The Petroleum Conference 2006 - The Way Forward

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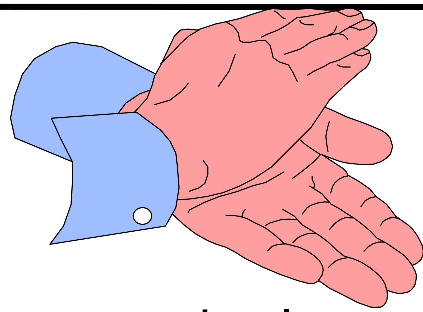
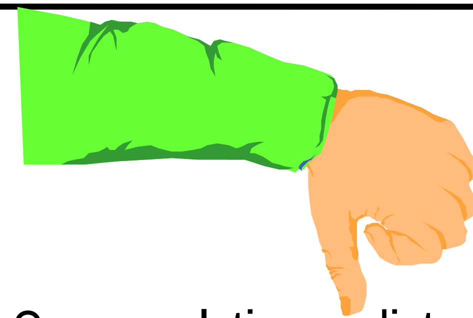
Where we are today - Contact’s perspective

- Contact is primarily focussed on domestic gas environment
- Gas market is transitioning to post Maui world
- The past couple of years have seen a range of changes for gas users
  - higher prices
  - lower security of supply
  - less flexibility in supply terms
  - higher cost and more rigidity in transmission
  - increased regulatory cost
- Gas users are increasingly questioning whether gas remains an attractive fuel
- The next couple of years will be critical in determining the long term health of the domestic gas market
- A range of issues will affect the answer to that question: some of those are in the control of the industry

The way forward - Contact's perspective



- Government involvement limited to policy certainty
- Efforts focussed to ensure early identification of domestic potential
- Greater transparency and reliability of information on reserve potential
- The industry behaving rationally and avoiding the headlines
- Transmission terms and asset management more reflective of asset capability
- GIC focussed in areas where industry cannot deliver cooperatively



- Over regulation or distortionary intervention
- Frontier reconnaissance is a secondary priority
- Exploitation of information asymmetry to the detriment of the industry
- Infighting and bad behaviour which attract intervention
- Monopolists/dominant parties exploiting position without consideration of industry impact
- GIC becoming like the EC

CONTACT