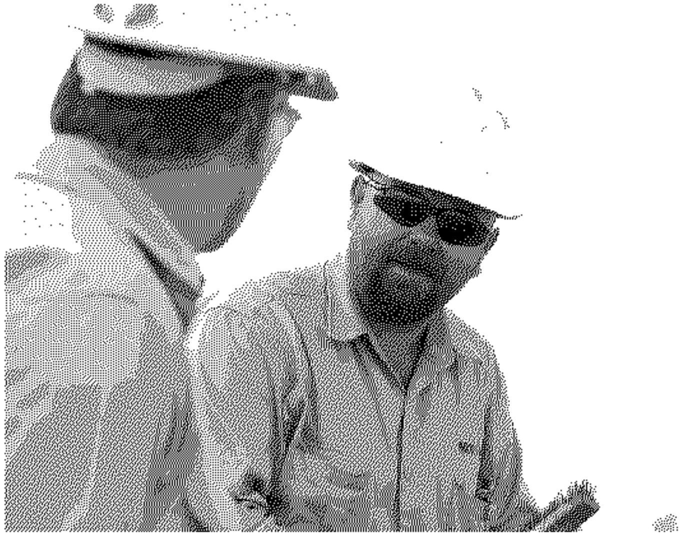
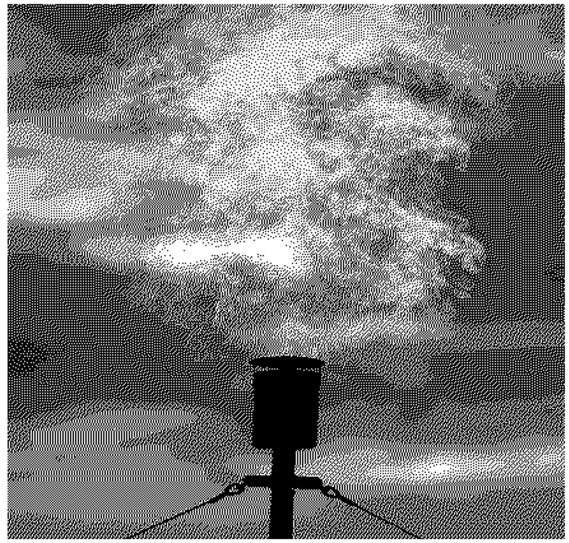
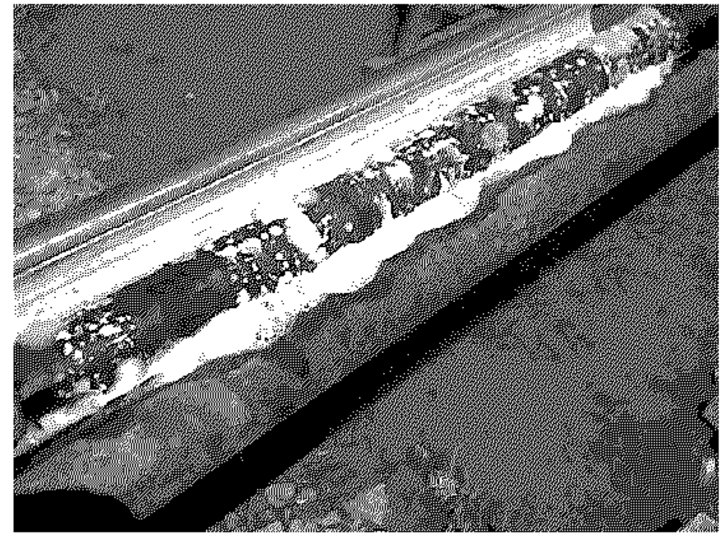
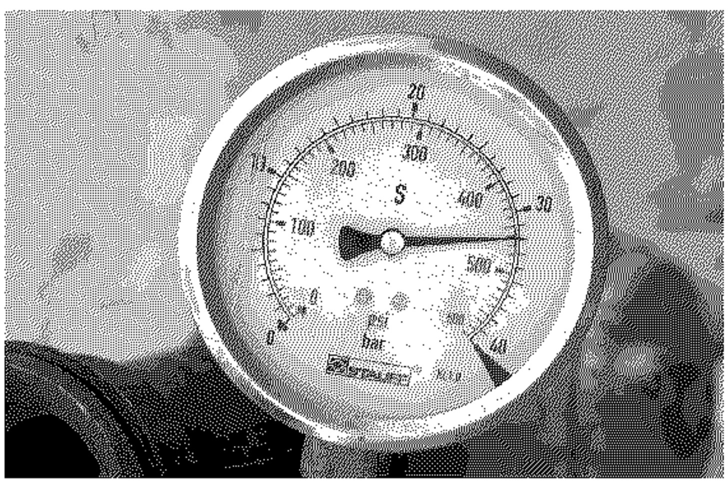




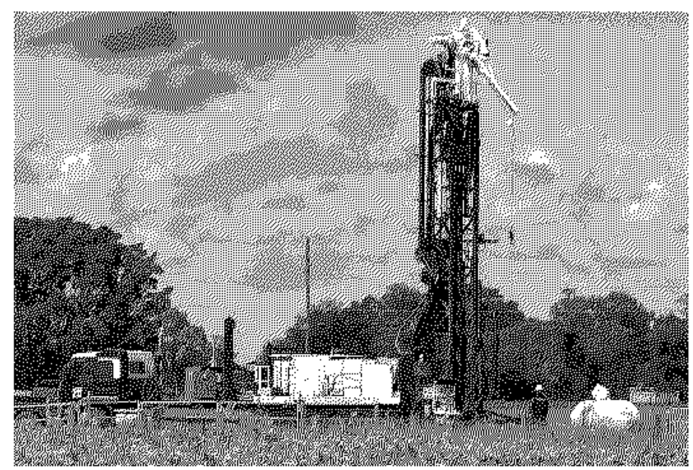
METGASCO Ltd

ACN 088 196 383



DEVELOPING GAS RESERVES

March 2007



Contents

Company Overview

Metgasco Ltd (ASX: MEL)

