



## Report for the Quarter ended 31 March 2008 covering the Exploration and Production businesses of Origin Energy Limited

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 in the areas of gas and oil exploration and production. Unless otherwise specifically stated the report does not cover operations outside of these subsidiaries, and specifically does not cover activities relating to electricity generation or energy retailing in other areas of the business.

Significant events and influences during the Quarter included:

- **Quarterly production and sales:** Total production was 3% higher at 23.8 PJe compared with the previous Quarter (23.2 PJe) and 17% higher than the comparable period in 2006/07. Increased coal seam gas (CSG) production, and the commissioning of the Otway Gas Project more than offset declines from the BassGas Project, which undertook a planned maintenance and inspection shutdown, and from the Perth Basin where production at Beharra Springs was shutdown to rectify some plant damage.

Sales volumes at 22.4 PJe and sales revenues at \$120.8 million were both 4% lower than the previous Quarter but marginally higher (by 2%) than the comparable period in 2006/07.

- **Kupe Gas Project:** Drilling of the three production wells has progressed with two of the three wells drilled to TD. Operational problems at the end of March 2008 resulted in the well KS-7 being sidetracked, which delayed the drilling campaign by about two weeks. The offshore pipeline and umbilical have now been installed and the DSV Rockwater II is presently completing post-lay stabilisation works. Detailed engineering at the production station is almost complete and construction work is progressing well. The project remains on schedule for commercial gas in mid-2009.
- **Otway Gas Project:** Initial commissioning issues with the Otway Gas Project were resolved and gas production resumed in early February 2008. 3,300 TJ of gas (Origin share 1,015 TJ) and 32.6 kbbl of condensate (Origin share 10.0 kbbl) were produced during the Quarter.
- **BassGas Project:** The gas plant began its planned maintenance and inspection shutdown on 9 February 2008. The shutdown was extended until 5 March 2008. Production since start up has experienced problems with the amine heat exchanger and these are being resolved. Sales gas production for the Quarter totalled 3,043 TJ (Origin share 1,293 TJ).
- **Spring Gully Project:** The Spring Gully gas plants have achieved peak gas sales of 93 TJ/d (approximately 91 TJ/d Origin share). Progress on Phase 5 which will lift capacity to 150 TJ/d has included:
  - the drilling of further development wells (now 36 of planned 60 have been drilled);
  - increases in compressor capacity at the Strathblane gas plant; and
  - 70% completion of earthworks at the third (Taloona) gas plant.
- **Talinga (Walloons) Project:** Production testing of the Talinga pilots continues to provide modest early sales volumes and planning has progressed for a development program including an initial 100 wells. Gas and water processing facilities have been designed to handle CSG production of 90 TJ/d.

- **Argyle/Kenya (Walloons) Project:** Gas production has been maintained at around 21 TJ/d (Origin share 8.5 TJ/d) while activities which will expand production to 120 TJ/d are underway.
- **Perth Basin:** The Beharra Springs gas production facility was brought back online on 9 February 2008 after fire damage in late December 2007. Exploration and appraisal drilling scheduled to commence during the Quarter was delayed because of the unavailability of a drilling rig.
- **Drilling Activities:**
  - **CSG:** Origin participated in a total of 42 CSG wells including 22 development wells (12 Spring Gully, 10 Fairview), 12 cored exploration/appraisal slimholes and eight exploration/ appraisal production wells.
  - **New Zealand:** Drilling of the Kupe development wells progressed with KS-6 and KS-8 cased and suspended. At the end of the Quarter, operations were in progress in KS-7 to recover pipe (the lower uncased portion of the hole has since been abandoned and a sidetrack from KS-7 drilled successfully).
  - **Surat Basin:** Two further wells have been drilled. The Emu Apple 3 appraisal well was cased and suspended as an oil producer and Riverslea East 1 was plugged and abandoned.
  - **Cooper/Eromanga Basin:** Origin participated in 17 wells (10 development and seven exploration/appraisal wells) in a program which continues to have a strong focus on oil (13 of 17 wells). Fourteen wells were successful (five oil, four oil and gas and five gas) including the discovery of one new oil pool and one new gas pool.
- **Seismic Activities:**
  - **Bass Basin:** Acquisition of the Origin operated 320 sq km Silvereye 3D Seismic Survey in the offshore Bass Basin permit, T/44P, was successfully completed.
  - **Otway Basin:** Acquisition of the Woodside operated 320 sq km Schomberg 3D Seismic Survey in the offshore Otway Basin permit, Vic/P43, was successfully completed.
- **Acquisitions:**
  - **Otway Basin:** Subject to approval by the Designated Authority, Origin has purchased Woodside's 62.5% interest in Vic/P37(V) in the Otway Basin, increasing Origin's interest to 100% in that permit which includes the Halladale and Black Watch gas fields. A Retention Lease application has been lodged over these fields.
  - **Vietnam:** Origin was advised on 28 February 2008 that it was the successful bidder for Block 121 in the Song Hong Basin, offshore Vietnam. Award of the permit is subject to a negotiated production sharing contract satisfactory to Origin and PetroVietnam.

