



E N E R G Y Q U E S T

MEDIA RELEASE

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Strong growth in Australian oil & gas production

Australian oil and gas production grew strongly in the 12 months to 30 June 2007, reversing the previous year's trend which saw flat national production.

A key report – issued today by energy advisory group, EnergyQuest - revealed a 10% jump in Australian petroleum production for the past year, reaching 472 million barrels of oil equivalent, due to robust growth in both oil and gas output.

Australian drought drives up east coast gas consumption and prices

National gas production reached 1,661 petajoules (PJ), an increase of 8.9% for the year.

“The growth in gas production reflects the drought still gripping eastern Australia, together with continued growth in exports of LNG,” EnergyQuest CEO, Dr Graeme Bethune, said today.

“In the most recent quarter, gas use for power generation on the east coast more than doubled to offset the fall in coal-fired generation arising from water restrictions in Queensland and Victoria,” he said.

“Strong demand for gas has also pushed up wholesale gas prices, with average Victorian spot prices increasing 42% to \$5.02 per gigajoule compared with the previous June quarter.

“On 18 July this year Victorian spot prices reached \$39.99 per gigajoule.”

Oil production also up

Oil production also increased sharply for the 12 months to 30 June 2007, rising to 129.8 million barrels, - an increase of 16.6% due - to higher production from the Carnarvon Basin, offshore Western Australia.

Strong growth in gas reserves

The EnergyQuest quarterly report also provides updated estimates of Australian oil and gas reserves at the end of June, with the nation's proved and probable gas reserves totaling 41,200 PJ.

There were gas reserves of 14,900 PJ on the east coast and 26,250 PJ on the west coast.

Gas reserves on the west coast continue to grow with new discoveries. East coast growth reflects continuing increases in reserves of coal seam methane.

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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.

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