

ASX ANNOUNCEMENT



20 February 2008

OPERATIONS REPORT

Metgasco (ASX:MEL) advises the following operational activities were undertaken over the past week.

Over the past week, the Company has continued to dewater the following wells: Corella-P11, Corella-P12, Corella-P14, Corella-P16. Riflebird-P11 was worked over during the week and dewatering has now recommenced. Operations at Riflebird-P12 have been suspended over the past week while drilling activity at Riflebird-E13 was undertaken.

Drilling operations at Riflebird-E13 have now been completed. This well reached TD at 1,297 metres and gas shows were observed during drilling. Equipment available on-site did not allow testing which will be undertaken at a later date. A well developed sequence of coals in the I/J sequence was observed. This well has been cased in preparation for fracing at a future date.

Ensign Rig 50 is currently mobilising to re-enter Corella-E6 where it will drill through a volcanic zone where gas shows were observed during the core drilling process. This well will then be completed to allow for permeability and stress testing at this location.

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