



## Report for the Quarter ended 30 June 2007, 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, energy retailing or asset management in other areas of the business.

Significant events and influences during the Quarter included:

- **Quarterly production and sales:** Sales revenue of \$122.3 million was a new record for a single quarter and 4% higher than the previous record in the March 2007 Quarter. Total production of 22.3 petajoules equivalent (PJe) and total sales volumes of 23.6 PJe were also quarterly records, up by 10% and 7% respectively against the previous Quarter. Origin's coal seam gas (CSG) and BassGas operations were strong contributors to this increased performance together with seasonal increases in sales from the Cooper and Surat/Denison production assets.
- **Annual production and sales:** Sales revenue for the year to 30 June 2007 was a record, increasing 14% from the prior year to \$474.9 million. Total production of 87.2 PJe and total sales volumes of 92.5 PJe were also records, increasing by 12% and 10% respectively. These increases were driven by increased CSG production and the first significant contribution from the BassGas project which more than offset lower production from mature assets in the Cooper, onshore Otway and Perth basins.
- **Significant new gas development approved:** During the Quarter Origin announced the approval of a major CSG development across the Spring Gully and Talinga fields in central Queensland to service a 630 MW combined cycle gas fired power station to be built by the generation business of Origin Energy Limited. The development will supply up to 44 PJ of gas per annum for the power station. Total capital expenditure is estimated at around \$500 million including final development of the Spring Gully field, initial development of the Talinga field and construction of a major gas pipeline connecting the Walloons CSG producing areas (including the Talinga field) to Wallumbilla and the Darling Downs power station.
- **Ethane contract extended:** The Cooper Basin Producers extended the existing ethane supply agreement with Quenos for a further 56 PJ of ethane (gross, Origin 13.2%) to be sold between late 2007 and the beginning of 2013, at gas prices linked to the world oil price.
- **The BassGas Project:** The BassGas project has been increasing production following successful rectification and modification operations during a plant shut-down in the previous Quarter. In June the project achieved average production of over 60 TJ/d.
- **The Otway Gas Project:** Execution of the Otway Gas Project is well advanced with offshore activities complete. As part of pre-commissioning activities, the operator (Woodside Petroleum) is progressively taking over control of the plant from Technip. Start-up is expected by the end of August.
- **The Kupe Gas Project:** In the Kupe Gas Project in New Zealand, the fabrication of the platform jacket in Thailand has been completed and the jacket is now in transit

to New Zealand. The fabrication of the topsides remains on schedule to be completed in third Quarter 2007 as planned. The EnSCO 107 drilling rig is expected to arrive in September 2007. Construction work for the subsea pipeline, directional drilling for the coastal crossing, and earthworks and civil works at the production station site are progressing satisfactorily. Cost and schedule forecasts were updated during the Quarter. With continuing high worldwide industry activity levels, the project has experienced some cost pressures which have increased the expected completion cost by around 10%. The project remains on schedule for commercial gas in the first half of 2009.

- **CSG drilling activities:** Origin participated in the drilling of 20 CSG wells in its Queensland tenements at Spring Gully (2), Fairview (6), Kenya/Argyle (9) and in ATPs 526P (1), 610P (1) and 692P (1). Thirteen of these wells were production holes (one P&A), four were water wells (injection or monitoring) and three were exploration/appraisal slimholes.
- **CSG development activities:** Phase 4 of the development of the Spring Gully project is near completion. This will lift production capacity to 85 TJ/d. Production has reached 50 TJ/d (in early July) as new wells are connected. Phase 5, which will ultimately lift the capacity to 150 TJ/d by the first half of 2009, has commenced with further drilling and construction of a reverse osmosis plant to process produced water.
- **Cooper Basin drilling activities:** In the Cooper/Eromanga Basin, Origin participated in 19 wells (12 development and 7 exploration/appraisal) with a strong focus in the case of the exploration/appraisal wells on oil objectives. Seven wells were cased and suspended as future oil producers and 11 as future gas producers.
- **Perth Basin drilling activities:** The Drakea 1 wildcat well recovered oil from the High Cliff Sandstone, a result which was confirmed by subsequent side-tracking of the well. The significance of the discovery is being evaluated. Appraisal drilling was undertaken in the Beharra Springs and Apium gas fields.
- **Seismic acquisition:** Seismic acquisition programs in the offshore Northlands and Canterbury Basins in New Zealand and in the Surat Basin in Queensland were completed.

