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Australian Coal Seam Gas 2010
CSG Meets LNG May 2010



E N E R G Y Q U E S T

Australian Coal Seam Gas 2010

Dear Client,

EnergyQuest has recently updated its new, confidential study, *Australia Coal Seam Gas 2010: CSG Meets LNG*. This 193 page report follows our previous report, *Australian Coal Seam Gas 2008*.

The Australian LNG sector continues to boom.

The Gorgon LNG project, one of the world's largest natural gas projects, has been approved and other conventional and CSG LNG projects are at an advanced stage of planning. Shell and PetroChina have launched a joint bid for CSG-player Arrow Energy.

The Australian Government has legislated renewable energy targets but deferred emissions trading, with implications for the growth and nature of gas demand. It is also introducing a Resources Super Tax.

What are the implications of all this for the CSG industry and for the LNG developments? And how are companies managing major operational issues like drilling, pipelines, water and ramp-up gas as they move towards approval of the LNG projects?

This report updates the coverage of exploration, production, reserves and projects and has new sections on global gas markets, CSG exploration, environmental issues, government policies, competing LNG projects, the Queensland LNG outlook and the outlook for east coast gas, including ramp-up gas.

Australian Coal Seam Gas 2010 provides a detailed analysis of the industry and developments over the last 12 months and provides an independent, comprehensive review of the current state of and outlook for CSG development.

Please complete and send us the form on the next page if you would like to register your interest. (We will invoice you on delivery of the report).

Yours sincerely,

Graeme Bethune
Chief Executive Officer



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Australian Coal Seam Gas 2010: CSG Meets LNG

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Australian Coal Seam Gas 2010

This independent, confidential study addresses 12 important questions on Australian CSG development.

1. What is the outlook for the Australian LNG projects?
2. How do the Queensland LNG projects compare with the west coast LNG projects?
3. What is the status of each of the proposed Queensland LNG projects in terms of getting to first gas?
4. What is the outlook for LNG pricing and customers for each Queensland project?
5. What is the outlook for Queensland LNG project economics in terms of minimum threshold volumes?
6. Which LNG projects have the greatest or least chance of success?
7. What are the likely ramp gas volumes and duration and how is it being managed?
8. What is the outlook for gas pricing pre and post ramp up?
9. What is the likely impact of the Queensland LNG projects on the domestic gas supply and demand balance?
10. What is the likely impact of the Queensland LNG projects on east coast gas prices?
11. What is the likely impact of Australian Government emissions trading and renewable energy policies?
12. What is the state of play on pipeline developments and access?

The study also provides updates on exploration, reserves, production and project development.

Australian Coal Seam Gas 2010: CSG Meets LNG is an up-to-date, independent and comprehensive report on the current state of play and outlook for Australian CSG. It takes an international perspective, integrating current Australian CSG developments with the current dynamics driving global LNG.



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EnergyQuest

EnergyQuest is an advisory firm focused on energy analysis and strategy. We provide services to energy companies, investors and governments

Australian energy markets – Australian oil and gas production monitoring and modelling. EnergyQuest's *EnergyQuarterly* service provides detailed analysis of Australian oil and gas production by product, field, state and company. *Australian Coal Seam Gas 2010: CSG Meets LNG* provides a comprehensive analysis of this rapidly developing sector. We also prepare outlooks for major energy sectors.

Business development – acting for companies and investors seeking Australian opportunities, and advising energy project proponents.

Strategic analysis – in-depth studies of emerging energy sources, encompassing technical, commercial and government policy.

Further details are available at www.energyquest.com.au

Graeme Bethune, Chief Executive

EnergyQuest has quickly established itself as a leader in Australian energy analysis and strategy and, as a result, Graeme is regularly asked to speak at energy conferences in Australia and Asia and is often quoted by the media.

He is the author of major EnergyQuest reports and has undertaken consulting assignments on oil, gas and alternative fuels for Australian and international clients.

Graeme ranks in the top 5% of experts in the Gerson Lehrman Energy and Industrials Council, a global network of more than 30,000 experts in the energy, transport and industrials sectors, providing advice to investors, professional services firms and companies.

Before establishing EnergyQuest in 2005, Graeme held a range of senior positions with the Australian energy group, Santos, which included responsibility for finance, business development and investor relations.

He is a member of the board of the Australian Gas Industry Trust, Chair of the Australian Institute of Energy in South Australia and has also served on several government, commercial and charity boards and government reviews.

Graeme has a first-class honours degree in economics from Monash University and a PhD from the Australian National University. He has undertaken the executive program at the Graduate School of Business at Stanford University, and is a fellow of the Australian Institute of Company Directors and the Australian Society of Certified Practising Accountants. He is a member of the US Society of Petroleum Engineers and the Australian Institute of Energy, of which he is chair of the South Australian branch.

Graeme Atwell, Senior Associate

Graeme has more than 40 years of experience in the energy industry in Australia, primarily in gas and power.

Since joining EnergyQuest in 2007, Graeme has advised both gas users and producers on strategic and commercial issues. He has also acted as an independent expert in gas price arbitrations.

For more than 30 years, Graeme operated in a diverse range of roles in the electricity generation industry in South Australia. This included power station design, operation and maintenance, coal mining and purchasing, and trading of gas for electricity generation.

Between 2001 and 2007, Graeme was employed by Santos in key commercial roles.

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Within Santos, Graeme was responsible for the commercialisation of Santos's Timor Sea assets and played a key role in the proposal to bring Papua New Guinea gas to Australia.

In support of Graeme's commercial and contractual responsibilities, he also completed a Professional Certificate in Arbitration and Mediation.

Graeme is a member of the Australian Institute of Energy, and the Institute of Arbitrators and Mediators.

Mike Cochran, Senior Associate

Mike Cochran has been working with EnergyQuest since 2005 and specialises in conventional and alternative liquid fuels.

Previously Mike held senior commercial and marketing positions with some of the world's largest resource and petroleum organisations, including Santos, Rio Tinto and BHP.

During 22 years with Santos, Mike was responsible for marketing Santos's petroleum liquids, crude oil, LPG, condensate and naphtha in international markets. He was also responsible for business improvement initiatives such as splitting condensate/naphtha for the Asian petrochemical and Hong Kong town gas markets, and inland production of diesel fuel.

Mike has a Bachelor of Economics from Sydney University and a postgraduate Diploma of Oil Supply and Refining from the University of Oxford. During the past eight years, Mike has presented at national and international forums on condensate, naphtha, LPG and biofuels.

Susan Bethune, Executive Manager

Susan Bethune is a partner in EnergyQuest, responsible for market data and analysis.

She is an expert on energy market data and modelling, including energy prices, production and reserves. Susan has created and maintains the databases used in EnergyQuest's *EnergyQuarterly* reports and has undertaken numerous projects for clients wanting customised data series.

Susan has 35 years experience in economic and financial analysis with the Australian Government (Australian Bureau of Statistics and Productivity Commission), the corporate and finance sectors, and the tertiary education sector (University of Adelaide and University of South Australia).



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