METGASCO Ltd
ACN 088 196 383

14 February 2007

AUSTRALIAN STOCK EXCHANGE
Via Electronic Lodgement

DRILLING REPORT

Metgasco (ASX:MEL) advises that the following drilling activity has taken place over the past week:

MMMC-01	(Metgasco earning 51% interest, Molopo 49%)
Location:	PEL 13
Objective:	Coring and associated testing of the Walloon coal measures.
Drilling Activity:	Coring was completed on 1 February and a total of 13.75 metres of coal core samples have been retrieved for testing. Wireline logging has been completed and Multiphase test equipment has moved on site. Stress and permeability testing commenced on 10 February and will continue over the coming week.

Riflebird-E1	Metgasco 100%
Location:	PEL 16
Objective:	Coring and associated testing of the Walloon coal measures. This is the first of two wells required to expand 2P gas reserves to up to 100 PJ for the purposes of establishing sufficient supply volumes to the proposed Richmond Valley Power Station.
Spud Date:	15 January 2007
Drilling Activity:	Coring operations were suspended on this well during the week to enable rig repairs to be undertaken. The rig is now back in operation and coring operations have recommenced. This well is currently coring at a depth of 509 metres and coring ahead. Free gas shows have been observed from the formations above the Richmond seam during drilling operations at this well.

Riflebird-E2	Metgasco 100%
Location:	PEL 16
Objective:	Coring and associated testing of the Walloon coal measures. This is the second of two wells required to expand 2P gas reserves to up to 100 PJ for the purposes of establishing sufficient supply volumes to the proposed Richmond Valley Power Station.
Spud Date:	22 January 2007
Drilling Activity:	This well has been drilled to a depth of 95m and BOP casing has been set and pressure tested prior to core drilling commencing. No operations were undertaken on this well this week.

Corella-E1	(Metgasco 85%, CS Energy earning 15%)
Location:	PEL 16, Stratheden Joint Venture Area
Objective:	Coring and associated testing of the Walloon coal measures. This is the first of up to ten core wells being undertaken for the Company's joint venture with CS Energy. The goal of the joint venture drilling program is to establish up to 540 PJ in 2P gas reserves.
Spud Date:	27 January 2007
Drilling Activity:	Coring operations were suspended on this well during the week in order to retrieve parted casing. This part has now been recovered and coring operations have recommenced. Free gas shows have been observed from the formations above the Richmond seam during drilling operations at this well.

Corella-E2	(Metgasco 85%, CS Energy earning 15%)
Location:	PEL 16, Stratheden Joint Venture Area
Objective:	Coring and associated testing of the Walloon coal measures. This is the second of up to ten core wells being undertaken for the Company's joint venture with CS Energy. The goal of the joint venture drilling program is to establish up to 540 PJ in 2P gas reserves.
Spud Date:	5 February 2007
Drilling Activity:	This well has been drilled to a depth of 89 metres and conductor casing has been set.

Corella-E3	(Metgasco 85%, CS Energy earning 15%)
Location:	PEL 16, Stratheden Joint Venture Area
Objective:	Coring and associated testing of the Walloon coal measures. This is the third of up to ten core wells being undertaken for the Company's joint venture with CS Energy. The goal of the joint venture drilling program is to establish up to 540 PJ in 2P gas reserves.
Spud Date:	12 February 2007
Drilling Activity:	This well has been drilled to a depth of 30 metres and conductor casing is currently being set.

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