## Post Report Date Events

- **Gas contract signed with RTA:** On 3 July, Origin announced that it has entered into a sales gas agreement with Rio Tinto Aluminium (RTA) to supply up to 470 PJ of gas from its CSG fields over 20 years from 2010 to the Yarwun alumina refinery at Gladstone.
- **Otway Gas Project commences commissioning:** Commissioning of the Otway Gas Project has commenced with the successful introduction of gas from the Victorian grid into the onshore plant on 27 July 2007. The Operator, Woodside Petroleum, has also been granted a full 5 year unconditional Licence to Operate a Major Hazard Facility by the Victorian Workcover Authority. This completes the approvals required from designated authorities for the project.
- **Origin releases annual reserves review:** On 31 July 2007 Origin released its annual review of reserves and reported a 42% increase in proved and probable reserves to 3,471 PJe. The release is available at the ASX and on the Company's website.

## 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 June 2007 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	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Natural Gas</b>	<b>PJe</b>						
SA Cooper & SWQ		5.5	5.1	8	6.0	23.1	25.6
Bass Basin		2.1	1.5	40	0.1	6.8	0.1
Otway Basin		0.3	0.2	7	0.8	2.0	3.6
Perth Basin		0.9	0.9	0	1.0	3.9	3.2
Coal Seam Gas		6.1	5.6	9	4.9	22.7	18.9
Surat / Denison		3.1	2.9	7	2.7	11.9	10.2
<b>Ethane</b>	<b>PJe</b>						
SA Cooper & SWQ		0.3	0.3	17	0.4	1.5	1.6
<b>Total Production</b>		<b>18.3</b>	<b>16.5</b>	<b>11</b>	<b>15.9</b>	<b>71.9</b>	<b>63.2</b>
<b>Total Sales Volume</b>		<b>19.6</b>	<b>17.4</b>	<b>13</b>	<b>18.1</b>	<b>76.2</b>	<b>68.0</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>65.9</b>	<b>59.4</b>	<b>11</b>	<b>61.4</b>	<b>258.3</b>	<b>232.8</b>

Crude Oil	Unit	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Crude Oil</b>	<b>kbbbls</b>						
SA Cooper & SWQ		76.9	71.4	8	77.1	308.2	331.3
Surat / Denison		13.7	4.1	234	4.9	27.8	22.3
Perth Basin		238.1	277.2	(14)	233.4	990.6	1202.6
<b>Total Production</b>		<b>328.7</b>	<b>352.7</b>	<b>(7)</b>	<b>315.4</b>	<b>1326.6</b>	<b>1556.2</b>
<b>Total Sales Volume</b>		<b>370.2</b>	<b>419.8</b>	<b>(12)</b>	<b>344.1</b>	<b>1539.7</b>	<b>1780.1</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>29.1</b>	<b>30.6</b>	<b>(5)</b>	<b>25.0</b>	<b>115.1</b>	<b>114.1</b>

Condensate/Naphtha	Unit	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Condensate/naphtha</b>	<b>kbbbls</b>						
SA Cooper & SWQ		90.8	81.1	12	91.4	372.9	403.6
Bass Basin		97.2	68.7	41	7.8	332.4	7.8
Otway Basin		2.8	2.3	22	3.2	10.0	14.8
Perth Basin		1.8	2.4	(25)	2.5	9.7	8.4
Surat / Denison		16.7	15.1	11	14.4	59.7	59.9
<b>Total Production</b>		<b>209.3</b>	<b>169.6</b>	<b>23</b>	<b>119.3</b>	<b>784.7</b>	<b>494.5</b>
<b>Total Sales Volume</b>		<b>207.4</b>	<b>223.8</b>	<b>(7)</b>	<b>94.1</b>	<b>783.8</b>	<b>495.1</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>15.6</b>	<b>15.9</b>	<b>(2)</b>	<b>6.6</b>	<b>57.2</b>	<b>33.1</b>

