3 July 2003

Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
SYDNEY NSW  2000

Dear Madam,


This report covers Amity’s production and exploration activities for the last 15 days of June.

Adatepe-1 Gas Discovery

The Thrace Joint Venture is presently considering Amity’s fast-track development proposal for the Adatepe gas discovery. The proposal was presented at a Joint Venture, Area A Technical Committee Meeting in Ankara yesterday and will be voted upon at an Operating Committee meeting to be held soon. The proposal included two appraisal-development wells, a gas processing plant at Adatepe, gas gathering lines, a 16 kilometre pipeline direct to a major gas consumer, and a 6 kilometre connector pipeline to the Gocerler Gas Processing plant.

The objective of the fast track proposal is to have the field in production before the Northern winter.

The Adatepe discovery is in the Thrace Joint Venture Area A, where Amity is a 50% holder and operator.

Cayirdere-1 Gas Discovery

The Thrace Joint Venture Area A, Operating Committee Meeting to vote on the immediate development of the Cayirdere gas discovery is scheduled to be held in the next few days.

The Joint Venture participants agreed the Operator’s (TPAO) proposals to proceed as soon as possible with the appraisal and commercial development of the Cayirdere gas discovery. This will include a two well appraisal-development well drilling program, construction of a gas processing facility and a 9 kilometre pipeline to connect with the Joint Venture’s existing pipeline network.

A 3D seismic survey of approximately 50 square kilometres is proposed to cover the discovery and surrounding area to improve our knowledge of the gas bearing structure and look for extensions, hinted at on the sparse 2D seismic data.

The Cayirdere gas discovery is in Thrace Joint Venture Area B, some 33 kilometres southeast of the Gocerler gas field. Area B is operated by TPAO and 50% is held by Amity.

Turkish Gas Sales

Average daily sales of joint venture gas from the Gocerler Gasfield in Western Turkey, for the last 15 days of June 2003 were 12.5 million standard cubic feet per day (353,000 standard cubic metres per day) the same as the previous reported period.
New Customer Connections Continuing

All 15 contracted new factory customers have been connected to date and seven of these are now taking gas. The remaining customers are expected to have their in-property gas lines installed and approved within a few weeks and will be able to take their contracted gas.

Gas Processing Plant Running Smoothly

The plant continues to operate reliably, with minimal downtime. Present plant nominal capacity is 20 mmcf/d of high quality, low dew-point gas.

Installation of the Canadian made equipment, for the planned phase 2 capacity increase to an overall 30 mmcf/d, is in progress.

The Gocerler gas processing plant is located on Thrace Joint Venture Area A and is operated by Amity.

Progress on the Whicher Range-5 Well

The Whicher Range Joint Venture group is ready to drill the well, but rig availability is proving a challenge. This is mainly because the one rig in Australia, capable of drilling the Whicher Range-5 well, is contracted to another Perth Basin operator and will not be available until October 2003 at the earliest, or April 2004 if all well options are exercised by that operator and its associates.

Amity is negotiating with the contractor and operator and investigating other rig options to secure an earlier start date.

Joint Venture interests are:

<table>
<thead>
<tr>
<th>Joint Venture Interest</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amity</td>
<td>47.957%</td>
</tr>
<tr>
<td>Korea National Oil Corporation</td>
<td>20.000%</td>
</tr>
<tr>
<td>Seoul City Gas Company Limited</td>
<td>15.000%</td>
</tr>
<tr>
<td>GeoPetro Resources Company</td>
<td>17.043%</td>
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</tbody>
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Yesiltepe-1 Exploration Well, Turkey

Yesiltepe-1, Amity’s fifth well in Turkey in 2003, resumed drilling at 24 metres on the 25 June. By 3 July, the well was preparing to run 13.375 inch surface casing to 314 metres.

The well will test a major onshore structural prospect near the Turkish Mediterranean coast, close to substantial gas markets and crude oil handling facilities.

The prospect is a high relief anticline in Miocene age sediments, similar to those at Amity’s Gocerler Gasfield. Amity estimates that the structure has a “most likely case” (P50) unrisked, recoverable reserve potential of 270 billion cubic feet of gas or 140 million barrels of oil, if hydrocarbons are present.

The well is programmed to drill to a total depth of about 2000 metres and is expected to take about 34 days.

Amity has farmed out a 20% interest in the block of Exploration Licences, which include the well and now holds an 80% interest.

Yuksekkoy-1 Exploration Well To Drill After Yesiltepe-1

Amity has scheduled the drilling of the Yuksekkoy-1 wildcat exploration well immediately after the Yesiltepe-1 well.

Yuksekkoy-1 is located in crop lands, 95 kilometres west of Yesiltepe-1, 25 kilometres southwest of the city of Adana (population 1.5 million) and 14 kilometres east of the city of Tarsus (population 300,000).
The well is 5 kilometres from the Adana- Mersin freeway. Mersin is a major Mediterranean port city (population 800,000), with an extensive oil refining industry.

Yuksekkoy-1 is positioned to test at relatively shallow depth, a prominent domal structure, well defined by good quality 2D seismic, shot by Amity early this year.

The dome is developed in Upper Miocene age sediments on the western on-shore flank of the Adana Basin, a major Upper Tertiary age sedimentary basin, straddling the Turkish Mediterranean coast. The Adana Basin is sparsely explored and has one producing oil field, located some 32 kilometres to the north of Yuksekkoy-1 and an undeveloped gas field, 21 kilometres to the east.

The domal feature is believed to be a reefal complex, possibly of agal origin, overlain by salt and shales. Reefs can be prolific hydrocarbon producers if they have favourable reservoir characteristics. Salt is an excellent seal.

The top of the primary reefal target is anticipated at 950 metres, with a secondary sandstone target at 1,340 metres and proposed total depth of 1,500 metres.

Based on seismic mapping and assuming reasonable reservoir characteristics, Amity has estimated Yuksekkoy has potential in-place oil resources of 30 million barrels, or 36 Billion cubic feet of gas in place.

The seismic survey shot by Amity early this year, together with reprocessed old seismic, has defined more than 16 drilling targets in Amity's four licences in the Adana Basin.

Amity holds a 90% interest in the block of four Exploration Licences which include the Yuksekkoy structure. Amity has farmed out a 10% interest in this licence block.

**Thrace Basin Exploration Well**

After the drilling of Yuksekkoy-1, the drilling rig is scheduled to move immediately to the Thrace Basin to drill in Amity's 100% held Exploration Licence 3599.

The well will test a robust and shallow structural closure, well defined by high quality 2D seismic, shot by Amity late last year. The structure is up-dip of an old well with strong gas shows and possible by-passed gas pay, interpreted from limited wire-line log data. The structure has a co-incident seismic amplitude anomaly, suggesting the presence of gas. More details will be released closer to drilling date.

This is an attractive and relatively low risk exploration target, which can be drilled at low cost, close to a regional city of about 500,000 people and large industrial areas.

The Exploration Licence has several other attractive drilling targets, all with seismic amplitude anomalies. Considering the low cost and high quality of the prospect, Amity intends to retain a 100% interest through the drilling of at least this first prospect in the Exploration Licence.

**Information**


Yours faithfully,

AMITY OIL LIMITED

A.P. BARTON

Chairman