

**QUEENSLAND GAS COMPANY LIMITED**

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ASX ANNOUNCEMENT**WEEKLY DRILLING REPORT**

(as at 6.00am on 12 February 2007)

Kenya #2 in PL 228**Spud Date** 2 February 2007**Permit** PL 228 in which QGC holds a 59.375% interest and Origin Energy CSG Limited holds 40.625% interest.**Location** Latitude: 26° 58' 19" S Longitude: 150° 27' 43" E**Objective** Kenya #2 is the third of a five spot pattern to be drilled to add geological information for a reserves certification process, as well as to provide gas to meet the contractual obligations of the Incitec Pivot Limited Gas Sales Agreement. The well is designed to investigate the seams of the Juandah and Taroom Coal Measures in this area. The well will be initially completed across the Taroom Coal Measures seams for immediate production testing.

Kenya #2 reached a total depth of 735.0m after intersecting 26.3m of gassy coal in the Juandah and Taroom Coal Measures.

After wireline logging, all significant seams in the Juandah and Taroom Coal Measures were underreamed and 7" pre-perforated casing set across the Taroom Coal Measures.

Current Operations The well is currently suspended awaiting a workover rig to drill out the plug and clean out the well before running the pump.

Kenya #4 in PL 228

Spud Date	2 February 2007
Permit	PL 228 in which QGC holds a 59.375% interest and Origin Energy CSG Limited holds 40.625% interest.
Location	Latitude: 26° 58' 12" S Longitude: 150° 27' 09" E
Objective	Kenya #4 is the fourth of a five spot pattern to be drilled to add geological information for a reserves certification process, as well as to provide gas to meet the contractual obligations of the Incitec Pivot Limited Gas Sales Agreement. The well is designed to investigate the seams of the Juandah and Taroom Coal Measures in this area. The well will be initially completed across the Juandah Coal Measures seams for immediate production testing. Kenya #2 reached a total depth of 735.0m after intersecting 25.7m of gassy coal in the Juandah and Taroom Coal Measures. After reaching total depth and wireline logging, all significant seams in the Juandah and Taroom Coal Measures will be underreamed and 7" pre-perforated casing will be set across the Taroom Coal Measures.
Current Operations	The well is currently WOC after running 7" production casing..

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