LPG	Unit	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
LPG	Ktonnes						
SA Cooper & SWQ		9.7	8.3	17	10.4	41.2	43.6
Bass Basin		6.3	3.5	80	-	16.4	-
Surat / Denison		2.6	2.5	4	2.5	9.8	9.2
<b>Total Production</b>		<b>18.6</b>	<b>14.3</b>	<b>30</b>	<b>12.9</b>	<b>67.4</b>	<b>52.8</b>
<b>Total Sales Volume</b>		<b>16.0</b>	<b>17.8</b>	<b>(10)</b>	<b>12.6</b>	<b>64.5</b>	<b>55.0</b>
<b>Total Revenue</b>	<b>\$M</b>	<b>11.7</b>	<b>12.2</b>	<b>(4)</b>	<b>8.4</b>	<b>44.3</b>	<b>38.4</b>

Total All Products	Unit	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
Production (all products)	PJe	22.3	20.2	10	19.1	87.2	77.6
Sales (all products)	PJe	23.6	22.0	7	21.3	92.5	83.8
<b>Total Revenue</b>	<b>\$M</b>	<b>122.3</b>	<b>118.1</b>	<b>4</b>	<b>101.4</b>	<b>474.9</b>	<b>418.4</b>

Internal & External Sales Volumes	Unit	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
Total Sales Volume	PJe						
Internal		9.5	8.6	10	8.7	39.1	26.0
External		14.1	13.4	5	12.6	53.4	57.8
<b>Total</b>		<b>23.6</b>	<b>22.0</b>	<b>7</b>	<b>21.3</b>	<b>92.5</b>	<b>83.8</b>

Product Purchases included in above sales	Unit	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
<b>Total</b>	PJe	<b>0.5</b>	<b>0.6</b>	<b>(23)</b>	<b>1.5</b>	<b>3.7</b>	<b>4.3</b>

Production by Basin (All products, PJe)	Unit	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
Production by Basin	PJe						
SA Cooper & SWQ		7.2	6.7	7	7.9	30.4	33.4
Bass Basin		3.0	2.1	43	0.2	9.4	0.2
Otway Basin		0.3	0.2	8	0.8	2.1	3.7
Perth Basin		2.3	2.5	(8)	2.4	9.7	10.3
Coal Seam Gas		6.1	5.6	9	4.9	22.7	18.9
Surat/Denison		3.4	3.1	10	2.9	12.9	11.1
<b>Total</b>		<b>22.3</b>	<b>20.2</b>	<b>10</b>	<b>19.1</b>	<b>87.2</b>	<b>77.6</b>

## 1.2 Production/Sales Summary

Sales revenue of \$122.3 million was a new record for a Quarter, 4% higher than the March 2007 Quarter and 21% higher than the comparable period in 2006.

Sales volumes were 23.6 PJe, a 7% increase on the previous Quarter and an 11% increase on the comparable period in 2006.

Production volumes increased by 10% to 22.3 PJe compared to the March 2007 Quarter and were 17% higher than in the comparable Quarter in 2006. Compared to the previous Quarter, increases were recorded in the BassGas Project (up by 43%) following the rectification and modification work performed in the February/March shutdown and in the CSG areas (up by 9%) as production continues to ramp up.

These were complemented by improved production performance in the traditional areas of the Cooper Basin (up by 7%) and the Surat/Denison (up by 10%).

Oil production in the Perth Basin was 14% lower than the previous Quarter but remained marginally higher than the comparable period in 2006. This reflects the success of appraisal and development drilling during the year on the Hovea, Eremia and Jingemia fields which temporarily arrested the natural decline in production from the fields.