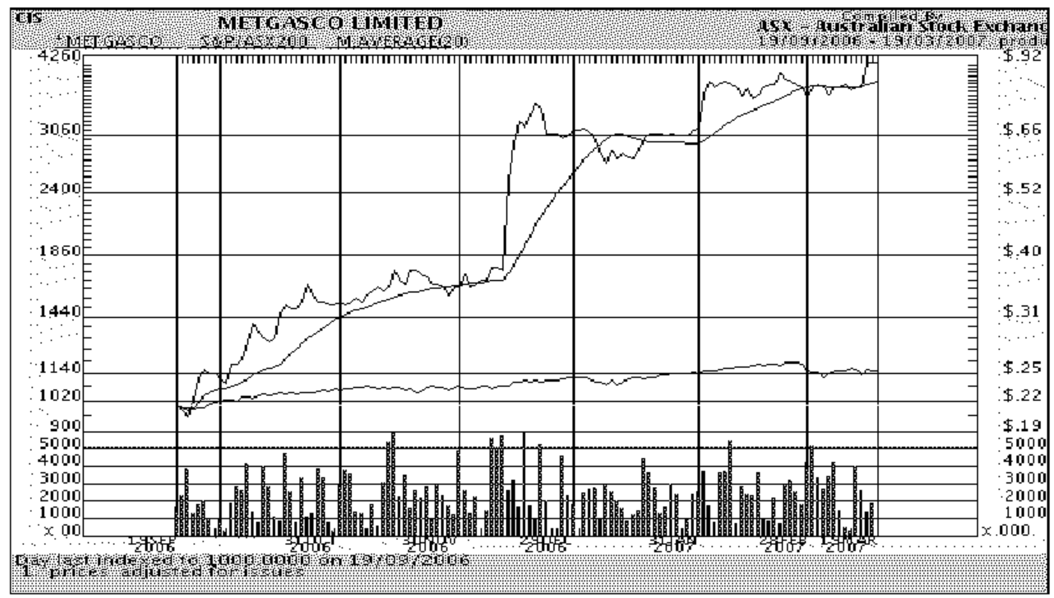
- An emerging energy company set to benefit from greenhouse gas abatement policies.
- Focus on appraisal and development of coal seam gas (CSG) – but also conventional oil and gas potential.
- Goal to expand 2P gas reserves to 660 PJ over next 12 months.
- Developing gas and power supplies for the eastern Australian energy market.

Key Assets

- Gross land position of 2,487 km^2
  - PEL 16 (96%) 833km^2
  - PEL 13 (earning up to 75%) – 1,654 km^2
- Certified gas reserves of 1,123 PJ (3P), 22 PJ (2P)
- HOA for gas supply of 385 PJ in total. Value over $1 Bn.
- Development underway for power station and gas pipeline to Brisbane

Financials

	19.3.07	**29.3.07** (post placement)
Share price:	$0.88	$0.88
Market cap:	$92 million	$105 million
Shares on issue:	104 million	120 million
Options on issue:	18 million	18 million
Cash on hand:	$6 million	$18 million



ACN 088 196 383

Experienced Board & Management

- **Dr Peter Power – Chairman**
  Former Managing Director of Ampolex. Over 40 years experience. Foundation Head of Geology at WAIT (now Curtin University). Past President of Australian Geoscience Council. Past Chairman of APPEA.

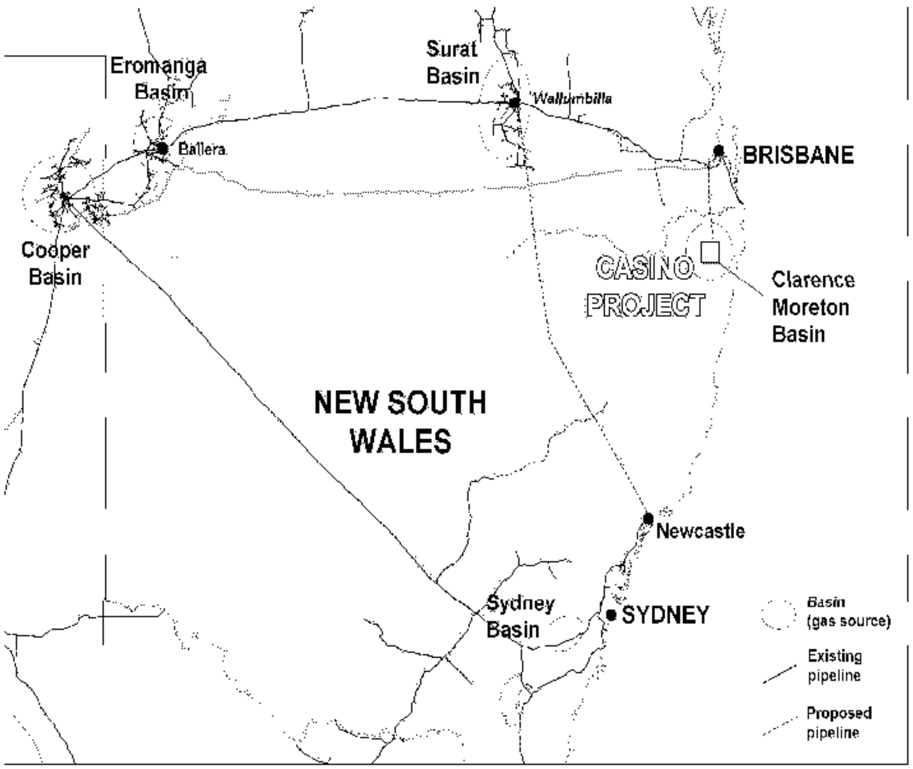
- **David Johnson – Managing Director**
  Geologist with 20 years experience in the minerals and petroleum sectors. Background in field geology in gold in south west Pacific and coal seam methane.

- **Glenda McLoughlin – Director & Chief Financial Officer**
  Former investment banker with over 20 years experience. Previously Head of Utilities & Infrastructure group with Barclays Capital and Vice President with Morgan Stanley (Melbourne & Singapore).

- **Rick Wood – Director & Director, Operations**
  Over 30 years experience in engineering and operations in upstream oil & gas. Over 18 years with Esso and former General Manager of Operations with Ampolex.

