

To	Company Announcements Office	Facsimile	1300 300 021
Company	Australian Stock Exchange Limited	Date	20 September 2006
From	Bill Hundy	Pages	2
Subject	HOVEA 12 OIL DEVELOPMENT WELL COMMENCES ONSHORE PERTH BASIN, WESTERN AUSTRALIA		

Please find attached a report regarding the commencement of the Hovea 12 Oil Development Well, onshore Perth Basin, Western Australia.

Regards

A handwritten signature in black ink, appearing to read "Bill Hundy", written over a horizontal line.

Bill Hundy
Company Secretary

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ASX Release

20 September 2006

Hovea 12 Oil Development Well Commences Onshore Perth Basin, Western Australia

Origin Energy Limited advises that operations at the oil development well Hovea 12, operated by ARC Energy Limited and located in the onshore Perth Basin L1 permit, commenced at 21:00 hours WST on Tuesday, 19 September, using the Century 18 drilling rig. Operation at 06:00 hours WST today was drilling ahead at 233 metres measured depth.

Hovea 12 is located approximately 16 kilometres east-southeast of the township of Dongara. The primary target is the Late Permian Dongara Sandstone, the main oil-producing reservoir in the Jingemina, Hovea and Eremia fields.

Hovea 12 is designed to intersect the Dongara Sandstone as near to the structural crest of the Hovea oil field as possible, which may be up to 20 metres updip from existing Hovea wells. Hovea 12 is being drilled directionally and is prognosed to intersect the top of the Dongara Sandstone at approximately 2,274 metres measured depth at a subsurface location approximately 1,090 metres north of the surface location.

Surface co-ordinates for the Hovea 12 drilling location are as follows:

Latitude: 29° 19' 06.96" S
Longitude: 115° 02' 33.15" E

The well has a planned total depth of approximately 2,476 metres measured depth and is expected to take 24 days to drill.

Participants in L1 and L2 (excluding the Dongara, Mondarra and Yardarino fields) and Hovea 12 are:

Origin Energy Developments Pty Ltd*	50.00%
ARC Energy Ltd (Operator)	50.00%

* A wholly owned subsidiary of Origin Energy Limited

For further information contact:

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