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2009 Annual General Meeting
Managing Director's review

26 November 2009

David Johnson, Managing Director

- 2009 year in review
  - Coal seam gas program
  - Conventional gas program
  - Infrastructure development
  - Corporate activity
  - Stakeholder activity
- 2010 year objectives
  - Basin exploration program
  - Field development planning
  - Infrastructure & gas markets
  - Corporate & stakeholder activities
- Question and answer session

2009 year in review

- Coal seam gas program
- Conventional gas program
- Infrastructure development
- Corporate activity
- Stakeholder activity

2009 year in review : coal seam gas program

- **Further Gas Discoveries**

PEL 13, June 2009, Air drilled vertical
TD 702m, **175,000 scf/d, No water**

PEL 426, January 2009, Air drilled vertical
TD 680m, **119,000 scf/d, No water**

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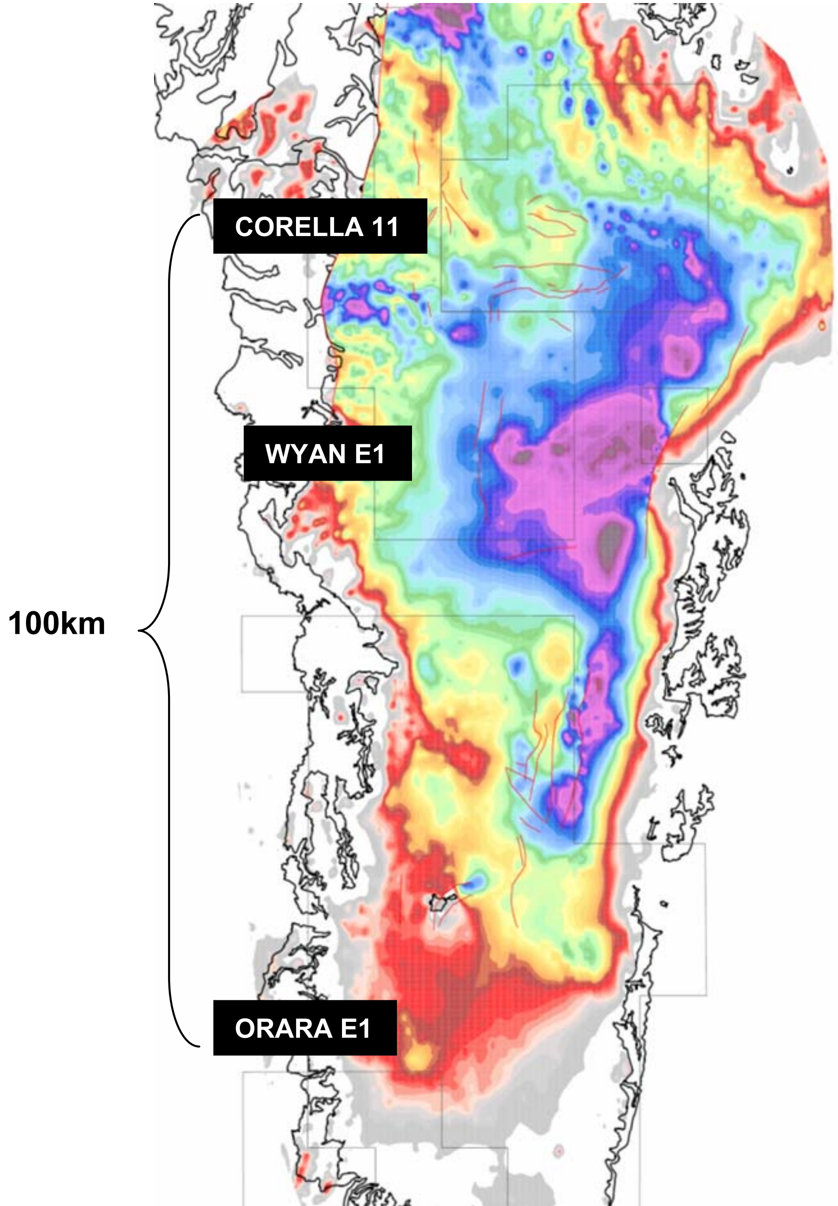
2009 year in review : coal seam gas program