Sales revenue for the year to 30 June 2007 was a record, increasing 14% from the prior year to \$474.9 million. Total production of 87.2 PJe and total sales volumes of 92.5 PJe were also records, increasing by 12% and 10% respectively. These increases were driven by increased CSG production and the first significant contribution from the BassGas project. This more than offset lower production from mature assets in the Cooper, onshore Otway and Perth basins.

## 2. DEVELOPMENT

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

Twelve development wells (10 gas, 1 oil/gas, 1 oil) were drilled during the Quarter. All these development wells were cased and suspended for future production. The five well campaign using Coil Tubing Under-Balanced drilling technology was completed with the re-entry and drilling of three Moomba wells.

### 2.2 Onshore Otway Basin (South Australia)

No significant activity during the Quarter.

### 2.3 Surat Basin (Queensland)

The Emu Apple 1 oil well was brought on line on 2 April at an initial rate of 95 bopd. The well has continued to produce with no water and in June the average daily production was at 85 bopd. Two appraisal/developments wells are programmed to be drilled on the Emu Apple structure during the second half of 2007.

### 2.4 Denison Trough (Queensland)

Production testing within ATP 553P was conducted at the Yamala 1 and 2 wells during May/June. The wells flowed gas to surface at stabilised rates of 0.2 MMscfd and 0.5 MMscfd respectively. The results of the testing will be evaluated to determine the forward programme for the area.

### 2.5 Coal Seam Gas (Queensland)

#### 2.5.1 *Spring Gully*

The Spring Gully gas plant recorded peak gas sales of around 49 TJ/d during the Quarter.

Work continued on Phase 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. The second compressor for the Strathblane gas plant was delivered to site. Thirteen wells drilled prior to this Quarter were completed and connected.

Work continued on Phase 5 of the Spring Gully Project which is designed to increase field deliverability and gas plant capacity to 150 TJ/d. One well drilled in the previous Quarter was completed and connected. Construction continued on a 9 mega litres per day reverse osmosis unit.

Two monitoring bores were drilled into the Precipice Sandstone to monitor the effect of associated water production from the Bandanna coals at Spring Gully on the Precipice aquifer.

#### 2.5.2 *Fairview*

Four development wells were drilled in the Fairview field as part of an ongoing programme designed to underwrite future production and reserves growth. Three wells were successful while one was plugged and abandoned. In addition two water injection wells were drilled into the basement.

#### 2.5.3 *Peat*

No significant activity.

#### 2.5.4 *Walloons*

A further six wells were drilled in PL 228 and three in PL179 during the Quarter as part of the Argyle/Kenya development. Construction of gas compression plant, surface facilities and field gathering systems continued during the Quarter.

### 2.6 Onshore Perth Basin (Western Australia)

#### 2.6.1 *Beharra Springs*

Gas production averaged 8.7 TJ/d during the Quarter. Gas production was affected by downtime at the gas customer's (Hismelt) plant in April.

A planned shut-down was carried out during the Quarter to re-route the Tarantula gas line in preparation for the workover on Beharra Springs 3 and to modify the system to new specifications.

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

Average gross oil sales for the Quarter through the Hovea production facility was approximately 3072 bopd. The Hovea and Eremia fields continued to produce well with minimal downtime. Gas production from the Xyris plant averaged 4.8 TJ/d during the Quarter.

#### 2.6.3 *Jingemia*

Gross production during the Quarter from the Jingemia production facility averaged 2194 bopd mainly from Jingemia 10, Jingemia 8 and Jingemia 11. A successful chemical treatment was carried out on Jingemia 4 at the end of the Quarter to remove suspected scale in the perforations. The oil rate increased from 30 bopd to around 300 bopd and the well has returned to natural flow. Jingemia 8 was shut-down in June for 7 days due to a high scaling risk and was returned to production after a successful scale squeeze. Jingemia 11 was brought online on 20 April at a rate of around 1000 bopd and will be worked over early next Quarter to remedy poor cementing of the production casing in the well.

