



E N E R G Y Q U E S T

MEDIA RELEASE

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East coast gas production records tumble

Australian east coast gas production set new records in the September quarter.

A key report – issued today by energy advisory group, EnergyQuest - revealed that production for the quarter was 185 PJ, a 10.2% jump.

Record gas production in Victoria and Queensland underpinned power generation

Production by ExxonMobil/BHP Billiton from Longford in Gippsland, in Victoria, reached a record 84.3 petajoules (PJ) – an increase of 18.6% on the previous September 2006 quarter.

Coal seam gas production, primarily in Queensland, grew by 34.1% to a record 28.8 PJ.

The growth in gas production was primarily driven by continuing growth in gas-fired electricity generation, offsetting the impact of the drought on hydro and water-cooled, coal-fired generation.

“This growth in such a short time is a remarkable achievement by the gas industry,” EnergyQuest CEO, Dr Graeme Bethune, said today.

“Peak gas demand occurs in the September quarter and increasing winter production is always a challenge. Beating the previous peak by 10% is a real feat and one which significantly reduced the pressure on the east coast electricity system during winter.”

Coal seam gas production sets new record

Australian coal seam gas achieved a record 103 PJ of production in the year to 30 September 2007 – the first time it has broken the 100 PJ barrier in a 12 month period.

WA domestic gas production capacity constrained

In Western Australia, while LNG export production grew by 1.6%, production of gas for local customers was essentially flat at 82 PJ during the quarter due to capacity constraints on gas production and delivery.

Oil production falls

Oil production fell sharply in the September quarter, down by 18.1% to 29 million barrels due to natural field decline and various disruptions.

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Strong growth in east coast gas reserves

The EnergyQuest quarterly report also provides updated estimates of Australian oil and gas reserves. Australia's proved and probable gas reserves were 41,100 PJ at the end of September. East coast gas reserves have increased by around 800 PJ since June this year.

Gas reserves were 15,700 PJ on the east coast and 25,400 PJ on the west coast - which equates to about 25 years of reserve cover in both cases, based on current levels of production.

Australian proved and probable reserves of oil and natural gas liquids were 2,240 million barrels at the end of September, or 11.5 years reserve cover.

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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