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30 July 2003

Russell Phillips
General Manager
Regulatory Affairs - Gas
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Mr Phillips

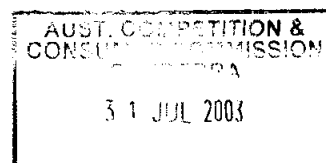
Re: 2002/ 03 Ring Fencing Compliance Reports - Ballera to Mt Isa Pipeline

In response to your letter dated 4 June, 2003 and in accordance with section 4.13 of the Code, please find attached the 2002/ 03 Ring Fencing Compliance Reports - Ballera to Mt Isa Pipeline for Origin Energy Resources Limited and Oil Company of Australia. In future, please send any notification and pro-forma of the Ring Fencing Compliance Reports - Ballera to Mt Isa Pipeline to me.

Yours sincerely

K.R. Rouse
Manager, Business Development

07) 3858 0684 kim.rouse@upstream.originenergy.com.au



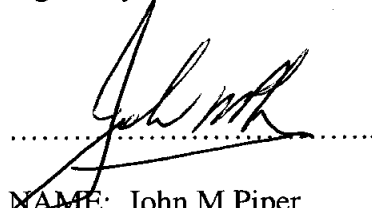
Statement of Compliance

Statement of Compliance for Oil Company of Australia Limited for the financial year 2002/03

Oil Company of Australia Limited – Ballera - Mt Isa Pipeline

1. Attached is the annual Ring Fencing Compliance Report for the year ending 30 June 2003. Oil Company of Australia Limited has not varied the Ring Fencing Compliance Report or Statement of Compliance from the original forms sent by the ACCC, other than to provide the information required and in accordance with the e-mail sent by Katherine Lowe, ACCC, 16 July 2003 regarding the changes associated with “Chief Executive Officer” in this Statement of Compliance.
2. Oil Company of Australia Limited is not aware of any breach of any of the obligations listed in section 4.1 of the Code other than as detailed in this report.
3. Oil Company of Australia Limited has maintained a compliance program during the relevant period that ensures that:
 - (a) appropriate internal procedures have been established and maintained to ensure compliance with the obligations in section 4.1 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code);
 - (b) an accurate assessment of these procedures has been made;
 - (c) the Board of Directors of Oil Company of Australia Limited is made aware of any breaches of the ring fencing obligations;
 - (d) remedial action is taken as soon as possible to rectify breaches of the minimum ring fencing obligations and that completion of this action is reported to the Board of Directors;
 - (e) the compliance program is reviewed regularly and as necessary.
4. The Board of Directors of Oil Company of Australia Limited has approved this report at its meeting on Monday 28 July 2003.

Signed by:

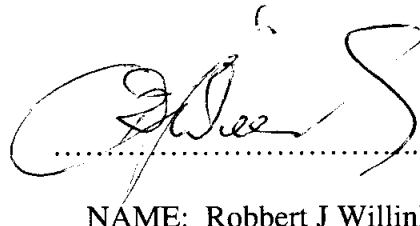


.....

NAME: John M Piper

EXECUTIVE DIRECTOR

DATE: 29-7-03



.....

NAME: Robert J Willink

DIRECTOR

DATE: 29/7/03

Ring Fencing Compliance Report

Ring Fencing Compliance Report for Oil Company of Australia Limited for the financial year 2002/03

Definitions

Unless otherwise defined, all capitalised terms used in this document have the meaning given to them in section 10.8 of the Code.

Compliance with minimum ring fencing obligations

Oil Company of Australia Limited submits this report under section 4.13 of the Code. The report describes the measures taken to ensure compliance with its obligations under section 4 and provides an accurate assessment of the effect of those measures.

Oil Company of Australia Limited will, pursuant to section 4.14 of the Code, notify the Commission immediately on becoming aware of a breach (or potential breach) of its obligations under section 4 of the Code. Notification should be directed to the General Manager, Regulatory Affairs – Gas, ACCC.

1. Service Provider is a legal entity

Section 4.1(a) of the Code requires a Service Provider to be a legal entity.

State whether Oil Company of Australia Limited is a legal entity, the full name of the entity and under which law it is registered.

Oil Company of Australia Limited (A.C.N. 001 646 331) is a public company limited by shares incorporated in the State of New South Wales and is taken to be registered as a company under the *Corporations Act 2001* (Cth).

Origin Energy Limited (A.C.N. 000 051 696) holds 85.23% of the shares in Oil Company of Australia Limited. With Origin Energy Resources Limited, Oil Company of Australia Limited forms the Upstream division of Origin Energy Limited.

