

12 September 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:

MSC-06 Metgasco 100%
Location: PEL 16
Spud Date: 29 May 2005
Status: This well was previously drilled to a total depth of 670 metres. This well is currently being deepened to approximately 820 metres to test for the presence of additional coal, deeper in the sequence, which has been observed at other locations during the Company's current drilling program. Currently running in to existing well.

Riflebird-E5 Metgasco 100%
Location: PEL 16
Spud Date: 22 August 2007
Status: Drilling ahead at 400 metres.

Riflebird-E6 Metgasco 100%
Location: PEL 16
Spud Date: 10 August 2007
Status: This hole has been drilled to a total depth of 827 metres. A total of 18 metres of coal core samples have been obtained for testing. This well has now been suspended pending additional testing.

Riflebird-E7 Metgasco 100%
Location: PEL 16
Spud Date: 25 July 2007
Status: Suspended pending additional testing.

Riflebird-E4 Metgasco 100%
Location: PEL 16
Spud Date: 20 June 2007
Status: Suspended pending additional testing.

Riflebird-E3 Metgasco 100%
Location: PEL 16
Spud Date: 30 May 2007
Status: Suspended pending additional testing.

Corella-E10 Metgasco 85%, CS Energy earning 15%
Location: PEL 16, Stratheden Joint Venture Area
Spud Date: 7 May 2007
Status: Suspended pending additional testing.

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-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.

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:

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