

Media Release

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Australia Pacific LNG commissions Stage Two Talinga plant

Australia Pacific LNG today announced it had commenced commissioning of the second, high pressure stage of its Talinga coal seam gas development near Chinchilla in Queensland as part of the progressive ramp up to full production.

Australia Pacific LNG Project Director, Todd Creeger said, "the commencement of commissioning of Stage Two of the Talinga gas plant is another milestone in the ongoing development of the Australia Pacific LNG project following the earlier start-up of the low pressure Stage One in November last year."

"During this commissioning period gas from Talinga is supplementing existing gas supply to a number of clients, with well deliverability above expectations to date."

Australia Pacific LNG is a 50:50 coal seam gas (CSG) to liquefied natural gas (LNG) joint venture between Origin and ConocoPhillips. Origin is the developer and operator of the Talinga gas plant on behalf of the Australia Pacific LNG joint venture.

Origin Executive General Manager Upstream Oil and Gas, Paul Zealand said the commissioning of Stage Two was a major step forward in the continued development of Talinga.

"The development of the Talinga Gas Plant has involved a peak of more than 300 workers on site over the last 12 months and a total of 56 wells have been drilled to date.

"Stage One of Talinga involved the commissioning of the first stage of inlet compression utilising gas from the initial pilot wells and 11 production wells. The start-up of Stage Two involves high pressure reciprocating compressors and dehydration. An additional 12 wells on line since Stage One will bring total capacity to more than 30 terajoules per day (TJ/day).

"The drilling, completion and connection of the remaining wells in this phase of the development will continue over the course of 2010," Mr Zealand said.

On completion of Stage 2, which will include additional low and high pressure compressors, Talinga will have a final capacity of 90TJ/day. The development also includes a reverse osmosis water treatment plant and supporting infrastructure capable of processing 20 megalitres of water per day.

"Commencement of commissioning of Stage 2 of the Talinga development will increase the production capacity from all of Australia Pacific LNG's CSG interests to approximately 250 TJ per day, equivalent to up to 91 PJ per annum. This is expected to increase to 350 TJ/day when this phase of Talinga and the sixth phase of Spring Gully have been completed later this year, along with the ongoing development in non-operated assets," Mr Zealand said.



For further information please contact:

Media

Paul Turner
APLNG Communication Manager
Ph: 07 3867 0676
Mobile: 0429 078 331

Investors

Angus Guthrie
Group Manager Investor Relations
Origin Energy
Ph: +61 2 8345 5558
Mobile: +61 417 864 255

Australia Pacific LNG is a 50:50 joint venture between Origin Energy and ConocoPhillips which combines Origin's 13 and ConocoPhillips' 25 years of CSG experience, as well as ConocoPhillips' 40 years experience in operating and developing LNG facilities. Australia Pacific LNG is already producing almost 40 per cent of Australia's total CSG production to meet domestic market requirements. Australia Pacific LNG holds the largest CSG reserves in Australia. APLNG's project stretches from the Surat and Bowen Basins along a 450km pipeline to a site at Laird Point on Curtis Island off Gladstone. Origin is Australia's largest integrated energy company and ConocoPhillips is a leader in the development of LNG projects internationally including the existing plant in Darwin, Australia. Website: www.aplng.com.au