 Oil Appraisal / Development Well Update, Onshore Perth Basin, Western Australia

Origin Energy provides the following update on the Jingemia 8 oil appraisal /development well operated by its subsidiary Origin Energy Developments Pty Ltd.

Jingemia 8

Well type: Oil Appraisal / Development (onshore)

Location: Perth Basin, Western Australia (L14)

Approximately 90 metres south of the Jingemia 6 surface location.

Latitude: 29° 20' 20.32" S
Longitude: 114° 59' 21.18" E

Interests:

Origin Energy Developments Pty Ltd* (Operator)	49.189%
ARC Energy Ltd	44.141%
Victoria Petroleum Offshore Pty Ltd	5.000%
Norwest Energy NL	1.278%
Roc Oil Pty Ltd	0.250%
J.K. Geary	0.142%

* A wholly owned subsidiary of Origin Energy Limited

Objective:

Primary target:	Dongara Sandstone
Proposed total depth:	2,560 metres measured depth

Progress and Status: The well commenced drilling on 13 August 2006 using the Century Rig 18 drilling. 311 millimetre (12¼ inch) hole was drilled to 536 metres measured depth. 245 millimetre (9 5/8 inch) surface casing was set at 532 metres. 216 millimetre (8 ½ inch) hole was drilled to a total depth at 2,565 metres measured depth in the upper Carynginia Formation, which was reached on 29 August.

The top of the objective Dongara Sandstone was intersected at 2,482 metres measured depth (2,384 metres true vertical depth), approximately 30 metres above the original oil-water contact of the Jingemia field. Hydrocarbon indications recorded during drilling and wireline logs indicate that the entire Dongara Sandstone reservoir section is oil-saturated in this well. Reservoir pressure data indicates that this reservoir is not in pressure communication with the remainder of the Jingemia field.

At 10:00 hours WST today, the activity was preparing to run casing. The well will be completed for connection to the Jingemía oil facility.

For further information contact:

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