



Queensland  
Government

Our ref: TN134352/MH39/DIP

13 AUG 2008

Department of  
Infrastructure and Planning

Mr Ken Smith  
Director-General  
Department of the Premier and Cabinet  
PO Box 15185  
City East QLD 4002

Dear Mr Smith

The Department of Infrastructure and Planning (DIP), in partnership with the Department of Mines and Energy (DME) Exempt Sch.3(1) Cabinet before commencement of RTI in relation to the production of Liquefied Natural Gas (LNG) in Queensland.

There is significant private interest in the establishment of this industry which is new to Queensland and which has both potential benefits and costs to the State. The benefits and costs of this industry need to be identified and evaluated before a policy position can be formulated.

Queensland has the potential to supply well in excess of local demand and consequently the existing product sells for the cost of production plus a small profit margin. This low price is of benefit to present and potential future industry. The establishment of a LNG export industry would bring this gas into global energy market parity.

There are also a range of other possible impacts that need to be considered including the long term energy requirements of the State, royalty regimes, the benefit of LNG in meeting climate change targets, the management of waste products from the process and the possible impact on existing ground and surface waters.

Due to the complexity of this issue I am seeking to establish an inter-agency team comprising senior departmental staff who can provide strategic advice on the needs of their agencies. The members of this group would act as the key point of contact for the coordination of comments from their agency to the DIP/DME project team. The inter-agency team will be referred to as the Senior Government Agency Steering Group and will have a significant role in shaping this important policy.

Executive Building  
100 George Street  
PO Box 15009  
City East Queensland 4002  
Telephone +61 7 3227 8548  
Facsimile +61 7 3224 4683  
Website [www.dip.qld.gov.au](http://www.dip.qld.gov.au)

ABN 25 166 523 889

The group will be supported by a project team and through various working groups established to inform the project.

I anticipate that meetings will be monthly during the initial phases of the project and on an as needs basis as the project progresses.

As your agency is a key stakeholder in the policy development process, I would like to invite you to nominate a senior staff member to participate in the Senior Government Agency Steering Group. I would ask that you arrange for the name and contact details of your agency's nominee to be provided to Mr Mal Hellmuth, Executive Director, LNG Project, by 26 August 2008. Mr Hellmuth may be contacted on 3404 8302 or via email at [mal.hellmuth@dip.qld.gov.au](mailto:mal.hellmuth@dip.qld.gov.au).

I look forward to your agency's participation in this important project.

Yours sincerely



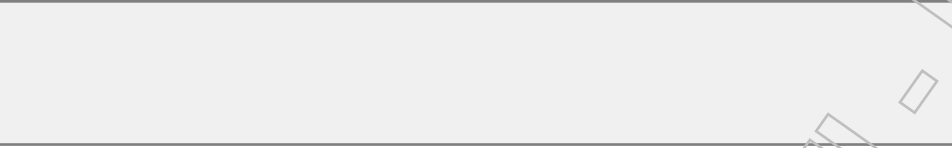
Colin Jensen  
**Coordinator-General**  
**Director-General**

Released under RTI

Mr Colin Jensen  
Coordinator-General  
Director-General  
Department of Infrastructure and Planning  
PO Box 15009  
CITY EAST QLD 4002

Dear Mr Jensen

Thank you for your letter of 13 August 2008 Exempt Sch.3(1) Cabinet before commencement of RTI  
Liquid Natural Gas (LNG) industry in Queensland.



As you are aware, the LNG industry is showing significant and increasing interest in investing in Queensland. It is critical the State is upfront and clear on its policy regarding the industry, both in terms of providing certainty to the industry itself, as well as the broader Queensland community.



I note your proposal to form a Senior Government Agency Steering Group to assist in guiding development of the State's LNG industry policy. I would like to nominate Mr Dennis Molloy, Executive Director, Economic Policy as the representative for the Department of the Premier and Cabinet. Mr Molloy can be contacted on telephone (07) 3224 5870 or via email at dennis.molloy@premiers.qld.gov.au.

I look forward to hearing news of progress in relation to developing the State's policy on the LNG industry.