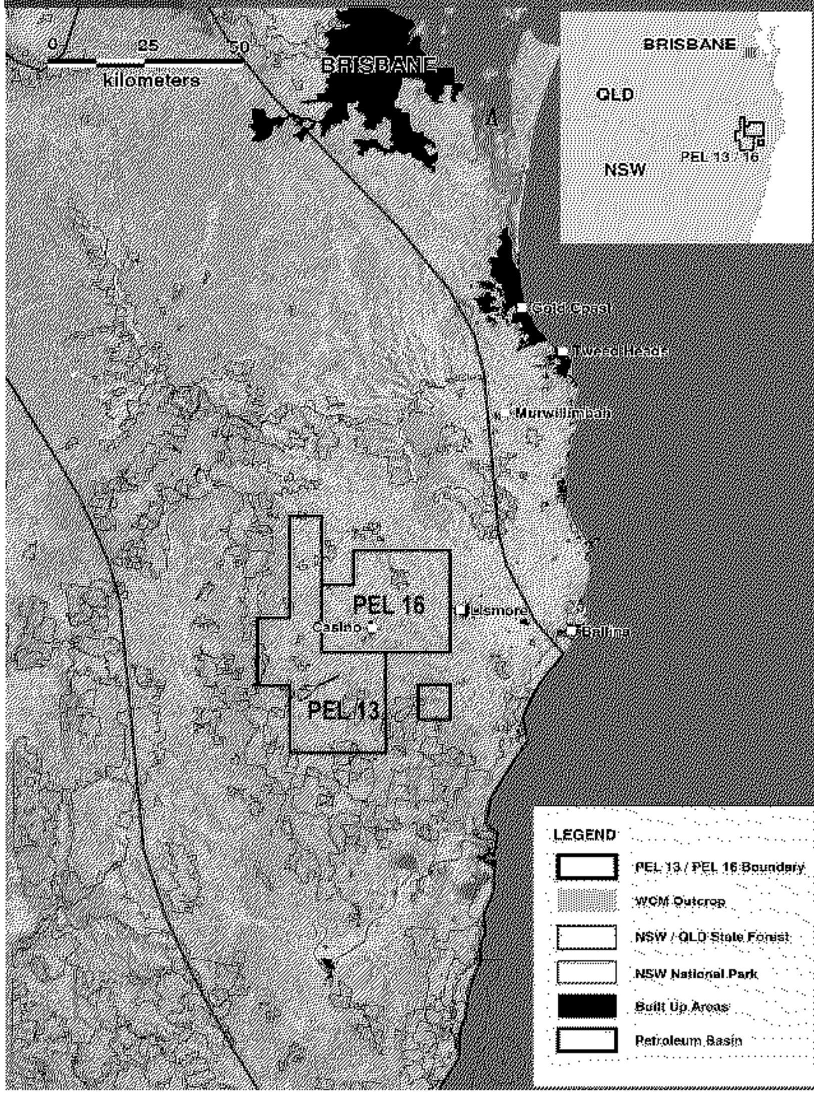
- **Nicholas Heath – Non-Executive Director**
  Former Director of ExxonMobil Australia. Over 30 years experience in petroleum engineering, operations management and gas and oil marketing, including overall responsibility for the marketing of natural gas throughout Australia. Past Chairman and Councillor of APPEA.

Casino gas project is close to fast growing markets



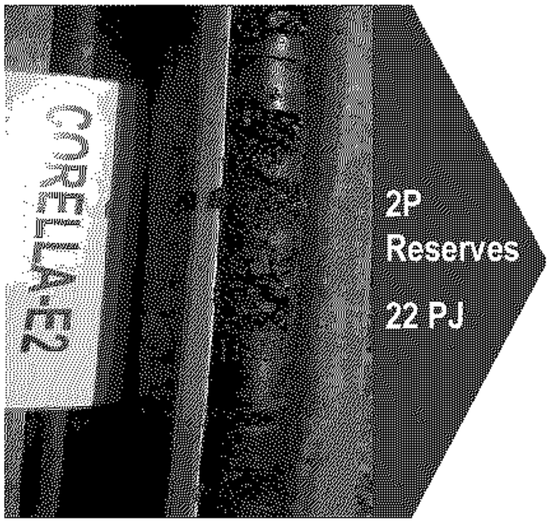
- South east Queensland and north east New South Wales are Australia's fastest growing regions.
  - Power demand forecast to grow by 260 MW per year over next 5 years (Powerlink)
  - Northern NSW has no access to pipeline/reticulated gas, only bottled gas available.
- Metgasco has large gas reserves on the doorstep of the fastest growing energy market in Australia.
- One of the closest gas suppliers to Brisbane
  - Metgasco is developing Casino to Brisbane pipeline -120 kms
  - Existing Wallumbilla to Brisbane pipeline – 400 kms
- Brisbane is the only capital city on the east coast supplied by a single gas pipeline. Metgasco gas supply to Brisbane from south enhances security of supply for gas customers.

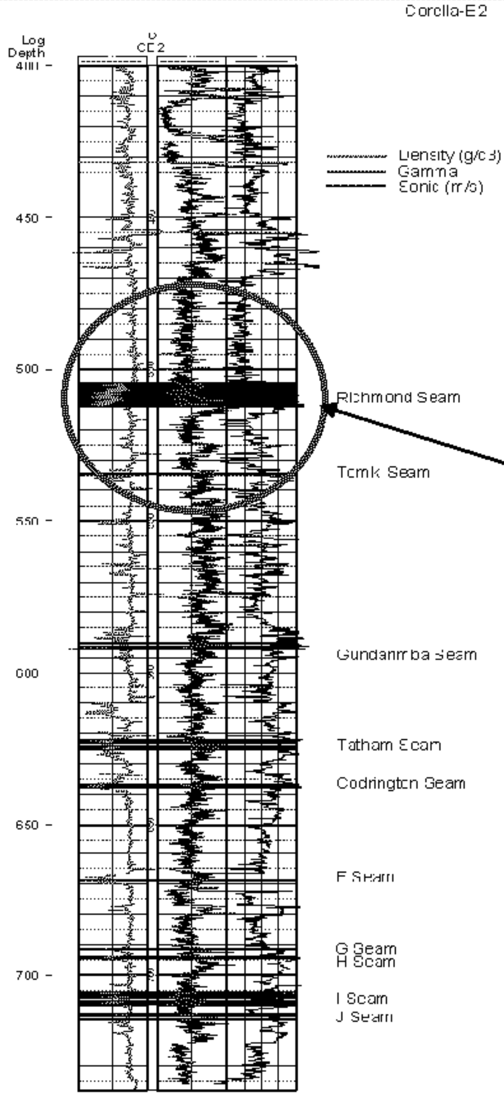
Developing the Clarence Moreton basin



- The Clarence Moreton basin is one of the most unexplored petroleum basins on the east coast of Australia
- Jurassic – Cretaceous basin with CSG and conventional gas (& oil) potential
- CSG development focused on Walloon Coal Measures
- Key assets are PEL 16 (96%) and PEL 13 (earning up to 75%)
- Gross acreage over 500,000 acres (2,487 km^2)

