

Report for the Quarter ended 30 June 2005

To the Australian Stock Exchange

Origin Energy Limited (Origin) hereby submits this Quarterly report to the Australian Stock Exchange which covers the activities of wholly owned subsidiaries Origin Energy Resources Limited and Origin Energy CSG Limited.

Significant events and influences during the Quarter included:

- The Spring Gully project facilities were commissioned on schedule and first gas sales commenced on 24 June 2005.
- Defect rectification works continued on the BassGas project with the aim to commence commissioning of the onshore plant in September 2005 using gas from the Victorian grid, and commence commissioning of the offshore facilities in October 2005.
- On 22 April 2005, Origin announced an upgrade of the Kupe field reserves. Within the central field area, the total 2P reserves (gas and condensate) were revised upwards by 16.5% from 338 PJe to 394 PJe.
- Tenders were issued for platform fabrication, offshore installation and drilling in respect of the Kupe project (New Zealand) while design and tendering for the onshore gas production facilities are also underway. The regulatory approval process is progressing well.
- The Otway Gas project is now 42% complete with construction of the onshore gas plant and offshore platform fabrication progressing. First shipments of pipe for the subsea and land pipelines from Batam, Indonesia, have commenced and permanent works for the shore crossing which was directionally drilled have been completed.
- Daily production from the Perth Basin for the Quarter averaged approximately 4,670 barrels of oil per day net to Origin. Production rates declined towards the end of the Quarter as water encroachment impacted a key producing well on the Jingemia field. The tie-in of future wells resulting from the pending Jingemia drilling program, commencing in July, should significantly increase oil production.
- Two exploration wells, Halladale 1 DW1 and DW2, were successful in discovering gas accumulations in the Waarre Formation (the Black Watch and Halladale fields respectively) in the nearshore Vic/P37(V).
- Other exploration/appraisal activity included the drilling of four wells in the Surat Basin (Myall Creek 5, Parknook 7, Namarah 7 (to intermediate casing depth only in these wells) and Ungabilla 1), three wells in the onshore Perth Basin (Tarantula 1 ST1, Jingemia 7 and Hakia 2) and the testing of Corybas 1 also in the Perth Basin. Ungabilla 1 encountered gas in poor quality reservoirs and will be further evaluated while Jingemia 7 encountered the targeted Dongara Sandstone below the oil-water contact. Operations on the other wells were ongoing at the end of the Quarter.

- Within the Cooper Basin, ten gas development wells, four oil development wells, one oil appraisal well and one near-field exploration well were drilled. With the exception of one of the gas development wells, all were cased and suspended as future producers. Another two development wells were in progress at the end of the period.
- In Queensland CSG permits, one horizontal in-seam well was drilled in non-operated permits (Fairview PL 92) and one non-operated well (Fairview PL 91) was cavitated prior to completion.
- Completion of the SESA gas pipeline in south east South Australia in May 2005 restored full gas supply to consumers following curtailing of supply in February 2005.

Post Report Date Events

- On 18 July 2005, Origin released further details on the progress of the BassGas project confirming its intention to contract a semi-submersible accommodation vessel, the Safe Concordia, to speed up rectification works on the offshore platform. Commissioning of the Lang Lang onshore plant is expected in September 2005 with commissioning of the integrated BassGas project commencing in October 2005.
- In the announcement on 18 July 2005, Origin also released details of a reserves upgrade following the development drilling on the Yolla field in mid 2004. The reserves of sales gas (as at 1 July 2005) increased 26% to 324 PJ and, together with associated liquids, the overall reserves increased 19% to 454 PJe.
- The Hakia 2 well in the onshore Perth Basin failed to encounter a commercial hydrocarbon accumulation. A suspension plug was set to allow for the potential cost effective sidetracking of the well to a separate exploration location at some time in the future, after the well was abandoned over the target zones in Hakia 2.
- On 4 July 2005 the sale of the Tubridgi assets (L9, Western Australia) to BHP Billiton was settled.

Report for the Quarter ended 30 June 2005

1. Production Sales and Expenditure

The share of production and energy sales during the Quarter is summarized as follows:

1.1 Production by Area (and Total Sales and Revenue)

Note: current Quarter production figures for some areas (non-operated) include estimates for June production. Previous Quarter figures have been amended to reflect actual production volumes which became available only after report date for that Quarter.

