

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

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There are matters discussed in this media information that are forward looking statements. Such statements are only predictions and actual events or results may differ materially. For a discussion of important factors which could cause actual results to differ from the forward looking statements, refer to BG Group's annual report and accounts for the year ended 31 December 2008. BG Group does not undertake any obligation to update publicly, or revise, forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Community information sessions

QGC has lodged with the State Government the Environmental Impact Statement (EIS) for the Queensland Curtis LNG Project – a priority project of QGC to develop Queensland coal seam gas for Australian and international markets.

Queensland Curtis LNG is one of Australia's largest capital infrastructure projects. It involves dozens of communities, hundreds of businesses and thousands of people drawn from throughout Queensland, Australia and internationally. Our plans for the Queensland Curtis LNG Project, which is to be operated by QGC, include:

- Expanding QGC's coal seam gas production in the Surat Basin in southern Queensland
- Building a 380-kilometre buried natural gas pipeline linking the gas fields to the city of Gladstone
- Constructing a natural gas liquefaction plant on Curtis Island, near Gladstone
- Developing a dedicated shipping channel in Gladstone Harbour

QGC is seeking approval for the production of up to 12 million tonnes of LNG a year. The first stage will comprise two processing units, known as trains, on Curtis Island. Each of these trains will produce about 3.7 million tonnes of LNG a year. A final investment decision will be made in 2010 and first LNG for delivery is expected in 2014.

The EIS public exhibition period commences in August 2009. QGC is also holding public information sessions in communities across the Project area during August and September. **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, email community@qgc.com.au or call toll-free on 1800 030 443.**

Where to find our sessions

Gladstone	QCLNG Project Office, 1/172 Goondoon Street	Thursday, 3 September – 5.30pm-8.00pm
Curtis Island	Capricornia Lodge, 31 Seaview Esplanade	Saturday, 5 September – 10.00am-12.30pm
Chinchilla	Chinchilla RSL Memorial Club, 61 Heeney Street	Wednesday, 9 September – 5.30pm-8.00pm
Miles	Leichhardt Centre, corner of Marian and Dawson Streets	Thursday, 10 September – 11.00am-1.30pm
Dalby	Dalby RSL Memorial Club, 69 Drayton Street	Thursday, 10 September – 5.30pm-8.00pm
Tara	Tara Memorial Soldiers Hall, Fry Street	Friday, 11 September – 10.00am-12.30pm
Eidsvold	Community Hall, 54 Moreton Street	Friday, 18 September – 12.00pm-2.30pm
Biloela	Biloela Civic Centre, corner Rainbow and Prairie Streets	Saturday, 19 September – 9.00am-11.30am

Where to view the EIS

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

Biloela – Biloela Library, corner of Grevillea and Milton Streets

Monto – Monto Library, 50 Newton Street

Calliope – Calliope Library, Don Cameron Drive

Boyne Island – Boyne Island Library, corner of Wyndham and Hayes Avenues

Gladstone – Queensland Curtis LNG Project Office, 172 Goondoon Street

Brisbane – State Library of Queensland, Cultural Centre, Stanley Place, South Bank

Brisbane – QGC headquarters, 275 George Street

Australian Capital Territory – Department of Environment, Water, Heritage and the Arts Central Library, Ground Floor, John Gorton Building, King Edward Terrace, Parkes

QGC News

QGC is a leading Australian coal seam gas explorer and producer focused on developing its world-class reserves for domestic and international supply.

A priority project of QGC, the Queensland Curtis LNG Project (QCLNG) represents a major investment in Queensland's coal seam gas industry to unlock new supplies of cleaner hydrocarbon energy for domestic and export markets.

The Project will transport coal seam gas from the Surat Basin in southern Queensland via a 380km buried pipeline to Gladstone, where it will be turned into liquefied natural gas at a plant on Curtis Island.

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Welcome

Welcome to the August edition of QGC News, designed to keep you informed about the Queensland Curtis LNG Project (QCLNG) and QGC – and to encourage your feedback on QGC's activities.

In this newsletter you will read that QGC has achieved a number of significant milestones during the second quarter of 2009, cementing the company as a leading Australian coal seam gas explorer and producer.

Environmental Impact Statement lodged

QGC has lodged with the Queensland Government an Environmental Impact Statement (EIS) for the QCLNG Project, one of Australia's largest capital investments and one that will unlock new supplies of cleaner energy for domestic and export markets.

QCLNG was declared a "significant project" requiring environmental approvals by the Queensland and Australian governments in July 2008.

QGC has prepared the EIS against the Terms of Reference provided by both governments. This involved extensive studies and comprehensive consultation with more than 5,000 stakeholders throughout the Project area who have helped QGC identify opportunities to maximise project benefits, understand the extent of potential impacts and develop appropriate mitigation strategies to ensure the Project is environmentally and socially acceptable.

This newsletter provides information on the EIS and on how you can participate in its review. QGC values your thoughts, queries and knowledge for input which will play an important role in the assessment process and our project planning.