#### Post Report Date Events

- **Kupe Gas Project:** The drilling operations on KS-7ST1 well, a directionally drilled sidetrack from the abandoned KS-7 well, were successfully completed and the well cased. The completion phase for the three development wells, KS-6, KS-7ST1 and KS-8, has now commenced. Once these operations have been completed, the Ensco 107 drilling rig will move to the Momoho 1 exploration well location.

## 1. PRODUCTION SALES AND EXPENDITURE

Origin's share of production and energy sales during the Quarter is summarised as follows:

### 1.1 Production by Area (and Total Sales and Revenue)

Natural Gas and Ethane	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD 2006/07
<b>Natural Gas</b>	<b>PJe</b>						
SA Cooper & SWQ		4.6	4.5	2	5.1	14.7	17.6
Bass Basin		1.3	2.2	(41)	1.5	5.7	4.6
Otway Basin (on-shore)		0.1	0.2	(39)	0.2	0.5	1.7
Otway Basin (off-shore)		1.0	-	-	-	1.1	-
Perth Basin		0.7	1.0	(30)	0.9	2.9	3.1
Coal Seam Gas		10.4	9.3	12	5.6	27.2	16.4
Surat / Denison		2.5	2.5	-	2.9	8.1	8.9
<b>Ethane</b>	<b>PJe</b>						
SA Cooper & SWQ		0.2	0.3	(22)	0.3	0.9	1.2
<b>Total Production</b>		<b>20.8</b>	<b>20.0</b>	<b>4</b>	<b>16.5</b>	<b>61.1</b>	<b>53.5</b>
<b>Total Sales Volume</b>		<b>19.2</b>	<b>19.5</b>	<b>(2)</b>	<b>17.4</b>	<b>59.5</b>	<b>56.7</b>
<b>Total sales revenue</b>	<b>\$M</b>	<b>62.7</b>	<b>62.8</b>	<b>-</b>	<b>59.4</b>	<b>196.1</b>	<b>192.3</b>

Crude Oil	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD 2006/07
<b>Crude Oil</b>	<b>kbbbls</b>						
SA Cooper & SWQ		79.6	76.7	4	71.5	223.7	231.6
Surat / Denison		9.9	9.5	4	4.1	27.7	14.1
Perth Basin		125.0	148.8	(16)	277.2	454.0	766.5
<b>Total Production</b>		<b>214.5</b>	<b>235.0</b>	<b>(9)</b>	<b>352.8</b>	<b>705.4</b>	<b>1012.2</b>
<b>Total Sales Volume</b>		<b>310.2</b>	<b>331.3</b>	<b>(6)</b>	<b>419.8</b>	<b>975.3</b>	<b>1169.6</b>
<b>Total sales revenue</b>	<b>\$M</b>	<b>32.1</b>	<b>30.9</b>	<b>4</b>	<b>30.6</b>	<b>90.5</b>	<b>86.0</b>

Condensate/Naphtha	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD 2006/07
<b>Condensate/naphtha</b>	<b>kbbbls</b>						
SA Cooper & SWQ		74.8	66.9	12	80.7	232.0	281.7
Bass Basin		55.8	85.9	(35)	68.7	235.8	235.2
Otway Basin (on-shore)		0.6	1.5	(60)	2.3	4.2	7.4
Otway Basin (off-shore)		10.0	0.2	-	-	10.2	-
Perth Basin		1.5	2.0	(25)	2.4	5.7	7.9
Surat / Denison		12.6	13.7	(8)	15.1	42.3	42.9
<b>Total Production</b>		<b>155.3</b>	<b>170.2</b>	<b>(9)</b>	<b>169.2</b>	<b>530.2</b>	<b>575.1</b>
<b>Total Sales Volume</b>		<b>114.4</b>	<b>225.7</b>	<b>(49)</b>	<b>223.8</b>	<b>542.4</b>	<b>576.3</b>
<b>Total sales revenue</b>	<b>\$M</b>	<b>11.5</b>	<b>19.6</b>	<b>(41)</b>	<b>15.9</b>	<b>46.5</b>	<b>41.6</b>

LPG	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD 2006/07
LPG	Ktonnes						
SA Cooper & SWQ		8.6	8.6	-	8.3	27.5	31.5
Bass Basin		3.2	6.1	(48)	3.5	15.9	10.1
Otway Basin (off-shore)		-	-	-	-	-	-
Surat / Denison		2.3	2.4	(4)	2.5	7.2	7.1
<b>Total Production</b>		<b>14.1</b>	<b>17.1</b>	<b>(18)</b>	<b>14.3</b>	<b>50.6</b>	<b>48.7</b>
<b>Total Sales Volume</b>		<b>14.6</b>	<b>14.4</b>	<b>1</b>	<b>17.8</b>	<b>51.3</b>	<b>48.5</b>
<b>Total sales revenue</b>	<b>\$M</b>	<b>14.6</b>	<b>12.6</b>	<b>16</b>	<b>12.2</b>	<b>43.2</b>	<b>32.7</b>

