

## Revised Report for the Quarter ended 30 September 2006

### To the Australian Stock Exchange

Origin Energy Limited (Origin) hereby submits this revised 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:

- Total production increased by 11% to 21.2 PJe compared with the previous Quarter largely due to new production from the BassGas Project. Total product sales increased by 10% to 23.4 PJe and total revenue by 16% to \$117.2 million, reflecting both higher sales and higher average realised prices for all products.
- A US\$200 million contract for the management of the design and construction of the Kupe Gas Facilities in New Zealand was awarded to Technip. Fabrication of the jacket and topsides of the offshore platform was awarded to a yard in Thailand for delivery in early 2007.
- The BassGas Project continued commissioning and endurance testing. Sales gas, condensate and LPG have now all been produced to required specifications and are being sold to customers.
- The Otway Gas Project is progressing towards completion. The development drilling programme was successfully completed on schedule. At the end of the Quarter offshore hook-up, pre-commissioning, and hydro-testing of the pipelines to shore was nearing completion. Overall completion of the project is taking longer than scheduled due to further construction delays at the onshore gas plant, which is being built under a lump-sum contract. The plant is now expected to be ready-for-start-up at the end of the March Quarter of 2007.
- Drilling operations recommenced in the onshore Perth Basin with the drilling of the development well, Hovea 12, and the appraisal/development well, Jingemia 8. Both wells were successful in their objectives and will be completed as oil producers (see also post report date events).
- Origin participated in the drilling of 33 coal seam gas (CSG) wells in its Queensland tenures during the Quarter including 19 on its operated Spring Gully field as part of the project to increase deliverability and plant capability to 85 TJ/d.
- Origin also participated in the drilling of twelve wells in the Cooper/Eromanga Basins (four development/eight exploration). Three wells were cased and suspended as future gas producers and three as future oil producers.

### Post Report Date Events

- The BassGas Project was officially opened by the Victorian Premier, Mr Bracks, on 16 October 2006. The project achieved the daily production target of 67 TJ/d in the latter half of October.

- The Jingemia 8 well in L14, onshore Perth Basin, has flow-tested oil at 3520 barrels per day (1731 barrels net to Origin). A permanent flowline has been installed and the well is being commissioned and tied to the Jingemia production facility. It is expected that an initial plateau production rate will be around 2750 bopd gross, taking gross production from the Jingemia field to around 3700 bopd.
- The Hovea 12 well in L1, onshore Perth Basin, has flow-tested oil at 3230 barrels per day (1615 barrels net to Origin) upon completion. A temporary flowline is being installed to allow early start-up of production from the well. As the well is only being produced through temporary flowlines it is expected that the initial plateau production rate from this well will be around 1200 bopd gross, taking gross production through the Hovea production facility from the Hovea and Eremia fields to around 3700 bopd.
- The third well in the Perth Basin drilling program, the Eremia 5 development well, spudded on 19 October.
- The Maersk Guardian drilling rig successfully jacked-down and departed from the Thylacine field on 17 October.
- The Ensco 107 drilling rig which was scheduled to arrive in New Zealand in March 2007 to commence installation of the Kupe platform jacket has been delayed until around June 2007. This delay does not affect the critical path of the project, which remains scheduled to produce first gas in the June half of 2009.
- Data from Bellevue 5, the first of the recently drilled Bellevue field wells (ATP 610P) to be completed, have been encouraging showing a pressure build-up to 220 psi which is comparable to experience in high production wells in neighbouring permits. The well is programmed for production testing in late October. ATP 610P is operated by Queensland Gas Company and Origin holds a 29.375% interest in the permit.

## Report for the Quarter ended 30 September 2006

### 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)

Note: current Quarter production figures for some areas (non-operated) include estimates for September 2006 production. Also where necessary previous Quarter figures have been amended to reflect actual production volumes which became available only after the report date for that Quarter.

