

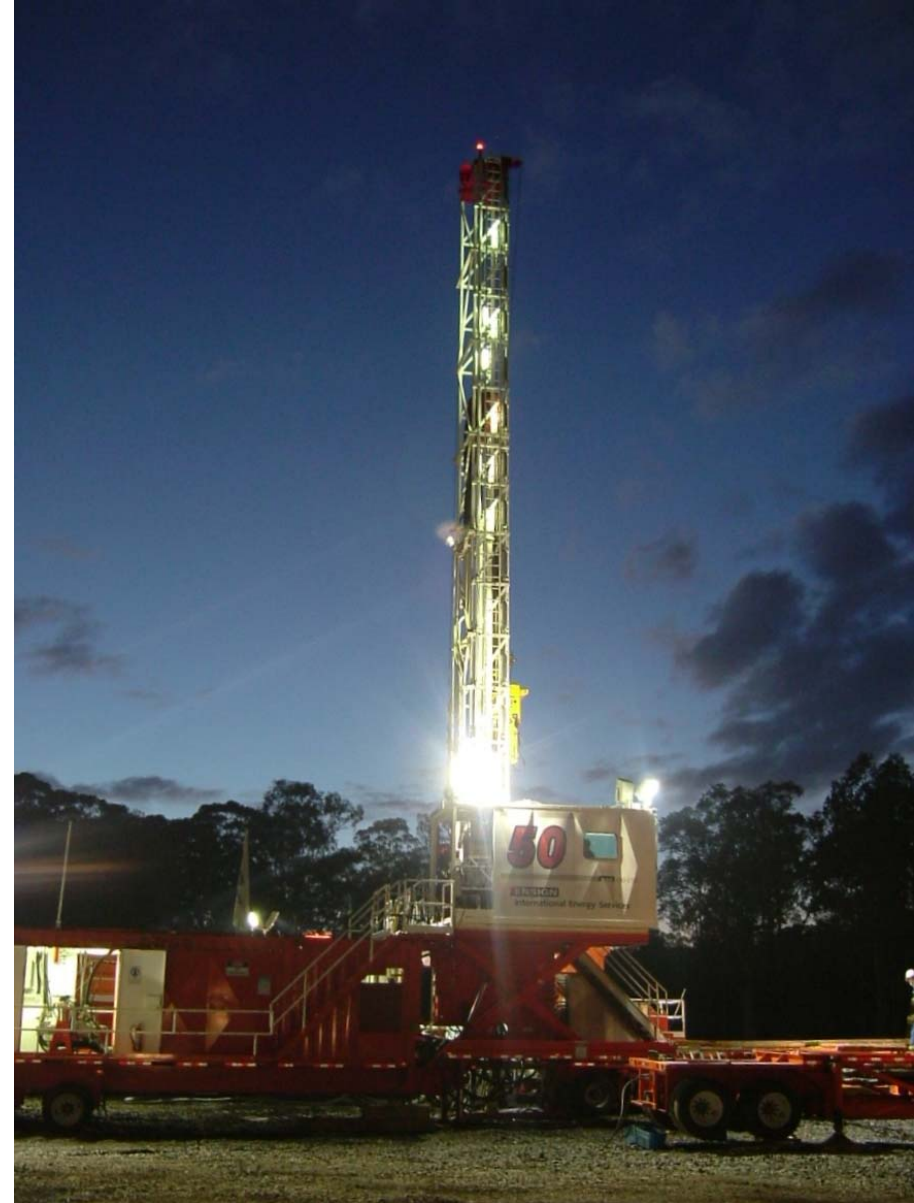


2007 Annual General Meeting

Managing Directors Review

AGENDA

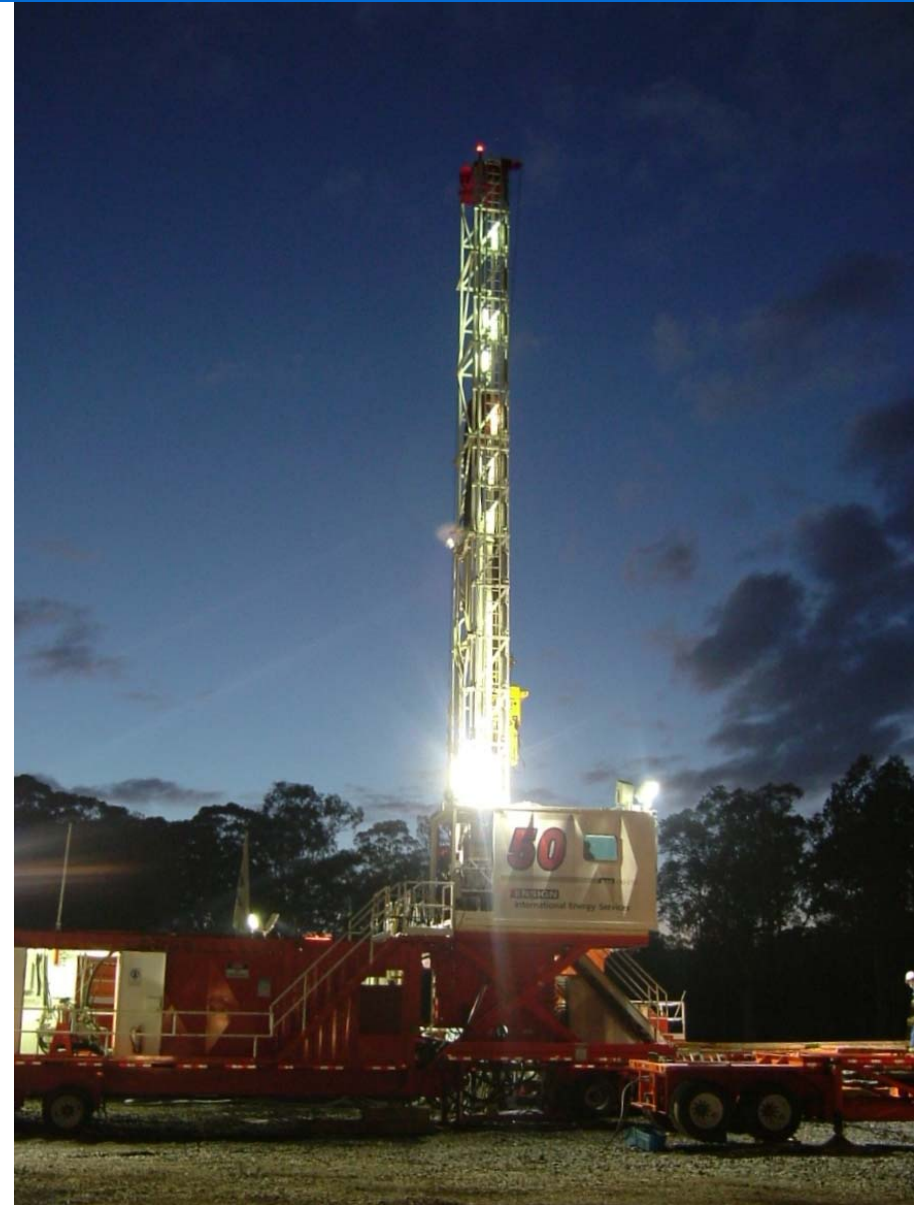
- ▶ 2007 YEAR IN REVIEW
- ▶ OBJECTIVES FOR 2008
- ▶ QUESTION AND ANSWER SESSION



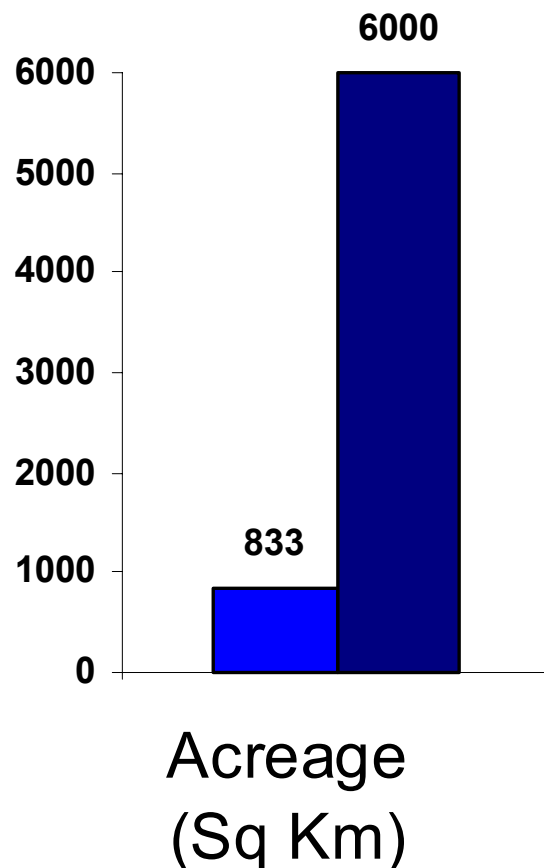
AGENDA

2007 YEAR IN REVIEW

- ▶ Exploration