- The 2009 drilling program has confirmed that the Clarence Moreton is a **gas charged basin**
- CSG exploration wells have discovered gas over a large area
- CSG resources are present at a significant scale and offer potential for large scale development



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2009 year in review : coal seam gas program

- **Initial 1P Reserve Certification milestone**

- To date lead CSG pilot well Corella-11 has produced 70 mmcf of gas
- Associated relatively low water rates of 70bpd indicates minimal water handling costs
- The initial 1P Reserve Certification highlights the underlying value in Metgasco's CSG acreage.
- Demonstrates that Metgasco is well advanced in understanding reservoir architecture and engineering solutions
- Transitioning from exploration and appraisal stage towards field development

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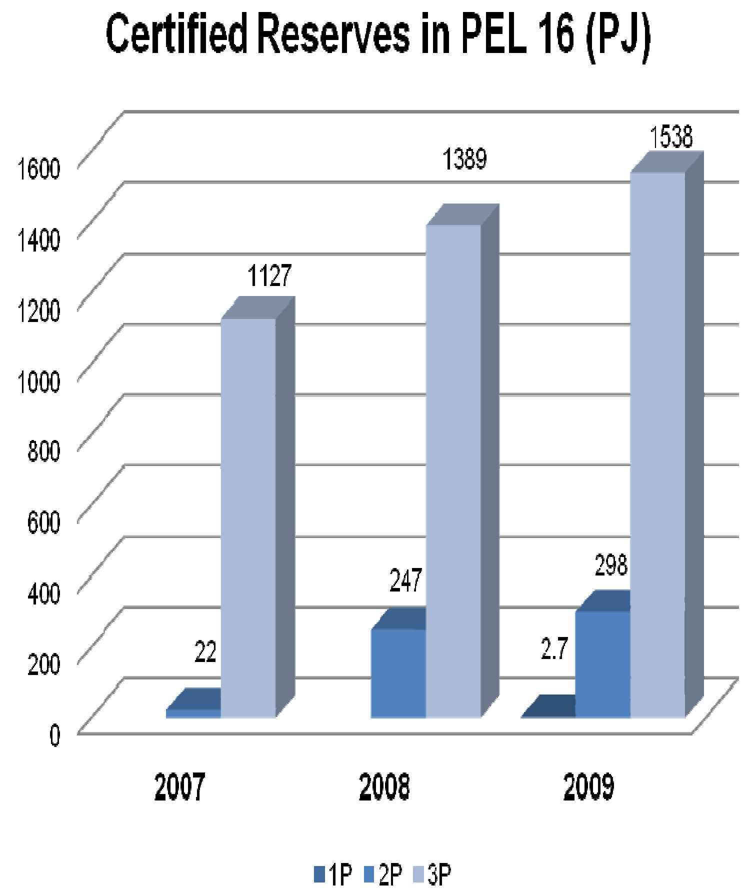
2009 year in review : coal seam gas program

- **2&3P gas reserves have increased**
- Independently certified 2P gas reserves currently at 298PJ & 3P gas reserves at 1,538 PJ
- Opportunity for further reserve growth
- 2P reserves in 5 of a total of 11 blocks in PEL 16
- Represents 5-10% of total acreage
- No current reserves in PEL 13 or PEL 426

Reserves have been certified by Mr Tim Hower of MHA Petroleum Consultants (Denver) who is a qualified person as defined under the ASX Listing Rule 5.11. Reserves have been developed within the guidelines of the SPE. Mr Hower has consented to the use of the reserve figures in this presentation.



