

ASX Release

31 October 2003

Perth Basin oils sales boost Origin's quarterly E&P revenue and compulsory acquisition of OCA shareholdings complete

Origin Energy today reported record quarterly external sales revenues from its Exploration and Production operations of \$82.4 million, up 15% compared with the same period last year due largely to increased oil sales from the Perth Basin and higher oil prices.

Oil sales from the Perth Basin increased significantly from less than 1,000 barrels in the September quarter 2002 to 258,000 barrels this quarter.

External energy sales were up 6% compared to the same period last year to 20.22 PJe on an energy equivalent basis, while total energy sales (including sales to Origin entities) were up 4% to 24.46 PJe.

Origin also announced that the compulsory acquisition of minority shareholders in Oil Company of Australia (OCA) had been successfully completed.

Commenting on the acquisition of all outstanding OCA shares Managing Director, Mr Grant King said, "This is an important acquisition for Origin. While it will not lead to a significant change in the activities of either company, it will enable the strengths of OCA's operational expertise and the depth of Origin's market position to be best leveraged in addressing opportunities in the Queensland and south east Australian energy markets," Mr King said.

Commenting on the quarter's production activities Mr Grant King said, "Origin has reported steady production volumes over the last few years from our more mature assets while the company has been re-investing in long term growth projects.

"We can now see tangible evidence of Origin's investment in the Perth Basin delivering increased revenues, and can report substantial progress on Origin's other major developments which include:

- the BassGas project which is now over 60% complete;
- the Thylacine development where the Operator, Woodside Energy Ltd, has invited tenders for all major components of the project; and
- coal seam gas where Origin has participated in 23 wells during the quarter and has finalised an Indigenous Land Use Agreement covering the Durham project in the Native Title Tribunal."

For further information please contact:

Angus Guthrie

Manager, Investor Relations

Phone: (02) 9220 6558 Mobile 0417 864 255

31 October 2003

Report for the quarter ended 30 September 2003 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 Oil Company of Australia Limited (OCA).

Highlights during the quarter were:

- In Western Australia, the horizontal development well Hovea 8 (L1/L2) was successful and has commenced production. The appraisal well Jingemia 2 (EP 413) well intersected poor reservoir quality and proved unsuitable for water injection. Jingemia 3 (EP 413), which was drilled as a sidetrack from Jingemia 2, was successful and will be used as a water injector for pressure support to the Jingemia oil reservoir. Production from the Hovea/Eremia (L1/L2) production facility continues at between 5500 to 6000 BOPD while Jingemia 1 was producing at 1664 BOPD at the completion of an Extended Production Test in early August 2003. The Jingemia field is currently shut-in but is planned to be brought back into production in late 2003.
- The BassGas Project (Yolla gas field, T/L1) is approximately 60% complete with construction of the offshore gas platform continuing, horizontal directional drilling nearing completion at the shore crossing at Kilcunda, and construction commencing at the gas plant at Lang Lang.
- A Field Development Plan has been prepared by Woodside Energy Ltd, as the Operator for the Otway Gas Project (Thylacine gas field, Vic/P43 and Geographe gas field, T/30P). This will form the basis for Production Licence applications over the fields. Tenders have been invited for all major components of the Project including production facilities, development drilling and design of the onshore gas plant. Submissions to a draft EES/EIS, which has been on public exhibition, are being addressed in the next stage to gain environmental approvals. An independent review of the Thylacine/Geographe gas reserves has confirmed the Operator's assessment and Origin has booked 2P reserves of 298 PJe.
- Twenty three coal seam gas (CSG) wells were drilled during the quarter in Queensland. These included seven production wells on the Mungji field (PL 94) which was connected to the Moura production and transport facilities. Ten wells were drilled on the Fairview field (PLs 90, 91, 92, 99 and 100). The remaining six wells were exploration or appraisal wells in ATPs 526P, 592P, 631P and 698P. Production testing continued on the Durham (PL 195) and Mungji fields. With the finalisation of an Indigenous Land Use Agreement in the Native Title Tribunal, the grant of title over the Durham field area (ATP 701P) is expected in the next quarter. This will allow development of this field.