- ▶ Reserves & Production
- ▶ Gas Sale Opportunities
- ▶ Infrastructure Development
- ▶ Management & Stakeholder Activities

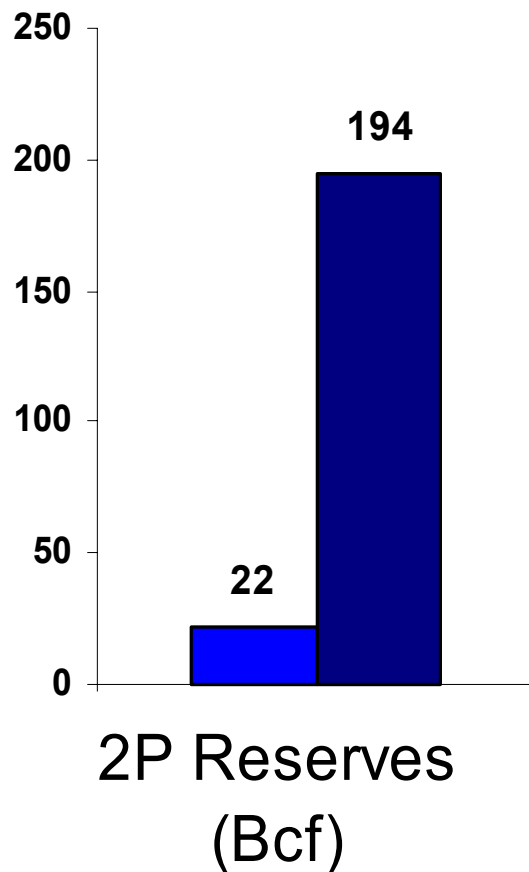


2007 Year In Review - Exploration



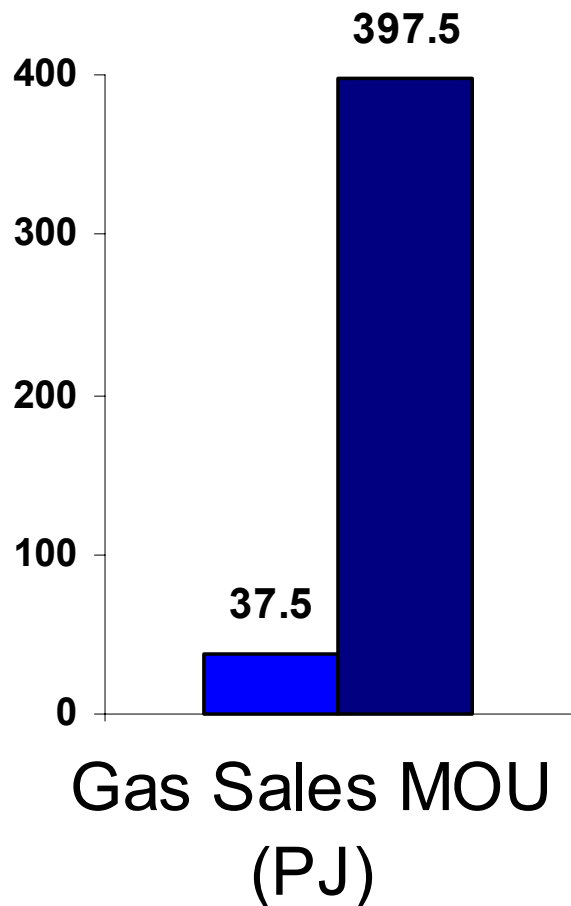
- ▶ PEL 426 Joint Venture with Molopo
 - ▶ Southern Clarence Moreton Basin
 - ▶ CSM & conventional exploration
 - ▶ 215 l/km reprocessing, data gathering
 - ▶ Pine Brush, Clifden leads
- ▶ PEL 16
 - ▶ CE 6 – major gas kick
 - ▶ Conventional structure analysis
- ▶ PEL 13
 - ▶ Reprocessing of 300 line km data
- ▶ Appointment of new Exploration Manager Mr Peter Stanmore