Total All Products	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD 2006/07
Production (all products)	PJe	23.8	23.2	3	20.3	70.5	64.9
Sales (all products)	PJe	22.4	23.4	(4)	21.9	72.6	68.9
<b>Total sales revenue</b>	<b>\$M</b>	<b>120.8</b>	<b>125.9</b>	<b>(4)</b>	<b>118.0</b>	<b>376.3</b>	<b>352.6</b>

Internal & External Sales Volumes	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD 2006/07
Total Sales Volume	PJe						
Internal		7.5	7.1	7	8.6	24.5	29.7
External		14.9	16.3	(9)	13.3	48.1	39.2
<b>Total</b>		<b>22.4</b>	<b>23.4</b>	<b>(4)</b>	<b>21.9</b>	<b>72.6</b>	<b>68.9</b>

Product Purchases included in above sales	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD
Total	PJe	1.0	0.7	43	1.5	3.0	3.1

Production by Basin (All products, PJe)	Unit	This Quarter	Previous Quarter	% Change	3rd Quarter 2006/07	YTD 2007/08	YTD 2006/07
Production by Basin	PJe						
SA Cooper & SWQ		6.2	6.1	2	6.7	19.5	23.2
Bass Basin		1.8	3.0	(40)	2.1	7.8	6.4
Otway Basin (on-shore)		0.1	0.2	(40)	0.2	0.5	1.8
Otway Basin (off-shore)		1.1	-	-	-	1.1	-
Perth Basin		1.5	1.9	(21)	2.5	5.6	7.6
Coal Seam Gas		10.4	9.3	12	5.6	27.2	16.4
Surat/Denison		2.7	2.7	-	3.2	8.8	9.5
<b>Total</b>		<b>23.8</b>	<b>23.2</b>	<b>3</b>	<b>20.3</b>	<b>70.5</b>	<b>64.9</b>

Note: current Quarter production figures for some non-operated areas may include preliminary production data for the last month of the Quarter. Where necessary, previous Quarter figures may have been amended to reflect actual production volumes which became available only after the report date for that Quarter.

## 1.2 Production/Sales Summary

Total production for the March 2008 Quarter was marginally higher (by 3%) at 23.8 PJe compared with 23.2 PJe of the previous Quarter and was 17% higher than the comparable period in 2006/07. Reductions in BassGas production as a result of the planned maintenance and inspection shutdown in February/March 2008 and in the Perth Basin where production at Beharra Springs was temporarily shutdown, were more than offset by increases in CSG production, up by 12% over the previous

Quarter and by 86% over the comparable period in 2006/07, and by production from the Otway Gas Project which recommenced in early February 2008.

Sales volumes were lower by 4%, 22.4 PJe against 23.4 PJe in the previous Quarter, but marginally higher (2%) against the March Quarter of the 2006/07 year. Sales revenues also fell by 4% compared with the previous Quarter but were 2% higher than in the comparable Quarter in 2006/07.

Revenues from liquids sales (crude oil and condensate combined) decreased by 14%, while sales volumes fell by 24%, in comparison with the previous Quarter. This reflects the strong world oil price recorded during the period. Liquids production decreased by 9%, compared with a 24% reduction in liquids sales volumes, relative to the previous Quarter, reflecting the timing of liftings from storage facilities.

Liquids production is expected to increase significantly once BassGas is restored to capacity and the Otway Gas Project ramps up, although these would be expected to be partially offset by a continuing decline in the Perth Basin.

## **2. DEVELOPMENT**

### **2.1 Cooper/Eromanga Basin (South Australia/Queensland)**

The Moonie to Brisbane oil pipeline remained shut-in during the Quarter. Crude oil continued to be exported from the basin via trucking to Dullingari or Moomba in South Australia or Lytton in Queensland. Trucking is expected to continue until a new Jackson to Moomba pipeline is commissioned during June/July 2008.

Ten development wells (four gas, three oil and three oil/gas) were drilled during the Quarter. All of the wells, the Coonatie 9, Coonatie 11, Coonatie 13 and Muderu 12 gas development wells, the Fly Lake 24, Fly Lake 25 and Tirrawarra 73 oil/gas development wells and the Cook 11, Cook 12 and Merrimelia 61 oil development wells were cased and suspended as future producers.

### **2.2 Onshore Otway Basin (South Australia)**

No significant activity during the Quarter.

### **2.3 Surat Basin (Queensland)**

No significant activity during the Quarter.

### **2.4 Denison Trough (Queensland)**

A campaign of three gas development wells is scheduled to commence in the June Quarter of 2008.

### **2.5 Coal Seam Gas (Queensland)**

#### **2.5.1 *Spring Gully***

The Spring Gully gas plants achieved peak gas sales of 93 TJ/d (approximately 91 TJ/d Origin share) as production continued to ramp up during the Quarter.