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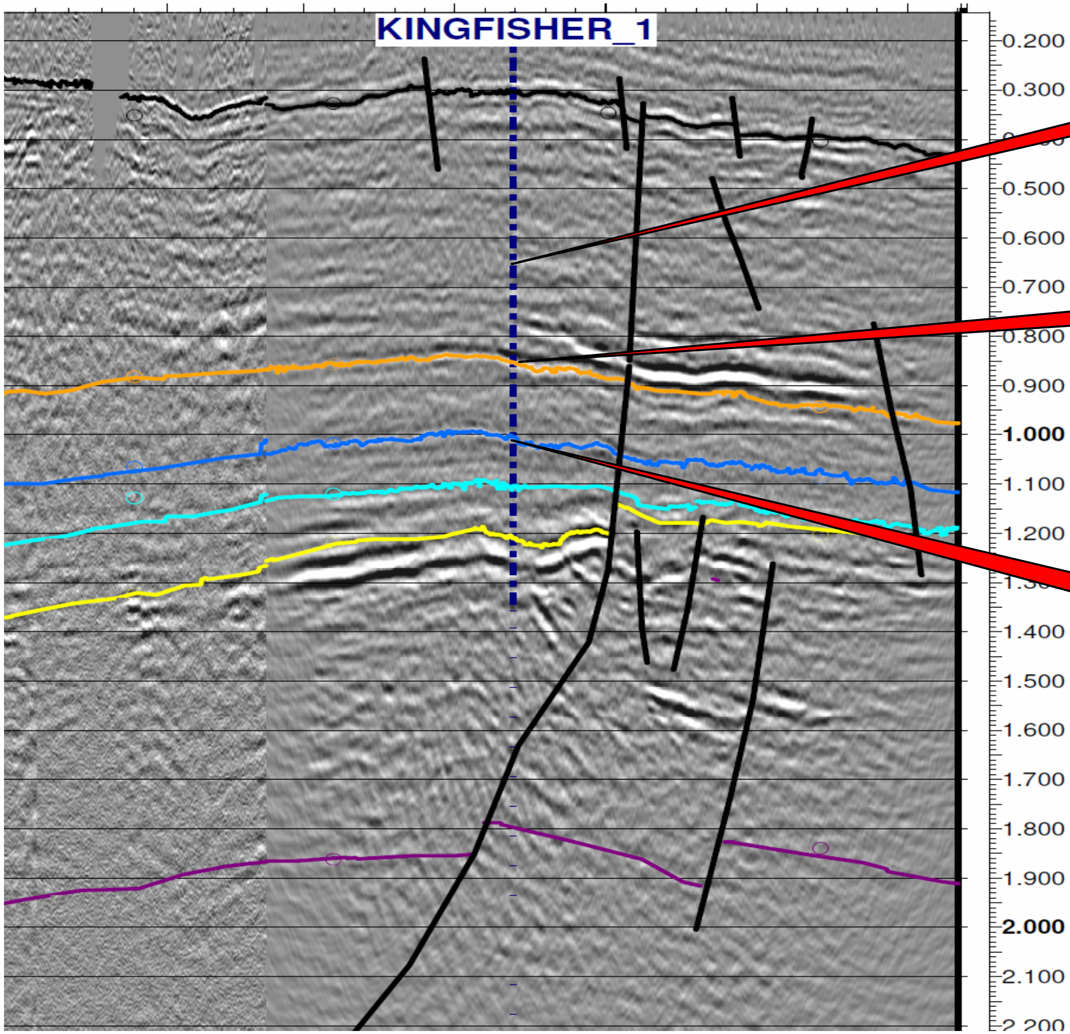
2009 year in review : conventional gas program

- **Kingfisher E1 successful appraisal and deeper section new gas zones**



Successful appraisal Heifer Ck, Top Gatton (900 Mcf/d openhole test)

Further gas bearing sections intra Gatton
1452-1454m (2m) 4,400units 8.6ppg
1710-1712m (2m), 90 units, 9.7ppg
1851-1884m (33m),100 units, 9.7ppg
1930-1942m (12m), 80-212 units, 9.7ppg

Ripley Road intersected at 1973m

Following logging KE1 will be cased and cemented for reservoir testing of gas bearing intervals to determine reserves and derive an optimal production method