## 2.7 Offshore Otway Basin (Victoria/Tasmania)

Execution of the Otway Gas Project is well advanced with offshore activities complete. As part of pre-commissioning activities, the operator (Woodside Petroleum) is progressively taking over control of the plant from Technip. Start-up is expected by the end of August. See also Post Report Date events on page 2.

## 2.8 Bass Basin (Tasmania)

Production and reliability have been improving steadily since the February/March shutdown. Process difficulties have been resolved and the average daily production for June was over 60 TJ/d (with full propane recovery).

## 2.9 Taranaki Basin (New Zealand)

Fabrication of the offshore platform jacket for the Kupe Gas Project has been completed in Thailand. The jacket is now in transit to New Zealand and is expected to arrive in mid August 2007. The fabrication of the topsides is due to be completed in October 2007 and then will be transported to New Zealand by heavy lift vessel. As previously advised the Ensco 107 drilling rig is expected to arrive in September 2007. The drilling rig will be used to install the jacket and topsides as well as drill the development wells required for production.

Construction of a mattress of crushed rocks to carry the subsea pipeline and umbilical over the boulder fields approximately 2 km offshore was successfully completed. Drilling of the two 'Horizontally Directionally Drilled' tunnels from the production station location, under the cliffs and emerging 1.8 km offshore, were also successfully completed and both holes have now been lined with steel casing and are ready for installation of the line pipe and umbilical.

Earth works are well advanced at the Production Station site in South Taranaki District and the site civil contractor has mobilised and commenced pouring of foundations.

Cost and schedule forecasts were updated during the Quarter. With continuing high worldwide industry activity levels, the project has experienced some cost pressures which have increased the expected completion cost by around 10%. The project remains on schedule for commercial gas in the first half of 2009.

### 3. EXPLORATION

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

Seven oil delineation wells were drilled during the Quarter.

All three wells in the Narcoonowie oil campaign were cased and suspended as future oil producers. One of these wells, the near field exploration well, Carowinnie 1, is a new Murta, McKinlay and basal Birkhead oil pool discovery. Interpretation of two drill stem tests indicates a production potential of approximately 250 bopd.

Two wells of the Burke oil campaign (Burke 9 and Wheels 1) were also cased and suspended as future oil producers. The Burke 10 well drilling was suspended with the well to be plugged and abandoned.

The Gambero 1 oil near field exploration well (part of the McKinlay oil campaign) was drilled to test a separate structure southeast of the McKinlay oil field. The Hutton primary target was water wet. However wireline log interpretation of the McKinlay Member indicated a 12.5m oil column with 4.6m of net pay. The well was cased and suspended as a future oil producer.

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

The Glenaire 1 well in PEP 160 was cased and suspended in November 2006 for further cased hole testing. The Laira Formation (fractured reservoir) testing was completed during the Quarter. Results indicate a very small pool and no extended testing is required. Planning is in progress to test the lower gas zones.

#### 3.3 Surat Basin (Queensland)

A Showgrounds Sandstone oil opportunity in ATP 336P, Mahogany 1, and a Boxvale Sandstone opportunity in PL 30, Riverslea Southeast 1, have been identified and are scheduled for drilling in the second half of 2007.

Recording of the 90 km Alton West 2D seismic survey in ATP 754P was completed during April. The data is currently being evaluated.

#### 3.4 Denison Trough (Queensland)

No significant activity during the Quarter.

#### 3.5 Coal Seam Gas (Queensland)

##### 3.5.1 *Surat Basin*

Production testing of the Bellevue Pilot in ATP 610P has continued during the Quarter.

The Kenya East 3 well was drilled in ATP 648P during the Quarter and will be production tested.

Production testing of the Walloon CSG potential in the Talinga and Orana pilot areas (PL 226/ATP 692P) continued.

A cored slimhole, Kainama 2, was drilled in ATP 692P during the Quarter.



Laboratory testing of the Kainama 2 cores also commenced.

### **3.5.2 *Bowen Basin***

Bellington 1, an exploration well in ATP 526P, was cored and permeability tested.