Largest certified gas reserves in NSW

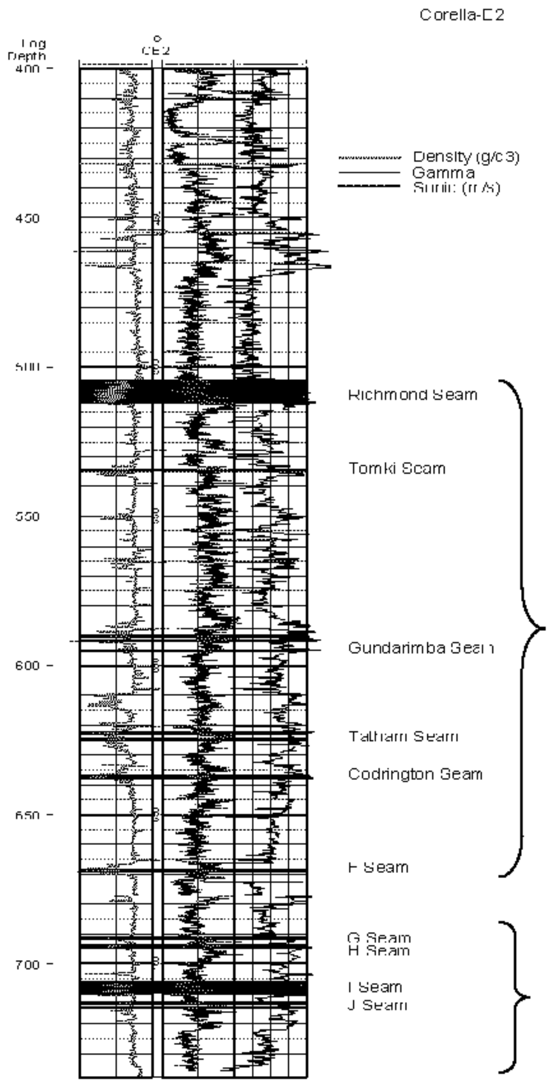




- Independent petroleum consultants - MHA (Denver) - have certified possible gas reserves of 1,123 PJ (3P) – equivalent to 1.08 trillion cubic feet – from program to date.
- Probable gas reserves are 22 PJ (2P)
- Certified 2P reserves are only on a single coal seam (Richmond seam) over 36 km^2 at South Casino (4% of PEL 16).
- There is enormous scope to increase 2P reserves

METGASCO Ltd
ACN 088 196 383

Increasing 2P gas reserves – target 660 PJ

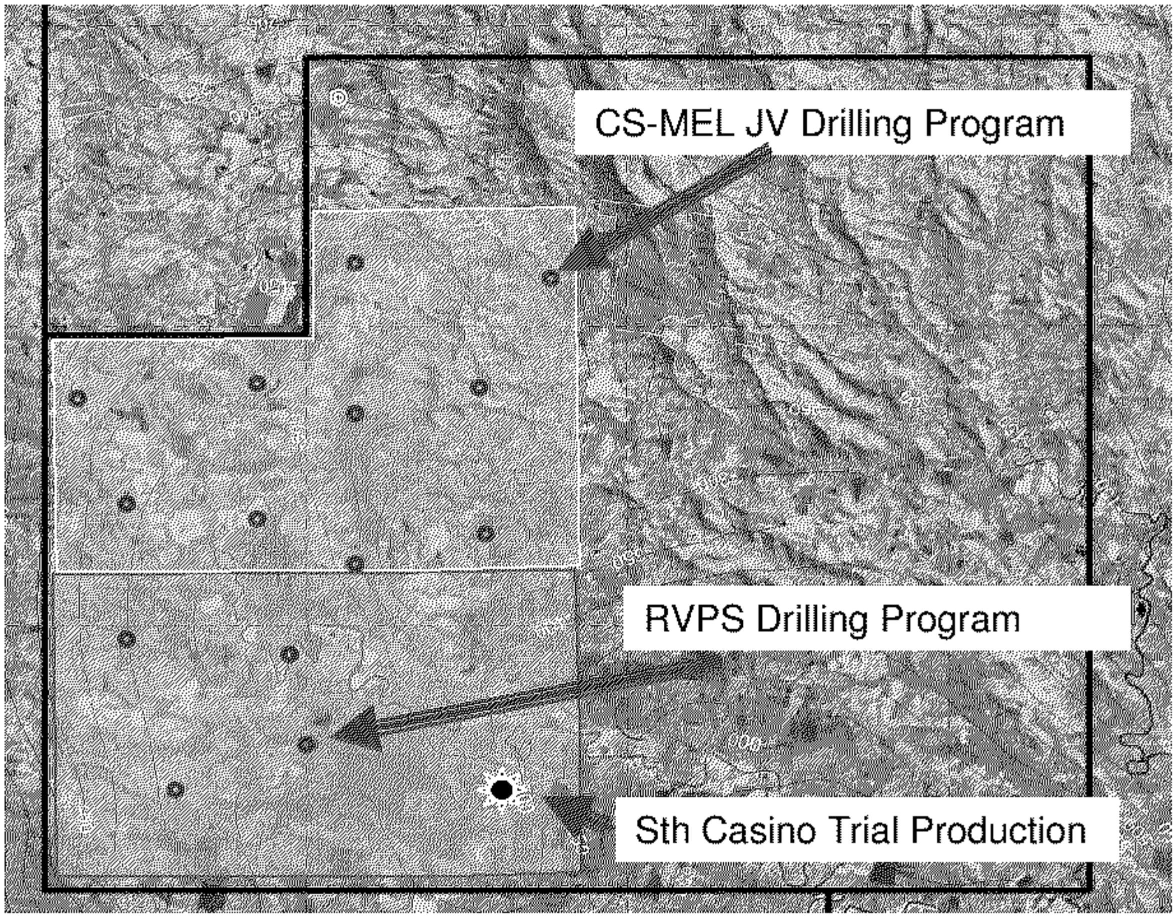


1,123 PJ Certified as possible (3P)

New gas charged coal seams identified from current drilling program

- Metgasco aims to increase 2P gas reserves from 22 PJ to 660 PJ over the next 12 months. (MEL net position approx 560 PJ)
- This will be done by:
  - bringing other coal seams into the 2P category
  - expanding the geographic area of 2P reserve assessment (from 4% to 40% of PEL 16)
- To do this Metgasco is currently drilling to obtain detailed information on coal seams (presence and thickness, gas content, permeability and stress regime) from coal cores deeper in the sequence and over a larger geographic area of PEL 16
- In addition, the current drilling program has identified 4 additional coal seams not previously included in 3P reserves.

