



QUEENSLAND GAS COMPANY LIMITED

Level 11, 307 Queen Street, Brisbane QLD 4000

GPO Box 3107, Brisbane QLD 4001

Tel: 07 3004 1000 Fax: 07 3012 8411

Website: www.qgc.com.au

Email: qgc@qgc.com.au

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ASX ANNOUNCEMENT

QGC recommends improved AGL proposal

On 1 March 2007 the Queensland Gas Company (QGC) Board of Directors rejected the TCW offer and reaffirmed its recommendation of the AGL Proposal in the absence of a superior proposal. The QGC Board today has received an improved proposal from AGL.

The improved AGL proposal will be voted on today by shareholders at an Extraordinary General Meeting to be held in Brisbane at 10am Queensland time.

The new AGL proposal includes the following changes to its initial proposal:

- AGL increasing its subscription price for QGC shares by 16 cents, up to \$1.60 per QGC share for a 27.5% investment in the company.
- A QGC tender buyback of at least \$1.52 per share.

In recommending the AGL proposal, the Board has also rejected a conditional cash and scrip offer from TCW valued by TCW at \$1.51 per share for all QGC shares.

Yesterday QGC announced Netherland Sewell and Associates Inc certified another QGC Reserve upgrade, taking QGC's 2P reserve position to 883 PJ.

Ends

Media contact:

Cannings +61 2 9252 0622

Sarah Hudson +61 424 034 059

Martin DeBelle +61 409 911 189

For further information contact:

Mr Richard Cottee

Managing Director

Queensland Gas Company Limited

Telephone: (07) 3004 1000

Facsimile: (07) 3012 8411

Website: www.qgc.com.au