Natural Gas and Ethane	Unit	This Quarter	Previous Quarter	% Change	1 <sup>st</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Natural Gas</b>	<b>PJe</b>						
SA Cooper & SWQ		6.4	6.0	7	7.3	6.4	7.3
Bass Basin		1.2	0.1	1100	-	1.2	-
Otway Basin		0.8	0.8	-	1.0	0.8	1.0
Perth Basin		1.0	1.0	-	0.7	1.0	0.7
Coal Seam Gas		5.3	4.9	8	4.4	5.3	4.4
Surat / Denison		2.6	2.7	(4)	2.5	2.6	2.5
<b>Ethane</b>	<b>PJe</b>						
SA Cooper & SWQ		0.5	0.4	25	0.4	0.5	0.4
<b>Total Production</b>		<b>17.8</b>	<b>15.9</b>	<b>12</b>	<b>16.3</b>	<b>17.8</b>	<b>16.3</b>
<b>Total Sales</b>		<b>19.9</b>	<b>18.1</b>	<b>10</b>	<b>17.9</b>	<b>19.9</b>	<b>17.9</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>68.6</b>	<b>61.4</b>	<b>12</b>	<b>61.0</b>	<b>68.6</b>	<b>61.0</b>

Crude Oil	Unit	This Quarter	Previous Quarter	% Change	1 <sup>st</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Crude Oil</b>	<b>kbbls</b>						
SA Cooper & SWQ		80.1	77.1	4	96.7	80.1	96.7
Surat / Denison		5.6	4.9	14	6.6	5.6	6.6
Perth Basin		202.3	233.4	(13)	240.1	202.3	240.1
<b>Total Production</b>		<b>288.0</b>	<b>315.4</b>	<b>(9)</b>	<b>343.4</b>	<b>288.0</b>	<b>343.4</b>
<b>Total Sales</b>		<b>374.2</b>	<b>344.1</b>	<b>9</b>	<b>425.0</b>	<b>374.2</b>	<b>425.0</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>28.6</b>	<b>25.0</b>	<b>14</b>	<b>24.0</b>	<b>28.6</b>	<b>24.0</b>

Condensate/Naphtha	Unit	This Quarter	Previous Quarter	% Change	1 <sup>st</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Condensate/naphtha</b>	<b>kbbls</b>						
SA Cooper & SWQ		101.3	91.4	10	117.3	101.3	117.3
Bass Basin		62.5	7.8	700	-	62.5	-
Otway Basin		2.9	3.2	(9)	4.5	2.9	4.5
Perth Basin		2.7	2.5	8	1.2	2.7	1.2
Surat / Denison		14.2	14.4	(1)	15.6	14.2	15.6
<b>Total Production</b>		<b>183.6</b>	<b>119.3</b>	<b>54</b>	<b>138.6</b>	<b>183.6</b>	<b>138.6</b>
<b>Total Sales</b>		<b>143.6</b>	<b>94.1</b>	<b>53</b>	<b>138.2</b>	<b>143.6</b>	<b>138.2</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>11.4</b>	<b>6.6</b>	<b>72</b>	<b>8.0</b>	<b>11.4</b>	<b>8.0</b>

LPG	Unit	This Quarter	Previous Quarter	% Change	1st Quarter 2005/06	YTD 2006/07	YTD 2005/06
LPG	Ktonnes						
SA Cooper & SWQ		11.8	10.4	13	12.5	11.8	12.5
Bass Basin		2.0	-	-	-	2.0	-
Surat / Denison		2.2	2.5	(12)	2.1	2.2	2.1
<b>Total Production</b>		<b>16.0</b>	<b>12.9</b>	<b>24</b>	<b>14.6</b>	<b>16.0</b>	<b>14.6</b>
<b>Total Sales</b>		<b>11.7</b>	<b>12.6</b>	<b>(7)</b>	<b>21.3</b>	<b>11.7</b>	<b>21.3</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>8.7</b>	<b>8.4</b>	<b>3</b>	<b>12.3</b>	<b>8.7</b>	<b>12.3</b>