Natural Gas and Ethane	Unit	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Natural Gas	PJ						
SA Cooper & SWQ		7.2	7.4	(3)	8.5	30.6	33.6
Otway Basin		1.3	1.2	8	3.3	7.6	7.5
Perth Basin		0.6	0.8	(25)	0.6	2.5	2.3
Carnarvon Basin		0.0	0.0	-	0.1	0.1	0.9
Coal Seam Gas		3.6	3.0	20	2.5	11.8	10.6
Surat / Denison		2.9	2.8	4	2.6	11.7	10.7
Ethane	PJ						
SA Cooper & SWQ		0.3	0.3	-	0.1	1.3	0.8
Total Production		15.9	15.5	3	17.6	65.6	66.4
Total Sales		16.9	15.2	11	17.4	67.8	69.1
Total Revenue	\$M	56.0	49.1	14	55.0	218.5	209.8

Crude Oil	Unit	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Crude Oil	kbbls						
SA Cooper & SWQ		73.8	78.2	(6)	73.6	324.3	375.1
Surat / Denison		5.4	7.1	(24)	11.7	29.2	77.9
Perth Basin		425.0	449.5	(5)	351.3	1650.0	1247.3
Total Production		504.2	534.8	(6)	446.6	2003.5	1700.3
Total Sales		544.3	578.4	(6)	566.5	2187.2	1899.3
Total Revenue	\$M	30.9	27.9	11	23.7	105.5	78.0

Condensate/Naphtha	Unit	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Condensate/naphtha	kbbls						
SA Cooper & SWQ		109.2	125.0	(13)	88.8	484.3	407.0
Otway Basin		5.4	5.9	(8)	16.4	34.5	38.9
Perth Basin		0.9	1.6	(44)	1.0	4.5	3.9
Surat / Denison		17.9	17.7	1	13.7	73.5	54.2
Total Production		133.4	150.2	(11)	119.9	596.8	504.0
Total Sales		177.7	150.5	18	22.8	648.2	433.6
Total Revenue	\$M	10.2	9.4	9	1.3	36.0	19.9

LPG	Unit	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
LPG	Ktonnes						
SA Cooper & SWQ		11.8	12.0	(2)	3.2	48.6	34.0
Surat / Denison		2.2	2.3	(4)	2.1	9.9	8.8
Total Production		14.0	14.3	(2)	5.3	58.5	42.8
Total Sales		8.2	19.6	(58)	3.9	51.2	48.9
Total Revenue	\$M	4.8	10.3	(53)	1.8	29.4	24.1

	Unit	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Production (all products)	PJe	20.3	20.1	1	21.2	83.4	81.2
Sales (all products)	PJe	21.4	20.3	5	21.0	86.5	84.9
Total Revenue	\$M	101.9	96.7	5	81.7	389.4	331.8

	Unit	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Total Sales	PJe						
Internal		4.8	3.6	33	6.1	19.4	18.4
External		16.6	16.7	(1)	14.9	67.1	66.5
Total		21.4	20.3	5	21.0	86.5	84.9

	Unit	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Production by Basin	PJe						
SA Cooper & SWQ		9.1	9.4	(3)	9.7	38.8	40.5
Otway Basin		1.3	1.2	8	3.4	7.8	7.7
Perth Basin		3.1	3.4	(9)	2.6	12.1	9.6
Carnarvon Basin		0.0	0.0	-	0.1	0.1	0.9
Coal Seam Gas		3.6	3.0	20	2.5	11.8	10.6
Surat/Denison		3.2	3.1	3	2.9	12.8	11.9
Total		20.3	20.1	1	21.2	83.4	81.2

Conversion Factors:

Crude oil	5.83 PJ/million bbls
Condensate	5.41 PJ/million bbls
LPG	49.3 PJ/million tonnes
Ethane	51.7 PJ/million tonnes

1.2 Production Sales Summary

Total production for the Quarter was maintained at comparable levels to the previous Quarter at 20.3 PJe but lower than in the comparable Quarter in 2003/2004. Increases in production from the CSG areas have been partially offset by reductions in production from the Perth Basin and the Cooper Basin (see below).

Sales volumes increased by 5% compared with the previous Quarter and revenue increased also by 5%. Revenue for the financial year ended 30 June 2005 was \$58 million greater than in 2003/2004.

