

ASX ANNOUNCEMENT

10th July 2009

Drilling commenced on Corella–E17 CSG Exploration Well

Metgasco (ASX:MEL) advises that the drilling of the coal seam gas (CSG) exploration well Corella -E17 commenced on Thursday 9th July. As at 12.00pm today the surface conductor has been cemented and the rig is preparing to drill ahead. The proposed depth of the well is 750m and is expected to take approximately one week to complete. The well is designed to be the vertical offtake well for a future horizontal pilot production well to be drilled later in this calendar year.

The Corella –E17 well is being drilled on a sole risk basis and accordingly the participating interest is Metgasco (100%).

The wellhead for Riflebird –E15 has now been installed in preparation for undertaking a long term production test in advance of being used as the vertical offtake for a future horizontal pilot production well.

For further information contact:

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