	Unit	This Quarter	Previous Quarter	% Change	1st Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Production (all products)</b>	<b>PJe</b>	<b>21.2</b>	<b>19.1</b>	<b>11</b>	<b>19.8</b>	<b>21.2</b>	<b>19.8</b>
<b>Sales (all products)</b>	<b>PJe</b>	<b>23.4</b>	<b>21.3</b>	<b>10</b>	<b>22.1</b>	<b>23.4</b>	<b>22.1</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>117.2</b>	<b>101.4</b>	<b>16</b>	<b>105.3</b>	<b>117.2</b>	<b>105.3</b>

	Unit	This Quarter	Previous Quarter	% Change	1st Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Total Sales</b>	<b>PJe</b>						
Internal		10.2	8.7	17	6.5	10.2	6.5
External		13.2	12.6	5	15.6	13.2	15.6
<b>Total</b>		<b>23.4</b>	<b>21.3</b>	<b>10</b>	<b>22.1</b>	<b>23.4</b>	<b>22.1</b>

Product Purchases included in above sales	Unit	This Quarter	Previous Quarter	% Change	1st Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Total</b>	<b>PJe</b>	<b>1.6</b>	<b>2.2</b>	<b>(27)</b>	<b>1.9</b>	<b>1.6</b>	<b>1.9</b>

	Unit	This Quarter	Previous Quarter	% Change	1st Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Production by Basin</b>	<b>PJe</b>						
SA Cooper & SWQ		8.5	7.9	8	9.5	8.5	9.5
Bass Basin		1.6	0.2	700	-	1.6	-
Otway Basin		0.8	0.8	0	1.0	0.8	1.0
Perth Basin		2.2	2.4	(8)	2.1	2.2	2.1
Coal Seam Gas		5.3	4.9	8	4.4	5.3	4.4
Surat/Denison		2.8	2.9	(3)	2.8	2.8	2.8
<b>Total</b>		<b>21.2</b>	<b>19.1</b>	<b>11</b>	<b>19.8</b>	<b>21.2</b>	<b>19.8</b>

**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 of 21.2 PJe represented a 11% increase compared with the previous Quarter and a 7% increase compared with the comparable Quarter in the 2005/06 year. These figures reflected the ramp up of production from the BassGas Project over the Quarter, improved performance in the Cooper Basin compared with the previous Quarter and continuing increases in CSG production.

Total product sales increased by 10% from 21.3 PJe in the previous Quarter to 23.4 PJe. This included 1.6 PJe of product purchased from third parties and onsold compared with 2.2 PJe in the previous Quarter. Total revenue increased by 16% compared with the previous Quarter to \$117.2 million due to both higher sales volumes and higher average prices for all commodities.

## 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 were drilled during the Quarter.

The Moomba 175 well, located approximately 0.92 km SE of Moomba 51, was drilled to a total measured depth of 2751m before being cased and suspended as a future Permian gas producer.

The Moomba 176 gas development well was conventionally drilled to the top Toolachee Formation Unit C reservoir and has been cased and suspended. A coil tubing under-balanced drilling program is planned for later in 2006 to test the Toolachee target reservoirs.

##### 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))

No significant activity during the Quarter.

### 2.2 Queensland

#### 2.2.1 Cooper/Eromanga Basin

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

One gas development well was drilled during the Quarter.

The Baryulah 12 well, located approximately 0.65km NE of Baryulah 3, reached the total measured depth of 2617m and was cased and suspended as a future Permian gas producer.

#### **ATP 259P (Block Interests 10-27%)**

Kercummurra 1 (Wareena Block oil well) flowed 46 barrels of oil upon re-entry. The well was successfully fracture stimulated and surface facilities are being assembled for production commencing in October 2006.

Production from the Toby 1 oil well in the Wareena Block was suspended until warmer weather due to the waxy nature of the oil.