2007 Year In Review - Reserves & Production



- ▶ 12,500m core drilling and testing program starting January 2007
- ▶ Objective of 660PJ by mid 2008
- ▶ Incremental 2P Reserve increases to November 2007 of 194PJ (Net)
- ▶ Data with reservoir engineers; expecting further incremental upgrades
- ▶ Trial Production Program for 2P to 1P conversion
 - ▶ Ensign Alliance – use of ADR 100 rig for improved capability
 - ▶ Vectra Alliance – skilled horizontal CSM experience
 - ▶ Trial program has commenced

2007 Year In Review - Gas Sales Opportunities



- ▶ In Dec 2006, CS Energy JV covering CSG rights to Blocks 4,5 & 1 of PEL 16 (approx 27%)
- ▶ \$11 M to earn an initial 15% interest in farm-in area with core drilling and pilot production drilling program
- ▶ Objectives
 - ▶ 540PJ (2P) Reserves
 - ▶ Casino to Ipswich pipeline study
 - ▶ Field development studies
- ▶ Project Sanction 2008
 - ▶ CSE \$94.5 M Capital commitment
 - ▶ 140km CIP pipeline
 - ▶ Gas delivered to Swanbank 18PJ/a
 - ▶ Total value of gas sale agreement over \$1 Billion

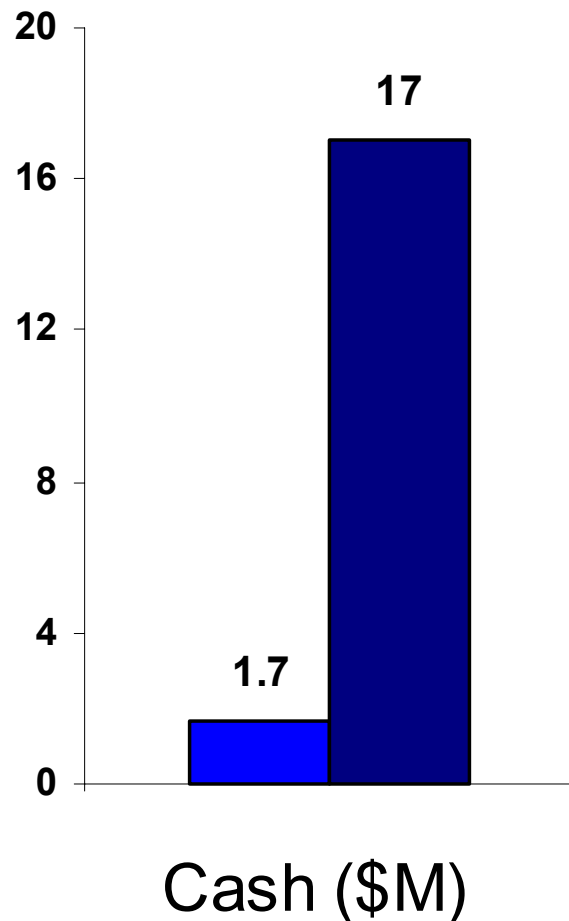
2007 Year In Review - Infrastructure Development

- ▶ Richmond Valley Power Station
- ▶ 30MW gas fired power station located at Casino, requires 2.5PJ/a over 15 years
- ▶ Have drilled 4,500m since February 2007, 195 coal samples for testing for Reserves determination
- ▶ Finalised and Lodged EA
- ▶ Lodged Connection Agreement
- ▶ Finalised power station site
- ▶ Continuing with regulatory process
- ▶ 2 additional pilot production holes planned to establish 1P in area

2007 Year In Review - Infrastructure Development

- ▶ CSE Stratheden Joint Venture, 18 PJa Field Development and 140km Casino Ipswich Pipeline
 - ▶ Have drilled 8,000m since February, 405 coal samples for testing
 - ▶ Independent reserve certification upgrades to 194 PJ (2P)
 - ▶ Further upgrades expected
 - ▶ 5-6 well trial production program has commenced
- ▶ Field Development and associated studies well underway
- ▶ Pipeline studies
 - ▶ Route analysis and associated studies completed
 - ▶ Fatal flaws completed
 - ▶ Regulatory process started

