



E N E R G Y Q U E S T

## **MEDIA RELEASE**

Thursday, 24 May 2007

### **Australian drought drives up gas consumption - and prices**

The current drought gripping eastern Australia is responsible for increased gas usage and higher prices, according to a major report released today on oil and gas production for the opening three months of 2007.

The report - by energy advisory group, EnergyQuest - revealed a 20.1% jump in gas production in eastern Australia in the latest March quarter, compared with the same period last year.

"This reflects growth in gas-fired electricity of 67%. Generation from hydro has fallen by 18% and total coal generation has been flat, constrained in Queensland and Victoria by water restrictions," EnergyQuest CEO, Dr Graeme Bethune, said today.

"Strong demand for gas has also pushed up wholesale gas prices, with average Victorian spot prices up 27% to \$3.38 per gigajoule on the previous March quarter," he said.

#### **Stronger Australian oil & gas production**

Dr Bethune said Australian oil and gas production started strongly in 2007, compared with 2006 when production was flat.

Petroleum production for the latest March quarter was 112 million barrels of oil equivalent, up 15.4% compared with the same period last year, reflecting strong growth in both oil and gas.

National gas production reached 397 petajoules (PJ), up 13.9% for the quarter. Production grew for both domestic gas and LNG.

Oil production was also up sharply in the three months to 31 March 2007, rising to 30.2 million barrels, an increase of 26.4% due mainly to production from the new Enfield and Cliff Head fields offshore Western Australia and the Basker Manta field offshore Victoria.

#### **Strong growth in gas reserves**

The EnergyQuest quarterly report also contains the Company's annual review of oil and gas industry reserves, as at the end of December 2006.

It shows that Australian proved and probable gas reserves increased by 15.3% to 40,454 PJ in 2006. There were gas reserves of 14,199 PJ on the east coast and 26,254 PJ on the west coast. East coast growth reflected increases in both conventional gas and coal seam methane.

Reserves of oil and liquids dipped by 1.9% to 1,944 million barrels, or 10.4 years of reserve cover.

Level 10 60 Waymouth St Adelaide SA 5000

Telephone (08) 8431 7903 Mobile 0419 828 617 Email [gbethune@energyquest.com.au](mailto:gbethune@energyquest.com.au)

ABN 51 110 284 270

[www.energyquest.com.au](http://www.energyquest.com.au)



EnergyQuest oil and gas production and reserves estimates are compiled from a comprehensive database of company reports and are published in the company's EnergyQuarterly.

**MEDIA CONTACTS:**

Dr Graeme Bethune  
Chief Executive  
EnergyQuest  
(08) 8431 7903  
(0419) 828 617

Sean Whittington  
Field Public Relations  
(08) 8234 955  
(0412) 591 520