Increasing 2P gas reserves



- Work to date has focused on the South Casino location
- The core drilling program allows Metgasco to obtain detailed information on a larger area of PEL 16.
- Core drilling locations identified.

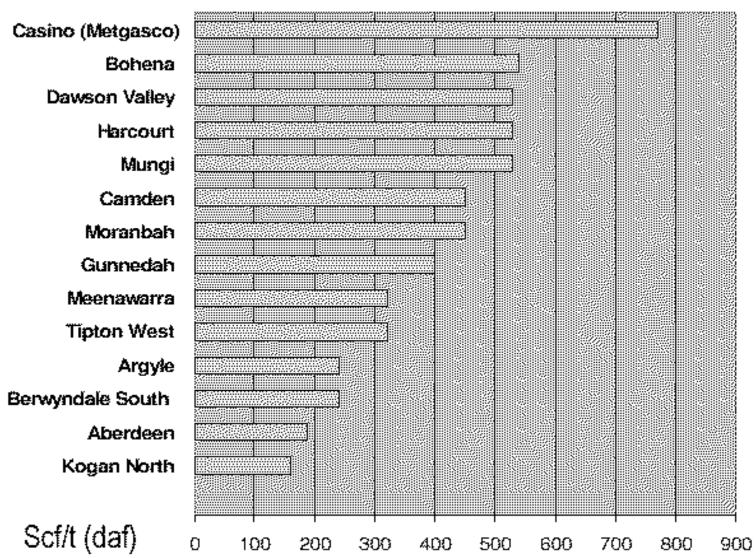
Comparable coals to producing US CSG basins

Highest gas content of any CSG project in Australia

Permeabilities in line with major CSG producing basins in the US

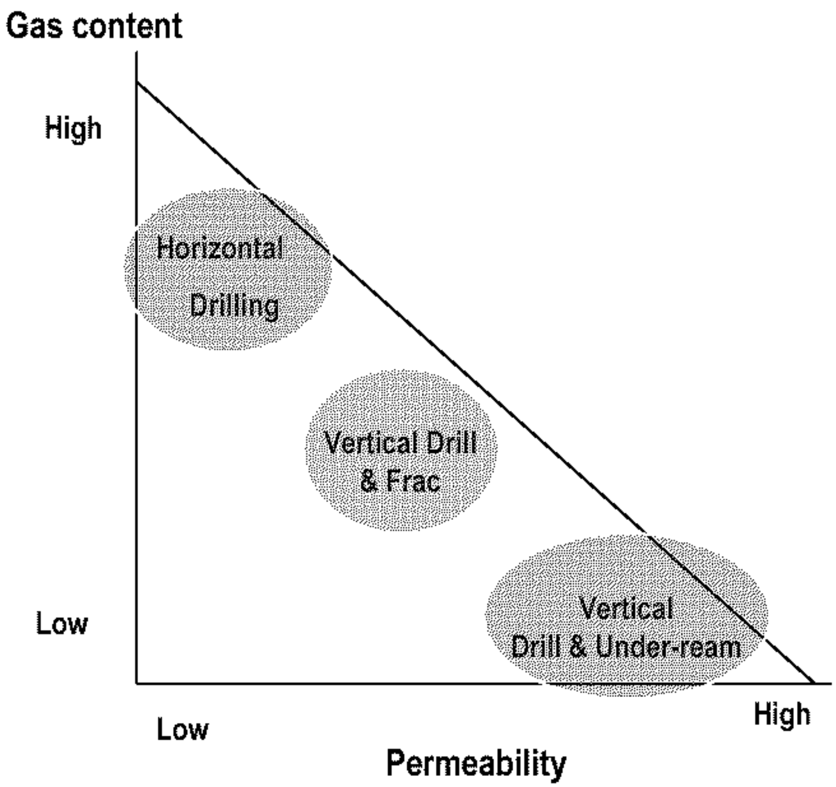
Permeability & gas content are generally inversely related

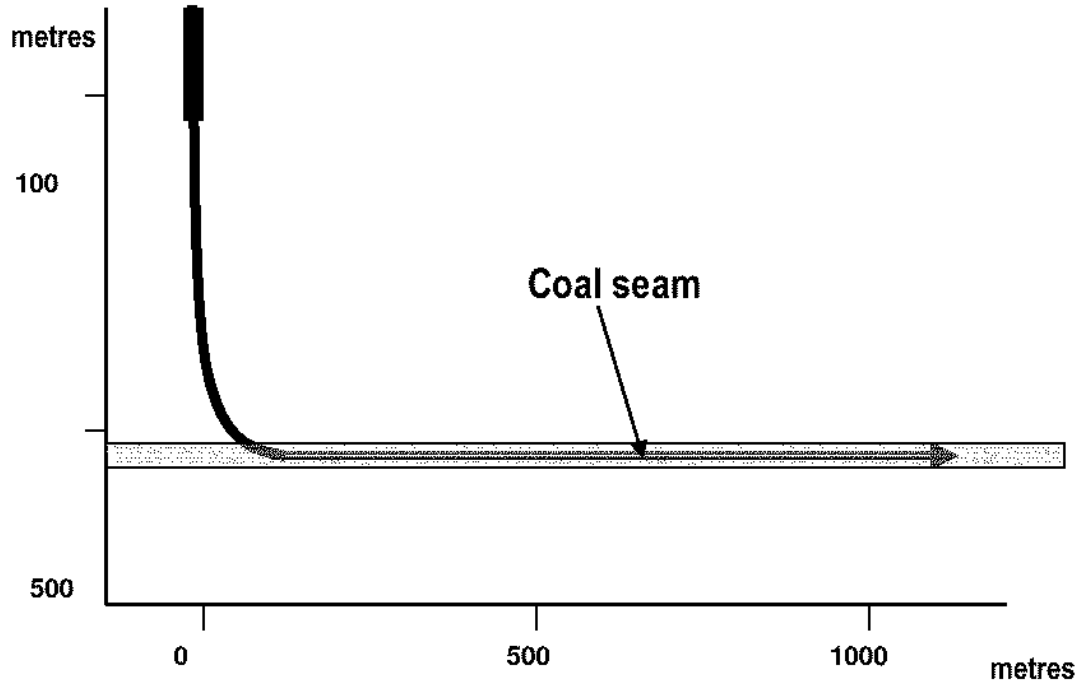
Completion techniques need to match coal characteristics