- A successful drilling program in the Cooper Basin (South Australian sector) continued with two development wells cased and suspended as future gas producers and a further eleven development wells cased and suspended as future oil producers. An oil exploration well, Merrimelia 43, was also successful and a gas appraisal well, Dullingari 57, was tested at 965 BOPD from a shallow Namur zone. Only three wells (1 oil development; 2 oil exploration) were plugged and abandoned. Pelican 9, drilled in the previous quarter, was completed and has averaged 3500 BOPD.
- In the Denison Trough, fracture stimulation of the Glentulloch 5 and 6 wells increased gas production from these wells from 1.1 MMscfd to 7.0 MMscfd.
- Compulsory acquisition of all shares in OCA is now complete. On 11 July 2003 Origin announced a takeover bid for the shares in Oil Company of Australia (OCA) that it did not already own. At the closure of the takeover offer period on 22 September 2003 Origin had acquired 99.69% in the company. Origin initiated compulsory acquisition for the outstanding shares on 23 September 2003 and this was completed on 31 October 2003, making OCA a wholly owned subsidiary of Origin Energy Ltd.

Report for the quarter ended 30 September 2003

1. SALES

The share of product sold during the quarter is summarised as follows:

Sales Volumes

Product	Unit	This Quarter	Previous Quarter	% Change	1st Quarter 2002/03	YTD 2003/04	YTD 2002/03
Natural Gas	PJ						
SA Cooper & SWQ		10.69	9.55		10.91	10.69	10.91
Otway Basin		1.76	1.26		1.91	1.76	1.91
Perth Basin		0.61	0.60		0.70	0.61	0.70
Carnarvon Basin		1.84	1.49		1.81	1.84	1.81
Coal Seam Gas		2.23	2.22		2.31	2.23	2.31
Surat / Denison		2.62	2.90		2.81	2.62	2.81
USA		-	0.01		-	-	-
Total		19.74	18.03	9%	20.45	19.74	20.45
Crude Oil	kbbbls						
SA Cooper & SWQ		122.16	113.58		90.67	122.16	90.67
Surat / Denison		28.22	10.67		15.76	28.22	15.76
Perth Basin		257.70	210.93		0.62	257.70	0.62
USA		-	(0.24)		1.95	-	1.95
Total		408.08	334.93	22%	109.00	408.08	109.00
Condensate/naphtha	kbbbls						
SA Cooper & SWQ		118.61	120.54		139.23	118.61	139.23
Otway Basin		8.89	7.33		8.44	8.89	8.44
Perth Basin		1.10	1.13		1.63	1.10	1.63
Surat / Denison		11.16	12.26		10.49	11.16	10.49
Total		139.76	141.26	-1%	159.79	139.76	159.79
LPG	ktonnes						
SA Cooper & SWQ		18.45	8.65		16.91	18.45	16.91
Surat / Denison		1.83	1.94		2.18	1.83	2.18
Total		20.28	10.59	92%	19.09	20.28	19.09
Ethane	ktonnes						
SA Cooper & SWQ		11.37	7.27		12.47	11.37	12.47
Total		11.37	7.27	56%	12.47	11.37	12.47
Total Sales	PJE						
Internal		4.24	3.47		4.51	4.24	4.52
External		20.22	18.18		19.03	20.22	19.01
Total		24.46	21.65		23.54	24.46	23.54

Sales Revenue	A\$'000						
External		82,448	69,659	18%	71,747	82,448	71,747

Sales Volume by Basin (PJE)

SA Cooper & SWQ	13.54	11.67		13.67	13.54	13.67
Otway Basin	1.81	1.30		1.96	1.81	1.96
Perth Basin	2.12	1.83		0.71	2.12	0.71
Carnarvon Basin	1.84	1.49		1.81	1.84	1.81
Coal Seam Gas	2.23	2.22		2.31	2.23	2.31
Surat / Denison	2.93	3.12		3.07	2.93	3.07
USA	-	0.01		0.01	-	0.01
Total	24.46	21.64	13%	23.54	24.46	23.54

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

2. MARKETING AND DEVELOPMENT ACTIVITIES

2.1 South Australia

2.1.1 Cooper/Eromanga Basin

SA Unit Area (Interest 13.19%)

Two gas development wells (Goyder 4 and Dullingari North 19) were drilled in the quarter. Both were cased and suspended as future gas producers.

Twelve oil development wells were drilled during the quarter. The Alwyn 6, Alwyn East 1, Biala 10, Ulandi 7, 8, 9, 12 and 13, Jena 17 and 18 and the Pelican 12 high angle wells were cased and suspended as future oil producers. The Moomba 166 high angle well was plugged and abandoned after failing to intersect reservoir quality sandstone.

