QGC
A BG Group business

16 March 2009

Company Announcement Officer
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2008

To whom it may concern

Audited Interim Financial Report for the half year ended 31 December 2008

In accordance with a resolution of the Board of Queensland Gas Company Limited ("QGC"), attached is QGC's audited Interim Financial Report for the half year ended 31 December 2008.

Yours sincerely

Mark Anning

Mark Anning
Company Secretary

QUEENSLAND GAS COMPANY LIMITED

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ABN 11 089 642 553

Queensland Gas Company Limited

Interim Financial Report

ABN 11 089 642 553

for the half year ended 31 December 2008

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Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Queensland Gas Company Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2008.

Directors

The following individuals were Directors of QGC during the half year and up to the date of this report:

R Bryan (Chairman until 12 November 2008) (1)

T Crommelin (Chairman from 12 November 2008) (2)

R Cottee (Managing Director until 27 November 2008) (3)

B Way (Acting Interim Managing Director from 28 November 2008) (4)

F Connolly

M Houston (5)

D Maxwell (6)

D Elphinstone (7)

M Fraser (8)

S Mikkelsen (8)

M Moraza (8)

P Cassidy (9)

(1) Mr R Bryan resigned as Chairman and Director on 12 November 2008.

(2) As Chairman elect, Mr Crommelin took up the position of Chairman on Mr R Bryan's resignation from the company.

(3) Mr R Cottee resigned on 27 November 2008.

(4) Mr B Way was appointed Director on 17 November 2008.

(5) Mr M Houston was appointed as Mr Crommelin's Alternate Director on 25 September 2008 (replacing Mr D Maxwell). On 17 November 2008 Mr M Houston was appointed as a Director.

(6) Mr D Maxwell was until 25 September 2008 an Alternate Director for Mr Crommelin. Mr D Maxwell resigned as an Alternate Director on 25 September 2008 (being replaced by Mr M Houston) and subsequently was appointed a Director on 17 November 2008.

(7) Mr D Elphinstone and his Alternate Director Mr V De Santis resigned on 27 November 2008.

(8) Messrs M Moraza, S Mikkelsen, M Fraser (together with their Alternate Director Mr J Galvin) resigned on 5 November 2008.

(9) Mr P Cassidy and his Alternate Director Mr M de Leeuw resigned on 27 November 2008.

Review of operations

QGC has reported an overall net loss after tax for the half year of $67.3 million (2007: net profit after tax of $22.1 million). During the half year, the Group acquired Roma Petroleum NL (ASX: RPM), Sunshine Gas Limited (ASX: SHG) and Petroleum Exploration Australia Limited. Further information on these acquisitions are contained in note 11 of the financial statements. On 28 October 2008, the BG Group announced its offer to acquire all the shares of QGC at $5.75 per share. At 31 December 2008, BG had acquired 97.8% of QGC shares.

The Groups results were affected by the following significant expenses:

	2008 $'000
Vesting of long-term incentive and short-term incentive plans as a result of the Group's acquisition by the BG Group	20,271
Costs related to onerous contracts written off	15,375
Write off of tenement and gasfield information intangible asset	24,737
Legal and consulting fees incurred in relation to the Group's acquisition by the BG Group	11,500
	71,883

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Rounding off

The Group is of a kind specified in Class order 98/100 issued by the Australian Securities and Investments Commission, relation to the "rounding off" of amounts in the Directors' Report and Financial Report . Amounts in the interim Financial Report and directors' Report have been rounded off to the nearest thousand dollars, in accordance with that Class Order, unless otherwise stated.

This report is made in accordance with a resolution of Directors.

Tim Cromellin

Director

Brisbane
16 March 2009

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Auditor's independence declaration

As lead auditor for the audit of Queensland Gas Company Limited for the half year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Queensland Gas Company Limited and the entities it controlled during the year.

