QUEENSLAND GAS COMPANY LIMITED
ABN 11 089 642 553
Level 13
100 Edward Street, Brisbane QLD 4000
GPO Box 3107, Brisbane QLD 4001
Tel: 07 3004 1000 Fax: 07 3012 8411
Website: www.qgc.com.au
Email: qgc@qgc.com.au

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ASX ANNOUNCEMENT

QGC gas contract with Incitec Pivot Limited goes unconditional

Queensland Gas Company (QGC) today announced it had met all of the conditions precedent for the 10 year gas sales contract with Incitec Pivot Limited (Incitec Pivot). As such the contract with Incitec Pivot is now unconditional.

QGC and joint venture partner Pangaea Oil & Gas Pty Ltd (Pangaea) will supply 7.4 petajoules (PJ) of coal seam gas a year to Incitec Pivot's fertiliser plant at Gibson Island (Port of Brisbane) scheduled to commence in the third quarter in 2007.

QGC Managing Director Richard Cottee said the final condition precedent relating to QGC obtaining firm financing approval for its second gas supply contract has been met.

"With funding assured for both the CS Energy and Incitec Pivot contracts, QGC is now single-mindedly focussed on constructing the necessary infrastructure and producing gas as soon as possible to meet our customers' needs," he said.

"These two major contracts confirm QGC as a significant Queensland energy company," Mr Cottee said today.

QGC is contracted to supply CS Energy with gas at a rate of 4 PJ per annum by July 2006, but plans to bring forward first delivery to March 2006. When the Incitec Pivot deliveries of 7.4 PJ begin in 2007, QGC and its joint venturers will be supplying gas equivalent to approximately 10% of the current Queensland gas market.

At PL201 (Berwyndale South), QGC holds a 90% interest in partnership with Sentient Global Resources Fund (10%). At ATP 620P (Argyle), QGC holds a 59.375% interest in partnership with Pangaea Oil & Gas Pty Ltd (40.625%).

For further information contact:
Mr Richard Cottee
Managing Director
Queensland Gas Company Limited
Telephone: (07) 3004 1000
Facsimile: (07) 3012 8411
Website: www.qgc.com.au