The basal Birkhead/Hutton oil pool discovered in the Pelican 9 was brought on line during the quarter with a first month average of 3500 BOPD. The well has produced in excess of 250,000 bbl of oil in the first three months of production. The Pelican 8 and 12 Namur oil wells are expected to be online during the next quarter.

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 (Interest 75.7143%, Redman gas field (Operator))**

New compressors at the Katnook plant were commissioned during the quarter.

2.2 Queensland

2.2.1 Cooper/Eromanga Basin

**ATP 259P - SWQ Gas Unit (Origin Energy Resources Limited 16.5%) and
Oil Company of Australia Limited 0.2375%)**

No significant activity during the quarter.

ATP 259P (Origin Energy Resources Limited Block Interests 10-27%)

No significant activity during the quarter.

2.2.2 Surat Basin

PLs 30, 56 & 74 / PPL 22 (Oil Company of Australia Limited 20%, Angari Pty Limited 49% (Operator) in PLs 56 and 74; Oil Company of Australia Limited 20%, Angari Pty Limited 55% (Operator) in PL 30)

No significant activity during the quarter.

PLs 53 and 174 / PPL 63 (Oil Company of Australia Limited 100% (Operator))

No significant activity during the quarter.

PLs 70 & 71 (Oil Company of Australia Limited 22.5% (Operator), Angari Pty Limited 67.5% in PL 71; Oil Company of Australia Limited 100% (Operator) in PL 70)

No significant activity during the quarter.

PLs 10, 11, 12, 28, 69 & 89 (Oil Company of Australia Limited 10.745%, Oil Investments Ltd 35.505%); (Oil Company of Australia Limited 5.8075%, Oil Investments Ltd 19.1925% in Snake Creek East Exclusion Zone)

No significant activity during the quarter.

PLs 21, 22, 27 & 64 (Oil Company of Australia Limited 64% (Operator), Oil Investments Limited 19% and Angari Pty Limited 4.5% in PLs 21, 22 and 27; Oil Company of Australia Limited 83% (Operator) and Angari Pty Limited 4.5% in PL 64)

No significant activity during the quarter.

PL 14 / PPL 3 (Oil Company of Australia Limited 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 / PPLs 10 & 11 (Oil Company of Australia Limited 50% (Production Operator))

Fracture stimulations were performed on Glentulloch 5 and 6 during the period. These projects were successful in increasing gas production from 1.1 MMscfd to over 7 MMscfd.

PL 94 * (Oil Company of Australia (Moura) Pty Ltd 100% (Operator))

PL 94 Sublease * (north of latitude 24°37'20"S) (Oil Company of Australia (Moura) Pty Ltd 50% (Operator))

Production testing at Mungi 2 continued intermittently during the quarter. The remaining seven wells of a nine well appraisal program on the Mungi field were drilled. The wells were completed with production testing commencing at the end of the period. A pipeline was installed connecting Mungi to Moura and the Moura to Dawson River pipeline was upgraded. The three sales compressors previously on lease were purchased.

PL 101 * (Oil Company of Australia Limited 50% (Operator), Oil Company of Australia (Moura) Pty Ltd 50%)

No significant activity to report

PLs 90, 91, 92, 99, 100 (Fairview) * (Oil Company of Australia Limited 4.48%, Oil Company of Australia (Moura) Pty Ltd 2.34%, OCA (CSG) Pty Limited 17.0%, Origin Energy Resources Limited 0.11%)

Nine appraisal/development wells were drilled during the quarter with a further well commencing operations.

PL 195* (Durham) (Oil Company of Australia Limited 65.03% (Operator), OCA (CSG) Pty Limited 24.1%, Origin Energy Resources Limited 0.25%)

Production testing of wells within the new permit continued during the quarter. Planning of a seismic program over the area commenced.

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 gas field) (Interest 50%, Hovea and Eremia oil fields)

The Hovea 8 horizontal development well commenced on 19 July. After intersecting the Dongara oil reservoir at 84 degrees approximately 20 metres above the original oil water contact, casing was set and a largely horizontal section was drilled in the reservoir from the casing shoe to a point 158 metres to the north-northeast of the reservoir entry point. The well was completed open hole and commenced production to the Hovea facility in August.

At the end of the quarter the Hovea field was producing at approximately 5500 BOPD from Hovea 4 and Hovea 8 with no water production.