2. Not carry on a Related Business

Section 4.1(b) of the Code requires that a Service Provider not carry on a Related Business (essentially a business of producing, purchasing or selling natural gas).

Describe the business activities of Oil Company of Australia Limited and state whether these activities include any producing, purchasing or selling natural gas.

On 1 March 2002, pursuant to section 4.16 of the National Third Party Access Code for Natural Gas Pipeline Systems (“Code”), Origin Energy Resources Limited and Oil Company of Australia Limited applied for a waiver of the obligations to comply with sections 4.1(b), 4.1(h) and 4.1(i) of the Code. On 13 May 2002, this application was amended to remove the application for a waiver of the obligations to comply with sections 4.1(h) and 4.1(i) of the Code.

On 30 May 2002, the Australian Competition and Consumer Commission made its final decision to waive the requirement that Origin Energy Resources Limited and Oil Company of Australia Limited comply with the obligations under section 4.1(b) of the Code.

Please fill out the table below for *all* Oil Company of Australia Limited Associates with any involvement in natural gas:

Because a waiver in relation to the obligation in section 4.1(b) has been obtained, Oil Company of Australia Limited has been advised by the Australian Competition and Consumer Commission that the following table does not need to be completed. However, brief descriptions of the business carried on by Oil Company of Australia Limited and the role of the Origin Energy Resources Limited Business Development Manager responsible for managing Oil Company of Australia Limited interests in the BMIP are provided. Please refer to the attached Annexure 1 “Management of the BMIP”, similar to that provided in the amended Waiver Application 13 May 2002.

Entity	Business carried on	Assets owned
Oil Company of Australia Limited	<p>The business carried on by Oil Company of Australia Limited includes oil and gas production and exploration including some hydrocarbon purchasing, processing, transporting and marketing.</p> <p>The principal roles of the Origin Energy Resources Limited Manager Business Development are in mergers and acquisitions, strategic planning and budgeting and there is no direct role in sales, sale provision or advertising for Oil Company of Australia Limited or any associated company.</p>	

3. Establish and maintain separate and consolidated sets of accounts

Section 4.1(c) of the Code requires Service Providers to establish and maintain separate accounts for the activity that is the subject of each Access Arrangement.

Section 4.1(d) of the Code requires Service Providers to establish and maintain a consolidated set of accounts for all the activities undertaken by the Service Provider.

Describe the measures taken to ensure that a separate set of accounts has been established and maintained in respect of the Services provided by each Covered Pipeline for which Oil Company of Australia Limited is a Service Provider (for example, describe how you ensure that costs incurred in relation to a Covered Pipeline are allocated to the relevant set of accounts).

Origin Energy Resources Limited and Oil Company of Australia Limited have established and maintained a separate set of accounts in respect to the Services provided by the Ballera to Mt Isa Pipeline. This has been achieved by using general ledger software which has been specifically designed for Joint Venture reporting. Joint Venture reporting is an integral part of the accounting system of the Origin Energy Group of Companies. Each Joint Venture, whether operated by a member of the Origin Energy Group of Companies or not, is assigned a separate business unit code to identify costs specific to that Joint Venture. Currently BMIP has three different business unit cost codes. One relates to Origin Energy Resources Limited BMIP Joint Venture operating interests (as provided by Roverton, the BMIP operator). Another relates to Oil Company of Australia Limited BMIP Joint Venture operating interests. The third is used for capturing non-rechargeable Origin Energy Resources Limited management costs of the BMIP. The Origin Energy Resources Limited Cooper asset team and Oil Company of Australia Limited Marketing have their own cost codes, completely separate to the BMIP cost codes.

Describe the measures taken to ensure that a consolidated set of accounts has been established and maintained in respect of the entire business of Oil Company of Australia Limited.

Oil Company of Australia Limited uses the general ledger software to consolidate a set of accounts. For Oil Company of Australia Limited accounts submitted to the Board and to Origin Energy Limited, the general ledger software is currently used to consolidate BMIP accounts with other non-producing assets which in turn are consolidated to provide Oil Company of Australia Limited accounting reports.

4. Allocation of shared costs

Section 4.1(e) of the Code requires Service Providers to allocate costs in a fair and reasonable manner that is consistent with the principles in section 8.1 of the Code.