Released Under RTI - DPC

Yours sincerely

Ken Smith  
Director-General

cc Mr Dan Hunt, Director-General, Department of Mines and Energy

Department of the Premier and Cabinet  
of 2

Page 2

Released under RTI - DPC



Our ref: 09/4166

12 FEB 2009

Mr Ken Smith  
Director-General  
Department of the Premier and Cabinet  
PO Box 15185  
City East QLD 4002

Dear Mr Smith

The Queensland Premier, the Honourable Anna Bligh MP, has initiated the establishment of a high level group that will provide direction and facilitation to address issues associated with the development of a liquefied natural gas (LNG) industry in Queensland.

I will chair this group which will include the Directors-General of the Departments of the Premier and Cabinet, Transport, Mines and Energy, the Environmental Protection Agency, the Under Treasurer, representatives from LNG projects in Queensland and the Chief Executive Officer of the Gladstone Ports Corporation.

As Coordinator-General, I am also responsible for the facilitation and coordination of the Queensland Government's response to the proposed LNG industry. To ensure that this response is well considered and represents the interests of the whole of the Queensland Government, I have established a number of cross departmental working groups to provide direction on a range of LNG issues.

The working groups allow government to address issues associated with the LNG industry on a considered and collective basis. The establishment of the high level group will assist the existing processes and ensure further industry input to the government's LNG industry response.

The first meeting of the high level group has been scheduled for 24 February at 3pm. The meeting will be held in Room 12.39, Level 12, Executive Building, 100 George Street, Brisbane.

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City East Queensland 4002  
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Facsimile +61 7 3224 4683  
Website [www.dip.qld.gov.au](http://www.dip.qld.gov.au)

I would like to invite you to attend this meeting or send a suitable senior member of your organisation to participate in the discussions. Due to the number of parties involved in the LNG industry, only one representative per company can be accommodated.

An agenda for the meeting will be forwarded soon. If you require further information, please contact Mr Mal Hellmuth, Executive Director, LNG Projects, Department of Infrastructure and Planning on 3404 8302 who will be pleased to assist.

Yours sincerely



Colin Jensen  
**Coordinator-General**  
**Director-General**

Released under RTI - DPC



**DIRECTOR-GENERAL'S BRIEFING NOTE**

*Policy*

Tracking Folder No.
Document No.

**To: Director-General**

<b>Approved / Not Approved / Noted</b>
Addressee .....
Date ...../...../.....

**Date:** 23 February 2009

**Subject:** Meeting of LNG high level group

**• RECOMMENDATION**

- That you **note** the following information for your attendance at the first meeting of the LNG high level group on Tuesday 24 February.

**• KEY ISSUES**

- The meeting will cover practical issues associated with the formation of the group and its operation. In addition, two substantive issues are listed for discussion. Caretaker conventions will limit the nature of these discussions.

*Domestic gas supply/demand*

- The development of an LNG industry gives rise to a range of policy issues for the future Queensland Government. Not least of these are higher gas prices as the LNG industry links Queensland gas market to the world gas market.
- To date, work has been based on policy objectives established by the incumbent Government. This has included an intention to increase the level of domestic gas consumption and requiring the CSG/LNG industry to contribute towards the necessary infrastructure to achieve this.

*Opportunities for shared infrastructure and sites*

- Specific infrastructure required to establish an LNG industry includes transmission pipelines from gas fields, water processing facilities and pipelines, liquefaction plants, bridge access to Curtis Island, roads, load out jetties and dredged channels.
- Curtis Island and nearby sites have been the Government's preferred location for LNG plants. A Master Planning process for the area is underway.
- The approach taken to date has been aimed at ensuring different proponents LNG facilities are collocated and/or shared where possible. The Department of Infrastructure and Planning focus is currently planning for common user infrastructure on and around Curtis Island.
- Similarly, the current approach has been aimed at collocation of CSG transmission lines coupled with the establishment of third party access arrangements.

**• CONSULTATION**

- Department of Industry and Planning.

**• BACKGROUND**

- A high-level Government/industry group was formed in response to concerns about cooperation and Government coordination of various LNG projects in Queensland.