2007 Year In Review - Management & Stakeholder Activities

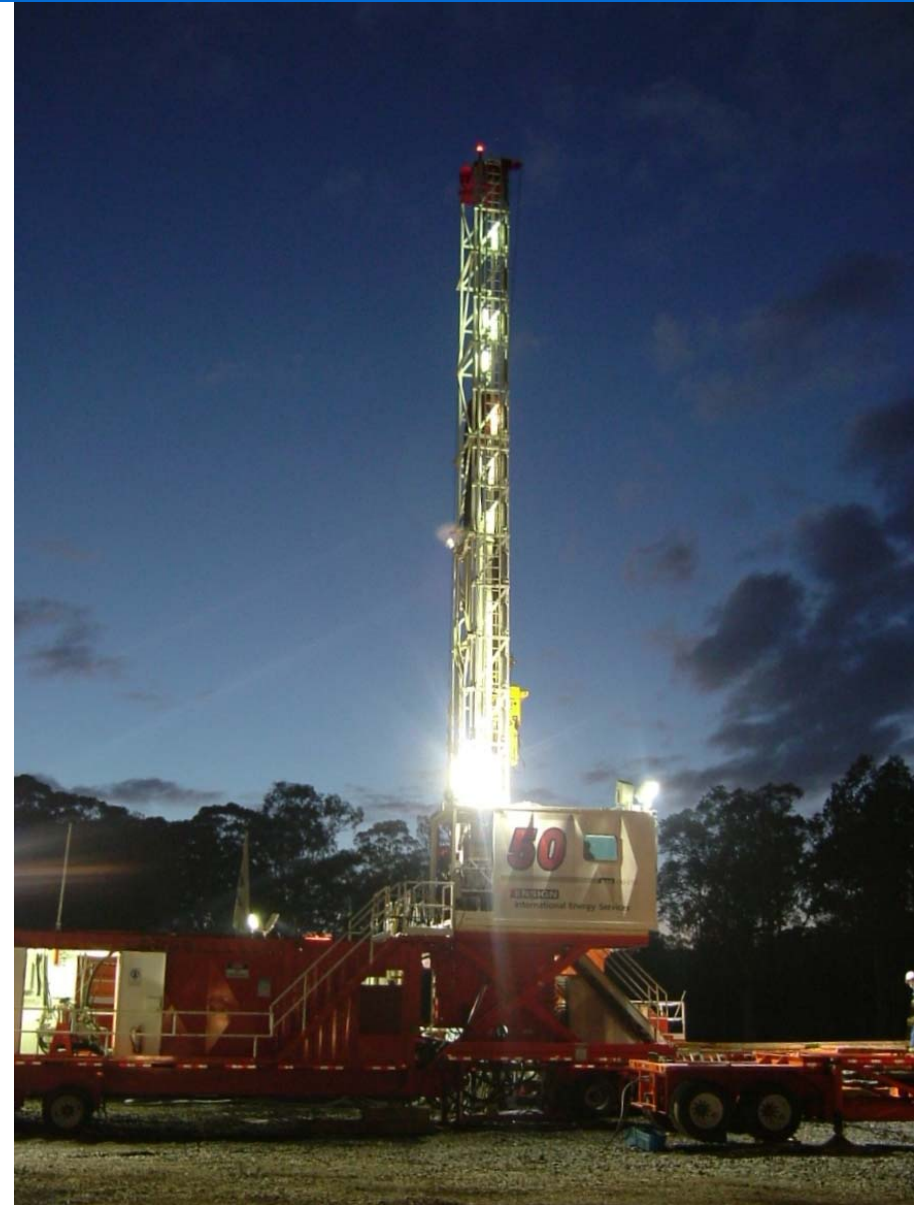


- ▶ Financial position
 - ▶ \$17m cash
 - ▶ JV funding
- ▶ Human Resources
 - ▶ New HS&E officer
 - ▶ Exploration Manager
 - ▶ Field office support
- ▶ Organisation Capability
 - ▶ New Safety Management Plan
 - ▶ Community consultations
 - ▶ Community support