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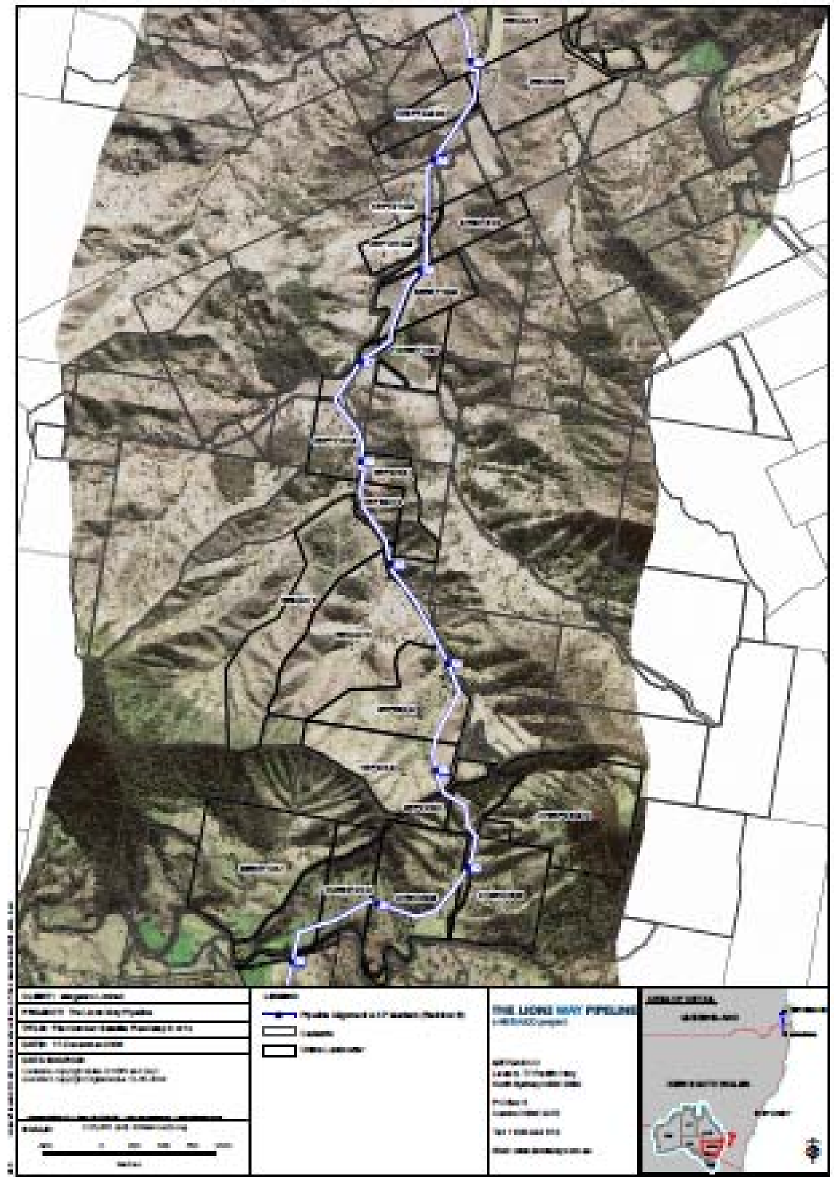
2009 year in review : infrastructure development

- Richmond Valley Power Station (RVPS)
  - Exercised option for land purchase
  - Final stage of EA process
- Lionsway Pipeline
  - Landowner contact and consultation
  - completed route studies, final route selection
  - Studies for EA – soil & water, flora and fauna
- Northern Rivers Power Station
  - Initial concept plans
- Gas sale discussions
  - 2014 swaps into Queensland market



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2009 year in review : corporate activity