#### **2.2.2 Surat Basin (\* denotes CSG permit(s))**

**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, 174 and 227 (Interest 100% (Operator))**

The Ogilvie Creek 1 well was completed during July 2006 but flowed gas at only 0.1 MMscfd suggesting the upper Tinowon gas sands may have been damaged. It is planned to be fracture stimulate the well in late 2006/early 2007 to improve on the drill stem tested rate of 0.4 MMscfd.

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

Namarah 7 remains suspended after drilling problems and hole instability prevented the primary target, the basal Rewan sandstone, from being penetrated.

Parknook 7 is scheduled to be plugged and abandoned in the fourth Quarter of 2006.

**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.

**PLs 179, 228 and 229 \* (Argyle) (Interest 40.625%)**

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))**

No significant activity during the Quarter.

#### PL 101 \* (Interest 100% (Operator))

No significant activity during the Quarter.

#### PLs 90, 91, 92, 99, 100, 232, 233, 234, 235 and 236 \* (Fairview) (Interest 23.93%)

Seven appraisal/development wells were drilled in the Fairview field as part of an ongoing drilling program, the primary purpose of which is to underwrite future production and reserves growth within the Fairview field.

#### 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))

The Spring Gully gas plant had peak gas sales of around 39.5 TJ/d during the Quarter.

Work continued on Phases 3 and 4 of the Spring Gully Project which will address additional field deliverability and gas plant expansion (to 85 TJ/d) to meet firm contractual commitments to QAL, Energex and Incitec Pivot. Nineteen development wells were drilled during the Quarter on the Spring Gully field as part of this project. The wells were cased and suspended awaiting cavitation or fracture stimulation and completion in the fourth Quarter of 2006. Seven wells drilled prior to this Quarter were completed and connected.

The new development includes a new satellite plant at Strathblane to the north of Spring Gully. A trunkline to this new plant was commissioned during the Quarter.

#### PLs 219 and 220 \* (Interest 100% (Operator))

No significant activity during the Quarter.

### 2.3 Western Australia

#### 2.3.1 Perth Basin

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

Gross production from the Beharra Springs gas plant (via the Tarantula 1 and Beharra Springs 1 and 2 wells) averaged 11.9 TJ/d during the Quarter, marginally below forecast. Associated condensate production for the Quarter was 28 bcpd.

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

The Hovea 12 oil development well intersected a 22m oil column in the targeted Dongara Sandstone reservoir in the northern end of the field and is optimally located for recovery of oil reserves in this part of the field. At the end of the Quarter the well was being cased and completed for connection to the Hovea production facilities.

Average gross oil sales for the Quarter through the Hovea production facility were above forecast at approximately 2670 bopd from Hovea 4, 7, 8, 11 and Eremia 1 and 2.

The Xyris field and Hovea 2 produced at average rates of 6.4 TJ/d through the Quarter.

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

The top of the targeted Dongara Sandstone in the Jingemia 8 oil appraisal/development well was intersected approximately 30 metres above the original oil-water contact of the Jingemia field. Hydrocarbon indications recorded during drilling, wireline logs and reservoir pressure data indicated that the entire Dongara Sandstone reservoir section is oil-saturated. Jingemia 8 was cased and completed for connection to the Jingemia oil facility.

Gross production during the Quarter from the Jingemia production facility was below forecast averaging 1600 bopd from the producers, Jingemia 4 and 10. The field water cut has rapidly risen to 71% and has contributed to the reduced oil production performance. Jingemia 4 was returned to natural flow in July 2006 with oil production increasing by 400 bopd.

Average water injection via Jingemia 3, 5 and 9 was 5718 bwpd over the Quarter. Jingemia 5 was shut in during the Quarter after problems with the pressure gauge.

## **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 and PRL 1 (Interest 90% in PPLs 6 and 9 and PRL 1 (Operator); Interest 100% in PPL 10 (Operator))**

No significant activity during the Quarter.