Eremia 1 was producing at 500 BOPD with a 14% water cut. Production on this well is constrained to minimise water production.

Total production from the Hovea/Eremia project is expected to remain at approximately 5500 to 6000 BOPD until the completion of the water handling facilities and drilling of Eremia 2, expected in the next quarter.

The Hovea 9 well, designed to appraise the southern extent of the Hovea field and to then be sidetracked down dip as a water injection well, is expected to spud early in the next quarter.

EP 413 (Interest 49.189%, Jingemia oil field (Operator))

The Jingemia 1 Extended Production Test (EPT) was completed on 3 August. A total of 125,000 barrels of oil with no water was produced and sold during the test. At the completion of the test the final well rate was 1664 BOPD. Subject to necessary approvals, the field is expected to be shut-in until the fourth quarter 2003 pending the drilling of an additional appraisal well and a source well to provide water for injection and pressure support.

Jingemia 2 spudded on 24 August and intersected the Dongara Sandstone reservoir approximately 42 m low to prognosis. Analysis of the Dongara Sandstone reservoir in the well indicated it to be of poor reservoir quality and unsuitable for water injection. Jingemia 2 was plugged and abandoned on 17 September. Jingemia 3 was sidetracked from the Jingemia 2 well bore to a target approximately 400m north-

north-west of the Jingemia 2 Dongara intersection. The well intersected approximately 21m of Dongara Sandstone and the well was completed as a water injector for the Jingemia oil field.

Drilling of a Jingemia water source well was continuing at the end of the quarter.

Work continued during the quarter on the design of the Jingemia production facilities for the second Extended Production Test and permanent, long term production.

An application was submitted for a Production Licence covering the Jingemia field during the quarter. As part of the approval process communication has been initiated with registered Native Title claimants impacted by the application area.

2.3.2 Carnarvon Basin

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

No significant activity during the quarter.

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.

VIC/P43 (Interest 29.75%, Geographe and Thylacine Development)

Development activity continued for the Geographe (Vic/P43) and Thylacine (T/30P) gas fields.

Woodside Energy Ltd, as the Operator, continued Front End Engineering work, and identification of potential contractors during the quarter. Invitations to tender have now been issued for all components of the production facilities, and for the jackup drilling rig required to perform the development drilling. Tenders are due later in the fourth quarter of 2003, and successful bids will form the basis of the project budget to be considered by the Joint Venture in 2004. In the case of the onshore gas plant, the Basis of Design has been issued to two preferred tenderers participating in a partially funded design competition.

The Joint Technical Paper (JTP) was received from the Joint Authority in response to the Proposed Development Concept document submitted previously. The Operator, Woodside Energy Ltd, completed the Field Development Plan (FDP) in September addressing the issues raised in the JTP. The FDP will form the basis of the application for a Production Licence over both fields to be submitted early in the next quarter.

The draft EES/EIS was on public exhibition for a period of 2 months to the end of August. A total of 14 submissions was received from government agencies and the public. The submissions will be addressed during the next step of the

environmental approvals process which is the Panel Hearing to be convened during October.

Gas and liquids marketing activity continued through the quarter.

A gas balancing agreement and other agreements required to facilitate the development are currently under negotiation between the Joint Venture parties.

An independent review of Thylacine and Geographe reserves was conducted by the US based firm of Malkewicz-Hueni and Associates during August. The review confirmed the reserves estimates of the Operator. Origin booked its share of Thylacine and Geographe proved and probable gas and liquids reserves (298 PJe) at 30 June 2003.

A final investment decision on development of the Thylacine and Geographe fields is due to be taken in April 2004, and first gas from the Otway Gas Project is planned for delivery to the market mid-2006.

2.5 Tasmania

2.5.1 Otway Basin

T/30P (Interest 29.75%)

Development activity continued for the Thylacine (T/30P) and Geographe (Vic/P43) fields. (Refer Vic/P43 in 2.4.1 above.)

2.5.2 Bass Basin

T/L1 (Interest 37.5% (Operator))

Construction of the offshore gas platform at Batam continues with Clough advising that expected completion and sail-away to Bass Strait is January 2004.

The Horizontal Directional Drilling at the shore crossing location near Kilcunda is nearing completion.

Earthworks and foundations have been completed at the gas plant site at Lang Lang. Erection of process vessels and installation of compression equipment has commenced.