Australia	General (mD)	Min (mD)	Max (mD)
Casino (Metgasco)	1.4 – 3.3	-	-
Moranbah	-	0.1	250
Camden	1 - 5	1	50
Surat	-	0.5	500
United States			
Powder River	>1,000	96	2,430
Black Warrior	-	0.7	25
San Juan	1 – 10	0.5	60
Arkoma	<1	-	-
Appalachian	0.01 - 40	0.01	40

Identifying the optimal completion technique



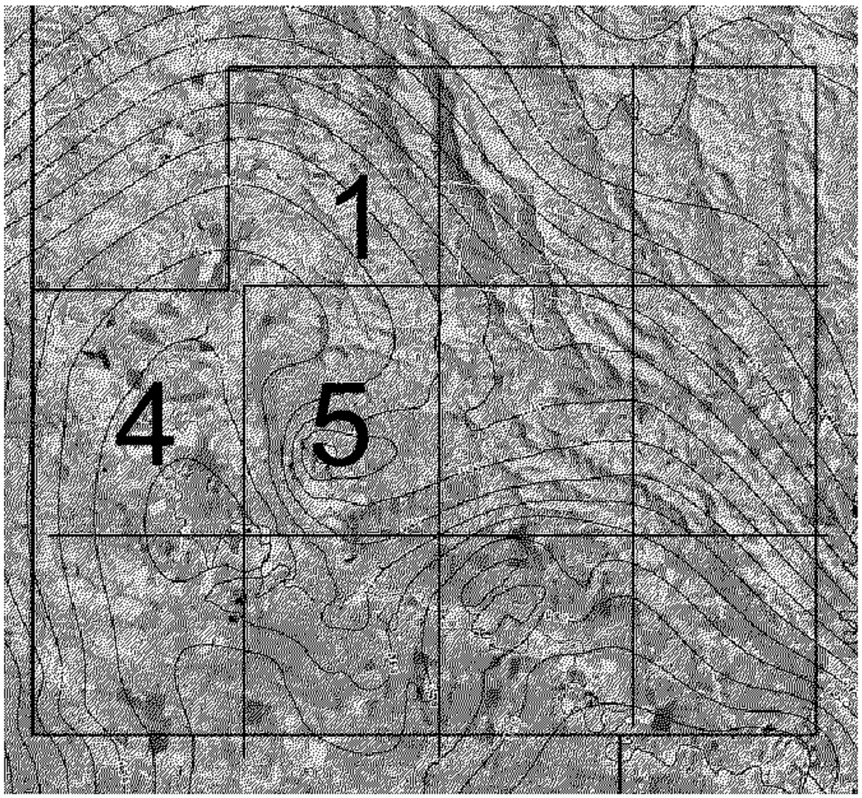


- Completed pilot drilling program of 2 horizontal wells
- These wells have provided valuable information on the most effective way to commercially exploit the gas reserves.
- Following a review of comparable US CSG projects, the Company installed an alternative pumping regime on these wells.
- Dewatering of these wells commenced in December and is continuing

Milestones achieved to date

Dec 04	Listed on ASX
Aug 05	Gas-in place of 4,800 PJ established in PEL 16
Sept 05	HOA with Casino Meatworks
Jan 06	Farm-in to PEL 13
Mar 06	Certified gas reserves of 1,123 PJ (3P) and 22 PJ (2P)
Mar 06	Pilot Horizontal well program (2 wells) completed
June 06	Declared a Major Project in NSW
Sept 06	Commencement of EIS for 30 MW Richmond Valley Power Station (RVPS)
Nov 06	Australian Pipeline Trust appointed infrastructure partner for RVPS
Dec 06	HOA with CS Energy on gas sales of 18 PJ/year & Farm-in
Jan 07	Reserve expansion drilling commenced – target 660 PJ (2P)