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

The Beharra Springs 4 gas appraisal well, which spudded in L11 on 28 March, reached the intermediate casing point at 3269m. The well is now suspended and waiting on arrival of a Coiled Tubing Unit (CTU) to drill underbalanced through the primary target Wagina Sandstone in August.

The Drakea 1 wildcat well spudded in May with the early Permian High Cliff Sandstone as the main objective. Oil was recovered in the High Cliff Sandstone and Drakea 2 was drilled as a sidetrack from Drakea 1 as an up-dip follow-up to Drakea 1. It confirmed the presence of hydrocarbons in the High Cliff Sandstone, 6m higher than in Drakea 1. The significance of the discovery is being evaluated.

The Apium 2 gas appraisal well spudded on 29 June and is being drilled to test the Dongara Sandstone at a location away from the damaged zone in Apium 1.

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

Interpretation of the Aragorn 3D seismic survey in T/30P and adjoining T/34P continued during the Quarter.

Planning is in progress for acquisition of the Year 3 seismic program in VIC/P43.

In VIC/P37(V) prospectivity evaluation and development feasibility studies in relation to the Halladale and Black Watch gas fields continued during the Quarter.

Reprocessed seismic data over VIC/P41(V) are being interpreted to assess prospectivity of the permit.

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

Interpretation of the Shearwater 3D seismic survey acquired over the Trefoil discovery and adjacent exploration leads in T/18P is almost complete. Well locations for a potential drilling programme are being considered.

Planning is in progress for acquisition of the Year 1 seismic programme in newly awarded permit T/44P.

The T/RL1 Retention Lease around the Yolla gas field production licence was renewed during the Quarter.

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

In PEP 38729 evaluation of transition zone seismic data acquired in 2006 is ongoing.

In the offshore permit PEP 38485, the Joint Venture has secured a rig slot to drill the Moana 1 well later in 2007.

### 3.10 Offshore Northland Basin (New Zealand)

In PEP 38619 acquisition of the 433 sq km Nimitz 3D seismic survey was completed and the 1904 km Pantheon 2D seismic survey was also acquired.

The 1224 km Akira 2D seismic survey was acquired in PEP 38618.

### 3.11 Offshore Canterbury Basin (New Zealand)

Interpretation of the 2006 acquired Carrack Survey 2D seismic data and associated reprocessed data of existing seismic lines in PEP 38262 has been completed.

Acquisition of the Caravel (917km in PEP 38262) and Wherry (1,317km in PEP 38264) 2D Surveys was completed on 7 April.

Reprocessing of the available existing seismic data within PEP 38264 has been completed. Additional 1970's vintage seismic data have been located and will also be reprocessed. Various geological and geophysical projects including basin modeling continued during the Quarter.

### 3.12 Offshore Lamu Basin (Kenya)

Processing of the 2006 Lamu Marine Seismic Surey and reprocessing of existing 2003 vintage seismic data in Blocks L8 and L9 nears completion.

## 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
Burke 9	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Burke 10	Cooper/Eromanga - SA	Oil	13.19	P&A
Caroowinnie 1	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Gambero 1	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Narcoonowie 5	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Narcoonowie 6	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Wheels 1	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Beharra Springs 4	Perth Basin - WA	Gas	67.00	Suspended, awaiting CTU
Drakea 1	Perth Basin - WA	Gas	50.00	P&A
Drakea 2	Perth Basin- WA	Oil	50.00	P&S
Bellington 1	Bowen Basin - Qld	CSG	23.93%	Slimhole, CSG
Kenya East 3	Surat Basin - Qld	CSG	31.25%	Slimhole, CSG
Kainama 2	Surat Basin - Qld	CSG	100.00	Slimhole, CSG