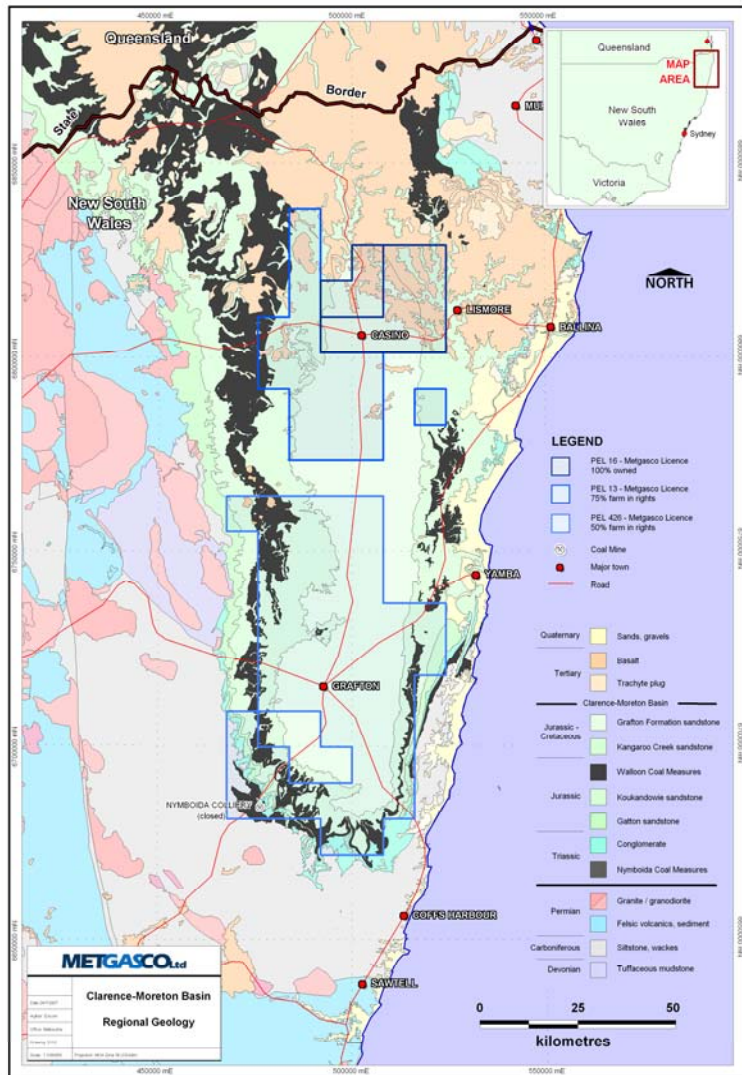
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2008 OBJECTIVES

- ▶ Exploration
- ▶ Reserves & Production
- ▶ Gas Sale Opportunities
- ▶ Infrastructure Development
- ▶ Management & Stakeholder Activities