Martin T Linz

Martin T Linz
Partner
PricewaterhouseCoopers

Brisbane
16 March 2009

Income statements

for the half year ended 31 December 2008

	Notes	31 December 2008 $'000	31 December 2007 $'000
Revenue from continuing operations			
Revenue	3	**43,638**	35,033
Other income	4	**89**	66
Expenses	5	**(123,332)**	(21,876)
Profit/(loss) from operating activities before financing costs, depreciation, amortisation and significant items		**(79,605)**	13,223
Depreciation, depletion and amortisation		**(6,318)**	(5,585)
Profit/(loss) from operating activities before finance costs		**(85,923)**	7,638
Finance costs	6	**(433)**	(365)
Profit/(loss) before income tax		**(86,356)**	7,273
Income tax benefit		**19,106**	14,832
Profit/(loss) attributable to members of Queensland Gas Company Limited		**(67,250)**	22,105

			Cents
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	9	**(7.66)**	2.98
Diluted earnings per share	9	**(7.66)**	2.98

The above Income statements should be read in conjunction with the accompanying notes.

Balance sheets

as at 31 December 2008

	Notes	**31 December 2008 $'000**	30 June 2008 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**123,355**	703,993
Trade and other receivables		**171,376**	55,478
Inventories		**34**	-
Total current assets		**294,765**	759,471
Non-current assets			
Development and production assets		**431,551**	296,864
Other property, plant and equipment		**21,943**	13,745
Intangible assets – exploration and evaluation costs		**814,459**	30,676
Intangible assets – tenements and gasfield information		**-**	25,208
Intangible assets – other		**-**	255
Deferred tax assets		**-**	17,733
Available-for-sale financial assets		**16,665**	17,557
Total non-current assets		**1,284,617**	402,038
Total assets		**1,579,382**	1,161,509
LIABILITIES			
Current liabilities			
Trade and other payables		**56,397**	26,087
Borrowings		**783**	669
Provisions		**18,008**	1,095
Current tax liability		**458**	59,339
Derivative financial instruments		**1,974**	1,165
Total current liabilities		**77,620**	88,355
Non-current liabilities			
Borrowings		**2,505**	1,626
Provisions		**18,868**	9,015
Deferred tax liabilities		**-**	32,605
Derivative financial instruments		**9,382**	16,897
Total non-current liabilities		**30,755**	60,143
Total liabilities		**108,375**	148,498
Net assets		**1,471,007**	1,013,011
EQUITY			
Contributed equity	*7*	**1,335,604**	808,773
Reserves		**(3,141)**	(1,557)
Retained profits		**138,544**	205,795
Total equity		**1,471,007**	1,013,011

The above Balance sheets should be read in conjunction with the accompanying notes.

Statements of changes in equity

for the half year ended 31 December 2008

	Notes	31 December 2008 $'000	31 December 2007 $'000
Total equity at the beginning of the financial year		**1,013,011**	523,622
Income tax on expenses recognised directly in equity		**-**	687
Changes in the fair value of available-for-sale assets, net of tax		**129**	-
Changes in the fair value of cash flow hedges, net of tax		**2,262**	(9)
Net income recognised directly in equity		**2,391**	678
Profit/(loss) for the half-year		**(67,250)**	22,105
Total recognised income and expense for the period		**(64,859)**	22,783
Transactions with equity holders in their capacity as equity holders:			
Shares issued to acquire Roma Petroleum NL		**19,577**	-
Shares issued to acquire Sunshine Gas Limited		**506,206**	-
Employee shares		**-**	1,972
Cash settlement of share based payments		**(2,928)**	-
		522,855	1,972
Total equity at the end of the half year		**1,471,007**	548,377

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statements

for the half year ended 31 December 2008

	Notes	31 December 2008 $'000	31 December 2007 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of applicable goods and services tax)		**33,829**	23,979
Receipts of refunds of goods and services tax		**9,833**	2,587
Payments to suppliers and employees (inclusive of goods and services tax)		**(111,459)**	(22,908)
Interest received		**20,204**	1,579
Interest paid		**(62)**	(153)
Income taxes paid		**(58,882)**	-
Net cash inflow/(outflow) from operating activities		**(106,537)**	5,084
Cash flows from investing activities			
Receipts from joint venture participants (inclusive of goods and services tax)		**61,031**	10,313
Payments for exploration and evaluation		**(44,123)**	(6,107)
Payments for development and production assets		**(139,588)**	(68,165)
Payments for property, plant and equipment		**(9,818)**	(6,707)
Loans to related parties		**(97,000)**	-
Proceeds from sale of other non-current assets		**39**	-
Acquisition of Roma Petroleum NL, net of cash acquired		**(26,943)**	-
Acquisition of Sunshine Gas Limited, net of cash acquired		**(204,226)**	-
Acquisition of Petroleum Exploration Australia Limited, net of cash acquired		**(13,492)**	-
Net cash outflow from investing activities		**(474,120)**	(70,666)
Repayments of finance leases		**(463)**	(311)
Net cash outflow from financing activities		**(463)**	(311)
Net increase / (decrease) in cash and cash equivalents		**(581,120)**	(65,893)
Cash and cash equivalents at the beginning of the financial year		**703,993**	248,252
Effects of exchange rate changes on cash and cash equivalents		**482**	(745)
Cash and cash equivalents at the end of the year		**123,355**	181,614

