



ASX / MEDIA RELEASE

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GAS COMMERCIALISATION UPDATE

Metgasco (ASX:MEL) advises it is continuing to make good progress on the commercialisation of the Richmond Valley Power Station.

As previously advised, Metgasco has gas reserves of 397 PJ in the Proved and Probable ("2P") and gas reserves of 2,239 PJ in the 3P category in PEL 16. These reserves are more than sufficient to supply the Richmond Valley Power Station over the expected life of the facility.

Metgasco has advised shareholders that the Kingfisher E1 well discovered a large gas column of 138 metres with the potential for further gas deeper in the Kingfisher gas field. Metgasco is at an early stage in evaluating the conventional potential of its acreage, however results to date are considered to be highly encouraging. The Company has previously advised that it has identified over 20 conventional leads and prospects. The internal pre-drill original gas in place estimates for these leads and prospects is approximately 1.4 Tcf on a P50 basis and 15 Tcf on a P10 basis. In addition, coal seam gas reserves have been established over approximately 5% of the Company's acreage area and drilling results demonstrate gas present within the Walloon coals throughout the Company's acreage.

As the Company's currently indicated gas resources are considerably greater than those required for the Richmond Valley Power Station it continues to review gas commercialisation options. These options include gas supply to:

- Local customers
- Domestic power stations
- Mini-LNG
- Export scale LNG projects

Internal estimates indicate that there may be sufficient gas resources present within PEL 16, 13 and 426 to supply an LNG plant of up to 3 million tonnes per annum. The Company is at an early stage of development and substantial further work is required to convert internal resource estimates to certified reserves sufficient for such a large scale project. Metgasco is currently working on all commercialisation opportunities for its gas resources.

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