ASX/MEDIA ANNOUNCEMENT

Wednesday 25 July 2007

NOONKANBAH AND ARC SIGN LANDMARK HERITAGE AGREEMENT AS PART OF ARC’S REGIONAL EXPLORATION PROGRAM IN THE CANNING BASIN

PERTH, Western Australia: ARC Energy Limited (ASX:ARQ) is pleased to advise that it has signed a landmark heritage agreement this week with the Noonkanbah people which provides for oil and gas exploration on Noonkanbah land. ARC’s exploration on Noonkanbah forms part of an extensive Canning Basin exploration program which is due to commence in August 2007 when Century Rig 18 is mobilised from the Perth Basin. ARC’s Canning Basin exploration program is currently scheduled to run for three years and to drill up to 20 exploration wells. As part of that program ARC has entered into agreements which ensure any activity by ARC is carried out in a socially and environmentally responsible manner.

This agreement enables ARC and the Noonkanbah people to conduct their relationship in a harmonious and mutually beneficial manner; it allows for recording and protection of the Yungngora people’s heritage under the Aboriginal Heritage Act 1972 (WA) and relevant Commonwealth Heritage Legislation.

This agreement follows the major announcement on 27th April of this year of the final determination of native title over the Noonkanbah pastoral lease, presided by Justice French of the Federal Court of Australia. This was a significant day for the people of Noonkanbah, marking the end of a 27 year struggle for the recognition of the Yungngora people’s rights to hold native title rights and interests over the entirety of the Noonkanbah pastoral lease, together with a small area of unallocated crown land.

The agreement is a watershed, as Noonkanbah is remembered for the dispute that began in the late 1970s, when oil company Amax signaled its intention to drill at or in the vicinity of the “goanna dreaming” site of Pea Hill, Noonkanbah. The Yungngora people of Noonkanbah – along with the then-newly formed Kimberley Land Council – launched a series of protests against the proposed drilling, despite government pressure for it to proceed. The protests were supported by church groups and the unions, and received international attention.

Permission to drill Fitzroy River No 1 was first given by the Under Secretary for Mines, Western Australia, on June 13, 1979. However, physical resistance on Noonkanbah Station and legal delays prevented drilling there in 1979. Ultimately, the Western Australian Government took over the organisation of transport for the rig, and on August 29th 1980 also assumed the role of Operator. The Government then transferred the Operator's interest back to Amax three weeks later, and the well drilling operations were completed on November 23, 1980 without further significant incident – and without any oil being found.

An important aspect of this event is that Mr Dickey Cox, who was the leader of the Yungngora People at the time of the confrontation, officiated at the signing ceremony with ARC Energy.

Mr Cox, said;

“This is an historic occasion for our people. ARC Energy has shown it is prepared to sit down and work with our people to reach an agreement that offers benefits to our people, allowing recognition of our important sites. The company has shown the way in how agreements with indigenous people should be done, and has entered into a relationship with enduring and long-term benefits for our people – and for us to be part of its project”.
This new heritage agreement between ARC Energy and Noonkanbah people provides for community benefits, infrastructure support and the establishment of a liaison committee to discuss future activities of ARC Energy within the Native Title Determination Area.

The first planned activity on Noonkanbah, following a heritage clearance survey, is to carry out new seismic acquisition which may eventually lead to the drilling of a new exploration well.

Commenting on the agreement, Mr Gary Jeffery, Executive Director – Operations for ARC Energy said;

“ARC Energy is extremely pleased to have entered into this cooperative and mutually beneficial agreement with the Noonkanbah people. We are sure our longer term relationship through this agreement will be as open, frank and friendly as the discussions to date, and we look forward to working with the Yungngora people and other traditional owners towards increased economic activity and prosperity in the region.”

This release will be available on ARC’s website, www.arcenergy.com.au.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About ARC Energy Limited:
ARC Energy is one of Australia’s pre-eminent energy companies, owning and operating oil and gas interests in the Perth, Canning and Bass Basins and internationally. Listed on the Australian Stock Exchange with a market capitalisation of approximately A$500 million, ARC has an aggressive onshore and offshore exploration and development drilling program. It continues to drive increased shareholder value by the early adoption of innovative technical and commercial practices.
Neil Thompson of ARC and Dickey Cox sign the Heritage Agreement at Noonkanbah Station

Representatives from Noonkanbah and ARC at the school gate, Noonkanbah Station