The above Cash flow statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

for the half year ended 31 December 2008

1 Significant accounting policies

Queensland Gas Company Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 5, 30 Herschel Street, Brisbane, Queensland, 4000.

The condensed consolidated interim financial report was authorised for issue by the Directors on the 16 March 2009. The principal accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2008. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year and corresponding interim reporting period.

(a) **Basis of preparation of half-year financial report**

This condensed general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting and the Corporations Act 2001.*

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Queensland Gas Company Limited during the interim reporting period in accordance with the continuous discloser requirements of the C*orporations Act 2001*

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, include the estimation of future costs to access gas reserves and the estimation of economically recoverable gas reserves used for calculation of the depletion rate.

In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2008.

2 Segment Information

The group operates in one business segment, being the petroleum exploration industry. Activities include the exploration, evaluation and development of coal seam gas deposits. The Group's activities are conducted in one geographical segment, being Australia.

3 Revenue

	31 December 2008 $'000	31 December 2007 $'000
Product Sales		
Sale of gas	**19,890**	27,359
Sale of oil	**797**	-
Infrastructure tolling revenue	**2,017**	667
	22,704	28,026
Other revenue		
Rents and sub-lease rentals	**810**	73
Interest Income		
From related party	**185**	-
From third parties	**19,939**	6,934
	20,934	7,007
Total revenue	**43,638**	35,033

4 Other income

	31 December 2008 $'000	31 December 2007 $'000
Sundry income	**59**	-
Profit on sale of assets	**30**	66
	89	66

5 Expenses

5.1 Net gains and expenses

	31 December 2008 $'000	31 December 2007 $'000
(a) The operating profit from ordinary activities before income tax expense includes the following specific net gains and expenses after capitalisation of amounts attributable to developments, exploration and evaluation activities or recovered from joint ventures:		
Cost of Sales	**11,553**	8,416
Administration costs	**369**	1,234
Deferred exploration, evaluation and other costs written off	**28,880**	-
Costs related to onerous contracts written off	**15,375**	-
Foreign exchange losses	**609**	1,505
Gas marketing costs	**3,750**	3,816
Legal, management and consulting costs	**20,423**	693
Loss on sale of assets	**16**	-
Non-executive Directors' fees	**358**	135
Salaries and employee benefits expenses	**38,441**	5,032
Travel, accommodation and associated costs	**1,275**	458
Joint venture overhead recovery	**(1,813)**	(928)
Other expenses	**4,096**	1,515
	123,332	21,876

6 Finance costs

	31 December 2008 $'000	31 December 2007 $'000
Interest and finance charges paid/payable	**320**	301
Finance facility costs	**31**	39
Lease exit costs	**82**	-
Other	**-**	25
	433	365

7 Contributed equity

(a) Share capital

	December 2008 Shares	June 2008 Shares	**December 2008 $'000**	June 2008 $,000
Issued ordinary shares – fully paid:				
Quoted	**967,556,231**	821,134,414		
Unquoted	**-**	1,105,124		
Total ordinary shares	**967,556,231**	822,239,538	**1,335,604**	808,773

(b) Movement in ordinary share capital

	No. of Shares	Value $'000
Opening balance at 30 June 2008	**822,239,538**	808,773
Shares issued to employees	**213,164**	771
Shares issued to Directors in lieu of Directors' fees	**66,151**	277
Shares issued in acquisition of Roma Petroleum NL	**4,656,093**	19,577
Shares issued in acquisition of Sunshine Gas Limited	**140,381,285**	506,206
Closing balance at 31 December 2008	**967,556,231**	1,335,604

(c) Share options

No unexpired options were on issue during the period.

