



## **ASX / MEDIA RELEASE**

**ASX Code: MEL**

18 September 2012

# **SHARE PURCHASE PLAN OPENS**

Metgasco Ltd (“Metgasco”) today announces the launch of a Share Purchase Plan (“**SPP**”) to fund the Company’s ongoing work plan.

Under the SPP, eligible shareholders will each be entitled to apply for up to \$15,000 in additional shares.

### **Background to the SPP**

The New South Wales Government recently announced a series of new regulations for the coal seam gas industry and the renewal of Metgasco’s Petroleum Exploration Licences 13 and 16. It also announced the granting of Metgasco’s first Petroleum Production Lease.

The NSW Government has released policies to provide the general public with more confidence in the industry:

- Strategic Regional Land Use Policy (SRLUP);
- Aquifer Interference Policy; and
- Codes of Practise for Coal Seam Gas.

The release of these policies, coupled with the renewal of Metgasco’s Petroleum Licenses 13 and 16 and the granting of Metgasco’s first production licence, is a strong message that the NSW Government supports the CSG industry.

The Company remains focussed on commercialising its certified coal seam gas reserves through the demonstration of productivity and local gas sales and the pursuit of its conventional gas potential.

Proceeds raised under the SPP will be combined with proceeds raised under the recent successful Placement and Metgasco’s current cash reserves and will be applied to the Company’s planned work program, including:

- Unconventional exploration program;
  - 3 dual lateral wells
- License commitments; and
  - 4 core wells
- Working capital.

## Terms of the SPP Offer

The Directors have resolved to allow eligible shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Metgasco shares. Participation in the SPP is entirely voluntary. The SPP Offer is for eligible Metgasco **shareholders on record as at 7.00pm (AEST) on Monday, 17 September 2012** and is described on the following pages. Detailed documentation will be sent to shareholders on or around Monday, 24 September 2012. Applicants under the plan will not incur brokerage, commissions or other transaction costs.

**The subscription price per Share will be \$0.20 (20 cents).** This represents a discount of approximately 18% to the volume weighted average price of Metgasco's shares over the five trading days prior to the announcement of the SPP.

The SPP is not underwritten. Funds raised under the SPP will be subject to a cap of \$20 million. Metgasco reserves the right to scale back applications at its discretion. In the event of a scale back, eligible shareholders will be scaled back in proportion to the amount applied for by the relevant shareholder. Metgasco further reserves the right to exercise its absolute discretion in respect of acceptance of applications under the SPP.

It is the current intention of the eligible directors of the Company to participate in the SPP.

## Metgasco Share Purchase Plan Timetable

Date	Event	
7pm Monday 17 September 2012	Record date	The date on which Metgasco determines Eligible Shareholders. Shareholders must be on record by 7.00pm (Sydney AEST).
Monday 24 September 2012	Open date	SPP documents dispatched to eligible shareholders
Monday 22 October 2012	Closing date	Closing date for acceptances. Applications must be received by 7.00pm (Sydney AEDT)
Tuesday 30 October 2012	Allotment date	Shares are proposed to be allotted on or around this date
Wednesday 31 October 2012	Dispatch and share trading date	Shares are proposed to be dispatched on or around this date  Shares will be able to be traded on the ASX on or around this date

Metgasco has the discretion to change, at any time, any of the Opening Date, the Closing Date, the Allotment and Dispatch Date to different dates by lodging a revised timetable with the ASX.

The SPP will be available to eligible shareholders of the Company with a registered address in Australia and New Zealand. Prior to electing to participate in the SPP, shareholders should consider the terms and conditions of the SPP provided in the following pages, their

own financial objectives and circumstances, and whether participation in the SPP suits those objectives and circumstances.

In accordance with ASIC Class Order 09/425, the Company advises in relation to the SPP:

- The Company will make offers to issue shares pursuant to the SPP without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (the “Act”) and without giving a Product Disclosure Statement under Division 2 Part 7.9 of the Act;
- This notice is being given in accordance with ASIC Class Order 09/425;
- As at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 647 of the Act; and
- As at the date of this notice there is no excluded information (in accordance with the requirements of subsections 708A(7) and (8) of the Act or subsections 1012DA(7) and (8) of the Act as if this notice were a notice under paragraph 708A(5)(e) of the Act).

Metgasco has appointed E.L. & C. Baillieu Stockbroking Ltd to act as Broker to the SPP.

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**For further information contact:**

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Managing Director

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Chief Financial Officer

**Metgasco Limited**

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# METGASCO LIMITED ACN 088 196 383

## SHARE PURCHASE PLAN (“SPP”) OFFER TERMS AND CONDITIONS

### 1. Offer

Metgasco (“MEL” or “the Company”) is offering its shareholders the opportunity to acquire fully paid ordinary shares in the Company by way of a Share Purchase Plan (“SPP”).

The issue price is \$0.20 per Share.