#### **VIC/L23 (Interest 30.75%, 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 (Thylacine) and T/L3 (Thylacine South) (Interest (30.75%))**

By the end of the Quarter, development drilling had been completed for the four initial producing wells on the Thylacine field. The tie-ins of the onshore pipelines at the gas plant were completed. Offshore pre-commissioning activities, including dewatering, and hydro-testing of the 20-inch and the 4-inch pipelines was progressing. The jack-up rig is scheduled to depart when a suitable weather window is available.

The main focus of attention has continued to be on construction of the Onshore Gas Plant and the start-up date. A revised completion program has been submitted by the onshore EPIC contractor, together with site management changes and a number of new initiatives designed to accelerate progress. The plant is now expected to be ready-for-start-up at the end of the March Quarter of 2007.

A Production Licence, T/L3, has been granted over the Thylacine South extension to the field.

## **2.5.2 Bass Basin**

### **T/L1 (Interest 42.5% (Operator))**

Endurance testing commenced on 17 September 2006 as the final commissioning step before completion of the BassGas Project. During this process, sales gas, LPG and condensate have been produced and sold. Up to the 30 September 2006, 44 days of continuous daily production at 16-64TJ had been achieved, although there were minor plant trips and interruptions to stable operations. Production of LPG and condensate has been below designed capacity while the liquids production facilities are commissioned and optimised.

Origin commenced booking revenues from the project from 1 September 2006. Since that date approximately 0.6 PJ of natural gas, 33 kbbls of condensate and 1.3 ktonnes of LPG have been produced and it is only sales associated with this production which have been included in revenues for the Quarter.

## **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. The Designated Authority has granted renewal of the Petrel Retention Leases.

## **2.7 New Zealand**

### **2.7.1 Offshore Taranaki Basin**

#### **PML 38146 (Interest 50% (Operator))**

A US\$200 million contract for the management of the design and construction of the Kupe Gas Facilities has been awarded to global construction specialists, Technip, and an integrated Technip / Origin 'Alliance' team has been established. Detailed design of the facilities is proceeding and procurement of materials for all facets of the project is now also well underway.

Fabrication of the jacket and topsides has been awarded to a yard in Thailand. The jacket is on schedule for delivery to Kupe in the first half of 2007 to coincide with the arrival of the drilling rig, Ensco 107, which will undertake the installation prior to commencing drilling operations.

The purchase of land at the production station has been completed and work on road upgrades, initial onshore plant site civil work and other preparatory work is

expected to commence in November 2006. The Horizontal Directional Drilling underneath the Taranaki cliffs is planned to commence in December 2006.

The overall project remains on track to come on-line in the first half of 2009.

### **3. EXPLORATION ACTIVITIES**

#### **3.1 South Australia**

##### **3.1.1 Cooper/Eromanga Basin**

###### **SA Unit Area (Interest 13.19%)**

Two gas and three oil delineation wells were drilled during the Quarter.

The Raven 4 gas well, a 1.7 km step out well to test the gas potential of the Patchawarra stratigraphic trap encountered in the Raven field, encountered several Patchawarra Formation reservoirs and was cased and later completed and fracture stimulated. The well is shut in awaiting connection to the Raven field pipeline.

Lialis 1 gas delineation well was drilled on a separate fault bound compartment adjacent to the producing Dorodillo gas field. The primary target sands in the Patchawarra Formation were intersected but were water wet. The Tirrawarra reservoir targets were absent at this location. The well was subsequently plugged and abandoned.

The Nappacongee-Murteree Horst shallow oil delineation campaign commenced with the drilling of the Rissikia 1 oil near field exploration well. Rissikia 1 intersected the Coorikiana Sandstone high to prognosis but the reservoir was poorly developed with no significant oil shows. The Murta Formation and the McKinlay Member were also intersected high to prognosis with good shows. The well was cased and suspended as a potential future Jurassic oil producer.

