

ASX ANNOUNCEMENT

9th July 2008

SEISMIC SURVEY COMPLETED

Metgasco (ASX:MEL) advises that acquisition of the 2008 Clarence Moreton Basin 2D seismic survey has been completed. A summary of the results of the survey conducted by Terrex Seismic is as follows:

- The 2008 survey recorded a total of 168 line km of new seismic data in three Petroleum Exploration Licences with acquisition completed on the 28th June.
- The survey is the first comprehensive 2D seismic survey in the basin in over 10 years. It was designed to provide further information on the presence and depth of the Walloon Coal Measures together with information on deeper structures that may have conventional hydrocarbon potential.
- Approximately 35km were acquired in PEL 16, primarily over three existing leads.
- The majority of seismic data acquired in PEL 16 was obtained over the Mackellar structure, which is located updip from the Company's Riflebird-E14 gas discovery. Data acquired will allow the Company to identify closure limits on the structure and further define the potential size of the accumulation. The Company is currently in the planning stage for a further appraisal drilling programme of this structure.
- Approximately 85km were acquired in PEL 426 and approximately 48 km were acquired in PEL 13, where the Company is in joint venture with Molopo. The majority of seismic data acquired in these permits was obtained over existing leads identified by seismic reprocessing and reinterpretation of historic data by Metgasco as operator of these permits. The completion of this work has entitled Metgasco to earn a 50% interest in PEL 426 and a 50% interest in the conventional hydrocarbon rights in PEL 13.
- As previously advised, Metgasco as operator intends to drill an exploration well in PEL 426 in the second half of this year which aims to evaluate the Walloon Coal Measures as well as the Heifer Creek sandstone. The well location will be finalised by August/September this year.

Data from the survey has been provided to Velseis Processing. The seismic processing is expected to be completed within six weeks with interpretation and mapping work to be undertaken subsequently. Integration of the 2008 survey results with existing data will provide an updated understanding of the coal seam gas and conventional hydrocarbon potential of the basin.

Commenting on the news, the Company's Managing Director David Johnson said "We are pleased that the survey has been completed on schedule. The results from this program will allow us to refine and complete our planning for an appraisal drilling program of the prospective Mackellar structure."

For further information contact:

David Johnson
Managing Director

Glenda McLoughlin
Chief Financial Officer

Metgasco Limited

ACN 088 196 383
Level 9, 77 Pacific Highway
North Sydney NSW 2060
Tel: (02) 9923 9100 Fax: (02) 9923 9199
Website: www.metgasco.com.au