EnSCO has been selected to drill the two development wells in the period March through June 2004.

3. EXPLORATION ACTIVITIES

3.1 South Australia

3.1.1 Cooper/Eromanga Basin

SA Unit Area (Interest 13.19%)

Three oil exploration wells (Packsaddle 6, Moomba 174 and Merrimelia 43) were drilled during the quarter. The Packsaddle 6 and Moomba 174 wells were plugged and abandoned. The Merrimelia 43 well was cased and suspended as a future basal Birkhead/Hutton oil producer after intersecting an 11m oil column up dip of the

Merrimelia 17 well. The well was not tested, but is expected to be online in the last quarter of the year at an expected free flow rate of 1000 to 1500 BOPD.

The Dullingari 57 downdip Toolachee/Patchawarra appraisal well was drilling ahead at the end of the quarter. The well has intersected a new Namur oil pool. A DST over the 4.5m interval flowed oil to surface at 965 BOPD.

Patchawarra East Block (Interest 10.536%)

No significant activity during the quarter.

3.1.2 Otway Basin

PEL 27 (Interest 100% (Operator))

Farminees are being sought to contribute towards the Nampara South 1 well.

PEL 32 (Interest 75.7143% (Operator))

No significant activity during the quarter.

PEL 57 (Interest 50% (Operator))

No significant activity during the quarter.

PEL 66 (Interest 70% (Operator))

No significant activity during the quarter.

PEL 83 (Interest 60% (Operator))

Interpretation of reprocessed seismic over the Wetherall prospect has been completed.

3.2 Queensland

3.2.1 Cooper/Eromanga Basin

ATP 259P - SWQ Gas Unit (Origin Energy Resources Limited 16.5% and Oil Company of Australia Limited 0.2375%)

No significant activity during the quarter.

ATP 259P (Block Interests 10-27%)

No significant activity during the quarter.

ATP 633P (Oil Company of Australia Limited 50% (Operator))

The Right-to-Negotiate (RTN) process is continuing to effect grant of this title.

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

ATP 212P (Oil Company of Australia Limited 20%, Angari Pty Limited 49% (Operator))

Following a detailed review of this acreage, the Joint Venture decided to surrender the permit at the conclusion of Year 2 of the current permit term. A rehabilitation report is currently being prepared for this acreage.

ATP 336P (Oil Company of Australia Limited 10.745%, Oil Investments Ltd 35.505%)

No significant activity during the quarter.

ATP 375P (Oil Company of Australia Limited 100% (Operator))

No significant activity during the quarter.

ATP 470P Redcap & Rolston (Oil Company of Australia Limited 22.5% (Operator), Angari Pty Limited 67.5% in ATP 470P Redcap; Oil Company of Australia Limited 100% (Operator) in ATP 470P Rolston)

No significant activity during the quarter.

ATP 471P Weribone Pooling Area (Oil Company of Australia Limited 50.64%(Operator))

No significant activity during the quarter.

ATP 606P * (Oil Company of Australia Limited 68.63% (Operator), OCA (CSG) Pty Limited 15.0%)

Planning for a seismic survey over the area around the successful Combabula core hole was advanced during the quarter.

ATP 631P * (Oil Company of Australia Limited 72.38% (Operator), OCA (CSG) Pty Limited 15.0%)

A commitment well, Tchanning 1, was drilled in the quarter. The results of this well are under review.

ATP 663P * (Oil Company of Australia Limited 100% (Operator))

No significant activity to report.

ATP 680P * (Oil Company of Australia Limited 100% (Operator))

No significant activity to report.

ATP 692P * (Oil Company of Australia Limited 100% (Operator))

A new 9 well pilot in the Talinga field was being planned due for commencement in next quarter.

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

ATP 337P (Oil Company of Australia Limited 50%)

A seismic acquisition program to address high graded areas of ATP337P was completed during the last quarter. Processing of the new data plus reprocessing of older lines has commenced.

ATP 526P * (Oil Company of Australia Limited 4.48%, Oil Company of Australia (Moura) Pty Ltd 2.34%, OCA (CSG) Pty Limited 17.0%, Origin Energy Resources Limited 0.11%)

Drilling of an 8 well commitment program continued during the period. Two wells were drilled during the period and one well started in the previous period was finalised.

Planning of a 400 km seismic program continued but has been delayed until access rights in National Parks are determined.

