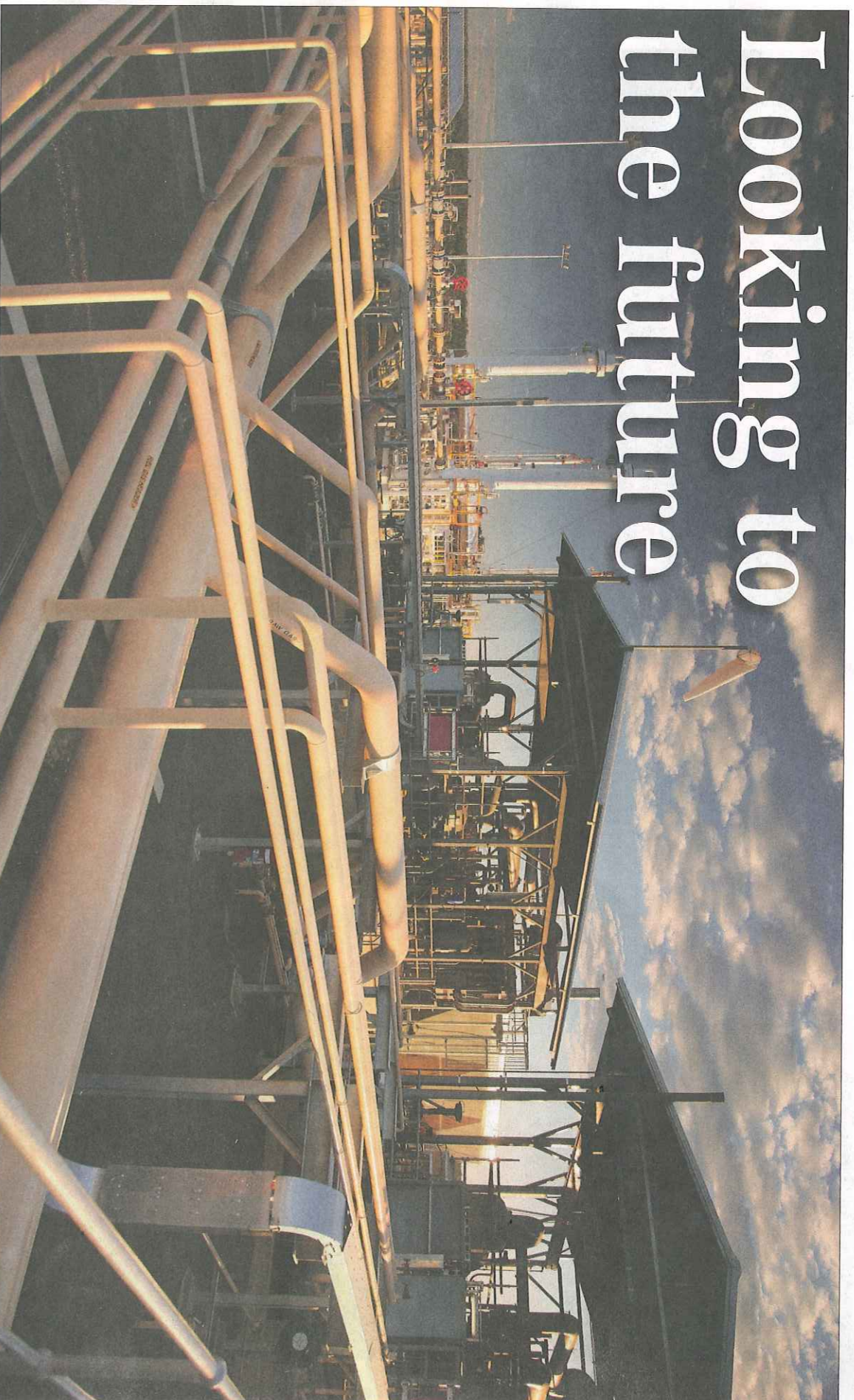


Looking to the future



Continued from front page
 "At times like this, we need to be able to look into the future with hope and optimism and the LNG industry will play an important part in our state's recovery from this flood crisis."

According to Santos, the GLNG project will create 5000 jobs in construction, in addition to the 1000 permanent jobs which will be available in production at the project, with 1500 jobs expected to be created within the first half of 2011.

Treasurer and Minister for Employment and Economic Development, Andrew Fraser, said that GLNG spent more than \$440 million with Queensland suppliers in 2009 alone, and there are currently 900 Queensland

suppliers doing business with the company.