Work also continued on Phase 5 which is designed to increase field deliverability and gas plant capacity to 150 TJ/d, critical to the Darling Downs Power Station and Rio Tinto Aluminium contractual commitments. This work included:

- (a) The drilling of a further 12 developments wells, bringing the number of such wells to a total of 36 of the planned 60 development well campaign.
- (b) Installing and commissioning the third compressor at the Strathblane gas plant. The fourth compressor at the Strathblane gas plant is currently being installed and will be commissioned in the next Quarter. The fifth compressor has completed a successful factory acceptance test and is ready for shipment.
- (c) Earthworks at the Talooona gas plant commenced and were 70% complete at the end of the Quarter. The construction camp for this gas plant was delivered, installed and is operational.

#### 2.5.2 *Fairview*

Ten development wells were drilled in the Fairview field as part of an ongoing program designed to underwrite future production and reserves growth.

#### 2.5.3 *Peat*

No significant activity during the Quarter.

#### 2.5.4 *Talinga/Orana*

Drilling of the first phase of the Talinga development program is expected to commence during the next Quarter. The program includes an initial 100 wells and gas and water processing facilities to achieve production of 90 TJ/d. The gas from Talinga, which is owned 100% by Origin, will supplement supply from the Spring Gully field to meet gas demand from the Darling Downs Power Station and Rio Tinto Aluminium.

#### 2.5.5 *Argyle/Kenya/Bellevue*

Gas production from the Kenya field operated by Queensland Gas Company (QGC) was on average 21 TJ/d gross (8.5 TJ/d Origin Share). A further expansion of the Kenya/Argyle field is underway to expand the field to 120 TJ/d gross by 2010.

### 2.6 Onshore Perth Basin (Western Australia)

#### 2.6.1 *Beharra Springs*

Gas production averaged 6.5 TJ/d gross during the Quarter (4.4 TJ/d net to Origin).

Beharra Springs production was much reduced due to a shutdown until 9 February 2008 which was a result of the separator fire which occurred in late December 2007. Gradual decline of Tarantula gas production continued throughout the Quarter.

#### 2.6.2 *Hovea/Eremia/Xyris*

Average gross production for the Quarter through the Hovea production facility was approximately 1,400 bopd (approximately 700 bopd Origin share).

Gross gas production from the Xyris plant averaged 7.6 TJ/d (3.8 TJ/d Origin share) during the Quarter.

Hovea's production continues to produce above forecast. Hovea 4 was shut-in due to a tubing leak in mid February 2008 pending a workover.

### 2.6.3 *Jingemia*

Gross production during the Quarter from the Jingemia production facility averaged 1,369 bopd (around 673 bopd Origin share).

Jingemia 8 continues to produce at higher than expected oil rates. Jingemia 4 was shut-down in mid February 2008 due to a surface leak. The well is expected to be reinstated early in the next Quarter following a workover to remedy a leak to the outer casing.

### 2.7 Offshore Otway Basin (Victoria/Tasmania)

Initial commissioning issues with the Otway Gas Project were resolved and gas production resumed in early February 2008. Condensate sales began in March 2008 and gas production rates continued to be ramped up ahead of the planned start of LPG production in April 2008. 3,300 TJ of gas (Origin share 1,015 TJ) and 32.6 kbbl of condensate (Origin share 10.0 kbbl) were produced in the Quarter.

### 2.8 Bass Basin (Tasmania)

The Yolla 3 production well returned to service on 9 January 2008 after a down hole safety valve failure which had shut in the well since mid August 2007.

A planned maintenance and inspection shutdown of the gas plant began on 9 February 2008 and was extended until 5 March 2008. The extension was due to weather delays (~4 days) limiting access to the Yolla platform; expansion of scope of work (~3 days) due to additional items identified during the shutdown; and recommissioning problems with the amine system plate heat exchanger (~7 days). The gas plant has been capacity restrained due to failures of this exchanger. The plant throughput is restricted to approximately 55 TJ/d whilst this is being resolved with the assistance of the supplier.

### 2.9 Taranaki Basin (New Zealand)

Batch drilling of the three Kupe production wells progressed to plan until 26 March 2008 when the drillstring became stuck in the 8-1/2 inch hole section of the KS-7 well whilst making a drill string connection. All attempts to recover the drillstring failed and hence it was cut just above the reservoir and fully secured. The well has been successfully sidetracked.

The offshore pipeline and umbilical have now been installed and the DSV Rockwater II is presently completing post-lay stabilisation works. The current forecast for completion of the Rockwater II works is end April 2008, subject to weather.

Production Station design and procurement is now nearing completion with the focus on expediting construction, quality control and timely delivery of equipment (a large number of major equipment deliveries are expected in the next Quarter).

Construction works at the Production Station continued with delivery and installation of a further three modular pipe racks and the installation of six of the eight LPG bullets. Work has commenced on the erection of the tanks, truck loading bays and the permanent buildings. Both the piping and mechanical erection contractor and the electrical and instrumentation contractor have been mobilised.

The project remains on schedule for commercial gas in mid-2009.

