

ANNUAL GENERAL MEETING 2010

ENERGY TO SUCCEED



AGM Proxy Summary



Resolutions	For			Against			Open			Total			Abstain	
	Holders	Votes	%	Holders	Votes	%	Holders	Votes	%	Holders	Votes	%	Holders	Votes
1. Adoption of the Remuneration Report	571	385,620,990	75.6%	267	116,143,432	22.8%	253	8,297,199	1.6%	1,091	510,061,621	100%	55	3,185,256
2. Election of Peter Lansom as a Director	813	457,427,625	89.2%	53	47,208,101	9.2%	250	8,127,368	1.6%	1,116	512,763,094	100%	29	483,783
3. Election of Alexander Sundich as a Director	804	498,935,093	97.4%	58	5,308,633	1.0%	251	8,219,368	1.6%	1,113	512,463,094	100%	31	783,783
4. Employee Incentive Plan LR 7.2 Exception 9(b)	610	171,320,329	34.8%	252	313,984,215	63.7%	245	7,696,708	1.6%	1,107	493,001,252	100%	37	1,991,909
5. Ratification of Issue of Shares to David Casey	474	174,790,716	59.3%	375	112,246,098	38.1%	245	7,783,208	2.6%	1,094	294,820,022	100%	53	217,159,207
6. Increase of fees payable to Non-executive Directors	382	460,090,089	94.3%	469	20,055,273	4.1%	241	7,665,354	1.6%	1,092	487,810,716	100%	47	7,182,445
							61	2,353,470 *						

* The total number of open votes available to vote by chairman.



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David Casey
Managing Director

Disclaimer

This presentation may contain forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Investors should undertake their own analysis and obtain independent advice before investing in ESG shares.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Presentation Overview

Year in Review - Key Achievements

- Reserves Upgrade Target Exceeded
- Progress with Domestic Commercialisation
- LNG Newcastle Project Advanced
- Capital Raising an Outstanding Success
- Robust Share Price Performance

Way Forward





Year in Review - Key Achievements

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Year in Review - Key Achievement

Reserves Upgrade Target Exceeded

- Narrabri CSG Project 2P gas Reserves increased by 152% to 1,520 PJ as at 31 December 2009.
 - ✓ Exceeds stated target of 1,300 PJ.
 - ✓ Represents 53% of NSW indigenous reserves.

- 3C Contingent Resources of 6,215 PJ as at 31 December 2009.

- Reserves and resource upgrades reflect in-field technical success.

- Recurrent wet weather has delayed field activities and in turn gas reserves review work.

ESG Share of Certified Reserves and Resources

PEL 238 Certified Gas Reserves (ESG Share)

1P	2P	3P
75 PJ	988 PJ	1,818 PJ

PEL 238 Certified Contingent Resources (ESG Share)

1C	2C	3C
808 PJ	2,285 PJ	4,040 PJ

Gas Reserves and Resources independently certified by Netherland Sewell and Associates, Inc.

