



ASX Announcement

June 4, 2007

BassGas joint venture welcomes Arbitrator's Decision on Dispute with Clough

The Operator of the BassGas Project has made an ASX release on the BassGas Arbitration.

The release is attached.

Yours Faithfully

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Managing Director
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ASX Release

4 June 2007

BassGas Joint Venture welcomes Arbitrator's Decision on Dispute with Clough

Origin Energy Resources Ltd ("Origin") as operator of the BassGas Joint Venture is pleased to advise that an important stage in the arbitration process with Clough has been determined in favour of the Joint Venture.

The arbitrator's decision, which was handed down at the weekend, dismisses the \$95.7 million Trade Practices claim by Clough which, amongst other issues, alleged that there was misleading conduct on the part of Origin.

The determination also dealt with liability in respect of the first tranche of defects claims made by the Joint Venture against Clough (being claims notified up to April 2005) and found that Clough was liable in respect of the significant majority of these claims. The value attributed to rectification of these defects and liquidated damages will be determined at the second stage hearing in April 2008, together with the liability and quantum of the second tranche of defects notified after April 2005.

The Joint Venture welcomes the arbitrator's decision in this initial hearing and is hopeful that the outstanding matters in relation to the remainder of the arbitration can be resolved in a more time efficient manner.

Project participants are:

Origin Energy Resources Limited ⁽¹⁾	37.5% (Operator)
Origin Energy Northwest Limited ⁽¹⁾	5.0%
AWE Petroleum Pty Ltd	30.0%
CalEnergy Gas (Australia) Limited	15.0%
Wandoo Petroleum Pty Ltd	12.5% ⁽²⁾

(1) a wholly owned subsidiary of Origin Energy Limited

(2) Under contract of sale to ARC Energy Limited

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