Alex Beavers

<b>Comments</b>
Action Officer: Paul Sariban      Approvals by Director / ED /DDG
Area: Economic Policy              documented in notes in TRIM
Telephone:340 58663

Released under the Information Privacy Act 2009 - DPC



**DIRECTOR-GENERAL'S BRIEFING NOTE**  
*Policy*

Tracking Folder No.
Document No.

**Deputy Director-General**  
**Policy**

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Released under RTI - DPC

Action Officer: Paul Sariban Area: Economic Policy Telephone: 340 56663	Approvals by Director / ED / DDG documented in <i>notes</i> in TRIM
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# Premier of Queensland

9 FEB 2009

For reply please quote: EP/GM – TF/09/407 – DOC/09/6026  
Your reference: #402965 lmz:kle

Mr Ian Brusasco AM  
Chairman  
Gladstone Ports Corporation  
PO Box 259  
GLADSTONE QLD 4680

Executive Building  
100 George Street Brisbane  
PO Box 15185 City East  
Queensland 4002 Australia  
Telephone +61 7 3224 4500  
Facsimile +61 7 3221 3631  
Email [ThePremier@premiers.qld.gov.au](mailto:ThePremier@premiers.qld.gov.au)  
Website [www.thepremier.qld.gov.au](http://www.thepremier.qld.gov.au)

Thank you for your letter of 5 January 2009 in which you propose the establishment of a coordination steering group to progress issues associated with the establishment of Liquefied Natural Gas (LNG) projects in Queensland.

As you know, the Coordinator-General is leading the Queensland Government's response to the proposed LNG industry. A dedicated LNG Projects Unit has been established within the Department of Infrastructure and Planning led by Mr Mal Hellmuth reporting directly to the Coordinator-General.

I have instructed the Coordinator-General to establish a high-level steering group which will meet for the first time on 24 February 2009. Membership of the steering group will include the Directors-General from the Departments of the Premier and Cabinet, Transport, Mines and Energy, the Environmental Protection Agency, the Under Treasurer and representatives from LNG projects in Queensland. It would be appropriate for the Chief Executive Officer of the Gladstone Ports Corporation to participate on the steering group.

I expect the Steering Group to provide well considered direction and facilitation to address issues associated with the LNG industry development in Queensland.

The Coordinator-General has also established several cross-departmental working groups to ensure seamless Government assessment processes.

I look forward to your future participation in Queensland's LNG industry. If you require any further information, please contact Mr Mal Hellmuth, Executive Director, LNG Projects, Department of Infrastructure and Planning on (07) 3404 8302.

Yours sincerely

ANNA BLIGH MP  
PREMIER OF QUEENSLAND



**Queensland**  
Government



**Gladstone Ports Corporation**  
*Growth, Prosperity, Community.*

#402965 lmz:kle

5 January 2009

The Hon Anna Bligh MP  
Premier of Queensland  
PO Box 15185  
CITY EAST QLD 4002

Dear Premier

**PROPOSED LNG INDUSTRY – PORT OF GLADSTONE**

The proposed multi-billion dollar LNG industry for the Port of Gladstone provides a unique opportunity to create a third major pillar for the economy of the Gladstone region dominated by the coal and aluminium industry.

Such a diversity of industry will help cushion the Gladstone region against significant economic downturns as is currently being experienced.

It also offers the potential for a \$30bill economic investment decision for Queensland in 2009.

However, with seven current LNG industry proponents and with a significant degree of LNG company ownership fluidity & unresolved project ownership, only strong high level Queensland Government leadership and project approval coordination can help ensure the expedient establishment of this massive industry for the benefit of Queensland.

The most advanced project proponents, Santos, the BG Group and LNG Ltd are all intending to commence construction in late 2009 or in early 2010.

To achieve these timelines a range of project approvals and major infrastructure issues and policy frameworks need to be resolved for these Projects of State Significance.

At the Port level, these involve the facilitation of a major dredge spoil area, project cargo delivery and assembly and water transportation facilities for construction personnel and resolution of Port rules for the safe movement of LNG ships within the Port.