Year in Review



30 remotely-monitored production wells now on line

Year in Review



Reverse Osmosis water treatment capacity significantly expanded

Year in Review



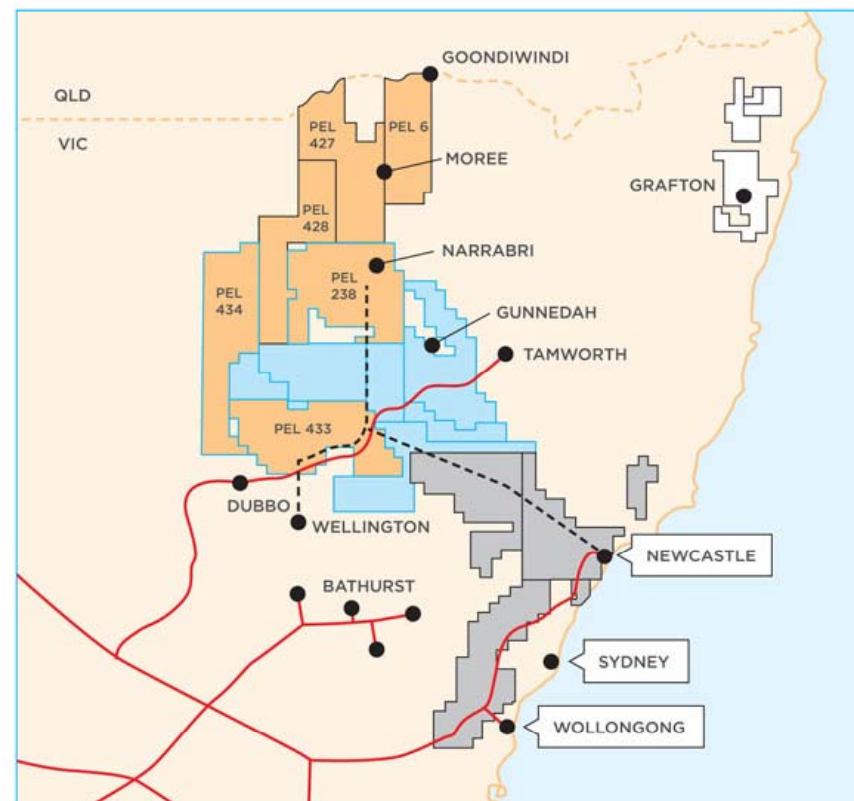
Wet weather has disrupted important field activities - last week, pond construction at Wilga Park

Year in Review - Key Achievement

Progress with Domestic Commercialisation

- Expansion of Wilga Park Power Station underway.
- Memorandum of Understanding with ERM Power.
 - ✓ Approval in place for Wellington Power Station.
 - ✓ 20 PJ/a for 20 from ~2013.
- Babcock & Brown MoU assigned to National Power.
- Other domestic opportunities being progressed.
- Part 3A approvals processes underway.

NSW Major CSG Acreage and Gas Pipelines



Effective implementation of staged approach to project development

Year in Review



Field compression in place to push growing quantities of pilot production gas to Wilga Park

Year in Review - Key Achievement

LNG Newcastle Project Advanced

- Memorandum of Understanding (MoU) with Hitachi Ltd and Toyo Engineering Corporation.
 - ✓ World-class partners
 - ✓ Feasibility Study underway.
 - ✓ Electric motor driven mid-scale technology.
- 24 hA project site on Kooragang Island, Newcastle.
- MoU with Marubeni Corporation.
 - ✓ LNG marketing strength.
 - ✓ Potential equity involvement.
- Access and approvals processes underway.
 - ✓ ~ 270 landholders on pipeline route.

First Stage (1 Mtpa) Development Concept



Image courtesy Toyo Engineering Corporation

Feasibility Study due for completion by end 2010

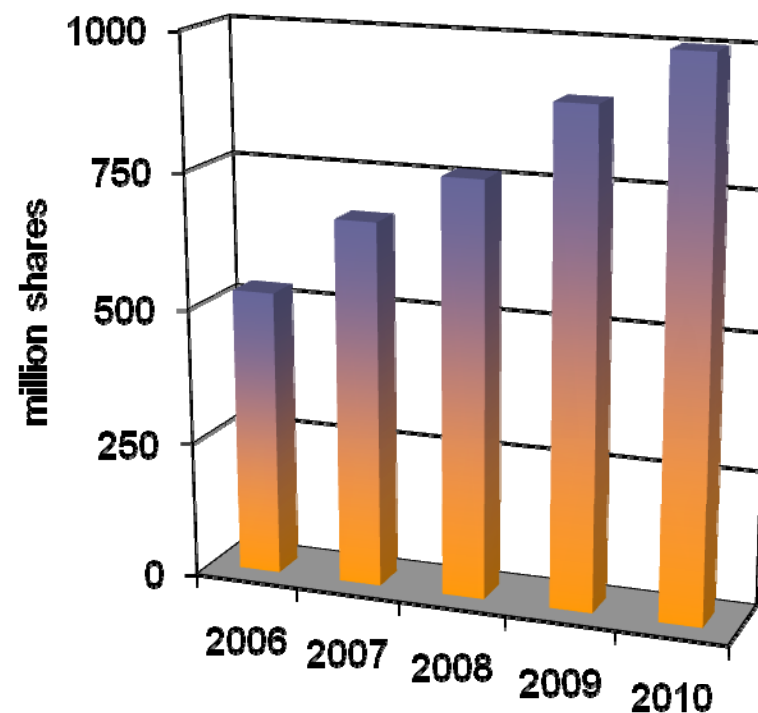
Year in Review - Key Achievement

Capital Raising an Outstanding Success

- A\$100m raised in August 2010.
 - ✓ Fully underwritten capital raising.
 - ✓ Significantly over-subscribed.
 - ✓ 119.1 m new shares issued at \$0.84, representing just 5.4% discount to 5 day VWAP.

