

Fact Sheet



The Project

- Major investment in Queensland's coal seam gas industry
- To help address climate change by unlocking supplies of natural gas
- New industry for Gladstone to complement existing resource development
- Benefits include provision of 3,000-4,000 construction jobs and 800 permanent positions, significant royalties and tax revenue

Queensland Curtis LNG represents a major investment in Queensland's coal seam gas industry to unlock new supplies of cleaner energy for domestic and export markets.

Operated by QGC, BG Group's Australian business, the project involves transporting coal seam gas via a 380km buried pipeline from near Miles in southern Queensland to Gladstone. The gas will become liquefied natural gas at a plant on Curtis Island.

One of Australia's largest capital infrastructure projects, Queensland Curtis LNG will generate significant economic benefits for Queensland and Australia.

The project will involve dozens of communities, hundreds of businesses and thousands of people drawn from throughout the state, the rest of Australia and internationally.

Importantly, Queensland Curtis LNG will also help to address climate change by allowing natural gas, which has the lowest carbon emissions of all fossil fuels, to be transported economically around the world.

The Queensland Curtis LNG Project

Queensland Curtis LNG is a major, integrated project to develop Queensland's coal seam gas resources for domestic and export markets.

The main components of the proposal involve:

- Expanding QGC's coal seam gas production in the Surat Basin in southern Queensland
- A 380km buried natural gas pipeline from near Miles to Gladstone, and
- A liquefaction plant at Curtis Island near Gladstone.

The project also involves development of a dedicated shipping channel in Gladstone Harbour.

The first stage is expected to produce 7.4 million tonnes of liquefied natural gas a year from two processing units, referred to as "trains", on Curtis Island. Ultimately, QGC is seeking approval for production of up to 12 million tonnes a year.

At maximum production Gladstone can expect two to three LNG ships a week.

The proposed liquefaction plant will occupy less than 1% of Curtis Island and will be separated from public areas by an environmental protection zone.

Construction is scheduled to begin in 2010, with first production due in late 2013.

QGC – A BG Group business

Queensland Curtis LNG is a priority project for QGC, the Australian business of BG Group.

The project matches QGC's extensive coal seam gas expertise with BG Group's international experience in liquefied natural gas.

QGC is one of Australia's leading coal seam gas producers, with world-class reserves projected to supply about 20% of the Queensland domestic gas market in 2009.

BG Group plc is a UK-listed energy business with activities on five continents and interests in 27 countries.

BG Group has wide experience in liquefied natural gas plant operation, shipping and marketing.

The company's international liquefied natural gas business includes major liquefaction plants in Trinidad and Egypt and regasification terminals either operational or under construction on both sides of the Atlantic.

In 2008, BG Group managed total liquefied natural gas volumes of about 13 million tonnes. This compares to Australia's total output of liquefied natural gas in 2008 of about 15 million tonnes.

BG Group is one of the world's largest independent operators of liquefied natural gas ships.

Liquefied natural gas

Natural gas, the cleanest of all fossil fuels, is a mixture of gases made up mostly of methane.

Coal seam gas, the feed stock for the Queensland Curtis LNG Project, is considered a "clean" natural gas in that it requires little treatment before it can be used in homes and industry.

Liquefied natural gas, or LNG, is natural gas that has been cooled to -162°C until it becomes a liquid where it takes up 1/600th of its original gaseous volume.

By liquefying natural gas, it is easier, safer and more economical to store and transport the fuel over great distances.

Liquefied natural gas is colourless, odourless, non-corrosive and non-toxic.

The project represents a major investment to unlock Queensland's reserves of coal seam gas, creating new energy supply options.

