

**QUEENSLAND GAS COMPANY LIMITED**

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4 June 2007

ASX ANNOUNCEMENT**WEEKLY DRILLING REPORT**

(as at 6.00am on 4 June 2007)

Berwyndale South #65**Spud Date** 1 June 2007**Rig Release Date**

Permit PL 201 in which QGC holds a 90.0% interest and
SGA (Queensland) Pty Limited (a wholly owned subsidiary of QGC)
holds a 10.0% interest.

Location Latitude: 26° 49' 57" S Longitude: 150° 19' 41" E

Rig Des Caling Pty Ltd Rig #2

Objective Berwyndale South #65 is part of an on-going development drilling
program designed to maintain and increase the production from PL
201. The well is designed to access the Juandah and Taroom Coal
Measures for immediate production.

Berwyndale South #64 reached a total depth of 625.8m after
intersecting 26.7m of gassy coal in the Juandah and Taroom Coal
Measures.

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

Current Operations The well is currently undergoing underreaming operations.

Berwyndale South #63

Spud Date	26 May 2007
Rig Release Date	31 May 2007
Permit	PL 201 in which QGC holds a 90.0% interest and SGA (Queensland) Pty Limited (a wholly owned subsidiary of QGC) holds a 10.0% interest.
Location	Latitude: 26° 50' 25" S Longitude: 150° 19' 43" E
Rig	Des Caling Pty Ltd Rig #2
Objective	Berwyndale South #63 is part of an on-going development drilling program designed to maintain and increase the production from PL 201. The well is designed to access the Juandah and Taroom Coal Measures for immediate production. Berwyndale South #63 reached a total depth of 634.8m after intersecting 27.5m 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 both the Juandah and 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.

Argyle #15

Spud Date

Rig Release Date

Permit PL 179 in which QGC holds a 59.375% interest and
Origin Energy CSG Limited holds a 40.625% interest.

Location Latitude: 26° 54' 26" S Longitude: 150° 27' 47" E

Rig Ensign International Energy Services Rig #34

Objective Argyle #15 is the tenth well in a new program to provide gas to meet the contractual obligations of the Incitec Pivot Development contract. The well is designed to access the Juandah and Taroom Coal Measures for immediate production.

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

Current Operations The drilling rig is on site and preparing to commence drilling.

Kenya East #3

Spud Date	24 May 2007
Rig Release Date	2 June 2007
Permit	ATP 648P in which QGC holds a 58.75% interest, Origin Energy CSG Limited holds 31.25% and SGA (Queensland) Pty Limited (a wholly owned subsidiary of QGC) holds a 10.0% interest.
Location	Latitude: 27° 01' 13" S Longitude: 150° 34' 19" E
Rig	Ensign International Energy Services Rig #34
Objective	Kenya East #3 is an exploration well designed to investigate the seams of the Juandah and Taroom Coal Measures in ATP 648P. This will add geological information for a reserves certification process. Kenya East #3 reached a total depth of 734m after intersecting 31.1m of gassy coal in the Juandah and Taroom Coal Measures. During drilling, three selected seams of the Juandah and Taroom Coal Measures were tested for permeability by off-bottom drill stem testing, with results showing very encouraging indications of coal seam permeability and gas saturation. After reaching total depth and wireline logging, all significant seams in the Juandah and Taroom Coal Measures were underreamed and 7" pre-perforated casing set across the Juandah Coal Measures, with the Taroom Coal Measures isolated for later addition to the test interval.
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.

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