Hooking up with anglers

QGC supported Gladstone and the region's favourite pastimes – fishing and boating – over the Queen's Birthday long weekend by sponsoring one of Australia's biggest angling competitions.

The 2009 Boyne-Tannum HookUp fishing competition drew about 4,000 anglers and 12,000 spectators to the region. It is estimated to have injected more than \$1 million into the local economy and to have raised tens of thousands of dollars for charity. The event, which started 12 years ago, is the subject of one of QGC's first sponsorships in Gladstone. The sponsorship demonstrates QGC's commitment to supporting an activity that gives the people of the Gladstone Region great pleasure. Next year the company hopes to reel in a QGC team.



Picture courtesy of Gladstone Observer



Drama At The Gasfields

In late March QGC staged its third Drama At The Gasfields event to great applause.

About 2,500 people from Chinchilla, Miles, Tara, Dalby and further afield enjoyed the free rides and entertainment, topped by La Boite Theatre Company's production of *Opportunity* – a homage to the career of nationally acclaimed singer/songwriter and local Chinchilla boy Pete Murray.

It was a fun and exciting day with enthusiastic participation by the local communities and school children. The event was enjoyed by all, including QGC employees.

QGC intends to continue this popular annual event, which has become a must-see for many adults and children in the Surat Basin. If you have not seen the DVD of the event or picked up a free copy, it can be viewed at www.qgc.com.au. Look for the Drama At The Gasfields logo on the homepage.

CNOOC deal

In May QGC's parent company, BG Group, announced that it had signed a liquefied natural gas (LNG) Project Development Agreement with one of China's leading integrated energy companies, China National Offshore Oil Corporation and its affiliates (CNOOC), focused on the Queensland Curtis LNG Project.

Under the agreement, CNOOC will purchase 3.6 million tonnes per annum (mtpa) of LNG for period of 20 years from the start-up of QCLNG.



The Project is now firmly underpinned by global LNG supply agreements with partners and customers in Chile, Singapore and China accounting for up to 8.3 mtpa.

This agreement is another important milestone in the development of the Project, which is on track to produce first LNG for delivery in 2014.

A major investment in Queensland

The QCLNG Project represents a major investment to unlock Queensland's vast resources of coal seam gas, creating new supplies of clean energy for at least two decades.

The Project involves:

- Expanding QGC's coal seam gas production in the Surat Basin in southern Queensland, including wells, compression and processing infrastructure, a collection header and associated water management infrastructure
- A network of underground pipelines, including a 380 km buried export pipeline from the Surat Basin in southern Queensland to Gladstone
- A liquefied natural gas (LNG) processing plant at Curtis Island off the coast of Gladstone
- LNG shipping operations to load the LNG and ship cargoes to global export markets

The first stage will produce 7.4 million tonnes of liquefied natural gas a year from two processing units, referred to as "trains", on Curtis Island. QGC is seeking approval for production of up to 12 million tonnes of LNG a year. Construction is expected to begin in 2010, with first LNG for delivery in 2014.





Benefits

The QCLNG Project, one of Australia's largest capital infrastructure projects, will generate significant economic benefits for Queensland and Australia.

Key Project benefits include:

- 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
- The provision of more than 4,000 jobs at peak construction and about 1,000 permanent jobs when operational
- Substantial value-added benefits for regional and national economies with approximately half the Project's capital expenditure sourced from within Australia.
- About \$2.4 billion in value-added activity in Queensland during the construction phase (2010 to 2013) and \$29.5 billion between 2014 and 2021
- A significant investment in gas extraction and transportation, offering greater opportunities for gas producers and increased choice for consumers

- Helping address climate change through the provision of new sources of natural gas, a cleaner and more efficient source of hydrocarbon energy with about half the carbon dioxide emissions of coal

Local communities

QGC is committed to ensuring local communities benefit from its presence on an enduring basis.

As a part of the EIS for the QCLNG Project, the business has completed a variety of social and economic assessments on the potential impact on communities. This included social and cultural profiling of communities as well as assessing the potential impact on housing, social infrastructure, community health and regional economics.

In terms of social infrastructure, QGC investigated community investment, development of local skills, provision of construction camps and management of worker behaviour.

QGC is also committed to going beyond formal compliance in its approach to indigenous issues. The Project has assessed potential impacts on

indigenous communities in the project area. We are in the process of developing Cultural Heritage Management Plans to safeguard Aboriginal cultural heritage areas and Indigenous Land Use Agreements (ILUAs), which include negotiation of a life-of-project benefits package with traditional owners and native title claimants. This involves regular, ongoing engagement with Traditional Owners, local indigenous people and organisations.



What's in the EIS

QGC has produced a 12-volume EIS document which details studies, findings and information on mitigation strategies on a variety of topics and how the business intends to incorporate the assessment outcomes into Project planning and design.