8 Non-cash financing and investing activities

During the period the Group acquired plant and equipment to the value of $1,420,000 (2007:$637,000) by means of finance leases.

213,164 (2006: 459,911) shares were issued to employees under the Group's Deferred Employee Share Plan as performance incentives during the 6 months for no consideration.

66,151 (2006: 95,900) shares were issued to Directors during the 6 months in lieu of Directors' fees.

9 Earnings per share

	31 December 2008 Cents	30 June 2008 Cents
Basic earning per share	**(7.66)**	44.64
Diluted earnings per share	**(7.66)**	44.42

	Number	Number
Weighted average number or ordinary shares on issue used in the calculation of basic and diluted earnings per share:		
Basic earnings per share	**877,882,446**	758,888,341
Diluted earnings per share	**877,895,058**	762,652,965

	$'000	$'000
Profit used in calculating basic and diluted earning per share:		
Net profit attributable to members of Queensland Gas Company Limited	**(67,250)**	338,782

10 Business combination

(a) Roma Petroleum NL

On 31 July 2008 Queensland Gas Company acquired all of the issued shares in Roma Petroleum NL (Roma), an oil production and exploration company. At acquisition date, Roma owned 100% of Australian Oil & Gas Corporation Pty Ltd and Permian Oil Pty Ltd. The subsidiary companies main activities are petroleum exploration and evaluation.

The acquired businesses contributed revenues of $913,000 and a net loss of $724,000 to the Group for the period from 31 July 2008 to 31 December 2008.

Details of net assets acquired are as follows:

		$'000
Purchase consideration		
Cash paid		**35,074**
Fair value of shares issued	(i)	**19,577**
Direct costs relating to the acquisition		**443**
Total purchase consideration		**55,094**
Fair value of net identifiable assets acquired (refer below)		**55,094**

(i) Queensland Gas Company Limited issued 4,656,093 ordinary shares as part of the purchase consideration. The fair value of these shares is the volume weighted average market price of the Company's ordinary shares traded on the date of issue.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	$'000	$'000
Cash and cash equivalents	8,430	8,430
Receivables	1,155	1,155
Inventories	34	150
Property, plant and equipment	1	1
Exploration and evaluation	4,682	46,006
Payables	(365)	(365)
Employee benefit liabilities	(283)	(283)
Net identifiable assets acquired	13,654	55,094

(b) Sunshine Gas Limited

On 31 October 2008 Queensland Gas Company acquired all of the issued shares in Sunshine Gas Limited. The principal activity of Sunshine Gas Limited and its controlled entities is the exploration, evaluation and development of conventional gas, coal seam gas and oil reserves. At acquisition date, Sunshine Gas Limited owned 100% of the following entities: BNG (Surat) Pty Ltd, Hamilbent Pty Ltd, Sunshine Gas Operations Pty Ltd, Sunshine 685 Pty Ltd, New South Oil Pty Ltd, Interstate Energy Pty Ltd, Interstate Pipelines Pty Ltd, ACN 002 820 555, ACN 081 118 292 and Sunshine Cooper Pty Ltd.

The acquired business contributed a net loss of $2,042,000 to the Group for the period from 31 October 2008 to 31 December 2008.

Details of net assets acquired are as follows:

		$'000
Purchase consideration		
Cash paid		260,228
Fair value of shares issued	(i)	506,206
Direct costs relating to the acquisition		621
Total purchase consideration		767,055
Fair value of net identifiable assets acquired (refer below)		767,055

(i) Queensland Gas Company Limited issued 140,381,285 ordinary shares as part of the purchase consideration. The fair value of these shares is the volume weighted average market price of the Company's ordinary shares traded on the date of issue.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	$'000	$'000
Cash and cash equivalents	55,828	55,828
Receivables	1,410	1,410
Investments	1,395	1,135
Other assets	202	202
Property, plant and equipment	4,274	4,274
Exploration and evaluation	54,578	714,290
Payables	(3,272)	(3,272)
Employee benefit liabilities	(187)	(187)
Provisions	(4,330)	(6,625)
Net identifiable assets acquired	109,898	767,055

(c) Petroleum Exploration Australia Limited

On 20 November 2008 Queensland Gas Company Limited acquired all of the issued share capital in Petroleum Exploration Australia Limited, a company focused on obtaining substantial participating interests in Farmout agreements with Central Petroleum Limited.