- Raising for pursuit of commercialisation initiatives.
 - ✓ LNG Newcastle project site.
 - ✓ FEED activities.
 - ✓ Ongoing exploration and development drilling.

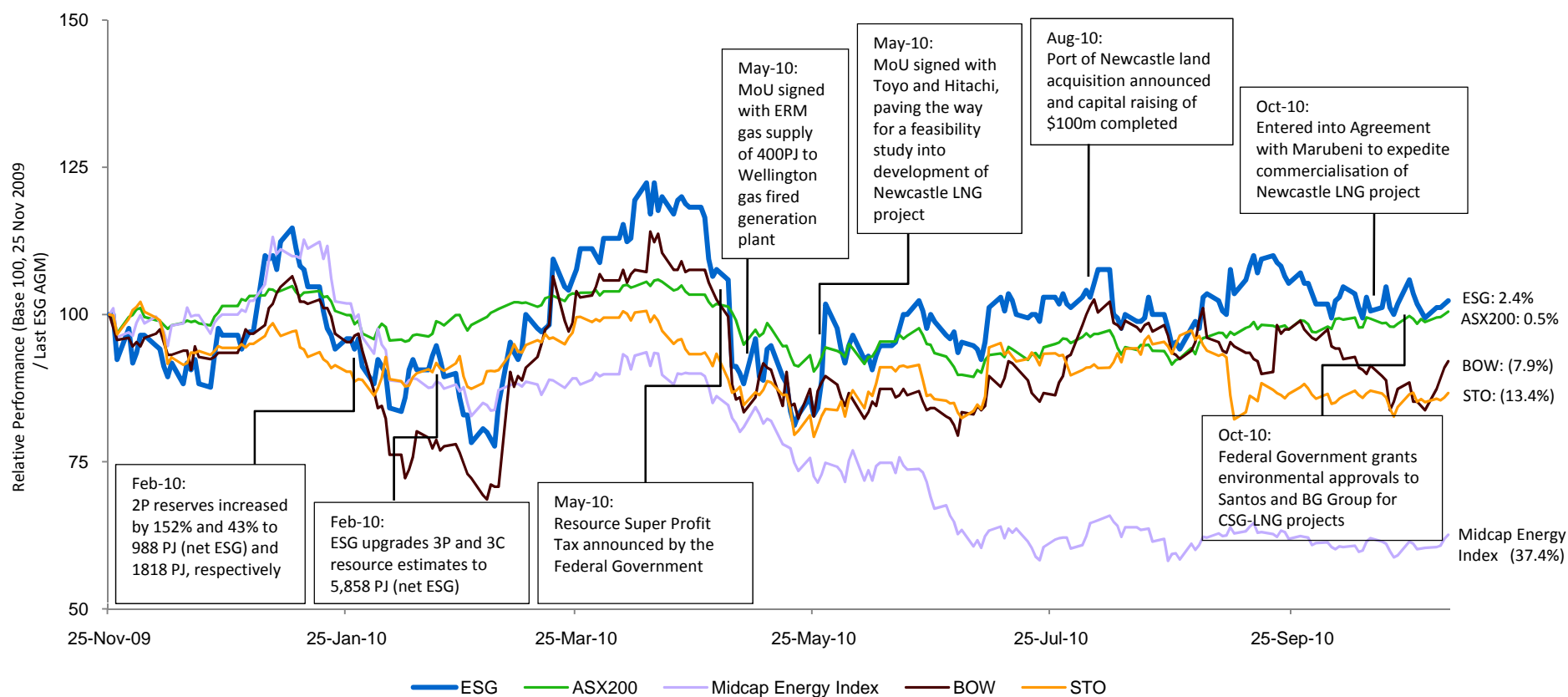
ESG Shares on Issue



ESG is now funded to progress to upstream and downstream FEED

Year in Review - Key Achievement

Robust Share Price Performance



Share prices as of Thursday 4th November 2010 close

Note: Midcap Energy Index based on average of AWE, Beach Energy and Roc Oil share prices