Provide details of the method of cost allocation used to allocate shared costs between Services provided by each Covered Pipeline and any other activity. If there is more than one method used, indicate which costs are allocated under which method. (It is not sufficient to merely assert that costs are allocated on a fair and reasonable basis in accordance with section 8.1 - please provide details of *how* these costs are allocated.)

Roverton is the operator of the BMIP. All BMIP participants share costs prepared by Roverton in direct proportion to their Joint Venture interests. All Origin Energy Resources Limited share of BMIP direct operating costs prepared by Roverton is captured in one cost code. All Oil Company of Australia Limited share of direct operating costs prepared by Roverton is captured in another cost code. Origin Energy Resources Limited non-rechargeable costs are captured in a separate cost code. The Origin Energy Resources Limited Cooper asset team and Oil Company of Australia Limited Marketing have their own cost codes, completely separate to the BMIP cost codes.

5. Treatment of Confidential Information

Under sections 4.1(f) and (g) of the Code, Service Providers must ensure that:

- *Confidential Information provided by a user or prospective user is used only for the purposes for which it was provided and is not disclosed without the user or prospective user's consent; and*
- *Confidential Information obtained by a Service Provider which might reasonably be expected to materially affect the commercial interests of a user or prospective user is not disclosed to any other person without the permission of the user or prospective user to whom the information pertains.*

Note that where functions of the Service Provider have been outsourced to a third party, the Service Provider is responsible for ensuring that any Confidential Information provided to the third party is handled in accordance with sections 4.1(f) and (g) of the Code.

Provide details of any policies or measures taken by Oil Company of Australia Limited to ensure that all Confidential Information it obtains is treated as specified in sections 4.1(f) and 4.1(g) of the Code. Examples include measures in place to ensure security of electronic and hard copy information, physical barriers such as secure access and confidentiality agreements signed by relevant staff.

Please refer to the attached Annexure 1.

Non-Accounting Information

Since June 2002, all BMIP electronic and hard copy information has resided with the Origin Energy Resources Limited Business Development Manager and Senior Commercial Analyst reporting to the Business Development Manager. Previously, the information resided with the Origin Energy Resources Limited Marketing and Contracts Manager and Oil Company of Australia Limited Marketing Manager. The Origin Energy Resources Limited Business Development Manager and Senior Commercial Analyst are based in the South Tower John Oxley Centre, Brisbane. The Origin Energy Resources Limited Marketing and Contracts Manager is based in Adelaide. Oil Company of Australia Limited Marketing Manager is based in the North Tower John Oxley Centre.

No one outside the Origin Energy Resources Limited Business Development team has access to the non-accounting hard copy information stored in the Business Development team offices. No one besides the domain administrators and limited personnel within the Origin Energy Resources Limited Business Development team has access to the non-accounting electronic information stored on a secure area of a shared network resource with NTFS permission attributes. This secure area is protected by a three-level virus protection system. The domain administrators and Origin Energy Resources Limited Business Development team members are bound by Confidentiality Clauses signed under their respective employment agreements.

Origin Energy Resources Limited and Oil Company of Australia Limited personnel are bound by Confidentiality Clauses signed under their respective employment agreements. Origin Energy Resources Limited personnel working on BMIP-related issues are also bound by the Confidentiality Clause 19 of the "Ballera – Mt Isa Pipeline Joint Operating Agreement" and the Confidentiality Clauses of each and every Ballera – Mt Isa Pipeline transportation agreement.

Origin Energy Resources Limited Business Development Manager, Origin Energy Resources Limited Marketing Contracts Manager and Oil Company of Australia Limited Marketing Manager and their staff are also bound by the "Protocol and Procedures" agreement signed by the Origin

Energy Resources Limited Business Development Manager, Origin Energy Resources Limited Marketing Contracts Manager and Oil Company of Australia Limited Marketing Manager, as provided with the Waiver Application 13 May 2002.

Accounting Information

All accounts have resided and still reside with specific personnel within the Origin Energy Resources Limited Finance team. Some copies of accounting information reside with Origin Energy Resources Limited Business Development Senior Commercial Analyst (reporting to Business Development Manager). The Origin Energy Resources Limited and Oil Company of Australia Limited accounting system is JD Edwards which resides on a stand alone SQL server with restricted access (to specific accountants). Other electronic accounting information is stored on a secure area of a shared network resource with NTFS permission attributes. This secure area is protected by a three-level virus protection system. Origin Energy Resources Limited Finance personnel are bound by Confidentiality Clauses signed under their respective individual employment agreements.