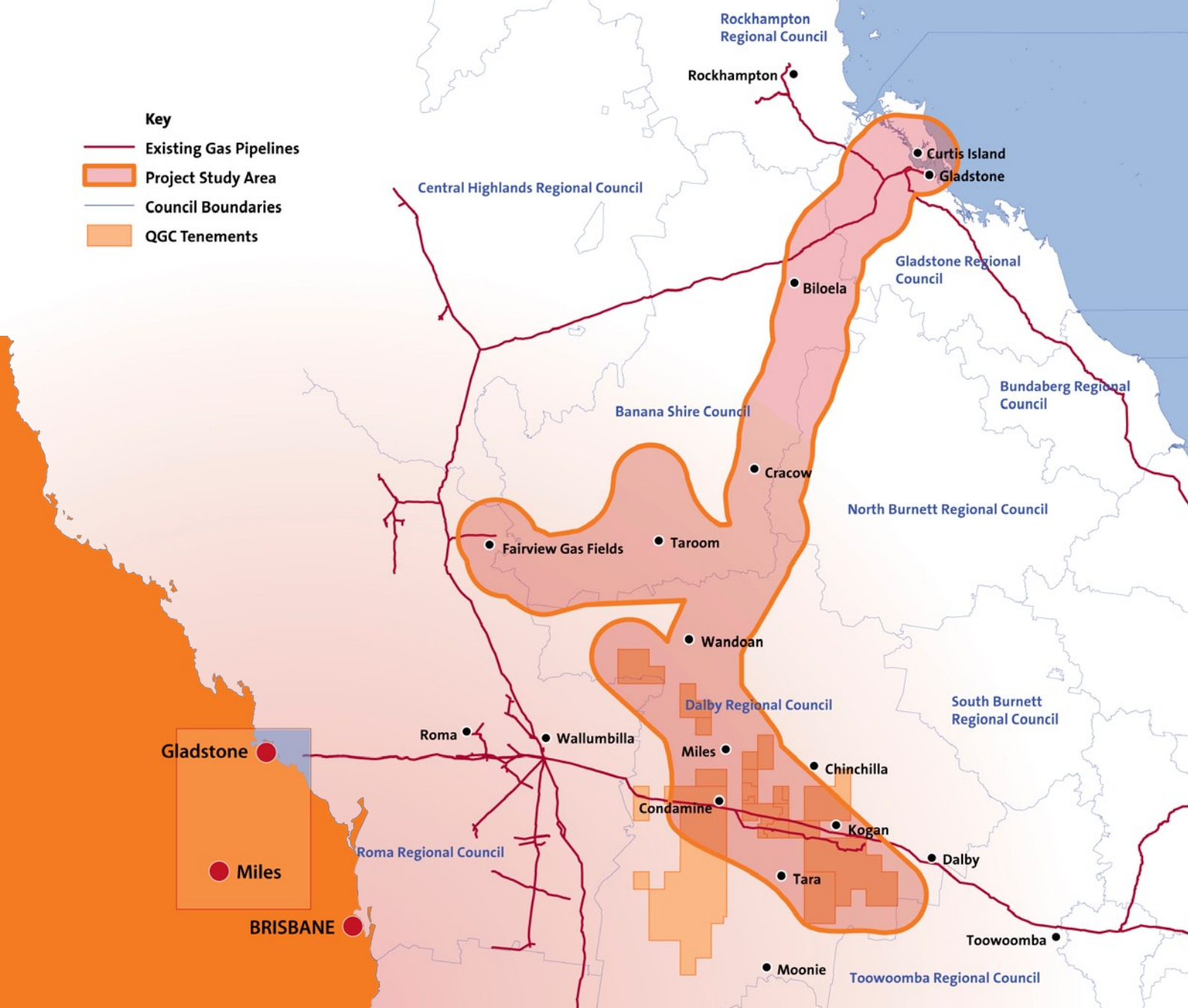
Approvals

In July 2008, Queensland Curtis LNG was declared a "significant" project, triggering environmental assessment under Queensland and Australian Government legislation.

This involves the preparation of an environmental impact statement, sometimes referred to as an EIS, that explains what we intend to build, the likely impact we will have and how we intend to manage that impact.

The entire process is expected to take 12-18 months.

Studies for the environmental impact statement began when the project was announced in February 2008.



When completed, the environmental impact statement will help Queensland and Australian Government law makers and regulators to make informed decisions about whether the project is environmentally and socially acceptable.

An objective of the environmental impact statement is to identify how best to maximise the benefits of the project for Queensland and Australia.

Benefits

Queensland Curtis LNG represents a major investment to unlock Queensland's reserves of coal seam gas, creating new energy supply options and helping Australia's gas market to grow.

The project will introduce a new industry for Gladstone to complement its position

as one of Australia's leading industrial centres for coal, alumina and cement production.

Benefits from the project include:

- Large-scale investment in gas extraction and transportation, creating more opportunities for local gas producers and increasing choice for consumers
- The provision of 3,000 - 4,000 construction jobs at peak across the gas fields, pipeline and liquefaction plant components as well as about 800 permanent positions during operations
- Increased demand for goods and services in Surat Basin communities and in Gladstone, and

- Substantial royalties and tax revenues for the Queensland and Australian Governments.

Also, natural gas is regarded as the world's transition fuel as we move away from hydrocarbons to cleaner energy sources.

Queensland Curtis LNG will release new supplies of natural gas, which emits 22% less carbon dioxide than oil and 40% less than coal for the same energy.

These qualities give natural gas an important role to play in helping address climate change.

The liquefaction process allows natural gas to be economically transported around the world.

Public involvement

People with an interest in the project are a valuable source of information about the project area.

We encourage you to comment or provide feedback on the project and the environmental impact assessment process.

This will help to ensure that we understand concerns and issues as we develop a project that is good for people and the environment.

It will also help us as we strive to maximise project benefits for Queensland and Australia.

For information on how to provide feedback, and to keep up with developments on the Queensland Curtis LNG Project, please visit our website www.qclng.com.au or the Queensland Government website www.dip.qld.gov.au.



Contact

If you would like more information about the Queensland Curtis LNG Project, please contact us at: info@qclng.com.au or our toll-free number 1800 030 443. Alternatively, visit our website: www.qclng.com.au

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