



QCLNG & ARROW GAS SALES AGREEMENT



QCLNG AND ARROW HAVE ENTERED INTO A LANDMARK GAS SALES AGREEMENT.

Over a 27-year period, QCLNG will buy gas from Arrow's Surat Basin acreage and bring it to market using existing pipelines and processing infrastructure, wherever possible.

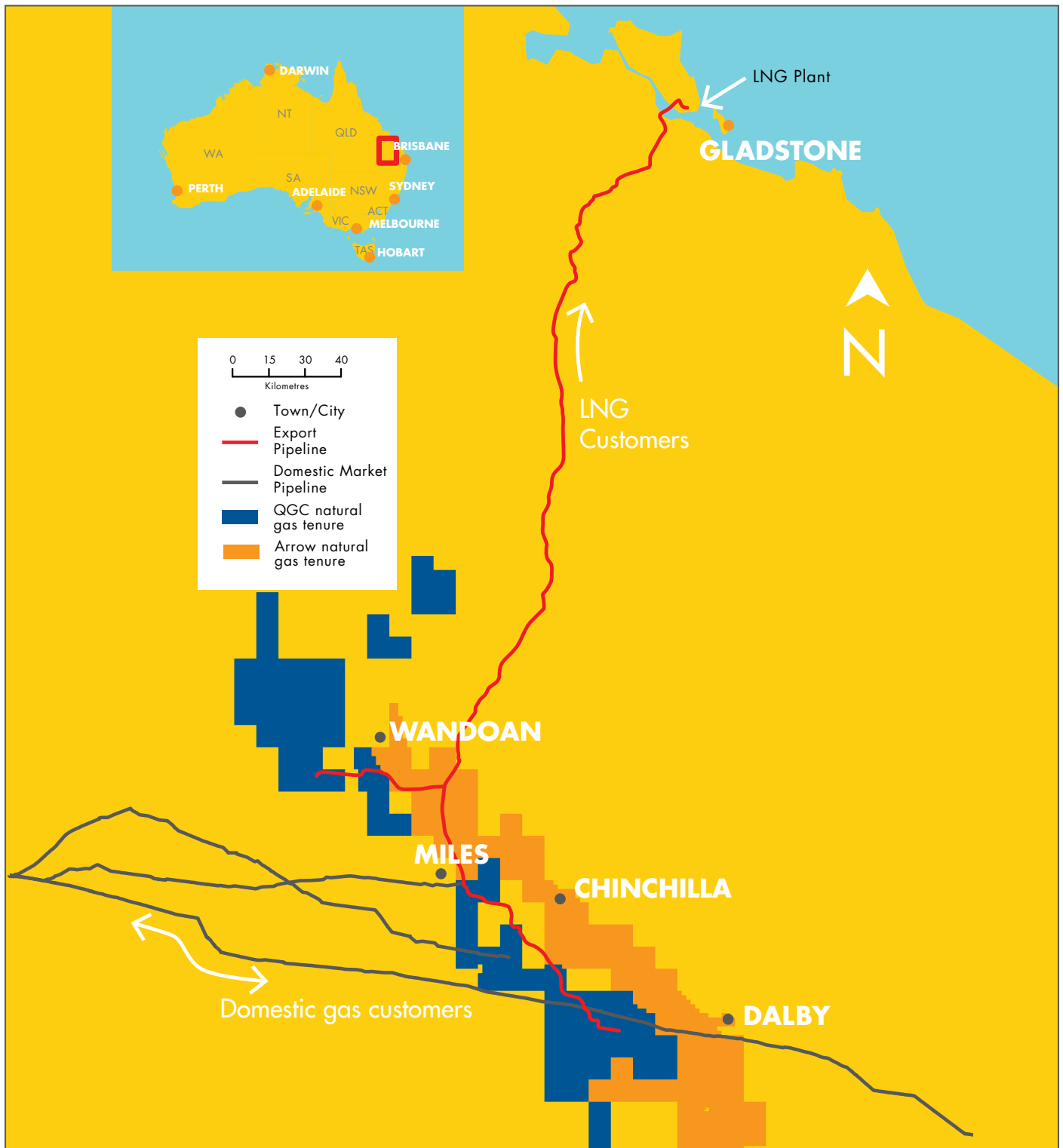
The deal paves the way for a staged development of Arrow's resources, with QCLNG to sell the gas to both local and export customers.

Arrow estimates the development of its Surat reserves will create around 1,000 new jobs – including around 800 during peak construction and 200 ongoing operational roles.

QCLNG and Arrow are separate joint ventures, focused on developing Queensland's world-class onshore gas resources. Shell participates in both:

- Arrow Energy is jointly owned by Shell and PetroChina (each has a 50% holding).
- QCLNG is operated by QGC Pty Limited, a wholly owned subsidiary of Shell. The participants are Shell, CNOOC and Tokyo Gas.

NEIGHBOURING GAS TENEMENTS, MULTIPLE ACCESS POINTS TO GAS MARKETS AND OPPORTUNITIES TO SHARE EXISTING INFRASTRUCTURE UNDERPIN THIS DEAL.

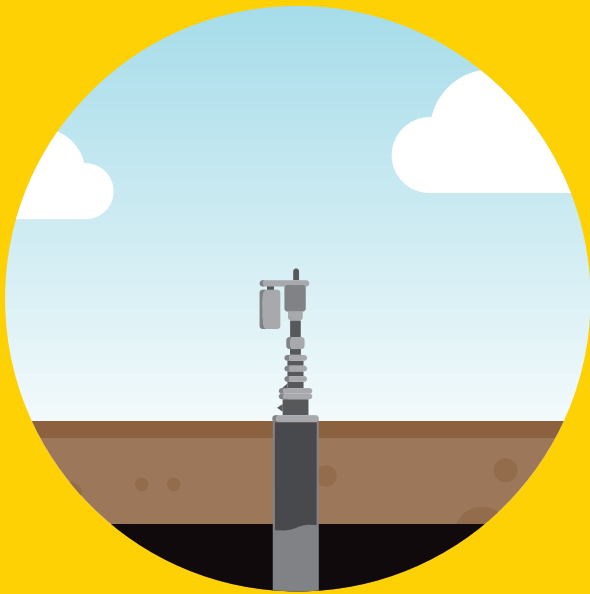


QCLNG and Arrow share neighbouring tenure in the Surat Basin around Chinchilla, Dalby and Wandoan (see map).

By using existing pipelines and processing infrastructure wherever possible, the Gas Sales Agreement reduces costs, accelerates development and minimises impacts on local landholders.

It also connects Arrow's gas to efficient and well established routes to market – including QCLNG's LNG plant at Gladstone, as well as its eight separate delivery points into the domestic market.

A VIABLE DEVELOPMENT PATHWAY FOR ARROW'S RESOURCES



1

Arrow drills wells and produces gas in its Surat Basin acreage



2

QCLNG buys Arrow's gas



3

QCLNG processes the gas using existing infrastructure, wherever possible



4

QCLNG supplies the processed gas to domestic and export markets

MORE GAS FOR LOCAL AND EXPORT CUSTOMERS

The Gas Sales Agreement will increase the gas available for sale to both domestic and export customers. Shell already supplies 14% of east coast demand and, with the flexibility to direct Arrow's uncontracted gas volumes to local customers, we will continue to pursue domestic contracts and growth of our local market share.