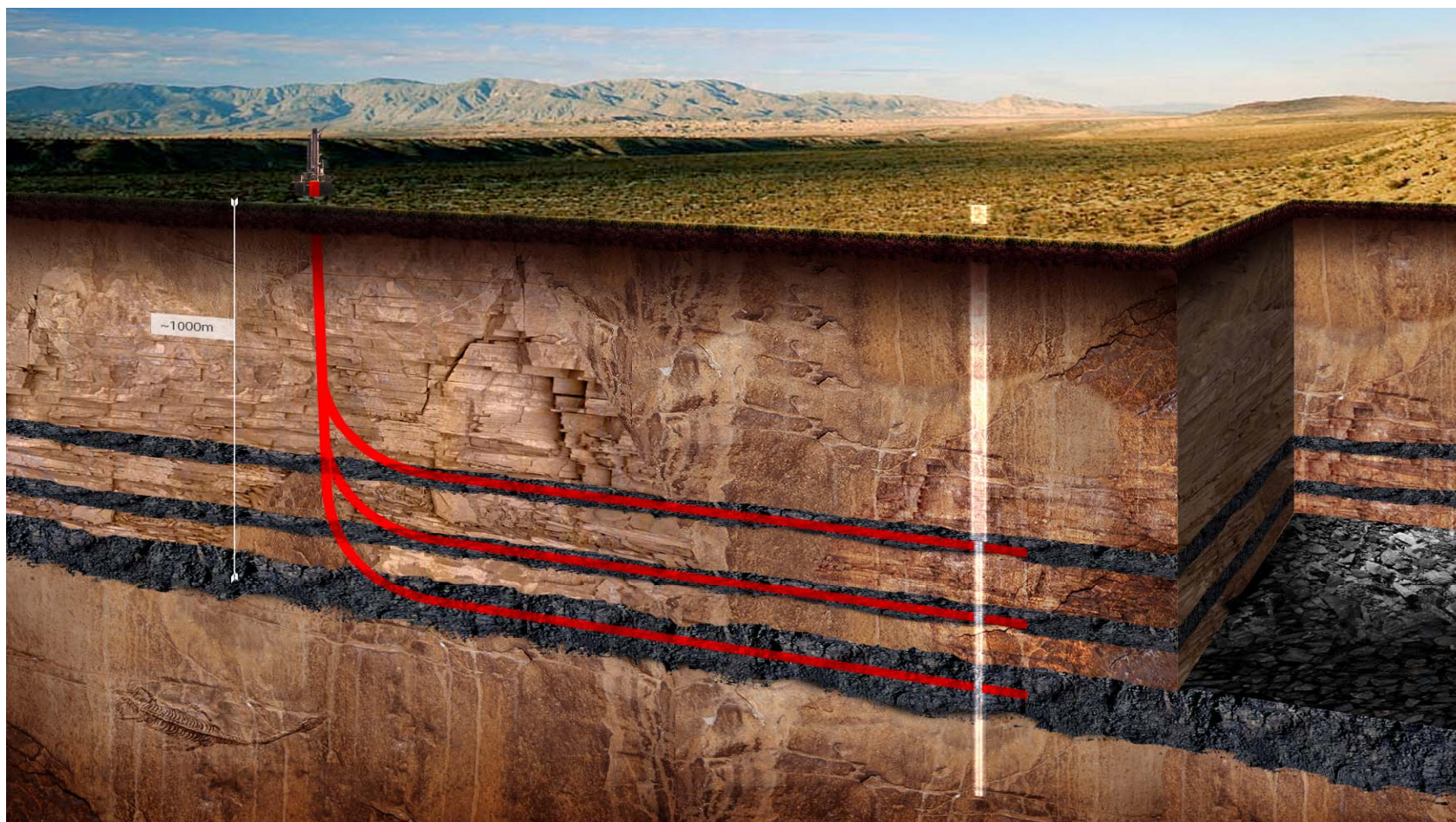


Way Forward

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Way Forward - Production Well Design