## 4.2 Development

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

Well	Basin/Area	Target	Origin Interest %	Well Status
Big Lake 84	Cooper/Eromanga - SA	Gas	13.19	C&S, Gas
Big Lake 85	Cooper/Eromanga - SA	Gas	13.19	C&S, Gas
Boongala 2	Cooper/Eromanga - SA	Gas	13.19	C&S, Gas
Cooba 2	Cooper/Eromanga - SA	Gas	13.19	C&S, Gas
Goyder 5	Cooper/Eromanga - SA	Gas	13.19	C&S, Gas
Fly Lake 21	Cooper/Eromanga - SA	Gas/Oil	13.19	C&S, Gas/Oil
Moomba 178	Cooper/Eromanga - SA	Gas	13.19	C&S Gas
Moomba 31 ST1	Cooper/Eromanga - SA	Gas	13.19	C&S Gas
Moomba 36 ST1	Cooper/Eromanga - SA	Gas	13.19	C&S Gas
Moomba 39 ST1	Cooper/Eromanga - SA	Gas	13.19	C&S Gas
Thurakinna 6	Cooper/Eromanga - SA	Gas	13.19	C&S, Gas
Alwyn 7	Cooper/Eromanga - SA	Oil	13.19	C&S, Oil
Fairview 140	Bowen Basin - Qld	CSG	23.93	C&S, CSG Water Inj
Fairview 125	Bowen Basin - Qld	CSG	23.93	P&A, Casing Collapse
Fairview 128	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 130	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Fairview 82	Bowen Basin - Qld	CSG	23.93	C&S, CSG Water Inj
Fairview 135	Bowen Basin - Qld	CSG	23.93	C&S, CSG
Spring Gully PB1	Bowen Basin - Qld	CSG	94.50	C&S, Water Inj
Spring Gully PB2	Bowen Basin - Qld	CSG	94.50	C&S, Water Inj
EP-A1	Bowen Basin - Qld	CSG	94.50	C&S, Water Inj
Argyle 14	Surat Basin - Qld	CSG	40.625	C&S, CSG
Argyle 13	Surat Basin - Qld	CSG	40.625	C&S, CSG
Argyle 15	Surat Basin - Qld	CSG	40.625	C&S, CSG
Kenya 20	Surat Basin - Qld	CSG	40.625	C&S, CSG
Kenya 13	Surat Basin - Qld	CSG	40.625	C&S, CSG
Kenya 14	Surat Basin - Qld	CSG	40.625	C&S, CSG
Kenya 12	Surat Basin - Qld	CSG	40.625	C&S, CSG
Kenya 21	Surat Basin - Qld	CSG	40.625	C&S, CSG
Kenya 23	Surat Basin - Qld	CSG	40.625	C&S, CSG

## 5. ACQUISITIONS/DIVESTMENT

During the Quarter:

- ATP 847P in Queensland has been granted to Origin Energy CSG Ltd (100% interest) from 1 May 2007.
- Origin has entered into an arrangement with ARC (Bass Gas) Pty Ltd whereby that company will farm-in to a 40% interest in T/44P in the Bass Basin, subject to a mutually acceptable farm-in agreement and government approvals. ARC will also have an option to increase its interest to 50% by further contributing to the first commitment exploration well.
- ATPs 666P, 667P and 668P in the Galilee Basin were being transferred from Tri-Star Petroleum Company to Origin Energy CSG Limited. Origin will hold a 100% interest when the transfers are approved by the Minister.
- Origin has previously agreed to sell its equity in PEP 150 in Victoria (when granted) to Essential Petroleum Resources Ltd and Mawson Petroleum Pty Ltd. Grant of the title remains subject to a native title agreement.