"The project is a massive boost for local engineering, manufacturing and other supply companies from the Surat region through to Gladstone, that will be looking to tender for work," he said.

The development approval leads on to major work projects for upstream field development for the projects, as well as pipeline and LNG plant facilities at Gladstone and orders will now be placed for long lead items such as line pipe, compressors and LNG plant components, according to a Santos company statement.

Mr Andrews said that the approval of a second major LNG project within such a short time

period signposts Queensland's LNG industry as truly up and running.

"The LNG industry will be a powerful ally to help diversify Queensland's economy as well as creating a world first and innovative industry that combines new science and technologies with age-old resource development," he said.

"Even in these tough times, the announcement of this multi-billion dollar project is proof that major corporations have faith in the state's future, in which the LNG industry will play a big role."

The GLNG project is an integrated project that includes the development of coal seam gas (CSG) resources in the Bowen and Surat Basins in south-east

Queensland, the construction of a 420-km gas transmission pipeline from the gas fields to Gladstone, and two LNG trains with a combined nameplate capacity of 7.8mtpa on Curtis Island.

First LNG exports to customers in Korea and Malaysia are expected to commence in 2015.

GLNG has binding LNG sales agreements already in place with PETRONAS and KOGAS for 7mtpa in aggregate.

Santos chief executive David Knox thanked Santos JV partners and the Queensland and Federal Governments for their strong commitment to making the GLNG project a reality, and said the approval was a significant milestone for the company.

"Already Australia's largest

domestic gas producer, GLNG confirms Santos as a major energy supplier to the growing economies of Asia.

"The commitment we are making today delivers on the strategic vision to transform Santos into a significant exporter of LNG," he said.

Federal Minister for Resources and Energy, Martin Ferguson said the benefits of the GLNG project will be visible both in the immediate and long-term future.

"This project and economic development more generally, is important in underpinning the skills, tax revenue, wealth and capacity to respond and re-build in the aftermath of the current flood crisis in Queensland," he said.

WestSide Corp focuses on its Meridian CSG reserve and production upgrades

WestSide Corporation will continue an aggressive two-pronged drilling program at the Meridian Coal Seam Gas (CSG) gasfields near Moura, in Queensland, during the first half of 2011 to increase reserves and demonstrate its capability as a long term supplier to major markets, such as LNG.

Up to four rigs have been deployed on the program which has also involved upgrading roads and drill pads to enable work to continue whenever possible during the wet season.



The company, which operates Meridian SeamGas in joint venture with Mistri E&P Australia, launched a 16-well reserves expansion exploration program in November 2010 targeting a gross increase of 200 Petajoules (PJ) of 2P reserves in 2011.

Chief executive officer, Dr Julie Beeby (pictured left), said the Meridian SeamGas joint venture, in which WestSide has a 51 per cent operating interest, aimed to prove up additional 2P gas reserves while simultaneously ramping up field production.

"We are fully committed to demonstrating the untapped value of the Meridian SeamGas CSG fields in terms of latent reserves, production capability, strategic location and connectivity to Gladstone and other east coast markets via the Queensland Gas

Pipeline," Dr Beeby said. WestSide launched its production drilling program in July 2010 to establish a series of new dual-lateral well sets, in conjunction with a well-work-over program to lift field output toward 25 Terajoules a day by late 2012.

The reserves expansion program, involving seven pilot wells and nine exploration core or chip holes, has the potential to more than double WestSide's present 94 PJ share of Meridian SeamGas's 2P reserves.

Dr Beeby said the strategy involved drilling either a core hole or chip hole ahead of each of the pilot wells as a means of de-risking the program, verifying permeability and confirming connectivity.

"Our aim is to complete this reserves expansion exploration program and capture sufficient

production data from the pilots to achieve a reserves upgrade for Meridian as soon as possible," Dr Beeby said.

The company will also be testing production from two new pilot sites within ATP 769P (Paranni, adjacent to Meridian SeamGas) and ATP 688P (Mount Saint Martin) during 2011 and conducting exploration in previously unexplored areas including its Galilee Basin tenements.

The Meridian SeamGas fields comprise a range of CSG assets including a petroleum lease, gas rights in mining leases and gas compression and pipeline infrastructure connected to Queensland's commercial gas network and with significant capacity for expansion.