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| To | Company Announcements Office | Facsimile | 1300 300 021 |
| Company | Australian Stock Exchange Limited | Date | 1 May 2007 |
| From | Bill Hundy | Pages | 4 |
| Subject | KUPE GAS PROJECT - KEY MILESTONES ACHIEVED | | |

For your information please find attached a media release regarding the Kupe Gas project.

Regards

A handwritten signature in black ink, appearing to read "Bill Hundy", with a stylized flourish at the end.

Bill Hundy
Company Secretary

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Media Release

1 May 2007

Kupe Gas Project - Key milestones achieved

Progress on the development and construction of the Kupe Gas Project continues to be made in line with the Project's planned schedule - with two key milestones being achieved this month.

Port of Marlborough spoolbase

The Kupe Gas Project team are pleased to announce they have signed a formal agreement with Port Marlborough New Zealand Limited to locate the Project's spoolbase at Picton.

The spoolbase is the location where the 30 kilometres of main gas pipeline is welded together before being transported and laid offshore.

Delivery of the pipeline to the spoolbase will begin next month.

The pipeline will be delivered to Picton in 12 metre lengths that are then welded together into 3 individual 10 kilometre lengths.

The lengths of pipe are then reeled onto the Apache pipelaying vessel and transported to South Taranaki for laying on the seabed floor.

This is the first time a subsea gas pipeline will be laid in this way in New Zealand.

Project Director Peter Ashford said the Kupe Gas Project was pleased to be able to spread the benefits of the Project to other regions of New Zealand.

"This collaboration will bring employment and economic benefits to the Marlborough region. At peak we expect to have 40 people involved in fabrication and 10 management staff working on this operation," Mr Ashford said.

The contract for all civil works, structural components and fabrication to be undertaken at the spoolbase has been awarded to McConnell Dowell Constructors Limited.

The Apache vessel is due to arrive in Taranaki in December and the pipelaying is expected to start in early 2008.

Pipeline HDD tunnels complete

Drilling of the tunnels under the South Taranaki coastline for the Kupe Gas Project gas pipeline has also been successfully completed - breaking a world record for horizontal directional drilling (HDD) of a shore crossing.

The HDD tunnels link the gas pipeline from the platform 30 km offshore to the Production Station onshore, near Hawera. Two tunnels have been drilled - one to carry the main gas pipeline and another to house the umbilical cable.

Construction of these tunnels is the longest shore approach ever completed through horizontal directional drilling with "forward thrust" installation of the pipe.

The drilling has also been very accurate. Both the umbilical and main pipeline subsea exit points were within 6 metres of their target, 2.2 kilometres offshore.

Mr Ashford said these achievements were a credit to the Kupe Gas Project team in Australia and New Zealand, as well as the Project's drilling contractor Drilltec.

"A huge effort was put into the planning and execution of this part of the Project which has paid off," Mr Ashford said.

The Kupe Gas Project is a \$NZ980 million dollar project, approved to proceed in 2006. The project is expected to be completed by mid-2009 and will provide New Zealand with approximately 254 petajoules of natural gas, 1.1 million tonnes of LPG and 14.7 million barrels of light oil (condensate).

Participants are:

| | |
|---|----------------|
| Origin Energy Resources (Kupe) Limited* | 50% (Operator) |
| Genesis Energy | 31% |
| New Zealand Oil & Gas Limited | 15% |
| Mitsui E&P (New Zealand) Limited | 4% |

*a wholly owned subsidiary of Origin Energy Limited

For further information please contact:

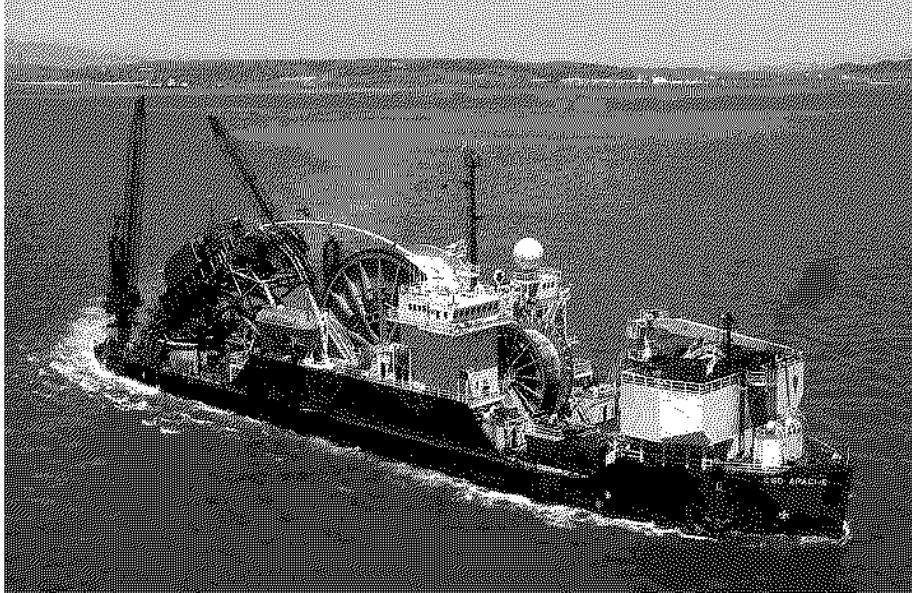
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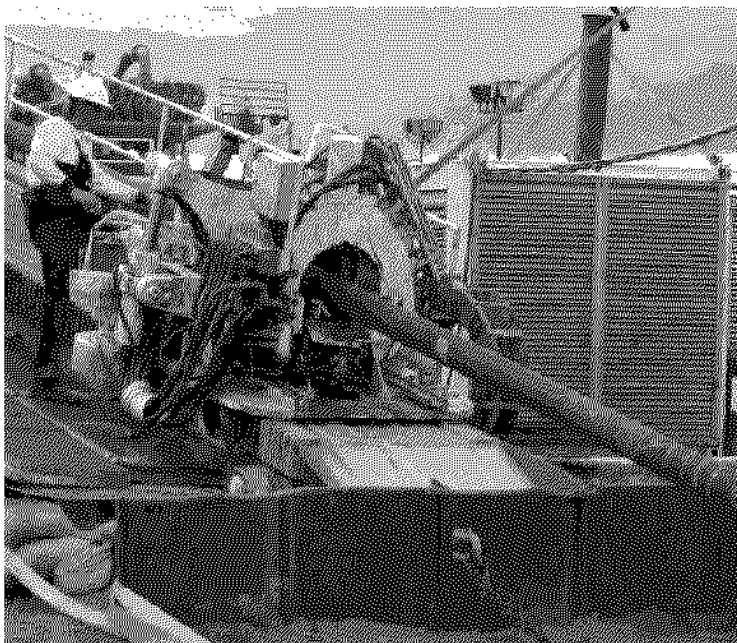
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NB: Please find attached photos of the Apache pipelaying vessel and the HDD site for your information.



The Apache pipelaying vessel working on another project.



Drilling of the main gas pipeline at the horizontal directional drilling (HDD) site.