Gas sales from the main contributor, the Cooper Basin, were marginally lower than the previous Quarter due to a natural field decline and lower contractual commitments.

Compared with the previous Quarter coal seam gas production grew by 20% to 3.6 PJ.

Total Perth Basin production fell by 10% to 3.1 PJ for the Quarter due to a combination of lower oil sales resulting from water encroachment in Jingemina 4, and lower gas and condensate sales from Perth Basin gas fields.

Gas sales (16.9 PJ) exceeded gas production (15.8 PJ) with the additional gas purchased from various sources to meet contractual commitments, largely in the Cooper Basin.

2. MARKETING AND DEVELOPMENT ACTIVITIES

2.1 South Australia

2.1.1 Cooper/Eromanga Basin

SA Unit Area (Interest 13.19%)

Seven gas development wells were drilled during the Quarter. Six of these wells (Alisma 2, Andree 3, Big Lake 81 and 82, Mundi 7 and Pira 3) were cased and suspended as future Permian gas producers. Varanus 3 failed to intersect sufficient net gas pay and was plugged and abandoned. The Leleptian 3 Permian gas development well was spudded in June and was drilling ahead at the end of the Quarter.

Four Jurassic oil development wells (Fly Lake 14, Merrimelia 53, Merrimelia 54 and Merrimelia 55) and one oil appraisal well (Carmina 2) were drilled during the quarter. All were cased and suspended as future oil producers.

Patchawarra East Block (Interest 10.536%)

No significant activity during the Quarter.

2.1.2 Otway Basin

PPL 62 (Interest 75.7143%, Katnook area gas fields (Operator)), PPL 168, PPL 202 (Interest 75.7143%, Redman gas field (Operator))

Following the recompletion of Katnook 3 during the first Quarter of 2005, no continuous flow could be established from the well and it remained shut-in throughout the second Quarter.

Production tests were performed on Ladbroke Grove 3, Katnook 2, Haselgrove 1, Haselgrove South 1 and Redman 1 (some of which were reperforated) in May 2005 with little success in contributing any significant additional gas to the total Ladbroke Grove/Katnook production levels.

The completion of the 45 km SESA gas pipeline in May 2005 restored full gas supply to consumers in south east South Australia.

2.2 Queensland

2.2.1 Cooper/Eromanga Basin

ATP 259P - SWQ Unit (Interest 16.7375%)

Three gas development wells were drilled during the Quarter. Chiron 3, Wolgolla 4 and Wolgolla 5 were all cased and suspended as future Permian gas producers. The Psyche 4 gas development well spudded in late June and was drilling ahead at the end of the Quarter.

ATP 259P (Block Interests 10-27%)

No significant activity during the Quarter.

2.2.2 Surat Basin

PLs 30, 56 & 74 (Interest 69% (Operator) in PLs 56 and 74; and 75% (Operator) in PL 30)

No significant activity during the Quarter.

PLs 53 and 174 (Interest 100% (Operator))

Interpretation of the Myall Creek 3D Seismic Survey covering the majority of PL 174 and the eastern ATP 375P continued during the Quarter. This project is aimed at assessing the potential of the Rewan and Tinowon plays in this area.

The Myall Creek 5 was drilled during the period to intermediate casing depth. This well will address the potential of the Rewan Formation in the Myall Creek area using underbalanced drilling. The underbalanced drilling of this well is scheduled for August 2005.

PLs 70 & 71 (Interest 90% (Operator) in PL 71; and 100% (Operator) in PL 70)

Two appraisal wells, Namarah 7 and Parknook 7, were drilled in PL 71 during the period to intermediate casing depth. These wells, funded by AusAm Resources Limited as part of an agreement to farm in to PL71, will address the potential of the Showgrounds and Rewan formations in this area using underbalanced nitrogen drilling. The underbalanced drilling of these wells is scheduled for August 2005.

PLs 10W, 11W, 12W, 28, 69 & 89 (Interest 46.25%); Snake Creek East Exclusion Zone (Interest 25.0%)

No significant activity during the Quarter.

PLs 21, 22, 27 & 64 (Interest 87.5% (Operator))

No significant activity during the Quarter.

PL 14 (Interest 100% (Operator))

No significant activity during the Quarter.