### 2. Timetable

<b>Date</b>	<b>Event</b>	
7pm Monday 17 September 2012	Record date	The date on which Metgasco determines eligible shareholders. Shareholders must be on record by 7.00pm (Sydney AEST).
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Metgasco has the discretion to change, at any time, any of the Opening Date, the Closing Date, the Allotment and Dispatch Date to later dates by lodging a revised timetable with the ASX.

### 3. Eligibility to participate

You are eligible to participate in the offer only if you hold shares in Metgasco at the Record Date with a registered address in either Australia or New Zealand. The Board has determined that it is not practical for holders of shares who are resident in other jurisdictions to participate in the SPP.

To the extent that you hold shares on behalf of another person resident outside Australia or

New Zealand, it is your responsibility to ensure that any acceptance is in compliance with all applicable foreign laws.

*Joint holders:* Joint holders of shares are taken to be a single registered holder of shares for the purposes of determining whether they are an eligible shareholder and the certification on the Application Form is taken to have been given by all of them.

*Trustees and nominees:* Where a trustee or nominee is a registered holder of shares and is expressly noted on the register as holding shares on account of a named beneficiary, the named beneficiary will be taken to be the registered holder of those shares. An application for shares, certification or issue of shares to the trustee or nominee will be taken to be an application or certification by, or an issue to, the named beneficiary.

If you are an eligible shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

#### **4. Offer Price**

The price for each SPP share offered for issue under the SPP is **A\$0.20 (Offer Price)**.

The Offer Price represents a discount of approximately 18% to the volume weighted average price of Metgasco's shares over the five trading days prior to the announcement of the SPP.

You should note that the market price of shares may rise or fall between the date of this Offer and the Allotment Date. Any such change in the share price will not affect the SPP Price. This means that the SPP Price may be either higher or lower than the price of shares at the time the SPP shares are issued to you.

#### **5. How to apply**

If you are an eligible shareholder and wish to participate in the SPP, you must complete the Application Form and provide a cheque or money order in accordance with the instructions on the Application Form. Alternatively, you may pay your Application monies via BPAY pursuant to the instructions set out on the Application Form.

To accept the Offer, complete the Application Form accompanying the notification of the SPP to you indicating the amount you wish to invest. You may invest a minimum of \$1,000 and a maximum of \$15,000.

The following options will be available to eligible shareholders:

<b>Offer</b>	<b>Subscription Amount \$AUD</b>	<b>Shares to be allotted calculated at the Issue Price</b>
A	\$1,000	5,000
B	\$5,000	25,000
C	\$10,000	50,000
D	\$15,000	75,000

## **6. Costs of participation**

No brokerage, commissions, stamp duty or other transaction costs will be payable by eligible shareholders in respect of the application form and issue of shares under the SPP.

## **7. General**

The Board may change or terminate the Offer at any time prior to the Allotment Date. In the event that the Board does so, it will advise the ASX. Any omission to give notice of changes to, or termination of, the offer, or the non-receipt of any such notice, will not invalidate the change of termination.

The Offer is not underwritten.

The offer of Shares under the SPP is non-renounceable. You cannot sell your rights to participate in the SPP.

If you apply for shares under the SPP, you will apply for a certain value rather than a certain number of shares. The number of shares you receive will be determined by:

- a) If there is no scale back applied to your allotment, dividing the value of the Shares you have applied for by the Offer Price; or
- b) If there is a scale back applied to your allotment, dividing the value of the Shares you have been allotted by the Offer Price.

If the value of Shares is not a whole dollar number Metgasco reserves the right to round the number of allocated shares up or down to the nearest whole number.

If application monies are returned to an applicant (e.g. due to a scale back of applications, or for any other reason) it will be refunded without interest following the allotment of Shares under the SPP.

Metgasco has appointed E.L. & C. Baillieu Stockbroking Ltd as Broker to the SPP. They will be paid a management fee of 1.5% of funds raised for this role. In addition a stamping fee of 1.5% will be paid to licensed financial service providers on stamped applications.

Metgasco may settle in any manner it deems appropriate, any disputes or anomalies which may arise in connection with or by reason of the operation of the Offer, whether generally or in relation to any applicant or application of Shares. The decision of Metgasco will be conclusive and binding on all persons to whom the determination relates. By making an application for shares under the SPP, you agree to be bound by the terms and conditions of this Offer and the Constitution of the Company.

Shares issued under the SPP will rank equally with and have the same voting rights and other entitlements as existing shares quoted on the ASX.

Metgasco will apply for Shares issued under the SPP to be quoted on the ASX. It is anticipated that the Shares will be quoted on the ASX shortly after the Allotment Date.

These terms and conditions are governed by the laws in force in New South Wales.

## **8. Questions**

If after reading the SPP Terms and Conditions, you have any questions in relation to the plan, please call Metgasco's Share Registry on 1300 850 505 (Within Australia) or +61 3 9415 4000 (Outside Australia) or E.L. & C. Baillieu Stockbroking Ltd on 1800 339 521.