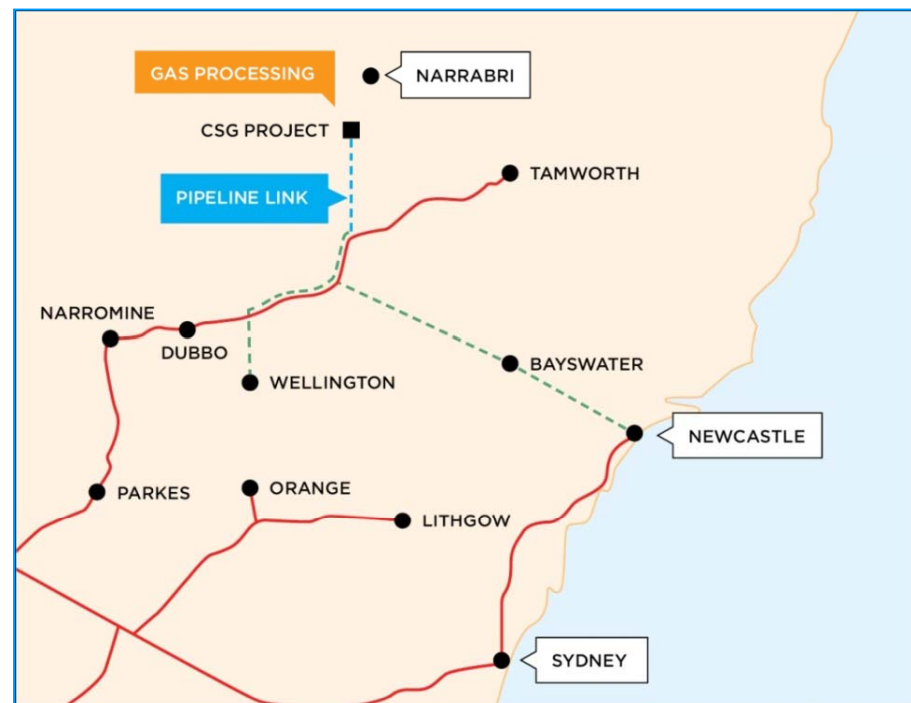
Stacked lateral wells, maximising gas recovery per dollar of capital cost

Way Forward - Domestic Market Development

Development Outlook

- Secure Gas Sales Agreements.
- Finalise Part 3A Approvals.
 - ✓ Field development.
 - ✓ Gas pipelines.
- Project development commitment (FID) late 2011.
- Circa 2 year lead time for field and facilities development.
- Potential to supply gas to any East Coast location.

Project Location and Pipeline Infrastructure



Potential for supply of gas to domestic markets by late 2013

Way Forward - LNG Newcastle Project

Development Outlook

- FEED during 2011, followed by FID early 2012.
- Project development circa 3 year period



Benefits of Mid-scale Electric Motor Driven LNG

- Modular construction:
 - ✓ Capital cost ~80% of world-scale
 - ✓ Construction time ~80% of world-scale
- Electric motor drive:
 - ✓ High reliability
 - ✓ Capital efficiency
 - ✓ Turn-down capability
- Mid-scale:
 - ✓ Low reserves requirement to reach FID
 - ✓ Ease of ramp-gas management

Electric-motor driven Mid-scale LNG is ideally suited for CSG monetisation

In Summary...

ESG - A Leading Australian CSG Company

- Strong Financial and Corporate Position.
 - ✓ Fully funded.
 - ✓ Outstanding personnel.
 - ✓ World-scale CSG resource.

- Progressing Toward Development Commitment.
 - ✓ Technical success with production pilots.
 - ✓ Delivering on gas marketing strategy .
 - ✓ Approvals processes underway.

Corporate Profile

Shares on issue	102.7 million
Market Capitalisation ¹	A\$875 million
Cash ²	A\$113 million
Debt	Nil

Notes:

1. Share price A\$0.855 at close 9 November 2010
2. Cash as at 30 September 2010

ESG's vision is to be NSW's leading supplier of natural gas



Thank You

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