

20 June 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:

Riflebird-E4	Metgasco 100%
Location:	PEL 16
Spud Date:	20 June 2007
Status:	Commenced drilling today, currently drilling ahead.
Riflebird-E3	Metgasco 100%
Location:	PEL 16
Spud Date:	30 May 2007
Status:	Drilled to 463 metres, cased and cemented. Coring to commence later in the day.
Corella-E10	Metgasco 85%, CS Energy earning 15%
Location:	PEL 16, Stratheden Joint Venture Area
Spud Date:	7 May 2007
Status:	Drilled to 342 metres. During drilling the well experienced a strong gas and water kick in the Kangaroo Creek sandstone formation. The Company is mobilising DST equipment to test this zone. The well is currently suspended pending this test.
Corella-E9	Metgasco 85%, CS Energy earning 15%
Location:	PEL 16, Stratheden Joint Venture Area
Spud Date:	5 May 2007
Status:	Suspended pending additional testing.
Corella- E8	Metgasco 85%, CS Energy earning 15%
Location:	PEL 16, Stratheden Joint Venture Area
Spud Date:	15 May 2007
Status:	This well has been successfully drilled to a total depth of 756 metres. A well developed sequence of Walloon coal measures has been obtained containing approximately 26 metres. This well has been suspended pending additional testing.
Corella-E7	Metgasco 85%, CS Energy earning 15%
Location:	PEL 16, Stratheden Joint Venture Area
Spud Date:	26 April 2007
Status:	Suspended pending additional testing.

Corella-E6	Metgasco 85%, CS Energy earning 15%
Location:	PEL 16, Stratheden Joint Venture Area
Spud Date:	2 April 2007
Status:	Suspended pending additional testing.
 Corella-E3	 Metgasco 85%, CS Energy earning 15%
Location:	PEL 16, Stratheden Joint Venture Area
Spud Date:	12 February 2007
Status:	Suspended pending additional testing.
 Corella-E1	 Metgasco 85%, CS Energy earning 15%
Location:	PEL 16, Stratheden Joint Venture Area
Spud Date:	27 January 2007
Status:	Permeability testing currently being undertaken.
 Riflebird-E2	 Metgasco 100%
Location:	PEL 16
Spud Date:	22 January 2007
Status:	Suspended pending additional testing.
 Riflebird-E1	 Metgasco 100%
Location:	PEL 16
Spud Date:	15 January 2007
Status:	Suspended pending additional testing.

For further information contact:

David Johnson	Glenda McLoughlin
Managing Director	Chief Financial Officer

Metgasco Limited

ACN 088 196 383
Level 3, 32 Walker St
North Sydney NSW 2060
Tel: (02) 9923 9100
Fax: (02) 9923 9199
Website: www.metgasco.com.au