2.2.3 Bowen Basin (* denotes CSG permit(s))

PLs 41, 42, 43, 44, 45, 54, 67, 173, 183 & 218 (Interest 50% (Production Operator))

Construction activities commenced during the period on the tie-in of Punchbowl Gully 1 in PL 183. The well will be connected to the Denison Trough production facilities via a 4 inch line to the Yellowbank field.

Initial planning and approvals were progressed on the connection of Sardine Creek 1 into the Denison Trough production facilities. This well will be connected via a 4 inch line to the Springvale dehydration facility.

PL 94 * (Interest 100% (Operator))

PL 94 Sublease * (north of latitude 24°37'20"S) (Interest 50% Operator)

Connection activities were completed on the three appraisal/development wells drilled in the Mungi field in the PL 94 Sublease. These wells are being sole risked by Lowell Petroleum NL and Helm Energy - Australia, LLC. The wells are now producing and in the dewatering phase.

PL 101 * (Interest 100% (Operator))

A four well appraisal and development programme is planned in the Peat field in the third Quarter of 2005 for reserve and deliverability additions.

PLs 90, 91, 92, 99, 100 (Fairview) * (Interest 23.93%)

A horizontal in-seam well, Fairview 117H, was drilled and a cavity completion of the Fairview 96 well was undertaken during the Quarter to target the Bandana coals.

PLs 195, 200, 203 and 204* Spring Gully (Interest 94.505% in PL 195 and PL 203 (Operator); 95.7097% in PL 200 (Operator); 99.725 % in PL 204 (Operator))

Stimulation, completion and connection work continued on the Spring Gully pre-production development program. At the end of the Quarter 42 wells had been drilled, 40 wells had been stimulated using a combination of fracture stimulation and cavitation, and 35 wells had been completed, commissioned and brought into production. Production results to date have been excellent with gas volumes above that required to meet contract requirements.

Construction of infield development pipelines, the main trunkline to Wallumbilla, evaporation ponds and gas plant were completed and commissioned during the Quarter on schedule. First gas sales from Spring Gully commenced on 24 June 2005.

Planning commenced for a seismic acquisition program to be recorded in the third Quarter of 2005.

2.3 Western Australia

2.3.1 Perth Basin

L11 (Interest 67.0%, Beharra Springs gas field (Operator))

No significant activity during the Quarter.

L1/L2 (Excluding Dongara, Mondarra and Yardarino gas fields) (Interest 50%, Hovea and Eremia oil fields, Xyris gas field)

At the end of the Quarter gross production through the Hovea Production Facility was producing at approximately 6,500 barrels of oil per day from Hovea 4, 7, 8 and Eremia 1 and 2.

Approval has been granted to tie-in Xyris South 1, which is now expected to take place early in the next Quarter.

The Xyris gas field produced at rates of up to 7.0 TJ/day during the Quarter, supplying gas to customers in the Perth area. Towards the end of the Quarter, production was constrained to 3.0 TJ/day by low demand in the Perth Basin due to the Hismelt shut-in.

L14 (Interest 49.189%, Jingemia oil field (Operator))

Gross production averaged approximately 1000 bopd during June 2005 as water encroachment affected the key producer, Jingemia 4. Jingemia 4 was shut in at the end of the Quarter. Drilling due to commence in July is expected to significantly increase production levels.

Construction of the Jingemia Production Facility for long term production continued throughout the Quarter with the water injection pump installed. The processing facility was approximately 92% complete at the end of the Quarter. Artificial lift was implemented towards the end of the Quarter.

2.3.2 Carnarvon Basin

L9 (Interest 56.65%, Tubridgi gas field (Operator))

The sale of the Tubridgi assets to BHP Billiton was expected to be completed early in the next Quarter (see post report date events).

2.4 Victoria

2.4.1 Otway Basin

PPL 8 (Interest 100%, Dunbar gas field (Operator))

No significant activity during the Quarter.

PPL 2 (Interest 100%, Iona gas field excluding Iona gas reservoir (Operator))

No significant activity during the Quarter.

PPL 4, 5, 7, 12 (Interest 100% (Operator))

No significant activity during the Quarter.

PPL 6, 9, 10, 11 and PRL 1 (Interest 90% (Operator))

No significant activity during the Quarter.

VIC/L23 (Interest 29.75%, Geographe)

Development activity continued for the Geographe (Vic/L23) and Thylacine (T/L2) fields. (Refer T/L2 in 2.5.1 below.)