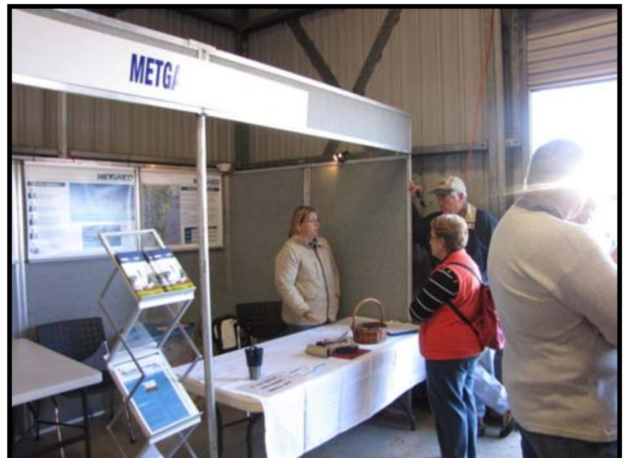
- **Working towards broadscale development Metgasco now has a 100% undivided Working Interest in PEL 13, 16, and 426**
  - repurchase of Suncor GO Royalty and CSE 15% Working interest in PEL 16
  - acquisition of MPO working interests in PEL 13 and 426
  - facilitates a more manageable, coherent development path
- Careful management of costs through global financial crisis
- Preparation for CPRS
- Successful capital raising activities
  - April 2009 oversubscribed $15.7 million placement and rights issue
  - June 2009 $3.9 million with conversion of options by directors
- Director resignation of Rick Wood
  - IPO founding director with significant upstream petroleum experience
  - Established current operations team and laid platform for further development

2009 year in review : stakeholder activity

- **Continued interaction and support for local community groups**

Northern Rivers Science and Engineering Challenge

Landscape prize Bentley art show



Primex Information stall

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2010 objectives

- Basin exploration program
- Field development planning
- Infrastructure & gas markets
- Corporate & stakeholder activities

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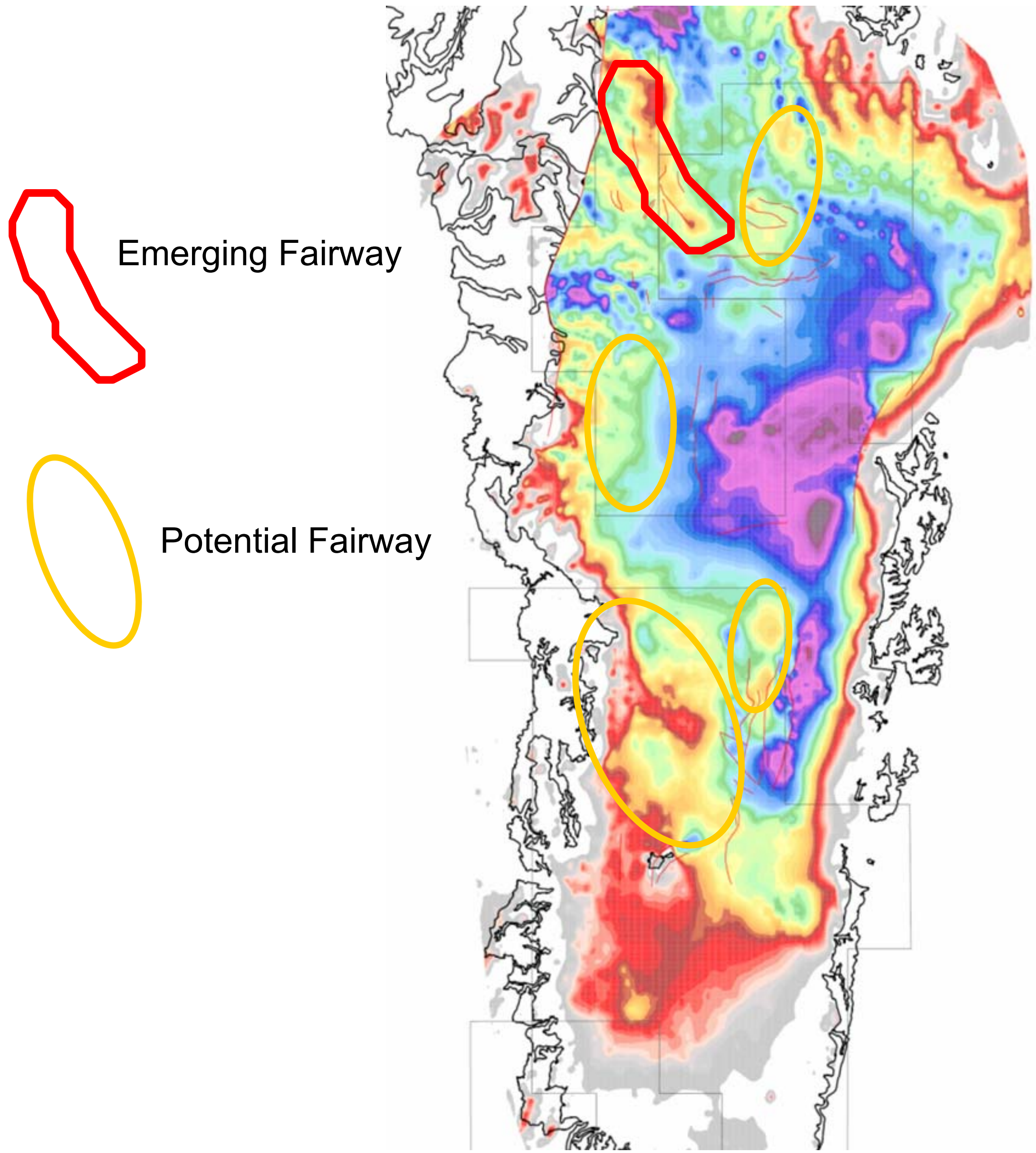
2010 objectives : basin exploration program