Describe the measures in place to ensure that these policies have been successful and are regularly evaluated. Outline how often these policies are reviewed and assessed.

Please refer to the attached Annexure 1 as well as Annexure 2 of the Applicants' Waiver Application dated 13 May 2002. The policies are reviewed at least annually by Origin Energy Resources Limited legal department and as needed.

6. Marketing Staff

Service Providers must ensure that:

- *their Marketing Staff (essentially those directly involved in sales, sale provision or advertising for the Service Provider) are not also working for an Associate that takes part in a Related Business (section 4.1(h) of the Code); and*
- *the Marketing Staff of an Associate involved in a Related Business are not also working for the Service Provider (section 4.1(i) of the Code).*

Note that in answering the questions below, the broadest possible meaning is to be given to 'servants, consultants, independent contractors or agents'.

Please indicate whether any of Oil Company of Australia Limited Marketing Staff are also servants, consultants, independent contractors or agents of an Associate that takes part in a Related Business. If so, please describe the situation.

Please refer to the attached Annexure 1 as well as Annexure 2 of the Applicants' Waiver Application dated 13 May 2002.

Origin Energy Resources Limited Marketing and Contracts Manager is based in Adelaide and is involved with marketing Origin Energy Resources Limited produced and purchased sales gas, ethane, LPG, crude oil, condensate and distillate. Origin Energy Resources Limited Marketing and Contracts Manager no longer has any involvement with the BMIP operations, marketing and management, except to forward to Origin Energy Resources Limited Business Development team any queries that have accidentally been sent to him (by non-BMIP JV parties).

Oil Company of Australia Limited Marketing Manager is involved with marketing Oil Company of Australia produced and purchased sales gas, ethane, LPG, crude oil, condensate and distillate. Oil Company of Australia Limited Marketing Manager no longer has any involvement with the BMIP operations, marketing and management and has not received any queries or information relating to the BMIP operations, marketing and management since Origin Energy Resources Limited Business Development team commenced managing Origin Energy Resources Limited and Oil Company of Australia Limited interests in the BMIP.

Please indicate whether any of Oil Company of Australia Limited servants, consultants, independent contractors or agents are also Marketing Staff of an Associate that takes part in a Related Business. If so, please describe the situation.

No Oil Company of Australia Limited servants, consultants, independent contractors or agents involved with managing Oil Company of Australia Limited interests in the BMIP is involved with marketing or is also a Marketing Staff member of an Associate that takes place in a Related Business.

Describe the procedures that Oil Company of Australia Limited has in place to ensure that it complies with section 4.1(h) and 4.1(i) of the Code (for example, declarations signed by new staff). Outline how often these procedures are reviewed and assessed.

Please refer to the attached Annexure 1 as well as Annexure 2 of the Applicants' Waiver Application dated 13 May 2002. The procedures are reviewed at least annually and as needed.