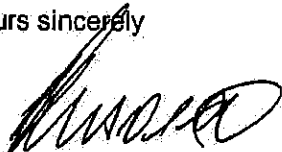
As you are aware, the State is coordinating land based common user infrastructure issues, the provision of project sites and is resolving policies surrounding LNG royalties and supply provisions.

To help facilitate resolution of these issues in the expedient manner required, GPC suggests that a highest level coordination steering group be established within your Government which includes the CEO of the Gladstone Ports Corporation.

Your support for this approach is sought.

Attached is the current status of the seven projects along with a Briefing Paper covering a number of relevant coordination issues.

Yours sincerely



**IAN BRUSASCO AM**  
**CHAIRMAN**

Copies to:

The Honourable Andrew Fraser MP  
Treasurer  
GPO Box 611  
BRISBANE QLD 4001

The Honourable John Mickel MP  
Minister for Transport, Trade, Employment  
And Industrial Relations  
GPO Box 2644  
BRISBANE QLD 4001

Released under RTI - DPC

Pages 12 through 18 redacted for the following reasons:

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Act does not apply Schedule 1, Section 14

Released under RTI - DPC



5 December 2008

Mr Ken Smith  
Director-General  
Department of Premier and Cabinet  
PO Box 15185  
City East Qld. 4002

Mr Colin Jensen  
Coordinator-General and Director-General  
Department of Infrastructure and Planning  
PO Box 15009  
City East Qld. 4002

Dear Ken and Colin,

At the meeting between the Premier and Mr Frank Chapman, Chief Executive of the BG Group, on 19 November 2008, they discussed the need to develop a process for the resolution of issues that are significant to the timely development of BG's Queensland Curtis LNG Project. At that time the Premier indicated her willingness to commit to such a process

Following that meeting Mr. Chapman has written to the Premier (please see attached) confirming BG's interest in seeing the issue resolution process created by the establishment of a "high level group" as soon as possible.

I am now writing to you to seek your cooperation in expediting the establishment of the "high level group".

In our view this "high level group" would not take over negotiations but rather oversee and deal with difficult issues. It is not our intention to subvert proper approval or policy processes. There are significant matters that require urgent attention and that cross departmental boundaries that we propose be addressed by the "high level group".

Currently, BG and the Government deal with issues on an ad hoc basis. We have to make commitments on particular issues in isolation. We are currently faced with requests from different Government agencies that sum up to very significant figures. Ultimately, this could jeopardise the economic proposition of the project.

As indicated in Mr. Chapman's letter, BG is targeting the resolution of a significant suite of issues by 30 March 2009. This is to facilitate the launch of the Queensland Curtis LNG project on schedule to capture the LNG market window and, importantly, position Queensland ahead of competitors elsewhere in the Asia Pacific region.

In this context we feel it would be productive for the "high level group" to begin to understand issues in an on-going way rather than wait until the penultimate moment to clarify issues.

To this end I believe it would be useful if we could bring together the "high level group" prior to the end of 2008 to agree a process and to identify a list of issues that we would seek to settle by the end of March 2009.

I hope that this approach and package of issues can include measures to give us all confidence that the project can proceed with value fairly distributed and impacts properly managed.

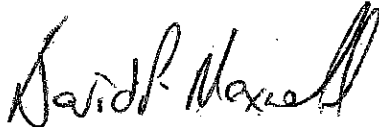
I have been charged by BG to lead our side and expect that I will be joined by probably two of my senior colleagues.

To ensure that these important discussions are able to move quickly and with the appropriate authority I suggest a core team of Director General level for the relevant departments.

Could you please advise who you propose to lead and represent the Government for these discussions.

I will contact your offices soon to make arrangements for a preliminary meeting to plan implementation of the proposal from Frank Chapman to the Premier and identify the list of issues to be addressed.

Yours sincerely,



**David P. Maxwell**  
MANAGING DIRECTOR  
BG AUSTRALIA

Released under RTI - OPC



B

1 December 2008

The Honorable Anna Bligh  
Premier of Queensland  
Executive Building  
100 George Street  
BRISBANE  
Queensland 4000  
Australia

Dear Premier

Thank you for taking the time to meet me on 19 November.