The acquired business contributed a net loss of $483,000 to the Group for the period from 20 November 2008 to 31 December 2008.

Details of net assets acquired are as follows:

	$'000
Purchase consideration	
Cash paid	11,843
Direct costs relating to the acquisition	39
Total purchase consideration	11,882
Fair value of net identifiable assets acquired (refer below)	11,882

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	$'000	$'000
Cash and cash equivalents	47	47
Exploration and evaluation	10,068	19,356
Payables	(6,972)	(6,972)
Employee benefit liabilities	(549)	(549)
Net identifiable assets acquired	2,594	11,882

11 Contingencies

(a) Contingent liabilities

The Group has a $10,000,000 (30 June 2007: $6,000,000) Indemnity Guarantee Facility whereby its financiers have provided guarantees to various entities that the Group will honour its obligations under specific agreements. At the balance sheet date, guarantees totalling $5,439,001 (30 June 2007: $5,338,591) had been used under this facility.

The Group has a $2,518,000 (30 June 2007: $2,518,000) Standby Letter of Credit Facility whereby its financiers have provided guarantees to various entities that the Group will honour its obligations under specific agreements. At balance date, guarantees totalling $2,518,000 (30 June 2007: $2,518,000) had been used under this facility.

Of the facilities above, $660,000 (30 June 2007:$230,000) of the Indemnity Guarantee Facility, and all of the Foreign Currency Dealing Limit Facility relate to joint ventures operated by the Group.

The Group has a $500,000 (2007: $Nil) Corporate Credit Card Facility. As at the balance sheet date the amount outstanding under this facility was $90,574.

QGC and ANZ Infrastructure Services entered into an EPC contract with Austrian Energy and environment to build the Condamine Power Station during the 2006/07 financial year. From the estimated completion date of the Power Station, April 2009, QGC will effectively lease the Power Station from ANZ Infrastructure Services through the payment of a tolling charge for a period of 20 years. The value of this charge will be confirmed upon final successful completion of the construction of the Power Station.

No material losses are expected in respect of the above contingent liabilities.

(b) Sales contingencies

Certain gas sales customers have an option to purchase additional gas over their relevant contract periods subject to certain conditions.

(b) Tax Consolidation

On 5 November 2008, QGC was acquired by BG Group through an existing multiple entity consolidation of which BG International (Aus) Investments Pty Ltd (BGIAI) was the head entity. At 31 December 2008, BGIAI owns 97.8% of QGC and as a result has not been able to finalise its tax consolidation process. There is also no tax sharing or funding agreement in place at 31 December 2008. It is BG's intention to consolidate QGC from a tax perspective using the stand alone entity basis of accounting. BGIAI and QGC are currently finalising the tax sharing and funding agreements and once 100% ownership is obtained QGC will be consolidated into the BGIAI multiple entity consolidation group.

12 Events occurring after reporting date

Aside from any matters discussed in the financial statements, no other matter or circumstance has arisen since 31 December 2008 that has significantly affected, or may significantly affect:

(a) the Group’s operations in future financial years, or

(b) the results of those operations in the future financial years, or

(c) the Group’s state of affairs in future financial years.

Directors' Declaration

In the Directors' opinion:

a) the condensed consolidated interim financial statements and notes set out on pages 6 to 16 are in accordance with the *Corporations Act 2001,* including

   i complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Queensland Gas Company Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

T CROMMELIN
Chairman

Brisbane 16 March 2009

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Independent auditor's review report to the members of Queensland Gas Company Limited

Report on the half year financial report

We have reviewed the accompanying half year financial report of Queensland Gas Company Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declarations for the Queensland Gas Company Limited (the company) and the entities it controlled during that half year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation and fair presentation f the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half year ended on that date; and complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Queensland Gas Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website http:/www.pwc.com/au/financialstatementaudit.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Queensland Gas Company Limited is not in accordance with the *Corporations Act 2001* including:

(d) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
(e) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS

Martin Linz

Martin Linz
Partner

Brisbane 16 March 2009