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**Australian Coal Seam Gas 2010
CSG Meets LNG**



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Australian Coal Seam Gas 2010

Dear Client,

EnergyQuest has recently completed its new, confidential study, *Australia Coal Seam Gas 2010: CSG Meets LNG*. This 183 page report follows our previous report, *Australian Coal Seam Gas 2008*.

Since the last report there have been dramatic developments in global gas markets, with falling gas demand and prices.

In Australia the Gorgon LNG project, one of the world's largest natural gas projects, has been approved and other conventional LNG projects are in FEED, in competition with CSG-based projects.

The Australian Government has legislated renewable energy targets, with implications for the growth and nature of gas demand and the Queensland Government has announced policies on reserving acreage for domestic use.

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

The new edition updates the coverage of exploration, production, reserves and projects in the 2008 report 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.

The study will be available for A\$9,500 plus GST for new CSG study clients and A\$8,000 plus GST for clients who purchased the 2008 report.

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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E N E R G Y Q U E S T

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 updates the 2008 report 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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Australian Coal Seam Gas 2010

CSG Meets LNG

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EnergyQuest

EnergyQuest is an energy consulting company established by Dr Graeme Bethune in 2005 to provide strategic analysis on Australian oil, gas and unconventional energy sources. It produces regular multi-client reports and undertakes specific consulting assignments.

EnergyQuest is increasingly recognised as an authoritative source of data and analysis on Australian energy and its reports on energy trends are regularly quoted by the major international news services such as Bloomberg, Platts and Dow Jones, as well as by the Australian media. The Australian Energy Regulator has made extensive use of EnergyQuest data and analysis in their State of the Energy Market reports since 2007.

EnergyQuest's clients include major Australian companies, most Australian governments, institutional investors and a number of international companies.

EnergyQuest is a member of the Australian Petroleum Production and Exploration Association, the Australian upstream oil industry association, and the Australian Pipeline Industry Association.

Multi-Client Reports

EnergyQuest produces the *EnergyQuarterly*, which provides comprehensive and timely statistical analysis of oil and gas production, reserves, development projects, gas contracts and prices in Australia.

In 2008 EnergyQuest released a major 140 page multi-client study, *Australian Coal Seam Gas 2008: CSG Meets LNG* and in 2009 a comprehensive review of Australian biofuels, *Australian Biofuels 2009*.

Consulting

EnergyQuest has undertaken assignments for oil and gas producers, government agencies and major energy buyers on the future energy supply and cost outlook and strategic options.

Natural Gas

EnergyQuest has undertaken many assignments on demand and supply for Australian gas, including:

- Independent report on gas reserves for a proposed pipeline acquisition.
- Independent report on gas deliverability for a major gas user.
- Advice for a NSW power generator on gas supply options.
- Advice on gas supply options for the Mt Isa minerals province.
- Gas price forecasts by Australian state to 2030.
- Advice for an infrastructure provider on east coast gas storage options.
- Advice for a major oil and gas company on potential Australian LNG projects.

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- Independent expert report for an east coast gas price arbitration in 2008.
- Projections of future Australian coal seam gas demand and supply for a major resources company.
- Report on coal seam gas for a potential major customer.
- Advice on east coast gas supply options for a major industrial customer.
- Advice on gas marketing and price options for a potential gas asset acquisition.

Liquid Fuels

EnergyQuest also undertakes consulting on liquid fuels:

- Major ongoing studies of Australian transport fuel vulnerability for a major Australian alternative liquid fuel project.
- Multi-client reports on Australian biofuels.
- Assessment of an ethanol project for a financier.
- Comprehensive assessment of the Australian diesel fuel market and import opportunities.
- Oil price forecasts for a potential liquids project.
- Market studies for alternative liquids projects.

EnergyQuest Team

- Dr Graeme Bethune, CEO, with 30 years experience in economic and financial analysis, 10 years in senior business development and finance roles with Santos and founder of EnergyQuest in 2005.
- Graeme Atwell, Senior Associate, with 40 years experience in power generation and gas contracting and trading with ETSA and Santos. Working with EnergyQuest since 2007. Gas supply and marketing specialist.
- Mike Cochran, Senior Associate, with 20 years experience in oil and liquids marketing with Santos. Working with EnergyQuest since 2005. Specialist in conventional and alternative liquid fuels.
- Susan Bethune, Executive Manager and co-founder of EnergyQuest, specialist in economic, financial and statistical analysis.

Dr Graeme Bethune Chief Executive

Graeme Bethune established EnergyQuest, an energy consulting company, in 2005 to provide strategic analysis on Australian oil, gas and other energy sources.

Prior to establishing EnergyQuest Between Graeme Bethune held senior positions with the Australian energy group, Santos, responsible for finance, business development, investor relations and media. He was responsible for a number of acquisitions and divestments, for

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financial risk management (commodity, currency and interest rate risk), capital management and capital raising and global investor relations.

Graeme has a first-class honours degree in economics from Monash University and a Ph.D. from the Australian National University. He is a regular speaker at Australian energy conferences and is frequently quoted by the media on energy matters.

Graeme Atwell Senior Associate

Graeme Atwell joined EnergyQuest in 2007 as a Senior Associate and specialises in gas supply and marketing assignments.

Graeme has had in excess of 40 years of experience in the energy industry in Australia in a wide range of roles and responsibilities covering the total energy supply chain.

For over 30 years, Graeme operated in a diverse range of roles in the electricity generation industry in South Australia within the Electricity Trust of South Australia (ETSA).

Between 2001 and 2007, Graeme was employed by Santos in key commercial roles: marketing and commercialisation of gas from the Cooper Basin (including the sale of over 500 PJ of gas (over \$2 billion) to AGL in 2002), major ethane sales to Qenos in Sydney and negotiation of Australia's first major gas swap agreement which enabled Queensland CSG to be contractually supplied to Sydney markets.

Graeme has a Bachelor's degree in engineering from the University of Adelaide and a Professional Certificate in Arbitration and Mediation.

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, Santos Ltd, Rio Tinto and, BHP.

During 22 years with Santos, Mike was responsible for marketing Santos' 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's degree in Economics from Sydney University and post graduate Diploma of Oil Supply and Refining (University of Oxford). Over 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 responsible for the EnergyQuarterly and EnergyQuest statistical analysis. Susan has 30 years experience in economic and financial analysis with the Commonwealth government, the finance sector and the tertiary education sector. She has an honours degree in economics from Macquarie University and a Masters degree in economics from the Australian National University.



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