

Queensland Curtis LNG Project

Overview

Queensland Curtis LNG is a priority project of QGC, a BG Group business, to develop Queensland coal seam gas for Australian and international markets. The Project will be one of Australia's largest capital projects and will have significant economic benefits for Australia and in particular for Queensland.

Key elements of the proposed project involve:

- An expansion of QGC's exploration and gas production operations in the Surat Basin;
- A 540 km underground pipeline to Gladstone on the central Queensland coast;
- Up to 400 kilometres of gas and water pipeline network connecting the primary gas fields;
- A LNG processing plant on Curtis Island, near Gladstone.

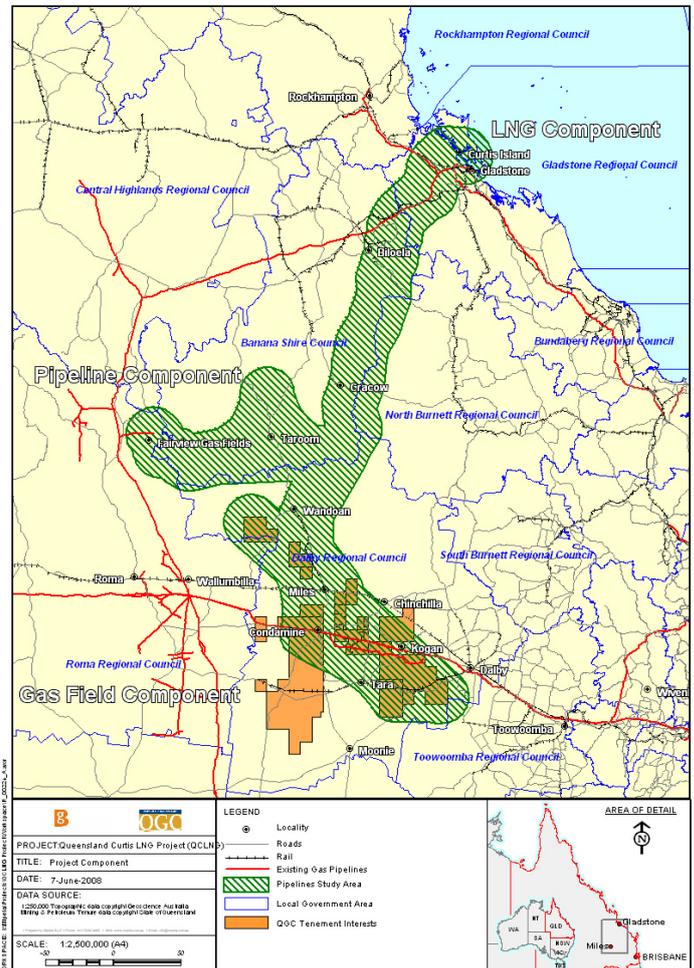
First production is expected to begin in 2014 with an annual production of 12 million tonnes, which is equal to enough energy to power every household in metropolitan Brisbane for 15 years.

In February 2012, Thiess Pty Ltd, a wholly-owned subsidiary of Leighton Holdings Limited was awarded the contract for construction of gas processing facilities.

The \$325 million contract involves the construction of six field compression stations and one central processing plant.

The facilities, about 40km west of Dalby, will process gas which will be transported through the underground pipeline network to Gladstone where the gas will be liquefied.

Thiess will undertake all civil, mechanical and high-voltage electrical work in constructing and commissioning the facilities through to the first half of 2013, and the contract includes a robust plan for employment of local personnel and contractors.



Location	Status	Timeframe	Capital Exp \$	Workforce
Surat Basin to Gladstone	June 2010 – Project Approved. Q2 2010 – Construction commenced Q4 2013 – First LNG production.	2010 to 2014	\$15bn	4,000 jobs construction 1,000 jobs operational

The Pipeline

The 42-inch (about one metre) diameter steel pipeline, which will be buried for more than 540km, will take gas from fields around Chinchilla to Gladstone.

A total of 46,200, 12-metre lengths of pipe were delivered to sites along the pipeline route in preparation for welding and burial. Each of the 46,200 welds on the pipeline is subject to 100% automatic ultrasonic testing to ensure it meets Australian and international standards.

The pipeline is being constructed by a joint venture of McConnell Dowell and Consolidated Contracting Company, and more than 1300 people are involved in preparing the pipeline easement, digging the trench, welding and testing the welds before eventually burying the pipeline.

March 2012 was scheduled as the starting date for the burial of the first sections of the pipeline, subject to the completion of safety and integrity testing.

Workforce Development

In 2012, QGC Pty Limited and BUSY At Work formed a partnership to attract apprentices and trainees to businesses in regional Queensland outside the coal seam gas industry. Under the QGC Strengthening Local Workforces Program, BUSY At Work matches employers in the Western Downs, North Burnett, Banana and Gladstone local government areas with apprentices and trainees.

The \$3.5 million program aims to help 200 individuals start an apprenticeship or traineeship over a three-year period.