



**QUEENSLAND GAS COMPANY LIMITED**

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14 November 2007

**ASX Announcement**

**QGC hedges Condamine Power Station**

Queensland Gas Company (QGC) has entered into a hedge with AGL Energy for approximately 66% of the Condamine Power Station output for the first 3 years.

The strike price for the hedge takes advantage of the current strength in the electricity market by locking in pricing for 3 years that is approximately 40% higher than pricing assumed for financing purposes.

The hedge is on an as available "generation following" basis which reduces the risk to QGC if it is unable to generate electricity at any particular time, and applies to only "sent out" electricity which preserves all potential value available through Gas Electricity Certificates (GECs).

"The hedge entered into with our strategic partner AGL Energy is for only 66% of the Condamine Power Station output, but it covers all of our payments under the tolling arrangement in those 3 years. Additionally, because it is a generation following hedge, it does so with minimal risk to QGC", said QGC's Managing Director, Richard Cottee.

"This enables QGC to take advantage of the expected price volatility during those years in the knowledge that our costs have already been covered".

"QGC sees the hedge as a further illustration of the value of our strategic relationship with its largest shareholder (AGL) and demonstrates the commercial value of QGC's vertical integration and on-site electricity generation strategy," Mr Cottee said.

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