- **Seek to identify productive CSG fairways**
- Exploration experience now sufficient to plan and commence regional drilling for interpreted "hotspots"
  - Core drilling to generate 3P & 2P reserves
  - Air drill verticals provide a cheap method of understanding productivity
- Continue focus on well engineering and design
  - I/J/K pilot production program
- Seismic to assist in fairway identification and mapping



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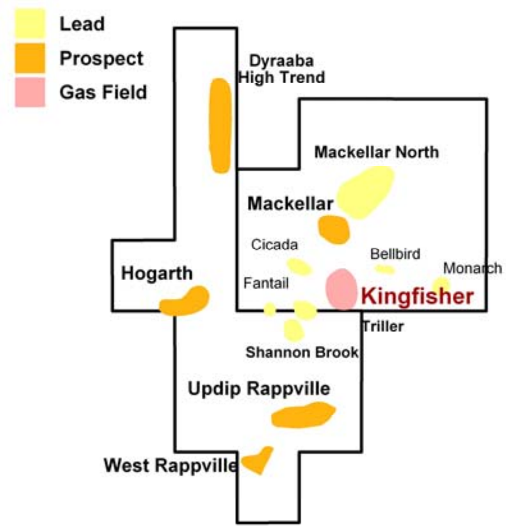
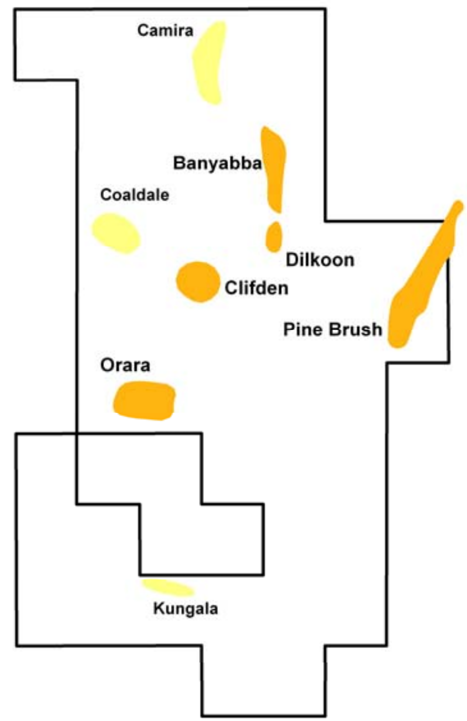
2010 objectives : basin exploration program

- **Make further conventional gas discoveries**

- Consolidated Prospects and Leads
- Risking and Prioritisation studies underway
  - further seismic
  - additional drilling