CS Energy Farm-in + $1 Billion Gas Sale + Pipeline

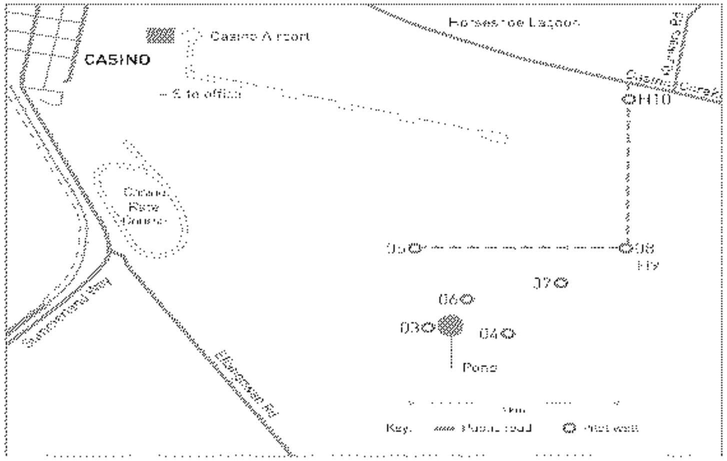


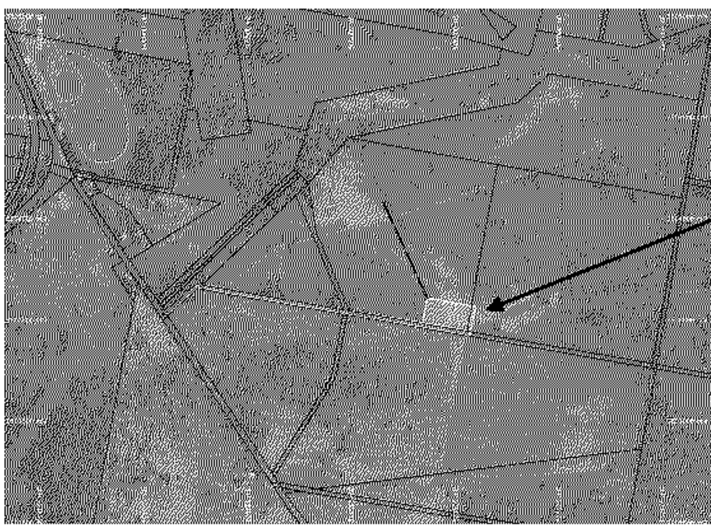
PEL 16 Detail

- In Dec 06, CS Energy (Qld Government owned generator) entered into farm-in deal with Metgasco covering CSG rights to Blocks 4,5 & 1 of PEL 16 (approx 27%).
- CS Energy will spend $11 M to earn an initial 15% interest in farm-in area.
  - To fund 10 core wells and a pilot horizontal drilling program.
  - The pilot will test 6 coal seams at different depths.
  - Core drilling program is underway with 2 wells completed.
- Goal to establish 540 PJ in 2P reserves within 12 months.
- Once reserves are established, CS Energy intends to invest an additional $94.5 M in developing the field and will earn an additional 35% of the farm-in area.
- Metgasco has entered into a HOA on gas sale of 18 PJ/year for 20 years.
- Gas will be supplied to Swanbank power station in Qld
- Total value of gas sale agreement over $1 Billion.
- A new gas pipeline from Casino to Brisbane will be developed by Metgasco

Richmond Valley Power Station ("RVPS")

South Casino Field

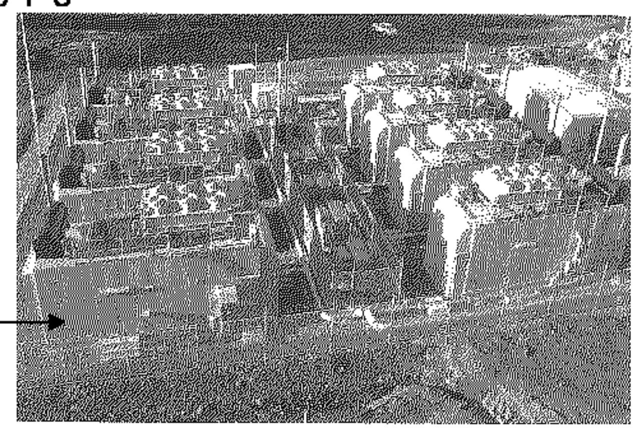




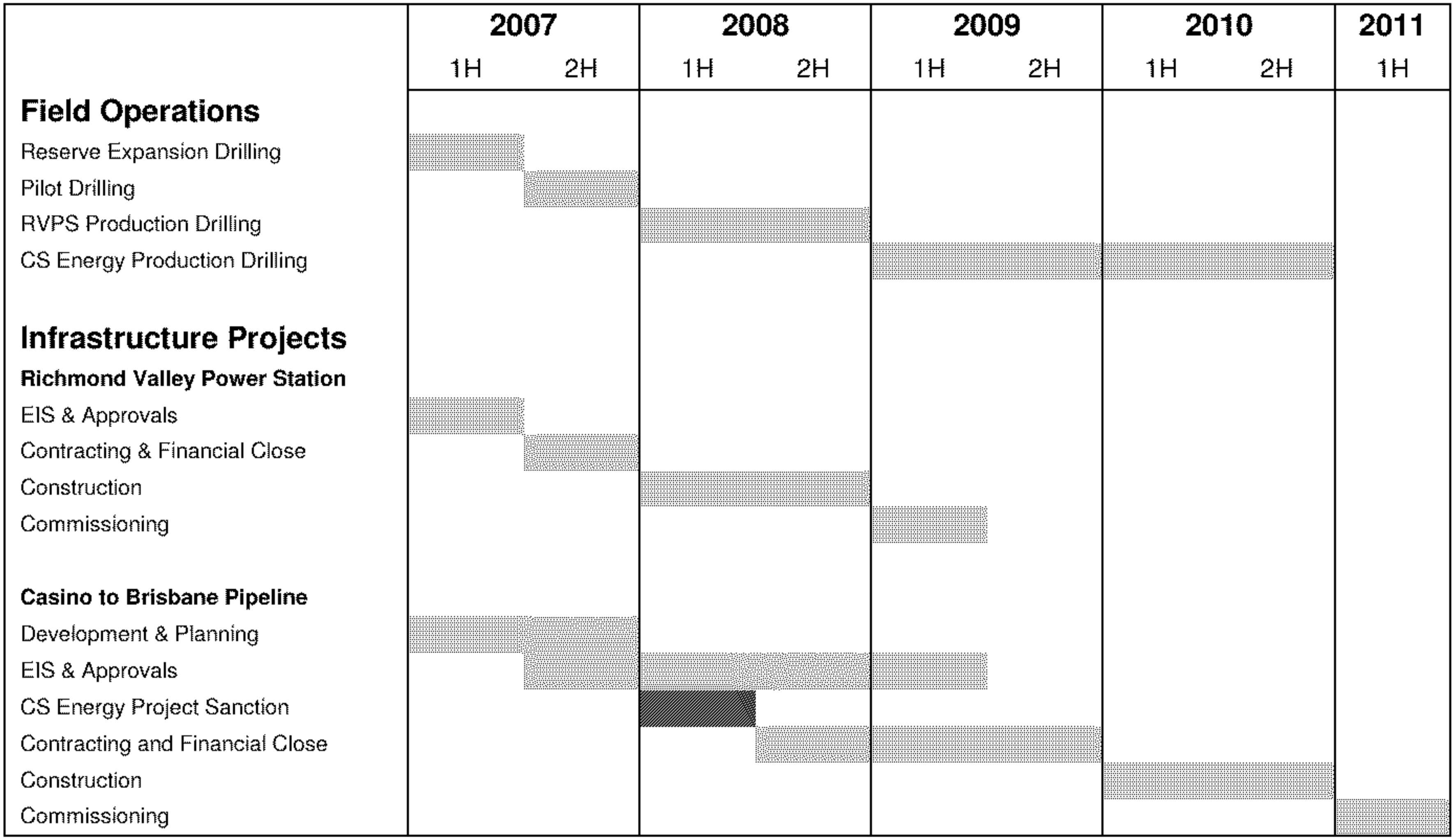
- 30 MW gas fired power station located at Casino
- Australian Pipeline Trust appointed preferred infrastructure partner
- Currently negotiating tolling agreement with APT
- EIS underway
- Will require gas supply of 2.5 PJ/ year for 10 years
- Drilling program underway to establish 2P reserve target of 100 PJ