ATP 553P (Oil Company of Australia Limited 50%)

No significant activity during the quarter.

ATP 564P * (Oil Company of Australia (Moura) Pty Ltd 50% (Operator))

No significant activity during the quarter.

ATP 584P * (Oil Company of Australia Limited 65.03% (Operator), OCA (CSG) Pty Limited 24.1%, Origin Energy Resources Limited 0.25%)

No significant activity to report. The permit was renewed for further four years.

ATP 592P * (Durham) (Oil Company of Australia Limited 65.03% (Operator), OCA (CSG) Pty Limited 24.1%, Origin Energy Resources Limited 0.25%)

One corehole was completed during the period. Production testing of the pilot program continued during the quarter along with Front End Engineering Design and environmental studies.

ATP 602P * (Oil Company of Australia (Moura) Pty Ltd 50% (Operator))

Production testing of the Timmy exploration wells was suspended awaiting lining of the lateral well.

ATP 623P * (Oil Company of Australia Limited 77.61% (Operator), OCA (CSG) Pty Limited 16.09%)

An application for renewal of ATP 623P for a further 12 months has been made. In conjunction, an application for a Petroleum Lease covering the entire ATP has also been submitted.

ATP 653P * (Oil Company of Australia Limited 4.48%, Oil Company of Australia (Moura) Pty Ltd 2.35%, OCA (CSG) Pty Limited 17.02%)

No significant activity to report.

ATP 698P * (Oil Company of Australia Limited 100% (Operator))

A commitment well, Membrane 1, was drilled in the quarter. The results of this well are under review.

ATP 701P * Application (Durham) (Oil Company of Australia Limited 3.264% (Operator), OCA (Durham) Pty Ltd 95%, OCA (CSG) Pty Limited 1.205%)

The Indigenous Land Use Agreement (ILUA) was finalised in the Native Title Tribunal. The ATP is expected to be awarded during the next quarter.

3.3 Victoria

3.3.1 Otway Basin

PEP 150 (Interest 50% (Operator))

Negotiations on a Conjunctive Agreement with the native title claimants continued during the quarter.

PEP 152 (Interest 50.51% (Operator))

Evaluation of the prospectivity of the permit continued.

PEP 159 (Interest 50% (Operator))

Evaluation of the prospectivity of the permit continued.

PEP 160 (Interest 40%)

Evaluation of the prospectivity of the permit continued.

VIC/P43 (Interest 29.75%)

Evaluation of the prospectivity of the permit continued.

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

The Antares 3D seismic survey is expected to commence early in the next quarter. The survey and related activities are being undertaken and managed by Woodside under an offshore services agreement with Origin.

3.4 Tasmania

3.4.1 Otway Basin

T/30P (Interest 29.75%)

Following the Designated Authority's approval of the declaration of a Location over the Thylacine field, the Operator, Woodside, has submitted a revised application for partial relinquishment and renewal of the exploration permit.

T/34P (Interest 29.75%)

Benaris and CalEnergy have exercised options to take equity in T/34P which was awarded to Origin and Woodside in July 2003.

3.4.2 Bass Basin

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

Planning continues for the drilling of the Trefoil 1 exploration well which the Joint Venture has agreed to drill in conjunction with programmed Yolla development drilling commencing in the second quarter of 2004.

T/RL1 (Interest 37.5% (Operator))

No significant activity to report. Note T/L1 has been granted from T/RL1 for the Yolla field development.

3.5 Western Australia

3.5.1 Perth Basin

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

Preparation continued for the drilling of up to two gas wells commencing in late 2003.

EP 413 (Interest 49.189% (Operator))

Acquisition of a ground gravity survey covering the northern permit area, including Jingemia, was conducted during the quarter.

An application to conduct a 3D seismic survey over the northern portion of EP413, including the Jingemia oil discovery, was submitted to the relevant authority during the quarter. Activities associated with the application were ongoing at the end of the quarter. Following necessary Government and Joint Venture approvals, acquisition of the survey is expected to commence in conjunction with a survey in L1 and L2 during the first quarter of 2004.

L1 and L2 (Interest 50%)

Acquisition of a ground gravity survey across the prospective areas of L1 and L2 to the west, north and south of the Hovea and Eremia oil fields was conducted during the quarter.