2.5 Tasmania

2.5.1 Otway Basin

T/L2 (Interest 29.75%, Thylacine)

Development activity continued for the Thylacine (T/L2) and Geographe (Vic/L23) fields.

At the end of the Quarter, the project was 42% complete overall. Procurement continued for all facilities components, as well as for drilling.

Construction was 17% complete on the onshore gas plant with construction of foundations for pipe racks, equipment and site buildings progressed, delivery of nearly 30% of the main equipment items and first delivery of pre-fabricated pipe work.

The offshore platform fabrication in Malaysia continued and was 62% complete at the end of the Quarter.

Concrete coating of the 500mm linepipe was completed in Batam and the final batch of 100mm pipe is being coated in Kuantan. The first shipment of 500mm and 100mm pipe has left Batam in transit to Portland.

Completion of the onshore and offshore permanent works for the horizontal directional drilling (HDD) shore crossing occurred during the Quarter.

Co-location agreements with SPI/TXU for compression services, commissioning gas and gas link and water disposal were executed in May 2005.

First gas exports from the Otway project are expected in mid 2006.

2.5.2 Bass Basin

T/L1 (Interest 37.5% (Operator))

Work is still underway to complete all known defect rectification activities in preparation for a recommencement of Yolla production and the commissioning of the Lang Lang plant, both of which are likely to occur during September 2005. Outstanding works include the requirement to conduct a major overhaul of the Yolla essential generator and replacement of 36 corroded valve actuators. This has contributed significantly to the offshore defect rectification workload. Progress onshore has been impacted by the requirement to re-engineer and make significant enhancements to the foundation fieldbus instrumentation systems.

All Performance Improvement Notices (PIN) issued by WorkSafe Victoria have been lifted as a result of demonstrating compliance.

Significant effort is currently being expended in the areas of competency demonstration, development of safety management systems and operating procedure development.

A revised and more focussed Permit to Work system was introduced during April 2005 and has proved effective in eliminating bottlenecks associated with workflow.

At the end of the Quarter work was being undertaken to evaluate and source a floating accommodation vessel to allow greater labour access to the offshore platform and allow the completion of outstanding works in a shorter time frame.

Commissioning of the onshore plant is expected to commence in September using gas from the Victorian grid, and a recommencement of production from the Yolla field is expected during October 2005.

2.6 Northern Territory/Western Australia

2.6.1 Bonaparte Basin

WA-6-R, NT/RL1 (Interest 5%)

The Operator (Santos Limited) has continued its marketing efforts to commercialise the Petrel field. Discussions have continued with potential customers and the Designated Authority during the Quarter.

Santos also continued to negotiate the renewal of the Petrel Retention Leases with the Designated Authority during the Quarter.

2.7 New Zealand

2.7.1 Offshore Taranaki Basin

PML 38146 (Interest 50% (Operator))

On 22 April 2005, Origin announced that the Kupe Joint Venture had approved and adopted a reserves upgrade for the central field area of the Kupe gas/condensate field. Following a re-interpretation of recently reprocessed seismic data, the estimate of total proved-plus-probable (2P) hydrocarbons recoverable from the field have been reviewed upwards by 16.5% from 338 PJe to 394 PJe.

Development of the Kupe gas project continued with tenders issued for platform fabrication, offshore installation and drilling during the quarter. Detailed design and tendering for the onshore gas production facility is underway with selected international companies. Award of tenders for the project is scheduled for the December 2005 quarter although tight petroleum and resource industry conditions internationally have the potential to impact the project development schedule.

The Regulatory approval process is proceeding to schedule with South Taranaki District Council consents obtained in May and Taranaki Regional Council consents in June. These consents are subject to public appeal with one appeal lodged in early July. Landholder negotiations continue for various easements.

The current project schedule is targeting for all project approvals to be received by the first quarter 2006 and the joint venture is investigating strategies to mitigate any potential impact that regulatory appeals and the current high level of construction activity in the petroleum industry may have on first gas deliveries.

3. EXPLORATION ACTIVITIES

3.1 South Australia

3.1.1 Cooper/Eromanga Basin

SA Unit Area (Interest 13.19%)

No significant activity during the Quarter.

Patchawarra East Block (Interest 10.536%)

No significant activity during the Quarter.