As I outlined to you, BG Group continues to be absolutely committed to the Queensland Curtis LNG Project and we are determined to work with the Queensland Government to bring the project to fruition. We remain on track to make a final investment decision by late 2009/early 2010, with first LNG scheduled for late 2013.


To reach these milestones, there are some key issues which need resolution: acquisition and tenure of land on Curtis Island; incremental infrastructure requirements and; coal seam gas royalty.

Our ambition is to reach agreement with your Government on this agenda by end March 2009. I propose that we bring all these issues together in one negotiating remit and give responsibility for reaching agreement to teams from BG and your Government. David Maxwell will lead for BG.

On the broader issue of policy, we share the Government's desire to develop a clear policy framework for LNG, particularly around gas reserves for the domestic market and domestic gas prices. We see this as a key foundation for a robust and secure gas and LNG industry in Queensland. We would be happy to work with your Government to help develop this framework and will make available the experience we have of operating LNG projects in a range of other countries. We believe that it might be helpful to involve other LNG aspirants in Queensland in this process.

I would be grateful for your support for these approaches. Please let me know how you would like to go forward.

Yours sincerely



Frank Chapman

Frank J. Chapman  
Chief Executive  
Thames Valley Park  
Reading, Berkshire  
RG6 1PT, UK  
www.bg-group.com

Tel: +44 (0)1892 929 2005  
Fax: +44 (0)1892 929 2007  
frank.chapman@bg-group.com



Queensland  
Government

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Tracking File No.	TF/08/19376			

DIRECTOR-GENERAL

MCU

MINISTER'S OFFICE

PREMIER'S OFFICE

18931

BRENDON STRONG

NICK WILLIAMS

DANA JACKSON

SARAH ABBOT

DAMIAN MCGREEVY

STUART FYFE

DON WILSON

VINJE HOUSE

JESSICA COLLINS

MEDIA UNIT

JULIE-ANN CAMPBELL

PROGRAM UNIT

NICOLE SCURRAH

PARL SEC

FOR: ~~PREMIER; PARL SEC~~   
DCOS; SEN ADVISOR


PRIORITY: URGENT   
STANDARD

REPLY: DPC REPLY   
REFER TO MINISTER   
CONTACT BY PHONE   
(within 48hrs)

ADVISE/BRIEF

INFORMATION

INTERIM REPLY

FROM:   
NICK WILLIAMS  
SENIOR ADVISOR

URGENT (by.....)

DATE: 11/12/2008...





1 December 2008

The Honorable Anna Bligh  
Premier of Queensland  
Executive Building  
100 George Street  
BRISBANE  
Queensland 4000  
Australia

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File No:	TF/08/14376		
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Dear Premier

Thank you for taking the time to meet me on 19 November.

As I outlined to you, BG Group continues to be absolutely committed to the Queensland Curtis LNG Project and we are determined to work with the Queensland Government to bring the project to fruition. We remain on track to make a final investment decision by late 2009/early 2010, with first LNG scheduled for late 2013.

To reach these milestones, there are some key issues which need resolution: acquisition and tenure of land on Curtis Island; incremental infrastructure requirements and; coal seam gas royalty.

Our ambition is to reach agreement with your Government on this agenda by end March 2009. I propose that we bring all these issues together in one negotiating remit and give responsibility for reaching agreement to teams from BG and your Government. David Maxwell will lead for BG.

On the broader issue of policy, we share the Government's desire to develop a clear policy framework for LNG, particularly around gas reserves for the domestic market and domestic gas prices. We see this as a key foundation for a robust and secure gas and LNG industry in Queensland. We would be happy to work with your Government to help develop this framework and will make available the experience we have of operating LNG projects in a range of other countries. We believe that it might be helpful to involve other LNG aspirants in Queensland in this process.

I would be grateful for your support for these approaches. Please let me know how you would like to go forward.