An application to conduct a 3D seismic survey over the prospective oil fairway in the Hovea, Eremia and Jingemia regions and areas to the north and south was submitted to the relevant authority during the quarter. Activities associated with the application were ongoing at the end of the quarter. Following necessary Government and Joint Venture approvals, acquisition of the survey is expected to commence in conjunction with a survey in EP 413 during the first quarter of 2004.

Interpretation of the Hibbertia 3D seismic was completed during the quarter.

Activities continued during the quarter for the recommencement of the exploration program in late 2003.

EP 368 (Interest 15%)

No significant activity during the quarter.

WA 226P (Interest 28.75% (Operator))

Processing of the 522 sq km Macallan 3D marine seismic survey was ongoing at the end of the quarter.

3.6 Northern Territory/Western Australia

3.6.1 Bonaparte Basin

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

The Operator (Santos) is continuing with development studies and marketing efforts to commercialise the Petrel field. Discussions have continued with potential customers and the Designated Authority during the quarter.

3.7 New Zealand

3.7.1 East Coast Basin

PEP 38330 (Interest 22.5%)

Technical studies completed during the period are currently under review.

3.7.2 Onshore Taranaki Basin

PEP 38718 (Interest 20%)

The Tuihu 1 exploration well, which was drilled and suspended in 2001, was sidetracked as Tuihu-1A to evaluate deeper targets, and was drilling ahead at the end of the quarter.

PEP 38728 (Interest 24%)

Horizon Oil International Limited sold its equity to Petroleum Resources Limited, and assumed operatorship. A work program for the next five year term has been agreed.

PEP 38729 (Interest 25%)

The work programme has been completed with the results incorporated with data from the neighbouring PEP 38478. PEP 38729 and PEP 38478 have common participants.

PEP 38744 (Interest 50% (Operator))

The Joint Venture has entered Permit Year 2 which requires 50 km of 2D seismic acquisition and G&G studies to be undertaken. Origin has entered into an agreement to sell its interest to Tap (New Zealand) Pty Ltd.

3.7.3 Offshore Taranaki Basin

PEP 38478 (Interest 50%)

A work programme has been developed which will see the commitment of 2D seismic acquisition altered to now include further depth imaging and conversion work.

3.8 United States of America

3.8.1 Gulf of Mexico (Onshore)

Production ceased during the quarter due to poor well performance.

The Company has earned a 9.83% interest in the prospect area around the well.

4. EXPLORATION AND DEVELOPMENT EXPENDITURE

<u>E & D Expenditure</u>	A\$'000	This Quarter	Previous Quarter	% Change	1st Quarter 2002/03	YTD 2003/04	YTD 2002/03
Exploration / Appraisal		6,916	14,707		5,492	6,916	5,492
Development / Plant		44,603	55,156		22,500	44,603	22,500
Total		<u>51,519</u>	<u>69,863</u>	-26%	<u>27,992</u>	<u>51,519</u>	<u>27,992</u>

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

5. POST-QUARTER EVENTS

Since the end of the Quarter ending 30 September 2003 the following significant events have occurred:

○ **Hovea 9, 9ST1 and 10**

The Hovea 9 well located in onshore Perth Basin permit L1, was designed to appraise the southerly extent of the Hovea oil field, before being side-tracked to provide a water injection well. The objective Dongara Sandstone was partially faulted out and the well was subsequently sidetracked to the west as Hovea 9ST-1. A 16 metre oil column was encountered confirming the southerly extent of the Hovea field. The well is currently being sidetracked again as Hovea 10 to provide a water injection site for production support of the Hovea field.

○ **Tuihu 1A**

The Tuihu-1A re-entry well, located in onshore Taranaki Basin permit PEP 38718, New Zealand, was designed to test a gas target in the Kapuni sequence below the base of the original Tuihu 1 well. Tuihu-1A well intersected some 50m of a predominantly coaly Kapuni sequence, associated with only minor shows of gas, before the drill string became stuck in the hole at 4845m. All attempts to free the drill pipe failed and the string was severed at 4304m. The well was subsequently plugged and abandoned.

- **Myall Creek East 1**

The Myall Creek East 1 well, located in Surat Basin permit ATP 647P, was drilled to evaluate a possible extension of the Myall Creek gas accumulation in the adjacent permit. The well reached a total depth of 2238m, and while initial wireline logging indicated several zones of potential hydrocarbon saturation coincident with significantly elevated gas readings recorded during drilling, a subsequent Drill Stem Test failed to flow any significant hydrocarbons. The well has been cased and suspended.