The Biala 13 oil appraisal well encountered fair to good oil shows in the McKinlay Member. A drill stem test within the McKinlay Member recovered 2 barrels of oil and 29 barrels of formation water. A drill stem test in the Murta Member recovered formation water. The well was subsequently plugged and abandoned.

The Limestone Creek 11 oil delineation well was drilled approximately 360m NNE of Limestone Creek 3 and 770m NNW of Biala 6. Poor to fair oil shows were encountered in the McKinlay Member and poor shows in the Murta Member. A drill stem test in the McKinlay Member recovered 5.5 barrels of watery rat hole mud with slight oil emulsion and 47 barrels of formation water. A drill stem test in the Murta Member recovered 37 barrels of formation water. The well was subsequently plugged and abandoned.

###### **Patchawarra East Block (Interest 10.536%)**

No significant activity during the Quarter.

##### **3.1.2 Otway Basin**

###### **PEL 27 (Interest 50%)**

No significant activity during the Quarter.

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

No significant activity during the Quarter.

### 3.2 Queensland

#### 3.2.1 Cooper/Eromanga Basin

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

One gas exploration well was drilled during the Quarter.

Python 1 reached a total measured depth of 2308m but did not encounter any significant shows. Wireline logs confirmed that all sandstones intersected were water wet. The well was subsequently plugged and abandoned.

**ATP 259P (Block Interests 10-27%)**

Two oil delineation wells were drilled during the Quarter.

Challum 28, located 400m SE of Challum 9 and 720m NNE of Challum 23, was drilled to a total measured depth of 1679m. The primary target, the top Murta Member, was intersected low to prognosis with poor quality sands and poor oil shows. A drill stem test in the Murta Member failed due to packer failure. The second drill stem test over the interval failed to flow to surface and recovered mud. The well was subsequently plugged and abandoned.

Yanda 17, located 485m ESE of Yanda 15, 650m NNE of Yanda 1, was drilled to a total measured depth of 1923m. The primary target, top Murta Member, had fair oil shows while fair to good shows were encountered in the Hutton Sandstone. A drill stem test within the Hutton Sandstone was a misrun. No further testing or wireline logging was possible due to poor borehole conditions. Based on hydrocarbon shows and wireline logs evaluation, the well was cased and suspended as a potential future Jurassic oil producer.

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

**ATP 336P (Waldegrave) (Interest 46.25%)**

A Showgrounds Sandstone oil opportunity, Mahogany 1, has been identified within the ATP. The well is likely to be drilled in February 2007.

**ATP 470P Redcap, Rolston and Formosa Downs (Interest 90.0% (Operator) in ATP 470P Redcap; 100% (Operator) in ATP 470P Rolston; and 49.5% (Operator) in ATP 470P Formosa Downs)**

Emu Apple 1, which was drilled during June 2006, was cased and suspended as a new oil pool discovery. It is planned to conduct an extended production test during the fourth Quarter of 2006 to determine the size of the resource prior to a Petroleum Lease application and to determine the requirement for further seismic and/or drilling on the structure.

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

No significant activity during the Quarter.

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

Production testing of two wells drilled in late 2005 is currently in the planning stage.

**ATP 610P \* (Interest 29.375%)**

Five exploration wells were drilled and an existing well recompleted in the Bellevue field during the Quarter as part of a pilot programme to assess the reserve potential of this area. The trial is due to commence in the fourth Quarter of 2006.

**ATP 620P \* (Interest 40.625%)**

The Codie 1A exploration corehole was drilled during the Quarter as part of the expanded exploration programme of this area.

**ATP 648P \* (Interest 31.25%)**

No significant activity during the Quarter.

**ATP 631P \* (Interest 18.0865%)**

No significant activity during the Quarter.

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

No significant activity during the Quarter.

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

Planning continued for the drilling of a cored slimhole, Gilbert Gully 1, later in 2006 subject to rig availability.