### 3. EXPLORATION

#### 3.1 Cooper/Eromanga Basin (South Australia/Queensland)

Origin participated in the drilling of five South Australian Block oil delineation wells, one South Australian Unit oil/gas well and one Southwest Queensland Block oil appraisal well during the Quarter.

In respect of the five oil delineation wells drilled in South Australia, three wells were cased and suspended as future oil producers and two wells were plugged and abandoned. Squalo 1 is a new, small Jurassic oil pool discovery. The Mudera North 1 well, while drilled to target oil in the Birkhead/Hutton formations, encountered good gas shows in the Coorikiana Sandstone and was subsequently cased and suspended as a future gas producer.

The one South Australian Unit oil/gas appraisal well, Tirrawarra 75, was drilled to target Patchawarra Formation gas and Tirrawarra Formation oil in the northeast part of the Tirrawarra field. The well was cased and suspended as a Permian oil/gas producer after the running of wireline logs.

Cook 10 was drilled as an oil appraisal well in the Aquitaine B Block. Wireline logs indicated sub-commercial oil pay and the well was plugged and abandoned.

#### 3.2 Onshore Otway Basin (South Australia)

A cased hole test over a single zone in the Laira Formation in the Glenaire 1 ST1 was completed in January 2008. An oil flow was measured at an uneconomic rate and the well was suspended pending abandonment and rehabilitation of the site.

#### 3.3 Surat Basin (Queensland)

The Emu Apple 3 oil appraisal well commenced drilling on 2 January 2008. The well was cased and suspended as a future Boxvale Sandstone oil producer after wireline logging.

The Riverslea SE 1 well commenced drilling on 10 February 2008. The well encountered only weak oil shows in poorly developed upper Boxvale Sandstone and was subsequently plugged and abandoned.

#### 3.4 Denison Trough (Queensland)

No significant activity during the Quarter.

#### 3.5 Coal Seam Gas (Queensland)

##### 3.5.1 *Surat Basin*

Five core holes, Carinya 2 (ATP 847P), Clifford 1 (ATP 592P), Pine Hills 1 (ATP 606P), Ramyard 1 (ATP 847P) and Condabri 3 (ATP 702P) were drilled in Origin's operated Walloon permits during the Quarter.

An 8 km 2D seismic test line using Velseis "Envirovibe" vibroseis trucks was acquired in ATP 702P during the Quarter.



In Origin's non-operated Walloon permits, three core holes, Jen 1 (ATP 648P), Michelle 1 (ATP 648P) and Matilda-John 1 (ATP 620P) were drilled. Eight production/DST wells were also drilled in ATPs 620P and 648P during the Quarter at Sean 3, Sean 4, Jordan 1 and Jen 2 (ATP 648P) and Codie 8, Codie 9 and Codie 10 and Lauren 48 (ATP 620P).

In the non-operated ATP 631P permit, four Walloon core holes were drilled at Treville Downs 1, Angry Jungle 1, Ben Bow 1 and Wingfield Park 1.

Production testing of the Bellevue Pilot in ATP 610P continued during the Quarter. A further six Bellevue appraisal wells were drilled on a sole risk basis by QGC and are expected to be tested over the coming Quarter for reserves certification. Origin has an option to participate in these wells at a future date subject to commercial assessment.

Two five-well production pilots at Codie and Lauren in ATP 620P, which have been completed over the Jundah and Taroom Coal Measures, will be production tested over the coming Quarter for reserves certification process.

### **3.5.2 Bowen Basin**

No significant activity during the Quarter.

### **3.6 Onshore Perth Basin (Western Australia)**

The Freshwater Point 1 exploration well in EP413 is expected to be drilled in the June Quarter of 2008.

Exploration drilling to evaluate potential gas reserves in the deeper Irwin River Coal Measures and High Cliff Sandstone reservoirs has been delayed due to the unavailability of a drilling rig. It is now scheduled to take place during the second half of 2008.

Reprocessing of the Drakea 3D seismic data is in progress.

### **3.7 Offshore Otway Basin (Victoria/Tasmania)**

Post-stack depth migration (PSDM) processing of part of the Aragorn 3D seismic survey in T/30P and adjoining T/34P was completed during the Quarter. Interpretation is continuing utilising the new PSDM data.

Acquisition of the Schomberg 3D (320 sq km) seismic program in VIC/P43 commenced on 4 February 2008 and was completed on 22 February 2008.

### **3.8 Bass Basin (Tasmania)**

Four firm rig slots for exploration and development well drilling have been secured in the schedule of the semi-submersible Kan Tan IV which is expected to be available late 2009/early 2010. Well locations for the drilling program are being considered.

Acquisition of the Silvereye 3D (320 sq km) seismic program in T/44P commenced on 2 January 2008 and was completed on 29 January 2008.

### **3.9 Bonaparte Basin, Western Australia/Northern Territory**

Processing of the 940 sq km 3D seismic survey acquired over the Petrel field is in progress.

### **3.10 Taranaki Basin (New Zealand)**

In PEP 38485, the results of the Moana 1 well, drilled in the previous Quarter, are being reviewed.