## 6. EXPLORATION AND DEVELOPMENT EXPENDITURE

<u>E &amp; D Expenditure</u>	A\$'000	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
Exploration/ Appraisal		9,139	17,369	(47)	18,021	47,763	67,352
Development/ Plant		66,580	85,463	(22)	102,902	299,369	418,385
<b>Total</b>		<b>75,719</b>	<b>102,832</b>	<b>(26)</b>	<b>120,923</b>	<b>347,132</b>	<b>485,737</b>

	NZ\$'000	This Quarter	Previous Quarter	% Change	4 <sup>th</sup> Quarter 2005/06	YTD 2006/07	YTD 2005/06
Exploration/ Appraisal		7,220	3,948	83	3,874	13,008	6,539
Development/ Plant		49,623	30,159	61	8,614	109,758	23,693
<b>Total</b>		<b>56,843</b>	<b>34,107</b>	<b>60</b>	<b>12,488</b>	<b>122,766</b>	<b>30,232</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 (69.00%*); PL 30 (75.00%*); PLs 21, 22, 27 and 64 (87.50%*); PLs 53, 174 and 227 (100%*); ATP 470P Redcap (90.00%*); ATP 470P Formosa Downs (49.50%*); PL 71 (72.00%*); ATP 470P Rolston and PL 70 (100%*); 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 (25.00%); ATP 647P (Block 2656 only) (50.00%*); and ATP 754P (50.00%*).
<i>Denison Trough (Qld)</i>	PLs 41, 42, 43, 44, 45, 54, 67, 173, 183 and 218 (50.00%*); ATP 337P (50.00%); ATP 337P Mahalo (30.00%); and ATP 553P (50.00%)
<i>Galilee Basin (Qld)</i>	ATPs 666P, 667P and 668P (being transferred to Origin (100.00%*))
<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, 228 and 229 and ATP 620P (40.625%), ATP 610P (29.375%); and ATP 648P (31.25%)
- <i>Talinga/Orana</i>	PLs 209, 226, 215 (Application), 216(A) and 225(A) and ATP 692P (100%*)
- <i>Other(Bowen Basin)</i>	PLs 219 and 220 (100%*); ATP 653P (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 (100.00%*); ATP 847P (100.00%*)
<i>Onshore Otway Basin</i>	
- <i>SA</i>	PRL 13 (50.00%); PRL 1 and 2 and PPLs 62,168 and 202 (100.00%*)
- <i>Victoria</i>	PPLs 6 and 9 and PRL 1 (90.00%*); PPLs 4, 5, 7, 10 and 12 (100.00%*); PPL 2 (Ex. Iona) (100.00%*); PPL 8 (100.00%*); and PEP 160 (20.00%)
<i>Offshore Otway Basin</i>	
- <i>Victoria</i>	VIC/L23 and VIC/P43 (30.75%); VIC/P37(V) (37.5%*) and VIC/P41(V) (100.00%*)
- <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 (39.00%*); and T/44P (100.00%* reducing to 60.00%* subject to a farmin agreement)
<i>Onshore Perth Basin (WA)</i>	EP 320 and L11 (67.00%*); EP 368 (15.00%); EP 413 and L14 (49.189%*); and L1/L2 (excluding Dongara, Mondarra and Yardarino) (50.00%)
<i>Offshore Perth Basin (WA)</i>	WA-226-P (28.75%* withdrawing)
<i>Offshore Bonaparte (WA/NT)</i>	NT/RL1 and WA6R (5.00%)
<i>Cooper Basin</i>	
- <i>Qld</i>	SWQ Unit Subleases (16.7375%); Aquitaine A & B Blocks and associated PLs (25.00%); Aquitaine C Block and associated PLs (27.00%); and Wareena Block and associated PLs (10.00%)
- <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	PML 38146 (50.00%*); PEP 38729 (25.00%); and PEP 38485 (33.333%)
Northlands Basin	PEP 38618 and PEP 38619 (50.00%*)
Canterbury Basin	PEP 38262 and 38264 (100.00%*)
<b>Kenya</b>	
Lamu Basin	L8 and L9 (75.00%*)

## 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
GJ	Gigajoule = $10^9$ joules
joule	A measure of energy
Kbbls	Kilo barrels = 1,000 barrels
Ktonnes	Kilo tonnes = 1,000 tonnes
mmscfd	million standard cubic feet per day
P&A	plugged and abandoned
P&S	plugged and suspended
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
TJ	terajoule = $10^{12}$ joules
TJ/d	terajoules per day
Water Inj	water injection well