

## Media Release

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# WORLD COMMUNITY EYES AUSTRALIAN COAL SEAM GAS TO REDUCE GREENHOUSE EMISSIONS

The interest of three of the world's top 10 liquefied natural gas producers in Australia's vast coal seam gas (CSG) reserves highlights our potential to both lead the world in reducing domestic greenhouse emissions and be a global superpower in the export of low-emissions energy, APPEA Chief Executive Belinda Robinson said today.

"The world is sitting up and taking notice of Australia's vast reserves of clean-burning natural gas, with three of the top 10 liquefied natural gas producers taking an active interest in coal seam gas projects," Ms Robinson said.

Ms Robinson was commenting after the announcement of a strategic alliance between Shell and Arrow Energy today to develop Arrow's CSG reserves, the announcement of a joint venture by Santos and Petronas on Thursday and Origin's rejection of a bid for the company by BG.

"APPEA welcomes today's announcement of a strategic alliance between APPEA members Shell and Arrow as a further sign of confidence in coal seam gas as a fuel of the future.

"On top of our enormous conventional natural gas reserves in the Bass Strait, the Cooper Basin and in sedimentary basins of north western Australia, CSG more than anything gives Australia the chance to both secure a competitively-priced, low emissions fuel for the future and to feed the hungry tiger economies of Asia a more climate-friendly diet," Ms Robinson said.

The recent APPEA 2008 conference in Perth heard that CSG production increased by 44 percent in 2007 to 112 billion cubic feet (equal to about 20 million barrels of oil energy equivalent).

In the first quarter of this year, CSG reserves reached over 7.3 trillion cubic feet (tcf). The CSIRO has estimated the potential resource at as much as 250tcf. Conventional gas reserves are currently 144tcf.

"When you consider that Eastern Australia's total gas use (both conventional and CSG) is currently equal to about 0.65 tcf a year and LNG exports stood at 0.7tcf last year, the potential of CSG along with conventional gas reserves to serve Australia's domestic gas needs and the export market is apparent," Ms Robinson said.

"CSG has come of age to the extent that it now supplies about 18 percent of the eastern Australian gas market and the important thing is that there is enough of it for us to have our gas and export some too."

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