Yours sincerely

Frank Chapman

BG GROUP PLC  
Frank J Chapman  
Chief Executive  
Thames Valley Park  
Reading Berkshire  
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www.bg-group.com

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Fax +44 (0)118 929 2007  
frank.chapman@bg-group.com



## Premier of Queensland

For reply please quote: EP/GM – TF/08/18931 – DOC/08/65728

9 FEB 2009

Mr Frank Chapman  
Chief Executive  
BG Group PLC  
Thames Valley Park  
Reading Berkshire  
RG6 1PT  
UNITED KINGDOM

Executive Building  
100 George Street Brisbane  
PO Box 15185 City East  
Queensland 4002 Australia  
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Facsimile +61 7 3221 3631  
Email [ThePremier@premiers.qld.gov.au](mailto:ThePremier@premiers.qld.gov.au)  
Website [www.thepremier.qld.gov.au](http://www.thepremier.qld.gov.au)

*Frank,*

Thank you for your letter of 1 December 2008 in which you propose the establishment of a high level group to progress issues associated with your Liquefied Natural Gas (LNG) project.

Mr David Maxwell, Managing Director, BG Australia, also raised this proposal with my Director-General, Mr Ken Smith and Mr Colin Jensen, Coordinator-General and Director-General, Department of Infrastructure and Planning, who is leading the Queensland Government's response to the proposed LNG industry.

I have instructed the Coordinator-General to establish a high-level steering group which will meet for the first time on 24 February 2009. Membership of the steering group comprises of the Directors-General from the Departments of the Premier and Cabinet, Transport, Mines and Energy, the Environmental Protection Agency, the Under Treasurer and representatives from LNG projects in Queensland. The steering group will also include a representative from the Gladstone Ports Corporation.

I expect the Steering Group to provide well considered direction and facilitation to address issues associated with the LNG industry development in Queensland. The Coordinator-General has also established several cross-departmental working groups to ensure seamless Government assessment processes.

I look forward to your future participation in Queensland's LNG Industry. If you require any further information, please contact Mr Mal Hellmuth, Executive Director, LNG Projects, Department of Infrastructure and Planning on (07) 3404 8302.

Yours sincerely

*Anna Bligh*

ANNA BLIGH MP  
PREMIER OF QUEENSLAND



Queensland  
Government



# Premier of Queensland

For reply please quote: EP/GM – TF/08/18931 – DOC/09/6050

**9 FEB 2009**

Mr David Maxwell  
Managing Director  
BG Australia  
Level 2, 10 Felix Street  
BRISBANE QLD 4000

*David*

**Liquefied Natural Gas Projects**

Thank you for your letter of 5 December 2008 to Mr Ken Smith, Director-General, Department of the Premier and Cabinet and Mr Colin Jensen, Coordinator-General and Director-General, Department of Infrastructure and Planning.

Your proposal to establish a high level group to progress issues associated with the proposed Liquefied Natural Gas (LNG) project on Curtis Island has also been raised by Mr Frank Chapman, Chief Executive, BG Group.

The Coordinator-General is leading the Queensland Government's response to the proposed LNG industry. A dedicated LNG Projects Unit has been established within the Department of Infrastructure and Planning led by Mr Mal Hellmuth and reporting directly to the Coordinator-General.

I have instructed the Coordinator-General to establish a high-level steering group which will meet for the first time on 24 February 2009. Membership of the steering group will include the Directors-General from the Departments of the Premier and Cabinet, Transport, Mines and Energy, the Environmental Protection Agency, the Under Treasurer and representatives from LNG projects in Queensland. The steering group will also include a representative from Gladstone Ports Corporation.

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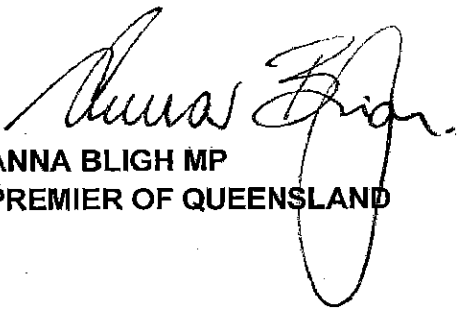
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**Queensland  
Government**

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Yours sincerely



**ANNA BLIGH MP**  
**PREMIER OF QUEENSLAND**

Released under RTI - DPC



# DIRECTOR-GENERAL CORRESPONDENCE

**ACKNOWLEDGEMENT**

DG/CG

URGENT

**TN** \_\_\_\_\_

Date sent to division

9/12/08.