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

Production testing of the Walloon CSG potential in the Talinga extended pilot area continued.

Construction of a new production test pilot at Orana (PLA 215 area) consisting of three wells progressed during the Quarter with production testing expected to commence in the fourth Quarter of 2006.

Planning also continued for drilling to start in the fourth Quarter of 2006 on three additional cored slimholes (subject to rig availability) and six production test wells to evaluate the extent of the coal characteristics in each of the Talinga (PL 226) and Orana (ATP 692P) areas.

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

Laboratory testing of the core samples from Yuwandi 1 and Goonalah 1 is nearing completion. The Condabri seismic data is being reviewed in order to site an additional cored well.

#### **ATP 754P (Interest 50% (Operator))**

With fluid being recorded approximately 360 metres from the surface within Ungabilla 1 after cased hole testing and swabbing operations earlier in 2006, the well was further swabbed during July 2006 but recovered water only.

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

#### **ATP 337P (Interest 50%)**

No significant activity during the Quarter.

#### **ATP 337P (Mahalo) \* (Interest 30%)**

Mahalo 2 was drilled and testing during the Quarter.

#### **ATP 526P \* (Interest 23.93%)**

No significant activity during the Quarter.

#### **ATP 553P (Interest 50%)**

No significant activity during the Quarter.

#### **ATP 584P \* (Interest 29.29825%)**

No significant activity during the Quarter.

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

Renewal of ATP592P was granted during the Quarter.

#### **ATP 653P \* (Interest 23.85%)**

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. Grant of the title remains subject to a native title agreement.

### **PEP 160 (Interest 20%)**

The Glenaire 1 gas exploration well commenced drilling on 8 September 2006 using the Ensign Rig 32. The well is located approximately 33km NE of Mt Gambier and 24km SE of the Katnook Gas Plant. At the end of the Quarter, the well had been plugged back to 923m measured depth and was preparing to sidetrack due to high wellbore deviation.

Beach Petroleum Limited is earning a 50% interest in PEP 160 by contributing to the cost of the well. Origin's interest is being diluted to 20% as a result.

### **VIC/P43 (Interest 30.75%)**

A review of permit prospectivity continued.

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

Geophysical studies of the Halladale/ Black Watch gas fields continued during the Quarter.

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

Existing seismic data (approximately 200 km) of various vintages, which were recently reprocessed, will be interpreted to assess prospectivity of the permit.

## **3.4 Tasmania**

### **3.4.1 Otway Basin**

#### **T/30P (Interest 30.75%)**

Processing of the recently acquired Aragorn 3D seismic survey in T/30P and adjoining T/34P was undertaken during the Quarter.

#### **T/34P (Interest 30.75%)**

Processing of the recently acquired Aragorn 3D seismic survey in T/34P and adjoining T/30P was undertaken during the Quarter (see above for T/30P).

### **3.4.2 Bass Basin**

#### **T/18P (Interest 46.4% (Operator))**

Processing of the Shearwater 3D and 2D seismic survey acquired over the Trefoil discovery and surrounding exploration leads was completed during the Quarter.

Reservoir engineering studies are underway to assess the potential development of the Trefoil discovery.

#### **T/RL1 (Interest 42.5% (Operator))**

A renewal application was submitted.

### 3.5 Western Australia

#### 3.5.1 Perth Basin

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

Planning for the Beharra Springs 4 gas appraisal well was completed. The well is anticipated to be drilled during the first Quarter of 2007.

Review and comparison of various options to access the Beharra Springs Deep prospect is in progress. Beharra Springs Deep is an exploration play for the High Cliff Sandstone below the present producing horizon in the Beharra Springs field.

Processing of the Russ 2D seismic survey data (acquired in April) was completed. Interpretation and integration of this new dataset was ongoing at the end of the Quarter.

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

Interpretation of the Denison 3D data and merged Verena 2D data was completed during the Quarter.

