



E N E R G Y Q U E S T

MEDIA RELEASE

13 March 2009

Australian oil and gas weathering global downturn

The global economic crisis has not yet had a noticeable impact on Australian oil and gas production, according to a new authoritative industry report.

The report – released today by energy economics group, EnergyQuest – shows Australian oil and gas production for the December 2008 quarter was particularly robust, driven by oil production which reached 32.3 million barrels, the highest quarterly production in more than two years.

Australian gas production also continued to grow, increasing to a record 1,730 petajoules (PJ) for the year to 31 December 2008, fuelled by a new high in east coast production of 689 PJ (an increase of nearly 100 PJ in the past two years).

Gas production in the December 2008 quarter rose 4% from the previous corresponding quarter, notwithstanding the shut-in of production from Varanus Island in Western Australia.

“The indications are that this strong performance has continued so far in 2009,” EnergyQuest Chief Executive Officer, Dr Graeme Bethune, said today.

“While oil prices have fallen, they are down from unsustainable levels and current prices of A\$65 a barrel are still strong historically.

“Electricity demand - which drives domestic gas demand- is equal to or better than the same time last year. Companies are also continuing to invest heavily in potential LNG projects, both in WA and Queensland.”

Mr Bethune said the ASX Energy Index had fallen during the period, but to 2006 levels and not the five-year lows being experienced by the market generally.

Challenging year ahead

However, he said there were indications that 2009 would be a challenging year for the oil and gas sector – along with a host of other industries

“While the oil price forward curve is still remarkably strong, world growth is falling to the lowest levels in decades and OPEC is making dramatic cuts in production.

Level 10 60 Waymouth St Adelaide SA 5000

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

ABN 51 110 284 270

www.energyquest.com.au



“These are uncertain times, but Australian oil and gas companies – and the sector as a whole - are generally well positioned to deal with difficult market conditions and are continuing to build for the future.”

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 or (0419) 828 617**

**Sean Whittington
Field Public Relations
0412 591 520**