Date response due to ESU

**ACTION REQUIRED**

- Prepare DG response
- Coordinate DG response
- Lead division: \_\_\_\_\_
- Division to reply to author
- For any necessary action
- Complaint
- No response required (noted and to file)

**DIVISION**

- Office of the DG & CG
- Infrastructure Delivery Group
- Infrastructure and Economic Development Group
- Planning Group
- Strategy and Governance Group
- Queensland Water Commission
- ESU

**RESPONSE TIME**

- 5 days
- Routine \_\_\_\_\_
- Other \_\_\_\_\_

**COPY TO**

- Director-General  ELT
- ED, Comm & Exec Services
- Director, ESU
- Other \_\_\_\_\_

**NOTES TO THE DEPARTMENT**

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Reviewed by: GR

Date: 9/12/08.

**FOR ESU/RECORDS USE ONLY:**

TRANSFER TO (OFFICER NAME/WORK AREA)	Officer: ENTER WORK AREA TRACKING NO	ACTION REQUIRED	ACTION OFFICER INITIAL & DATE ACTION IN WORK AREA	Action Officer: INITIAL WHEN WORK AREA TRACKING SYSTEM UPDATED



5 December 2008

Mr Ken Smith  
Director-General  
Department of Premier and Cabinet  
PO Box 15185  
City East Qld. 4002

Mr Colin Jensen  
Coordinator-General and Director-General  
Department of Infrastructure and Planning  
PO Box 15009  
City East Qld. 4002

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BG AUSTRALIA  
Level 2, 10 Felix Street  
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Fax +61 7 3837 8001

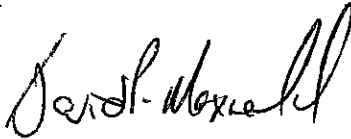
I have been charged by BG to lead our side and expect that I will be joined by probably two of my senior colleagues.

To ensure that these important discussions are able to move quickly and with the appropriate authority I suggest a core team of Director General level for the relevant departments.

Could you please advise who you propose to lead and represent the Government for these discussions.

I will contact your offices soon to make arrangements for a preliminary meeting to plan implementation of the proposal from Frank Chapman to the Premier and identify the list of issues to be addressed.

Yours sincerely,



**David P. Maxwell**  
MANAGING DIRECTOR  
BG AUSTRALIA

Released under RTI - DPS



1 December 2008

The Honorable Anna Bligh  
Premier of Queensland  
Executive Building  
100 George Street  
BRISBANE  
Queensland 4000  
Australia

Dear Premier

Thank you for taking the time to meet me on 19 November.

As I outlined to you, BG Group continues to be absolutely committed to the Queensland Curtis LNG Project and we are determined to work with the Queensland Government to bring the project to fruition. We remain on track to make a final investment decision by late 2009/early 2010, with first LNG scheduled for late 2013.

To reach these milestones, there are some key issues which need resolution: acquisition and tenure of land on Curtis Island; incremental infrastructure requirements and coal seam gas royalty.

Our ambition is to reach agreement with your Government on this agenda by end March 2009. I propose that we bring all these issues together in one negotiating remit and give responsibility for reaching agreement to teams from BG and your Government. David Maxwell will lead for BG.

On the broader issue of policy, we share the Government's desire to develop a clear policy framework for LNG, particularly around gas reserves for the domestic market and domestic gas prices. We see this as a key foundation for a robust and secure gas and LNG industry in Queensland. We would be happy to work with your Government to help develop this framework and will make available the experience we have of operating LNG projects in a range of other countries. We believe that it might be helpful to involve other LNG aspirants in Queensland in this process.

I would be grateful for your support for these approaches. Please let me know how you would like to go forward.

Yours sincerely

Frank Chapman

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