



CH4 Gas Limited

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FOR IMMEDIATE RELEASE

CH4 PROVIDES POWER BOOST TO REGIONAL QUEENSLAND

Coal seam gas from the CH4 Gas Limited (“CH4”) Moranbah Gas Project (“MGP”) could become an important power boost to regional Queensland following the official opening today of a 12 Megawatt power station in Moranbah. The MGP is a 50/50 joint venture between CH4 and BHP Billiton.

The power station will provide vital power to Moranbah and surrounding areas with surplus electricity generation to be injected into the grid.

Gas from the MGP will be used by Ergon Energy (“Ergon”) to generate electricity from the new power station which was opened today by Queensland’s Minister for Energy, John Mickel. Gas will be supplied by the MGP to Ergon which has contracted for up to 1.2 PJ of gas per year for 15 years, through to January 2020.

Commenting today on the opening, the Managing Director and CEO of CH4, Mr Louis Rozman, said “We are optimistic that this unique approach to on-site power generation will ultimately be a model for similar developments throughout regional Queensland. The potential exists for other on-site power stations to be constructed in energy starved regional markets which are in close proximity to gas reserves.”

“Gas supply to the Ergon power station in Moranbah represents another significant development for CH4 and it is an important market for our gas. CH4 is proud to be at the cutting edge of innovative programs to power regional Queensland,” he said.

Electricity production to power the Moranbah area from the first 6MW of the 12 MW power stations commenced in late 2004 and commissioning of supply from the second 6MW station was completed in April 2005.

About CH4

CH4 was established in April 2000 to explore and develop coal seam gas reserves in the Bowen Basin region of Central Queensland, which contains extensive coal resources. CH4 is an emerging Australian energy company and is listed on the ASX (ticker “CHX”).

About the Moranbah Gas Project

The MGP, the Moranbah to Townsville Pipeline, and the Yabulu Power Station form part of the North Queensland Gas Project, and are an integral part of the Queensland Government’s Cleaner Energy Strategy, under which electricity retailers are required to source at least 13% of all electricity sold from gas-fired generation from 1 January 2005. The MGP joint venture partners have a 15 year gas sales agreement with Enertrade to supply over 300 PJ of gas over



the life of the contract. The MGP has certified 2P reserves (proved and probable reserves) of 384 PJ.

About Ergon

Ergon Energy is one of Australia's largest electricity companies providing sustainable, quality energy solutions to the Australian electricity market. Australian-owned and operated, Ergon Energy now provides over half a million household and business customers in Queensland, New South Wales, Victoria and the ACT with a world-class customer-driven energy business. They are recognised internationally as having one of the largest service areas covered by a single electricity distributor in the western world.

Kerry J Parker
Company Secretary and Chief Financial Officer

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