The Momoho 1 exploration well in PML 38146 is scheduled for drilling at the conclusion of the Kupe development well program.

### **3.11 Offshore Northland Basin (New Zealand)**

Interpretation of the 433 sq km Nimitz 3D seismic survey and 1,904 km Pantheon 2D seismic survey acquired in PEP 38619 and the 1,224 km Akira 2D seismic survey acquired in PEP 38618 is ongoing.

### **3.12 Offshore Canterbury Basin (New Zealand)**

Interpretation of the 917 km Caravel (PEP 38262) and the 1,317 km Wherry (PEP 38264) 2D seismic surveys has been completed. The large Caravel and Carrack structures have been delineated in this work.

Various geological and geophysical projects including basin modeling, AVO (amplitude versus offset) and amplitude studies and PSDM were completed during the Quarter.

### **3.13 Offshore Lamu Basin (Kenya)**

Prospect level interpretation of the 2006 Lamu Marine Seismic Survey and reprocessed 2003 vintage seismic data in Blocks L8 and L9 was completed.

Various geological and geophysical projects including basin modeling were completed during the Quarter.

#### 4. DRILLING ACTIVITY

##### 4.1 Exploration/Appraisal

The table below summarises the exploration and appraisal drilling undertaken in the Quarter:

Well	Basin/Area	Target	Origin Interest %	Well Status
Cook 10	Eromanga - SWQ	Oil	25.00	P&A
McKinlay 8	Cooper/Eromanga - SA	Oil	13.19	P&A
Mudera North 1	Cooper/Eromanga - SA	Oil	13.19	C&S, Gas
Mudlalee 5	Cooper/Eromanga - SA	Oil	13.19	P&A
Mudlalee 6	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Squalo 1	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Tirrawarra 75	Cooper/Eromanga - SA	Oil/Gas	13.19	C&S, OG
Emu Apple 3	Surat Basin	Oil	90.00	C&S, Oil
Riverslea SE 1	Surat Basin	Oil	75.00	P&A
Carinya 2	Surat Basin - Qld	CSG	100.00	Slimhole CSG
Clifford 1	Surat Basin - Qld	CSG	94.50	Slimhole CSG
Pine Hills 1	Surat Basin - Qld	CSG	92.72	Slimhole CSG
Ramyard 1	Surat Basin - Qld	CSG	92.72	Slimhole CSG
Condabri 3	Surat Basin - Qld	CSG	100.00	Slimhole CSG
Jen 1	Surat Basin - Qld	CSG	31.25	Slimhole CSG
Michelle 1	Surat Basin - Qld	CSG	31.25	Slimhole CSG
Matilda-John 1	Surat Basin - Qld	CSG	40.625	Slimhole, CSG
Codie 8	Surat Basin - Qld	CSG	40.625	Prod/DST, CSG
Codie 9	Surat Basin - Qld	CSG	40.625	Prod/DST, CSG
Codie 10	Surat Basin - Qld	CSG	40.625	Prod/DST, CSG
Lauren 48	Surat Basin - Qld	CSG	40.625	Prod/DST, CSG
Sean 3	Surat Basin - Qld	CSG	31.25	Prod/DST, CSG
Sean 4	Surat Basin - Qld	CSG	31.25	Prod/DST, CSG
Jordan 1	Surat Basin - Qld	CSG	31.25	Prod/DST, CSG
Jen 2	Surat Basin - Qld	CSG	31.25	Prod/DST, CSG
Treville Downs 1	Surat Basin - Qld	CSG	18.10	Slimhole, CSG
Angry Jungle 1	Surat Basin - Qld	CSG	18.10	Slimhole, CSG
Wingfield Park 1	Surat Basin - Qld	CSG	18.10	Slimhole, CSG
Ben Bow 1	Surat Basin - Qld	CSG	18.10	Slimhole, CSG

##### 4.2 Development

The table below summarises the development drilling undertaken in the Quarter:

Well	Basin/Area	Target	Origin Interest %	Well Status
Kupe KS-6	Taranaki Basin - NZ	Gas	50.00	C&S, Gas
Kupe KS-7	Taranaki Basin - NZ	Gas	50.00	Lower hole abandoned - sidetracked
Kupe KS-8	Taranaki Basin - NZ	Gas	50.00	C&S, Gas
Cook 11	Eromanga - SWQ	Oil	25.00	C&S, Oil
Cook 12	Eromanga - SWQ	Oil	25.00	C&S, Oil