Topics of study include:

- Climate and climate change
- Topography and geomorphology
- Geology and soils
- Land use and infrastructure
- Land contamination
- Aquatic (freshwater) ecology
- Marine ecology
- Coastal environment
- Terrestrial ecology
- Surface water resources
- Ground water resources
- Associated water
- Air
- Noise and vibration
- Transport
- Shipping
- Visual amenity
- Waste management
- Hazard and risk
- Cumulative impacts of other projects in the study areas
- Social impacts such as housing, social infrastructure, community health and safety
- Regional economics
- Indigenous relations, native title and cultural heritage



Public exhibition

An essential element of our business is listening to communities and taking account of their interests. The environmental and social impact assessment process has involved thorough consultation with communities.

The EIS has been submitted to the Queensland Government and is now subject to a public review process. For more information visit the QCLNG website at www.qclng.com.au.

During this time stakeholders and the general public are encouraged to review the EIS and provide comment via submissions to the Coordinator-General on the Project, its impacts and mitigation strategies. This will ensure that we understand your concerns as we strive to maximise Project benefits for Queensland and Australia.

To ensure stakeholders are fully informed about the Project, QGC has made the EIS available at a variety of public venues throughout the Project study areas and will hold community information sessions. To find a session near you, see the following page.



Have your say

There are a number of ways stakeholders can provide feedback during the public exhibition period.

Read the EIS

An executive summary and full copy of the EIS can be downloaded via www.qclng.com.au or www.dip.gov.au/projects/energy/gas

A copy of the EIS can also be viewed at:

- 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
- Tara – Dalby Regional Council Customer Service Centre, 19 Fry Street
- Wandoan – Wandoan Library, 6 Henderson Road
- Roma – Roma Community Arts Centre, 38-44 Hawthorne Street
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- 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

A copy of the executive summary or a DVD copy of the EIS can be obtained upon request by contacting QGC on **1800 030 443** or community@qgc.com.au

Attend a community information session

QGC representatives will be available to talk with and answer questions from stakeholders at community information sessions which will be held in:

- Gladstone - QCLNG Project Office, 1/172 Goondoon Street, Thursday 3 September, 5.30pm - 8.00pm
- Curtis Island - Capricornia Lodge, 31 Seaview Esplanade, Saturday 5 September, 10.00am - 12.30pm
- Chinchilla - Chinchilla RSL Memorial Club, 61 Heeney Street, Wednesday 9 September, 5.30pm - 8.00pm
- Miles - Leichhardt Centre, corner of Marian and Dawson Streets, Thursday 10 September, 11.00am - 1.30pm
- Dalby - Dalby RSL Memorial Club, 69 Drayton Street, Thursday 10 September, 5.30pm - 8.00pm
- Tara - Tara Memorial Soldiers Hall, Fry Street, Friday 11 September, 10.00am - 12.30pm
- Eidsvold - Community Hall, 54 Moreton Street, Friday 18 September, 12.00pm - 2.30pm
- Biloela - Biloela Civic Centre, corner Rainbow and Prairie Streets, Saturday 19 September, 9.00am - 11.30am

Make a submission to the Department of Infrastructure and Planning

The Department of Infrastructure and Planning (DIP) manages the EIS process of behalf of the Coordinator-General.

The Coordinator-General will consider all properly made submissions to determine if additional information about the EIS or the Project is required.

All EIS submissions are public documents and copies will be provided to QGC for consideration and, where appropriate, incorporation into the final EIS as a supplementary document.

If you would like to make a formal submission, DIP requires the following format to be followed:

- Clearly state the matter(s) of concern or interest
- Reference the relevant section(s) of the EIS
- Provide factual information relied upon and its source
- Provide what measures you consider would be appropriate to improve the proposal
- Provide sketches or diagrams if they assist to clarify your submission
- Ensure the submission is legible

All submissions must be made to the Coordinator-General. Further information can be found at www.dip.qld.gov.au/projects or contact the DIP's Infrastructure and Development Group on **07 3224 4736**.



Project information registration

Media releases, general QGC employment vacancies and other publications relating to the Project will be regularly published on the QGC website at www.qgc.com.au or QCLNG Project website at www.qclng.com.au.

If you would like to be added to the QCLNG Project stakeholder database and receive future updates, please fill out this form. Alternatively, contact QGC on 1800 030 443 or community@qgc.com.au

Name:

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Organisation:

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Phone/mobile no.:

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Postal address:

.....

Postcode:

.....

Preferred form of contact:

Post Email

Other, please specify

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QGC respects and abides by the privacy laws under which this information is provided.

QGC encourages your feedback

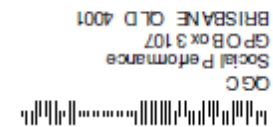
QGC welcomes your feedback on the QCLNG Project and how we communicate with our stakeholders and the local communities in which we seek to operate.

If you have any feedback or a general enquiry about the QCLNG Project, please include your comments in the section provided below.

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Thank you for your interest in QGC's Queensland Curtis LNG Project.

Fold Here



Delivery Address:
GPO Box 3107
BRISBANE QLD 4001

Fold Here

Please send your feedback form to us
using this reply paid envelope.

Staple/Tape Here

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