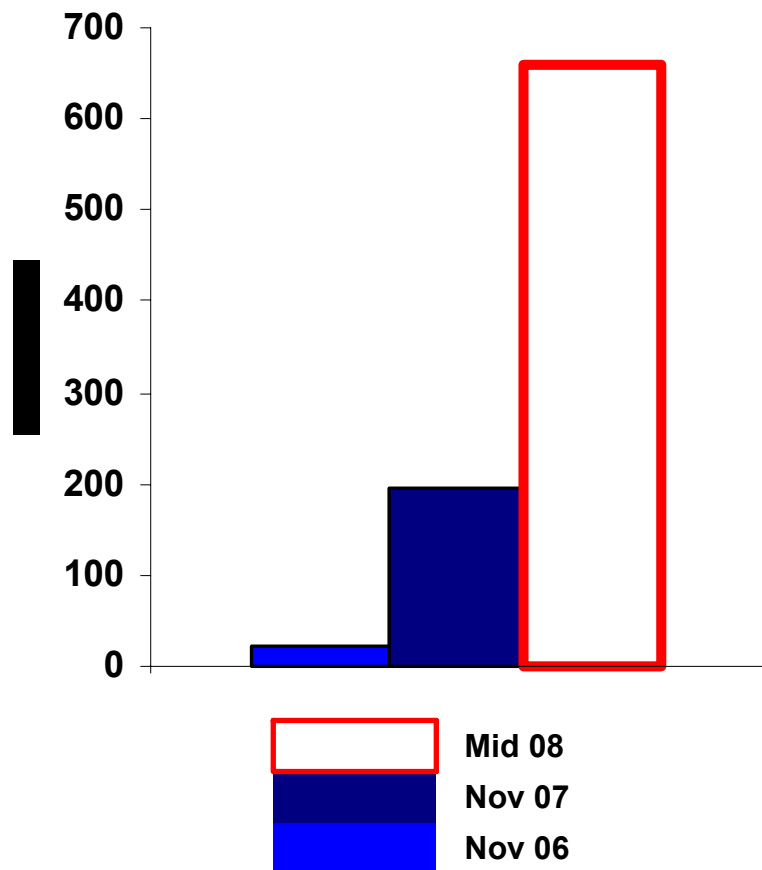
2008 Objectives - Exploration



- ▶ JV Basin Evaluation Studies
- ▶ PEL 16
 - ▶ 30km 2D seismic
 - ▶ 1 conventional test well
- ▶ PEL 13
 - ▶ Reprocessing interpretation
 - ▶ 30km 2D seismic
 - ▶ Possible conventional/CSM well
- ▶ PEL 426
 - ▶ 85km 2D seismic
 - ▶ Conventional/CSM well

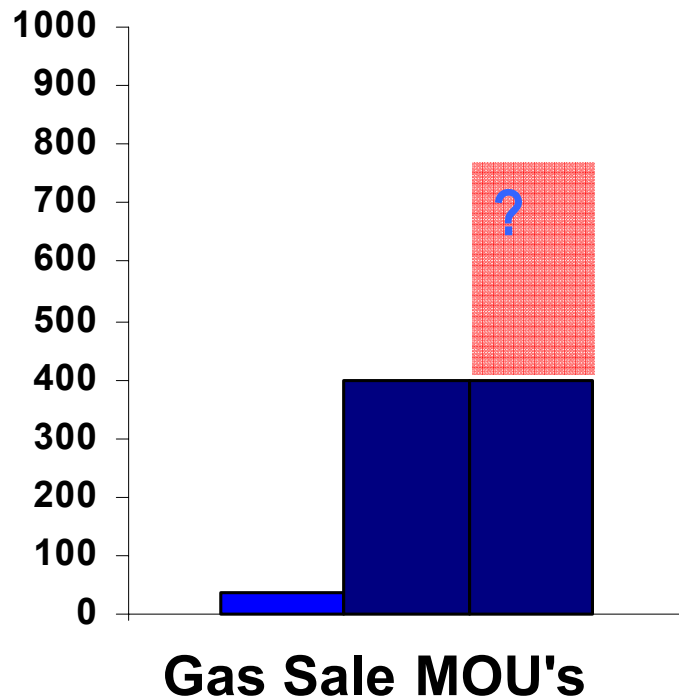
2008 Objectives – Reserves & Production

2P Reserves Objective



- ▶ 2P the benchmark for contracting
- ▶ Continue working towards 660PJ target
- ▶ Drilling program over only 10% of gross acreage
- ▶ Begin GIP analysis for PEL 13, program for identifying 3P,2P reserves
- ▶ Certifying 1P reserves from trial production program
- ▶ Understand long term resource delivery potential

2008 Objectives – Gas Sales Opportunities



- ▶ SE Qld and NE NSW are Australia's fastest growing regions
- ▶ Power demand forecast to grow by 260 MW pa
- ▶ No pipeline/reticulated gas in northern NSW
- ▶ Metgasco will also be one of the closest gas suppliers to Brisbane-Gold coast corridor
- ▶ Metgasco can enhance security of supply for NSW and Qld energy customers
- ▶ Will seek additional strategic MOU's

2008 Objectives – Infrastructure

- ▶ Richmond Valley Power Station
 - ▶ Community consultation program
 - ▶ Regulatory close – DA, PALA, PPL
 - ▶ Financial close
- ▶ CSE Stratheden JV
 - ▶ Reserves target
 - ▶ Project Sanction
 - ▶ Detailed Feasibility
 - ▶ Regulatory process
- ▶ Other Infrastructure Opportunities
 - ▶ 200 Mw power plant

2008 Objectives – Management & Stakeholders

- ▶ Human Resources
 - ▶ Improve resources at management level
 - ▶ Emphasis on development capability
 - ▶ Continue active HS&E awareness
- ▶ Community
 - ▶ Further engagement – community groups, local companies, shire councils
 - ▶ Recruit local where possible

Question & Answer Session



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