3.1.2 Otway Basin

PEL 27 (Interest 50%)

Beach Petroleum Limited assumed operatorship of the permit during the Quarter in accordance with the farmin arrangements. The Cowrie 1 well is scheduled to be drilled in late 2005. A further nine month suspension of the permit to accommodate the delayed drilling schedule has been approved.

PRL 1 and PRL 2 (Interest 75.7143% (Operator) in PRL 2; and 100% (Operator) in PRL1))

The Wynn 2 gas well, in PRL1 (approved in late 2004), is programed to be drilled during the second half of 2005, with the timing dependent on rig availability.

3.2 Queensland

3.2.1 Cooper/Eromanga Basin

ATP 259P - SWQ Gas Unit (Interest 16.7375%)

The Matrix 1 near-field exploration well was drilled in June 2005. The well encountered and tested net gas pay in the Epsilon Formation and was cased and suspended as a future gas producer.

ATP 259P (Block Interests 10-27%)

No significant activity during the Quarter.

ATP 633P (Interest 50%)

The Right-to-Negotiate (RTN) process is continuing in order to effect grant of this title. An agreement with the Wangkumarra people is expected to be signed early in the next Quarter with the title to be granted shortly thereafter. Origin has sold its interest in ATP 633P, subject to the grant of the title, to Beach Petroleum Limited.

3.2.2 Surat Basin (* denotes CSG permit(s))

ATP 336P (Waldegrave) (Interest 46.25%)

No significant activity during the Quarter.

ATP 375P (Interest 100% (Operator))

Interpretation of the Myall Creek 3D Seismic Survey covering the majority of PL 174 and the eastern ATP 375P continued during the Quarter. This project is aimed at assessing the potential of the Rewan and Tinowon plays in this area.

ATP 470P Redcap, Rolston and Formosa Downs (Interest 90.0% (Operator) in ATP 470P Redcap; 100% (Operator) in ATP 470P Rolston; and 58.5% (Operator) in ATP 470P Formosa Downs)

No significant activity during the Quarter.

AusAm Resources Limited (AusAm) has completed its funding requirements to acquire a 35% interest in ATP 470P Formosa Downs. AusAm has also exercised an option to increase its interest to 45% by undertaking further funding of the Kyeen Creek 1 well later in 2005.

ATP 471P Weribone Pooling Area (Interest 50.64% (Operator))

No significant activity during the Quarter.

ATP 606P * (Interest 92.716% (Operator))

Planning commenced for the drilling of a production well to test the Walloon CSG potential in the Combabula prospect at a location identified on seismic acquired in late 2004, approximately 2km from Combabula 1.

ATP 631P * (Interest 95.7104% (Operator))

Processes were commenced to transfer all interests in the tenure to Tri-Star Petroleum Company.

ATP 647P (Block 2656) (Interest 50% (Operator))

Origin will sole risk a re-entry into the Myall Creek East 1 well. The new hole will be drilled underbalance with a coiled tubing unit and is planned for the September Quarter of 2005.

ATP 663P * (Interest 100% (Operator))

Planning commenced for the drilling of a cored slimhole in early 2006.

ATP 680P * (Interest 100% (Operator))

The tenure was previously surrendered and awaits release following acceptance of environmental reports.

ATP 682P (Interest 55% (Operator))

No significant activity during the Quarter.

ATP 692P, PLs 209 and 226 * (Interest 100% (Operator))

Construction of the Talinga pond neared completion with production testing of the Walloon CSG potential in the Talinga extended pilot area expected to commence in the next Quarter. Planning also commenced for the drilling of four additional cored

slimholes commencing in November 2005 to evaluate the extent of the coal characteristics in each of the Woleebee (PL 209), Talinga (PL 226), Orana (ATP 692P) and Kainama (PLA 225) prospects. The drilling of a new production test pilot at Orana (PLA 215 portion) consisting of three wells is also planned to commence in late 2005.

ATP 702P * (Interest 100% (Operator))

Planning continued for a seismic acquisition program to be recorded in the third Quarter of 2005. The seismic will comprise three seismic lines with a total length of approximately 35 kilometres. Planning also commenced for the drilling of two cored slimholes in November-December 2005.

