

Media Release

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BassGas Project Receives Joint Venture Approval

Origin Energy as Operator of the T/RL1 Joint Venture is pleased to advise that all participants in the Joint Venture have approved a proposal to proceed with the development of the Yolla gas field, the central component of the BassGas Project.

Origin Energy has a 37.5% share in the Yolla field in Bass Strait from which natural gas will be piped to a processing plant near Lang Lang, southeast of Melbourne.

Origin Energy has used its unique position as a significant participant in both the upstream and downstream energy industry in Australia to commercialise the BassGas Project. Origin Energy has agreed to purchase 95 percent of the 20 petajoules of gas produced per annum for its Retail business. This project is a clear demonstration of Origin's strategy to leverage its integrated energy business structure.

Origin Energy estimates that the BassGas Project will produce enough gas to service up to 67 terajoules of gas sales a day, together with substantial volumes of condensate and LPG. It is expected to supply around 10 percent of the Victorian natural gas market over the next 15 years and will be in production by the third quarter of 2004.

Origin Energy Executive General Manager Oil & Gas Production, John Piper, said, "We are delighted to announce the decision to proceed with the BassGas Project today. It is a clear indication that we are moving ahead with our strategy to lower infrastructure and distribution costs by developing gas projects that are close to the market and existing infrastructure.

"Victoria has the largest gas market in Australia with over 2 million customers. The development of the Yolla gas field will help secure the supply of gas for Victorians in the longer-term. By developing local gas fields, we are creating new regional development and employment opportunities," Mr Piper said.

Clough Limited has been identified as the preferred construction contractor for the development. Execution of staged engineering procurement and construction contracts for the development is expected in May 2002.

The approval by all Joint Venture participants allows the final design and construction work to proceed, including the ordering of long lead time items, and allows final environmental and regulatory approvals to be sought. These issues are expected to be finalised by September 2002.

The participants in the T/RL1 Joint Venture are:

- Origin Energy (Operator) 37.5%
- AWE 37.5%
- CalEnergy 20.0%
- Santos 5.0%

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About Origin Energy: With a history dating back 140 years, Origin Energy is a leading Australian energy provider and participant in most segments of the energy supply chain including natural gas and oil exploration and production; power generation; energy retailing and trading; and asset management services. Origin Energy supplies energy to more than two million homes and businesses and employs over 2,700 people.