Planning continued for the drilling of the EP413 Permit Year 1 commitment well, which is expected to be drilled during the first Quarter of 2007. Reprocessing of six 2D seismic lines was conducted to assist in determining an optimal location for the commitment well.

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

Interpretation of the Denison 3D seismic data was completed, and assisted in identifying updip development target locations in the Hovea and Eremia oil fields and exploration targets in the surrounding region. Exploration drilling will commence in L1/L2 during the fourth Quarter of 2006.

A new oil prospect, Eutaxia, was identified on the L14–L2 boundary, at the western edge of the Denison 3D volume. Eutaxia is under consideration for early drilling pending necessary joint venture and government approvals.

##### EP 368 (Interest 15%)

The seismic data acquired as part of the Springy Creek 2D Seismic Survey were processed during this Quarter. Interpretation of these data was ongoing at the end of the Quarter.

##### WA 226P (Interest 28.75% (Operator))

No significant activity during the Quarter.

### 3.6 New Zealand

#### 3.6.1 Onshore Taranaki Basin

##### PEP 38729 (Interest 25%)

A transition zone survey totaling 33 km approximately was undertaken during the Quarter.

### 3.6.2 Offshore Taranaki Basin

#### PEP 38485 (Interest 33.33%)

Processing of the Kora 3D Seismic Survey and the Moana 2D Seismic Survey was completed during the Quarter.

### 3.6.3 Offshore Northland Basin

#### PEP 38618 (Interest 50% (Operator))

Seismic reprocessing of existing data is close to completion. Acquisition of further seismic data is planned to commence in December 2006.

#### PEP 38619 (Interest 50% (Operator))

Seismic reprocessing of existing data is close to completion. Acquisition of further seismic data is planned to commence in December 2006.

### 3.6.4 Offshore Canterbury Basin

#### PEP 38262 (Interest 100% (Operator))

Processing of the Carrack 2D Seismic Survey was completed during the Quarter. Approximately 4100 km of existing 2D seismic reflection data were also reprocessed.

## 3.7 Kenya

### 3.7.1 Offshore Lamu Basin

#### L8 and L9 Blocks (Interest 75.0% (Operator))

Origin has entered into a farmin agreement with Pancontinental Oil and Gas NL and Afrex Limited (a 100% owned subsidiary of Pancontinental) whereby it has been assigned a 75% initial interest in each of the Production Sharing Contracts (PSCs) for the L8 and L9 Blocks in return for funding a US\$4 million seismic program across the two blocks, and subject to it exercising drilling options, the funding of an exploration well in each block. In the event that Origin does not exercise the drilling option, the interest in the relevant block will revert to Pancontinental and Afrex.

The approval of the Kenyan Government to variations to the PSCs, which was a condition precedent to the farmin agreement, was received on 28 September 2006.

#### 4. EXPLORATION AND DEVELOPMENT EXPENDITURE

<u>E &amp; D Expenditure</u>	A\$'000	This Quarter	Previous Quarter	% Change	1st Quarter 2005/06	YTD 2006/07	YTD 2005/06
Exploration/ Appraisal		5,506	18,021	(69)	12,185	5,506	12,185
Development/ Plant		64,491	102,902	(37)	78,922	64,491	78,922
<b>Total</b>		<b>69,997</b>	<b>120,923</b>	<b>(42)</b>	<b>91,107</b>	<b>69,997</b>	<b>91,107</b>

  

	NZ\$'000	This Quarter	Previous Quarter	% Change	1st Quarter 2005/06	YTD 2006/07	YTD 2005/06
Exploration/ Appraisal		335	3,874	(91)	94	335	94
Development/ Plant		14,333	8,614		3,388	14,333	3,388
<b>Total</b>		<b>14,668</b>	<b>12,488</b>	<b>17</b>	<b>3,482</b>	<b>14,668</b>	<b>3,482</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.