ATP 754P (Interest 50% (Operator))

The Ungabilla 1 exploration well was drilled during the Quarter. The primary objective of the well was sandstones of the upper Tinowon Formation with secondary objectives in the lower Tinowon, basal Rewan Sandstone and Showgrounds Sandstone. A drill stem test conducted over the basal Rewan Sandstone recorded no flow at surface however gas was flared during reverse circulation. Further gas and fluorescence shows were recorded over the upper Tinowon sandstone with gas shows also observed over lower Tinowon sandstones. Wireline log and pressure data indicate that whilst the upper and lower Tinowon sandstones are hydrocarbon bearing they are generally of poor quality. Due to the possibility of over pressuring in the Tinowon Formation, no open hole drill stem tests were conducted and casing was run to total depth to allow further evaluation of the well at a later date.

Planning is ongoing for the 220 km Westmar seismic program likely to be acquired during the September Quarter.

3.2.3 Bowen Basin (* denotes CSG permit(s))

ATP 337P (Interest 50%)

No significant activity during the Quarter. Greenmount 1, a conventional gas exploration well, is expected to be drilled in the September Quarter to test the gas potential of the Freitag and deeper formations on a location on the southern end of the Moorooloo structure.

ATP 337P (Mahalo) * (Interest 40%)

Comet Ridge Ltd has exercised an option to increase its interest to 40% by funding further activities. Planning has commenced for the drilling of a production well and for two cored slimholes to test the Bandanna CSG potential in the eastern part of the Mahalo farmout block.

ATP 526P * (Interest 23.93%)

No significant activity during the Quarter.

ATP 553P (Interest 50%)

No significant activity during the Quarter. Yamala 2, a conventional gas exploration well, is expected to be drilled in the September Quarter.

ATP 564P * (Interest 50% (Operator))

Production testing to the two exploration wells, Bindaree 1 and 2, was commenced during the Quarter. An application for PL 210 is currently in the consultation phase with the overlapping coal mining tenement holder prior to granting.

ATP 584P * (Interest 29.29825%)

No significant activity during the Quarter.

ATP 592P * (Interest 94.505% (Operator))

Planning commenced for the drilling of a cored well to test the CSG potential of the Reids Dome Beds coals on the western side of the Spring Gully field.

ATP 602P * (Interest 50% (Operator))

Production testing of the Timmy 2 and 3 wells is expected to re-commence in the next Quarter following a workover of the wells.

ATP 653P * (Interest 23.85%)

No significant activity during the Quarter.

ATP 698P, PL 219 and 220 * (Interest 100% (Operator))

No significant activity during the Quarter.

ATP 745P * (Interest 23.85%)

No significant activity during the Quarter.

3.3 Victoria

3.3.1 Otway Basin

PEP 150 (Interest 50%)

Origin has agreed to sell its equity in this permit (when granted) to Essential Petroleum Resources Ltd and Mawson Petroleum Pty Ltd.

PEP 153 (Interest 100% (Operator))

No significant activity during the Quarter.

PEP 154A and B (Interest 90% (Operator))

Drilling of exploration wells on the Peterborough and Childers Cove prospects is planned for third Quarter of 2005. The authorities have approved a 6 month suspension and extension of the permit to accommodate the drilling program.

PEP 160 (Interest 40%)

The drilling of the Lindsay prospect, a deep gas play, is under consideration.

VIC/P43 (Interest 29.75%)

An application has been submitted to the authorities for renewal of the permit with a partial relinquishment.

VIC/P37(V) (Interest 37.5% (Operator))

Halladale 1 DW1 drilled to test the Black Watch Prospect reached a total depth of 1918m MDRT (measured depth below rotary table) encountering a gross gas bearing interval of 63m (total vertical thickness) in interbedded sands and shales in the Waarre Formation. Halladale 1 DW2 testing the Halladale Prospect to the north of Black Watch, was subsequently drilled to a total depth of 1941m MDRT. It encountered a gross gas bearing interval of 21m (total vertical thickness) over a similar section of the Waarre Formation. Halladale 1 DW3 was successfully drilled on the flank of the Halladale Prospect to delineate the downdip limit of gas and encountered water in the Waarre Formation as expected.

VIC/P41(V) (Interest 100%, (Operator))

This new permit has been awarded to Origin. Seismic data reprocessing is planned.

