



E N E R G Y Q U E S T

MEDIA RELEASE

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Australia's east coast gas production hits "all time" record

Surging gas production across the east coast of Australia reached an all time "high" during the latest September quarter, according to an authoritative industry report released today.

Gas production along the eastern seaboard jumped 4.6 per cent in the three months to 30 September to 193 petajoules (PJ), up from 185 PJ in the corresponding period last year.

The September quarter increase continues a trend that has seen total east coast gas production rise from 563 PJ in the 12 months to September 2006 to 667 PJ over the same period to September 2008, an increase of 18.6% in two years.

The report - issued today by energy economics group, EnergyQuest – also showed Proved and Probable east coast gas reserves were up sharply in the latest quarter and have now risen 38% over the past 12 months to 21,600 PJ, or the equivalent of 32 years of current consumption.

"The abundant gas resources on the east coast provide a solid platform for both increased domestic use and LNG exports," EnergyQuest Chief Executive Officer, Dr Graeme Bethune, said today.

"Taking account also of higher-risk Possible reserves, the east coast has reserves of over 40,000 PJ, or more than 60 years of current consumption," he said.

"Our report also shows the massive amount of currently sub-commercial gas resources not yet classified as reserves but with commercial potential."

Dr Bethune said Australia's oil production experienced its highest quarterly increase in 12 months – up 8.6 per cent from 29.1 million barrels of oil to 31.6 million barrels during the September quarter.

The growth in oil production reflects the strong performance of the Stybarrow oil field and the start of production from the Vincent oil field, both offshore Western Australia.

"In the midst of all the economic gloom, higher Australian oil production is a welcome development," Dr Bethune said.

Total Australian domestic gas production (i.e. gas produced for Australian use rather than export) was 1.2% lower at 273 PJ in the latest September quarter, compared with 2007.

Dr Bethune said the disruption to gas supplies from Varanus Island in Western Australia was the reason for the lower national domestic gas production.

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“That said, gas consumption on the east coast grew by 4.6%, due to continuing strong growth in coal seam gas production (up 31.3%) and production from the new Thylacine gas field offshore Victoria.”

Dr Bethune also revealed Australia now has a record petroleum trade deficit for the 12 months to September of \$12.5 billion due to a 5.7 per cent fall in total oil and liquids production and higher oil prices.

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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