



CH4 Gas Limited

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FOR IMMEDIATE RELEASE

PRODUCTION NOW IN EXCESS OF 32 TJ/DAY

CH4 Gas Limited ("CH4") is pleased to announce that the Moranbah Gas Project ("MGP") has maintained production rates in excess of 32 TJ/day during the course of the past two week period. The MGP is a 50/50 Joint Venture between CH4 and BHP Billiton ("BHP"), with CH4 as Operator.

Gas sales to Enertrade during the course of the past two week period have averaged 30 TJ/day.

Gas production rates continue to build up to full first year contract delivery volumes of approximately 38 TJ/day (including deliveries to Ergon, and for system use gas).

CH4 is confident that production ramp-up to full first year contract volumes will be achieved during the first half of the 2005 contract year.

Production build up is currently being achieved through the on-going optimization of existing wells and existing field production facilities.

CH4 Managing Director, Louis Rozman, said today "The MGP is producing a very significant volume of natural gas and is close to filling the demand of North Queensland's first base load power station".

The MGP, the Moranbah to Townsville Pipeline, and the Yabulu Power Station form part of the North Queensland Gas Project, and are an integral part of the Queensland Government's Cleaner Energy Strategy, under which electricity retailers are required to source at least 13% of all electricity sold from gas-fired generation by 2005.

CH4 and BHP have a 15 year supply agreement with Enertrade to supply up to 290 PJ of gas over the life of the contract.

For further information – please contact :

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