Annexure 1

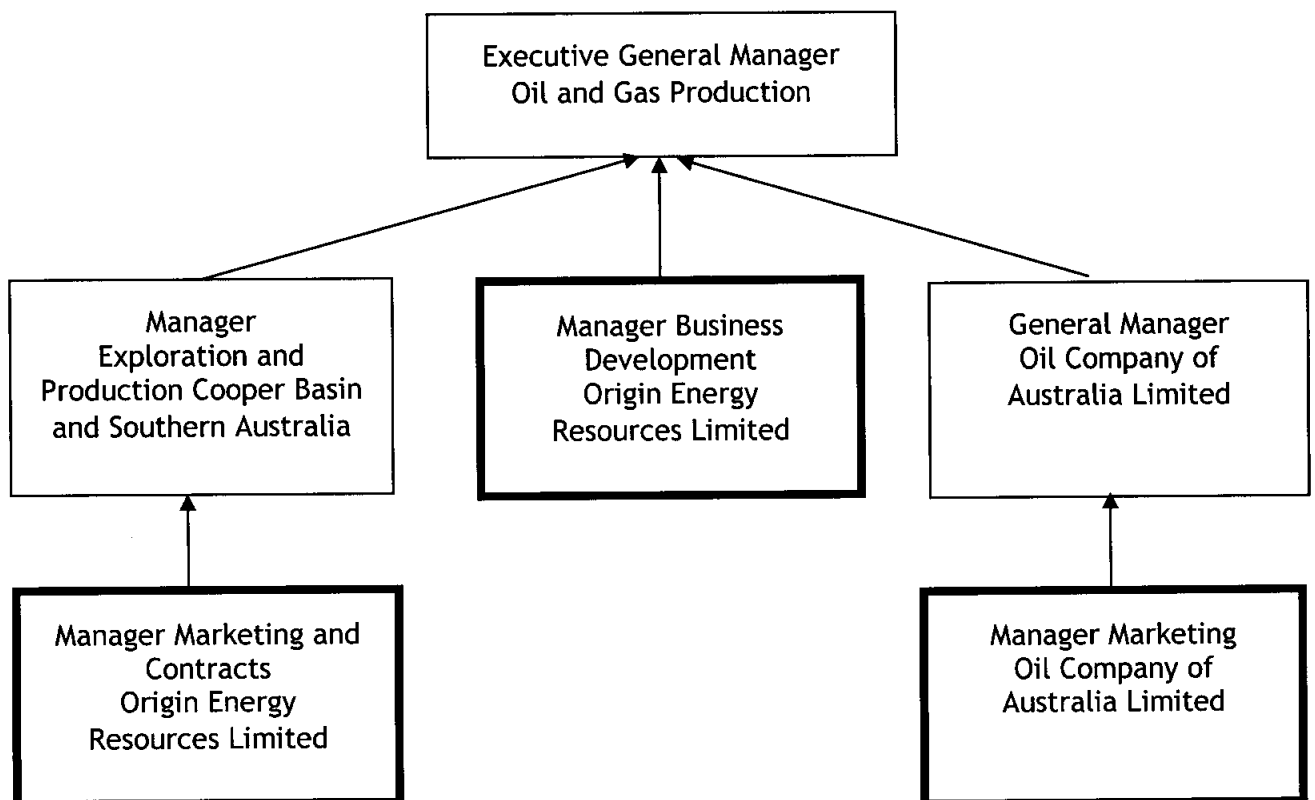
Management of the BMIP

Structure and Reporting

The commercial interests of the SWQ Producer Participants for the BMIP are coordinated by Santos as the representative of all the SWQ Producer Participants. The Applicants' employee liaising with this Santos representative is the Manager Business with Origin Energy Resources Limited. In this role he reports to the Executive General Manager, Oil & Gas Production. The principal roles of the Manager Business Development and Senior Commercial Analyst Business Development are mergers and acquisitions, strategic planning and budgeting and there is no direct role in sales, sale provision or advertising for the Applicants.

Gas marketing matters for the SWQ Producer Participants are also undertaken by Santos. Both Origin Energy Resources Limited and Oil Company of Australia Limited are SWQ Producer Participants however Origin Energy Resources Limited has responsibility for and undertakes marketing matters for SWQ for both itself and Oil Company of Australia Limited. The Manager Marketing and Contracts with Origin Energy Resources liaises with the Santos representative who has responsibility in relation to marketing matters for SWQ gas whereas the Marketing Manager for Oil Company of Australia Limited has no responsibility for and does not undertake marketing matters for SWQ Gas.

The separation of the reporting roles for the Applicants' three identified employees is expressed diagrammatically as follows:



Internal Protocol and Procedures

Internal protocol and Procedures prevent the transmission of commercial and marketing BMIP information between the Manager Business Development and either of the Manager Marketing (OCA) or the Manager Marketing and Contracts (OERL). A copy of the Applicants' internal Protocol and Procedures was attached as Annexure 2 to the Waiver Application 13 May 2002. These Protocol and Procedures can be amended, when and if necessary, to ensure the principles behind them continue to be met.

The Applicants' employees, as a term of their employment, agree to abide by all Company policies and procedures. The Applicants' Manager Business Development, Manager Marketing (OCA) and Manager Marketing and Contracts (OERL) are aware, and agree (refer to Annexure 2 of the amended waiver application submitted 13 May 2002), that the Protocol and Procedures is Company policy. Serious breach of Company policy (including confidentiality) can lead to termination of the employee's employment with the Applicants as shown by the following extracts from a standard employment letter:

“You agree that during your employment and thereafter, you will not use or disclose to anyone any Confidential Information, and will use your best endeavours to prevent unauthorised use or disclosure of the Confidential Information by third parties, except in the proper course of your duties, or if required by law.”

“In the event that the company terminates your employment, for other than a breach of your employment obligations, it will give you four weeks notice (or payment in lieu thereof). The company reserves the right of summary dismissal in the case of willful misconduct, unsafe behaviour or serious breach of your employment obligations.”

Monitoring of an employee's adherence to the Applicants' policies and procedures is the responsibility of that employee's supervisor or manager.