

28 August 2009

Milestone for QGC with release of QCLNG Environmental Impact Statement (EIS)

QGC Limited, a BG Group business, has released its Environmental Impact Statement (EIS) for the Queensland Curtis LNG Project (QCLNG).

The document is another significant milestone in the development of the multi-billion-dollar QCLNG Project by QGC, a leading explorer and producer of coal seam gas.

QCLNG will expand QGC's coal seam gas production in the Surat Basin of southern Queensland and transport the gas via a 380km underground pipeline to a liquefied natural gas (LNG) processing plant and export facility on Curtis Island, near Gladstone (a map of the Project Investigation Area is provided at the end of this release).

QCLNG will generate significant economic benefits for Australia and Queensland, including more than 4,000 direct jobs at the peak of construction and about 1,000 permanent positions during operation.

The Project will also help to expand the eastern Australia gas market, providing opportunities for suppliers and increased choice for consumers of natural gas.

Natural gas is the least carbon-intensive fossil fuel and offers significant environmental and energy-efficiency benefits compared to oil or coal. The Intergovernmental Panel on Climate Change (IPCC) has identified fuel substitution – replacing oil or coal use with natural gas – as an important contributor to global climate change mitigation strategies.

A primary purpose of the EIS is to assess the Project's potential environmental and social impacts and to identify strategies for maximising project benefits and avoiding or mitigating impacts.

The document will be exhibited for public comment for seven weeks as part of a review under Queensland and Commonwealth environmental legislation.

QCLNG represents a significant investment in new infrastructure. QGC expects to make a final investment decision on the Project early in 2010.

QGC Managing Director Catherine Tanna said QCLNG will provide significant benefits to regional communities, Queensland and Australia for decades.

Ms Tanna said QGC will develop the Project according to the highest environmental and social standards.

“The Environmental Impact Statement is the product of 18 months of rigorous investigation and analysis by QGC and environmental consultants and specialists,” Ms Tanna said.

“The process has culminated in a wide-ranging document that assesses the potential benefits and impacts of Queensland Curtis LNG, with the aim of ensuring that the Project is environmentally and socially acceptable and economically viable.

“Public consultation is a key part of the EIS process and an important part of how we do business in accordance with our commitments to health, safety, security, the environment and local communities.”

Project studies indicate that up to A\$30 billion in value-added activity is expected to be generated in Queensland during the first eight years of project operation from 2014.

This is due to revenue from LNG exports, additional government royalties and taxes, wages and salaries, the Project's demand for goods and services and additional demand for goods and services as a result of secondary expenditure, from industry and households.

QCLNG is also expected to generate other benefits including about A\$2.4 billion in value-added activity in Queensland during project construction between 2010 and 2013.

QGC expects that goods and services for up to half the total capital expenditure for QCLNG during 2010-13 will be sourced within Australia and that the Project will generate significant royalties and taxes for the Queensland and Australian governments.

The EIS is on statutory public exhibition from Monday, 31 August, and QGC will undertake public consultation in communities across the project area during September and October. Dates for public consultation sessions are outlined below.

After the statutory public exhibition period ends on 16 October, the Queensland Coordinator-General, the Commonwealth Department of Environment, Water, Heritage and the Arts (DEWHA), and QGC will consider public submissions.

QGC will respond to submissions and prepare a supplementary statement, if required.

Following their assessment of the Project, the Queensland Coordinator-General and DEWHA make recommendations on whether the Project should proceed and, if so, whether any specific conditions need to be attached to that approval.

Community information sessions, and public viewings, will be held throughout the project areas.

Community information sessions

Town/City	Location	Date/Time
Gladstone	<u>Queensland Curtis LNG Project Office</u> 172 Goondoon Street	Thursday, 3 September 5.30pm-8pm
Curtis Island	<u>Capricorn Lodge</u> 31 Seaview Esplanade	Saturday, 5 September 10am-12.30pm
Chinchilla	<u>Chinchilla RSL Memorial Club</u> 61 Heeney Street	Wednesday, 9 September 5.30pm-8pm
Miles	<u>Leichhardt Centre</u> Corner of Marian and Dawson Streets	Thursday, 10 September 11am-1.30pm
Dalby	<u>Anzac Room, Dalby RSL Memorial Club</u> 69 Drayton Street	Thursday, 10 September 5.30pm-8pm
Tara	<u>Tara Memorial Soldiers Hall</u> Fry Street	Friday, 11 September 10am-12.30pm
Eidsvold	<u>Community Hall</u> 54 Moreton Street	Friday, 18 September 12pm-2.30pm
Biloela	<u>Biloela Civic Centre</u> Corner of Rainbow and Prairie Streets	Saturday, 19 September 9am-11.30am

EIS viewing locations

Chinchilla – Dalby Regional Council Customer Service Centre, 80-86 Heeney Street
Dalby – Dalby Regional Council, 107 Drayton Street
Miles – Dalby Regional Council Customer Service Centre, 29 Dawson Street
Wandoan – Wandoan Library, 6 Henderson Road
Tara – Dalby Regional Council Customer Service Centre, 19 Fry Street
Eidsvold – Eidsvold Library, 36 Moreton Street
Roma – Roma Community Arts Centre, 38-44 Hawthorne Street
Monto – Monto Library, 50 Newton Street

Calliope – Calliope Library, Don Cameron Drive
Boyne Island – Boyne Island Library, corner of Wyndham and Hayes Avenues
Gladstone – QCLNG Project office, 172 Goondoon Street
Brisbane – QGC headquarters, 275 George Street
Brisbane – State Library of Queensland, Cultural Centre, Stanley Place, South Bank
Australian Capital Territory – Department of Environment, Water, Heritage and the Arts Central Library, Ground Floor, John Gorton Building, King Edward Terrace, Parkes

For further information on the EIS and Queensland Curtis LNG, please visit the QGC website www.qgc.com.au or the QCLNG website www.qclng.com.au. Alternatively, email community@qgc.com.au or call toll-free on 1800 030 443.

Project Investigation Area



Notes to Editors:

QGC

QGC Limited (ACN: 089 642 553) is a leading Australian coal seam gas explorer and producer focused on supplying cleaner hydrocarbon energy to growing domestic and international markets. QGC is establishing one of Australia's largest capital infrastructure projects to turn world-class reserves of coal seam gas into liquefied natural gas (LNG). Queensland Curtis LNG, a priority project for QGC, involves expanding exploration and development in southern and central Queensland and transporting gas via a 380km buried pipeline to Curtis Island near Gladstone, where it will be liquefied. For further information visit: www.qgc.com.au or www.qclng.com.au

BG Group

BG Group plc (LSE: BG.L) is a world leader in natural gas, with a strategy focused on connecting competitively-priced resources to specific, high-value markets. Active in 27 countries on five continents, BG Group has a broad portfolio of exploration and production, liquefied natural gas (LNG), transmission and distribution and power generation business interests. It combines a deep understanding of gas markets with a proven track record in finding and commercialising reserves. For further information go to www.bg-group.com

Australia contacts:

Hedley Thomas	+61 (0) 417 797 419	hedley.thomas@bg-group.com
Mark Todd	+61 (0) 417 602 838	mark.todd@bg-group.com
Paul Larter	+61 (0) 400 776 937	paul.larter@bg-group.com

UK contacts:

Edel McCaffrey	+44 (0) 118 929 3508	edel.mccaffrey@bg-group.com
Jo Thethi	+44 (0) 118 929 3110	jo.thethi@bg-group.com
Out of hours UK media mobile:	+44 (0) 791 718 5707	
Investor Relations (UK):	+44 (0) 118 929 3025	invrel@bg-group.com

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