

To	Company Announcements Office	Facsimile	1300 300 021
Company	Australian Stock Exchange Limited	Date	27 October 2005
From	Bill Hundy	Pages	3
Subject	<b>Kupe Gas Project Update</b>		

Please find attached an ASX release regarding the Kupe Gas project.

Regards



Bill Hundy  
Company Secretary

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## ASX Release

27 October 2005

### **Kupe Gas Project update: regulatory hurdles cleared; capital costs increase**

The Kupe Joint Venture is pleased to announce that all onshore regulatory approvals for the proposed Kupe development have been granted by the Taranaki Regional Council and the South Taranaki District Council and that the final impediments to achieving the offshore consents have now been resolved. The Kupe Venture will request granting of the offshore consents from the Minister for the Environment. This concludes one fundamental pre-requisite for the approval of the project.

The Kupe Gas Project comprises:

- A normally unmanned offshore platform situated over the Kupe Field in 35 metres of water approximately 30km offshore in south Taranaki;
- A pipeline and umbilical connecting the platform to the onshore facilities;
- A new onshore production station to be located near Hawera producing sales quality gas, LPG and condensate; and
- Tie-ins to the existing south Taranaki infrastructure.

It is anticipated that the project will be ready for the Joint Venture to make the Final Investment Decision during the first quarter of 2006. If approved it is expected that commercial production will commence during 2008.

The project is currently in detailed discussions with a number of onshore and offshore contractors. Latest estimated project costs are approximately NZD 800 million which is considerably higher than originally anticipated. These increases are due to higher commodity prices, particularly for steel, and the unprecedented level of activity in the oil and gas market around the world which has occurred as a result of high oil prices and the damage caused to facilities by the recent hurricanes in the Gulf of Mexico. The economic impact of these cost increases is expected to be partially offset by the increased revenues resulting from higher prices for condensate and LPG produced from the field and the impact of increased reserves as previously announced.

The Kupe Gas Project is important to New Zealand's future security of gas supply and there is significant potential for additional gas resources close to the planned development.

The Kupe South Joint Venture comprises:

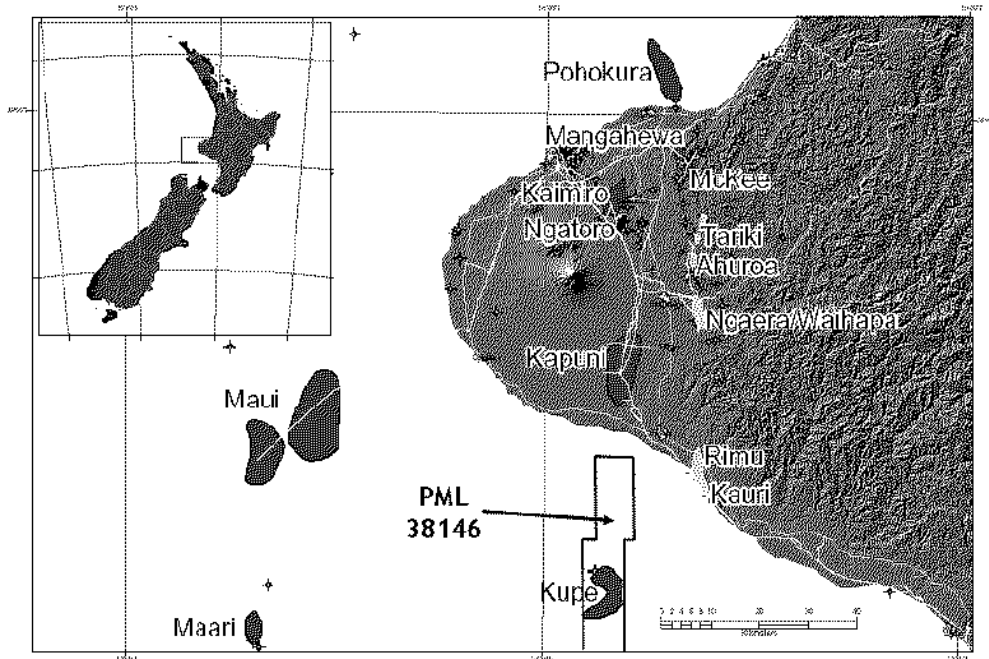
Origin Energy Resources (Kupe) Limited*	50.0%	(Operator)
Genesis Energy**	31.0%	
New Zealand Oil and Gas Limited**	15.0%	
Mitsui E&P (New Zealand) Limited**	4.0%	

\* a wholly owned subsidiary of Origin Energy Limited

\*\* via subsidiaries

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**Location of PML38146 and the Kupe South Field**