Well	Basin/Area	Target	Origin Interest %	Well Status
Coonatie 11	Cooper/Eromanga - SA	Gas	10.54	C&S, Gas
Coonatie 13	Cooper/Eromanga - SA	Gas	10.54	C&S, Gas
Coonatie 9	Cooper/Eromanga - SA	Gas	10.54	C&S, Gas
Fly Lake 24	Cooper/Eromanga - SA	Oil/Gas	13.19	C&S, OG
Fly Lake 25	Cooper/Eromanga - SA	Oil/Gas	13.19	C&S, OG
Merrimelia 61	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Mudera 12	Cooper/Eromanga - SA	Gas	13.19	C&S, Gas
Tirrawarra 73	Cooper/Eromanga - SA	Oil/Gas	13.19	C&S, OG
Fairview 196	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 171	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 172	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 176	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 173	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 179	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 198	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 199	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 201	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 205	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Spring Gully 100	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 93	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 94	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 95	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 96	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 97	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 81	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 84	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 87	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Spring Gully 85	Bowen Basin - Qld	CSG	99.725	C&S, CSG
Durham Ranch 33	Bowen Basin - Qld	CSG	94.50	C&S, CSG
Durham Ranch 81	Bowen Basin - Qld	CSG	94.50	C&S, CSG

## 5. ACQUISITIONS/DIVESTMENTS

During the Quarter:

- Origin was advised on 28 February 2008 that it has been the successful bidder for Block 121 in the Song Hong Basin, offshore Vietnam. Award of the permit is subject to a negotiated production sharing contract (PSC) satisfactory to Origin and PetroVietnam.
- Transitional activities to effect the transfer to Origin of the Swift Energy New Zealand assets following the sale and purchase agreement signed in the previous Quarter have progressed and are expected to be completed by mid next Quarter.
- The Farmin Agreement between ARC (Bass Gas) Pty Ltd (ARC) and Origin in relation to T/44P was executed by all parties on 27 February 2008. Subject to approval by the Designated Authority, the farmin will reduce Origin's interest in the permit from 100% to 60%. ARC will also have an option to increase its interest to 50% by further contributing to the first commitment well.

- Subject to the appropriate approvals of the Designated Authority, Origin has purchased Woodside's 62.5% share of Vic/P37(V) in the offshore Otway Basin under an agreement dated 6 February 2008. The acquisition will increase Origin's interest in the permit to 100%. The permit contains the Halladale and Black Watch gas fields.
- A Retention Lease application over the Halladale and Black Watch gas fields within VIC/P37(V) was submitted to the Designated Authority on 29 February 2008.
- An application to surrender exploration permit VIC/P41(V) in the offshore Otway Basin was submitted to the Designated Authority on 31 January 2008.

## 6. EXPLORATION AND DEVELOPMENT EXPENDITURE

<u>E &amp; D</u> <u>Expenditure</u>	A\$'000	This Quarter	Previous Quarter	% Change	3 <sup>rd</sup> Quarter 2006/07	YTD 2007/08	YTD 2006/07
Exploration/ Appraisal		14,533	12,004	21	17,369	25,973	38,624
Development/ Plant		94,203	75,883	24	85,463	163,278	232,789
<b>Total</b>		<b>108,736</b>	<b>87,887</b>	<b>24</b>	<b>102,832</b>	<b>189,252</b>	<b>271,413</b>
	NZ\$'000	This Quarter	Previous Quarter	% Change	3 <sup>rd</sup> Quarter 2006/07	YTD 2007/08	YTD 2006/07
Exploration/ Appraisal		269	7,912	(97)	3,948	10,208	5,788
Development/ Plant		86,854	82,133	6	30,159	222,568	60,137
<b>Total</b>		<b>87,123</b>	<b>90,045</b>	<b>(3)</b>	<b>34,107</b>	<b>232,776</b>	<b>65,925</b>

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.

## 7. ORIGIN'S INTERESTS

Origin holds the following interests:

Basin/Project Area	Permits (Interest) (* Denotes Operatorship)
<b>Australia</b>	
<i>Surat Basin (Qld)</i>	PL 14 (100%*); PLs 56 and 74 (69.0%*); PL 30 (75.0%*); PLs 21, 22, 27 and 64 (87.50%*); PLs 53, 174 and 227 (100%*); ATP 470P Redcap (90.0%*); ATP 470P Formosa Downs (49.50%*); PL 71 (Production) (90.0%*); PL 71 (Exploration) (72.0%*); PL 70 (100%*) and PL (Application) 264 (90%*); ATP 471P Weribone Pooling Area (50.64%*); ATP 336P and PLs 10W, 11W, 12W, 28W, 69 and 89 (46.25%); PL 11 Snake Creek East 1 Exclusion Zone (25.0%); ATP 647P (Block 2656 only) (50.0%*); and ATP 754P (50.0%*).
<i>Denison Trough (Qld)</i>	PLs 41, 42, 43, 44, 45, 54, 67, 173, 183 and 218 (50.0%*); ATP 337P (50.0%); ATP 337P Mahalo (30.0%); and ATP 553P (50.0%)
<i>Galilee Basin (Qld)</i>	ATPs 666P, 667P and 668P (ATP 668P being transferred to Origin) (100.0%*)
<i>CSG (Qld)</i>	
- <i>Spring Gully</i>	PLs 195 and 203 and ATP 592P (94.50%*); PL 204 (99.725%*); and PL 200 (95.7104%*)
- <i>Fairview</i>	PLs 90, 91, 92, 99, 100, 232, 233, 234, 235 and 236 and ATP 526P (23.93%)
- <i>Peat</i>	PL 101 (100%*)
- <i>Argyle/Kenya/Bellevue</i>	PLs 179, 180(A), 228 and 229 and ATP 620P (40.625%), ATP 610P and PL 247(A) (29.375%); and ATP 648P, PL 257(A) and PL 259(A)(31.25%)
- <i>Talinga/Orana</i>	PLs 209, 226, 215(A), 216(A) and 225(A) and ATP 692P (100%*)
- <i>Other(Bowen Basin)</i>	PLs 219 and 220 (100%*); ATP 653P and ATP 745P (23.85%); and ATP 804P (29.29825%)
- <i>Other (Surat Basin)</i>	ATP 606P (92.7162%*); ATP 631P (18.0965%); ATP 663P (100%*); ATP 702P (100.0%*); ATP 792P (92.7162%*) and ATP 793P (100.0%*) (ATPs 792P and 793P subject to EA approval)
<i>Onshore Otway Basin</i>	
- <i>SA</i>	PRL 13 (50.0%); PRL 1 and 2 and PPLs 62,168 and 202 (100.0%*)
- <i>Victoria</i>	PPLs 6 and 9 and PRL 1 (90.0%*); PPLs 4, 5, 7, 10 and 12 (100.0%*); PPL 2 (Ex. Iona) (100.0%*); PPL 8 (100.0%*); and PEP 160 (20.0%)
<i>Offshore Otway Basin</i>	
- <i>Victoria</i>	VIC/L23 and VIC/P43 (30.75%); and VIC/P37(V) (100.0%*, subject to DA approval)
- <i>Tasmania</i>	T/L2, T/L3, T/30P and T/34P (30.75%)
<i>Bass Basin (Tasmania)</i>	T/L1 and T/RL1 (42.50%*); T/18P (39.0%*); and T/44P (100.0%* reducing to 60.0%*, subject to DA approval)
<i>Onshore Perth Basin (WA)</i>	EP 320 and L11 (67.0%*); EP 368 (15.0%); EP 413 and L14 (49.189%*); and L1/L2 (excluding Dongara, Mondarra and Yardarino) (50.0%)
<i>Offshore Bonaparte (WA/NT)</i>	NT/RL1 and WA6R (5.0%)
<i>Cooper Basin</i>	
- <i>Qld</i>	SWQ Unit Subleases (16.7375%); Aquitaine A & B Blocks and associated PLs (25.0%); Aquitaine C Block and associated PLs (27.0%); and Wareena Block and associated PLs (10.0%)
- <i>SA</i>	SA Unit PPLs (13.19%); Patchawarra East Block PPLs (10.536%); Reg Sprigg West Unit (PPLs 194 and 211) (7.902%)

Basin/Project Area	Permits (Interest) (* Denotes Operatorship)
<b>New Zealand</b>	
Taranaki Basin	PMP 38151, PMP 38155, PML 38138, PML 38139, PML 38140 and PML 38141 (100%*) (subject to completion of dealing and Ministerial approval) and PML 38140 (below base of Tikorangi Formation), PML 38141 (below base of Tikorangi Formation), PEP 381201 and PEP 38495 (50.0%*) (subject to completion of dealing and Ministerial approval). PML 38146 (50.0%*) and PEP 38485 (33.333%)
Northlands Basin	PEP 38618 and PEP 38619 (50.0%*)
Canterbury Basin	PEP 38262 and 38264 (100.0%*)
<b>Kenya</b>	
Lamu Basin	L8 and L9 (75.0%*)
<b>Vietnam</b>	
Song Hong Basin	Block 121 (100.0%*) (Subject to negotiated PSC)

## 8. CONVERSION FACTORS AND ABBREVIATIONS

### 8.1 Conversion Factors

Crude oil	0.00583	PJ/kbbls
Condensate	0.00541	PJ/kbbls
LPG	0.0493	PJ/ktonnes
Ethane	0.0517	PJ/ktonnes

### 8.2 Abbreviations

barrels	an international measure of oil production. 1 barrel = 159 litres
bopd	barrels of oil per day
bwpd	barrels of water per day
C&C	cased and completed
C&S	cased and suspended
CSG	coal seam gas
CTU	coiled tubing unit
DA	designated authority
EA	environmental authority
GJ	Gigajoule = $10^9$ joules
joule	a measure of energy
Kbbls	Kilo barrels = 1,000 barrels
Ktonnes	Kilo tonnes = 1,000 tonnes
LPG	liquid petroleum gas
mmscfd	million standard cubic feet per day
PSDM	post stack depth migration (seismic processing)
P&A	plugged and abandoned
P&S	plugged and suspended
PSC	production sharing contract
PJ	petajoule = $10^{15}$ joules
PJe	petajoule equivalent, a measure used to express the volume of different petroleum products on the basis of the energy contained in the product
TD	total depth
TJ	terajoule = $10^{12}$ joules
TJ/d	terajoules per day
Water Inj	water injection well