3.4 Tasmania

3.4.1 Otway Basin

T/30P (Interest 29.75%)

Following a delay in availability of the contracted seismic vessel, acquisition of the planned Aragorn 3D seismic survey is now scheduled to commence in the November 2005 to January 2006 period.

T/34P (Interest 29.75%)

Following a delay in availability of the contracted seismic vessel, acquisition of the planned Aragorn 3D seismic survey is now scheduled to commence in the November 2005 to January 2006 period. A 12 month suspension of permit conditions to accommodate the delay has been approved by the authorities.

3.4.2 Bass Basin

T/18P (Interest 41.4% (Operator))

The permit was renewed effective 23 May for a 5 year term. Planning is in progress for 3D seismic acquisition over the Trefoil discovery in fourth Quarter of 2005.

T/RL1 (Interest 37.5% (Operator))

No significant activity during the Quarter.

3.5 Western Australia

3.5.1 Perth Basin

EP 320/L11 (Interest 67.0% (Operator))

Tarantula 1 Sidetrack 1 (Tarantula 1 ST1), commenced on 25 June using the ODE 16 drilling rig. At the end of the Quarter the preparations for kicking off from the Tarantula 1 well bore were underway. The well is expected to be completed in late July.

Preparation for the drilling of Beharra Springs 4 continued during the month. Drilling of this well is currently scheduled for first Quarter 2006 dependent on drilling rig availability and necessary approvals.

EP 413 / L14 (Interest 49.189% (Operator))

Preparation continued during the Quarter for the drilling of three wells (Jingemia 5,6 and 8) from the Jingemia production facility. The first well is expected to commence during the September Quarter 2005 following the Tarantula 1 Sidetrack.

L1 and L2 (Excluding Dongara, Mondarra and Yardarino gas fields) (Interest 50%)

Corybas 1 in L2 commenced flow testing on 31 March 2005 for further evaluation of the commercial significance of this new field gas discovery. Gas flow rates commenced at 2.61MMscf/d, declining to 0.61 MMscf/d by 7 April 2005. The well was then shut in for a pressure build up.

Drilling of Jingemia 7, an appraisal well of the northern portion of the Jingemia Field in L2, commenced on 28 May and reached total depth on 9 June. A review of the Jingemia 7 well data indicated that the well intersected the Dongara Sandstone at a depth of approximately 2520 metres measured depth, approximately 41 metres below the assumed oil water contact of the Jingemia Oil Field. The Dongara Sandstone was water saturated at this location. The well was subsequently suspended for possible future re-entry and sidetrack.

The drilling of the Hakia 2 gas exploration well commenced on 23 June using the Century 11 drilling rig and was drilling ahead at 2468 metres at the end of the Quarter.

EP 368 (Interest 15%)

Planning commenced for the acquisition of 280 square kilometre aeromagnetic survey which is expected to be undertaken during the September Quarter 2005.

WA 226P (Interest 28.75% (Operator))

A review of the prospectivity of the permit continued through the Quarter.

3.6 New Zealand

3.6.1 Onshore Taranaki Basin

PEP 38729 (Interest 25%)

Interpretation of the reprocessed seismic data incorporating specialist geophysical techniques for depth conversion has been completed. The results of this work are

currently under review.

3.6.2 Offshore Taranaki Basin

PEP 38478 (Interest 50%)

The Joint Venture has surrendered the permit having failed to secure farminees to drill the Mangatoa Prospect.

PEP 38485 (Interest 33.33%)

No significant activities to report.

4. EXPLORATION AND DEVELOPMENT EXPENDITURE

<u>E & D</u> <u>Expenditure</u>	A\$'000	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Exploration/ Appraisal		21,023	10,544	99%	12,403	60,212	43,298
Development/ Plant		70,270	81,367	-14%	69,252	291,168	220,744
Total		91,293	91,911	-1%	81,655	351,380	264,042
	NZ\$'000	This Quarter	Previous Quarter	% Change	4th Quarter 2003/04	YTD 2004/05	YTD 2003/04
Exploration/ Appraisal		292	80	265%	1,588	664	1,588
Development/ Plant		609	1,246	-51%	2,121	10,385	2,121
Total		901	1,326	-32%	3,709	11,049	3,709

NB : E & D Expenditure excludes acquisitions and corporate plant & equipment

The details and development activities and the expenditure and revenues relating to those activities referred to in this report have not been audited.