RVPS Location

Photo of similar project to RVPS



Timeline


2007
2008
2009
2010
2011
1H
2H
Field Operations
Reserve Expansion Drilling
Pilot Drilling
RVPS Production Drilling
CS Energy Production Drilling
Infrastructure Projects
Richmond Valley Power Station
EIS & Approvals
Contracting & Financial Close
Construction
Commissioning
Casino to Brisbane Pipeline
Development & Planning
EIS & Approvals
CS Energy Project Sanction
Contracting and Financial Close
Construction
Commissioning

Other Commercial Opportunities

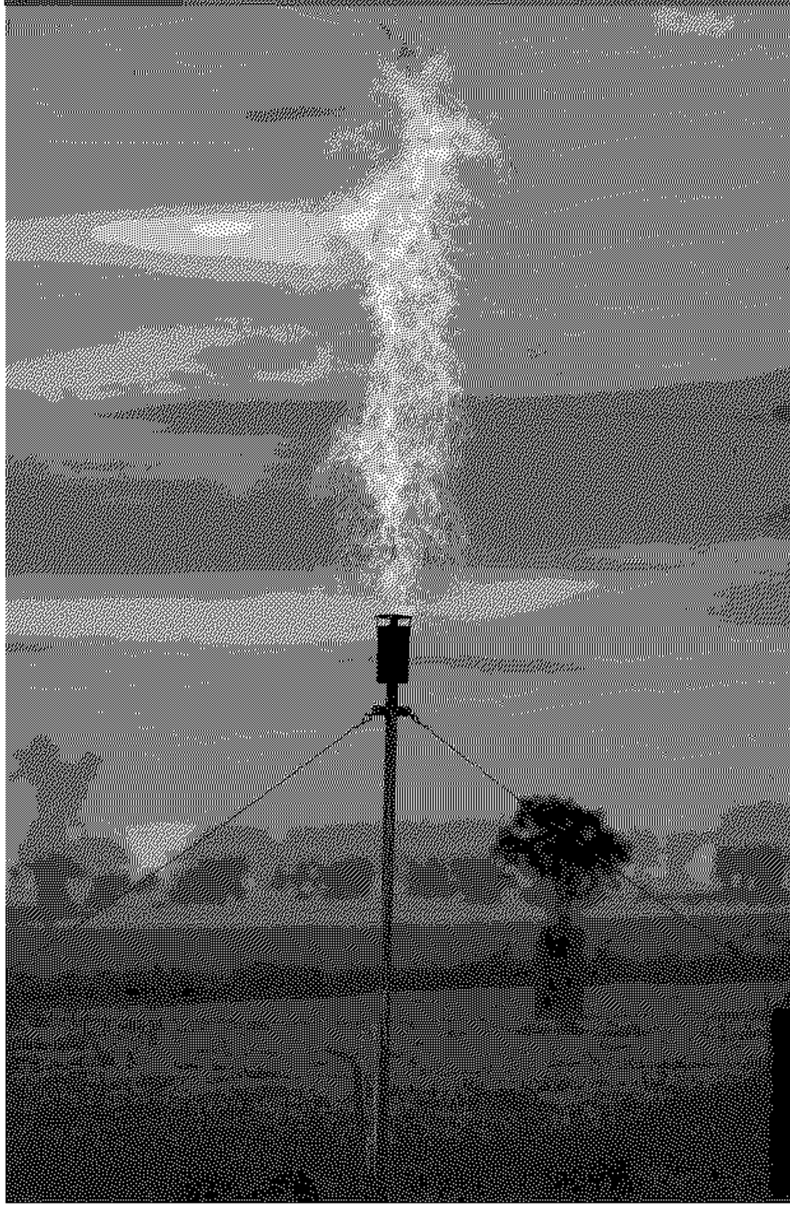
- 200 MW gas fired power station located in northern NSW.
- Additional gas sale agreements - currently in discussion.
- Local customer base high margin gas sales
- Conventional oil and gas potential – underexplored with a number of targets

Comparative Data

Company Name	ASX Code	Share Price 19.03.07	Market Cap ($Million) 19.03.07	No of Shares (Million)	Hybrid Equity ($Million)	Contributed Equity 31.12.06	Net 1P Reserves (PJ)	Net 2P Reserves (PJ)	Net 3P Reserves (PJ)
Queensland Gas	QGC	1.54	1,127	736		152	228	695	2,557
Arrow	AOE	1.57	858	555	12	271	82	498	2,778
Eastern Star	ESG	0.32	167(1)	523	14	76	7	7	-
Sydney Gas	SGL	0.37	126	350	15	117	29	41	54
Sunshine Gas	SHG	0.50	106	226		54	1.6	6	22
Metgasco	**MEL**	**0.88**	**91**	**104**		**13**	**0**	**22**	**1,123**
Molopo	MPO	0.10	58	617		27	6	83	221
Energy Investments	EIV	0.13	38	292	4	23	-	-	-
Westside	WCL	0.38	28	74		28	-	-	-

(1) Includes restricted shares
(2) All reserve data as at 19.03.07

In Summary…



- ✓ Rapid development of gas reserves to date
- ✓ Largest certified gas reserves in NSW
- ✓ Well defined gas commercialisation strategy
- ✓ Next to fast growing energy markets
- ✓ Experienced management and board
- ✓ On the cusp of achieving a major increase in reserves and accelerated progress in commercialisation.

METGASCO Ltd
ACN 088 196 383

Disclaimer

This presentation may contain forward looking statements that are subject to risk factors associated with the oil and gas business. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: exploration and appraisal drilling; operating and production results, estimates of resources in place; competition; environmental risks; legislative risks; access to capital; project delay or advancement; approvals; cost estimates; price fluctuations and demand.

Investors should undertake their own analysis and seek advice from their professional advisor before deciding to invest in Metgasco shares.