PEL	Number Prospects and Leads	Total Unrisked Pmean OGIP Estimate
PEL 13	5	298 Bcf
PEL 16	8	473 Bcf
PEL 426	8	584 Bcf
Total	21	1,355 Bcf





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2010 objectives : field development planning

CSG resources
Richmond seam optimal well design & cost
well locations, number of wells, field reserves
gathering systems (water,gas,compression)
economic case, full field production capability

Conventional resources
reservoir engineering, additional seismic
Kingfisher reserves, production well design
well locations, infield gathering systems
economic case, full field production capability

total production volumes
component mix, flex capability
total upstream capex,opex
economic case and pricing requirement

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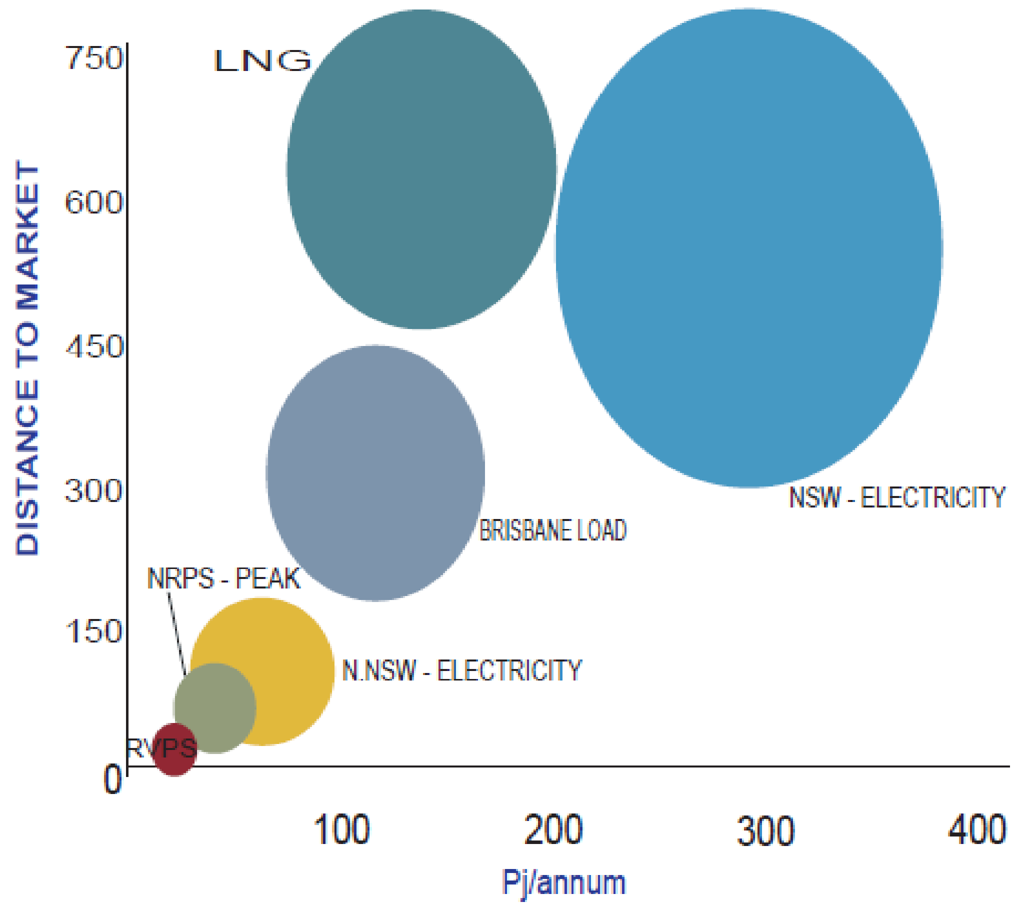
2010 objectives : infrastructure & gas markets

- As a cost competitive supplier, the opportunities are numerous…

- Currently planned and possible capacity:

Project	Capacity (PJ/a)
RVPS	2 2
LWP	27 - 220
NRPS	8 - 24
Total	**37 - 246**



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2010 objectives : corporate & stakeholder activities

- Metgasco has now commenced a process to identify potential partners for CSG interests in PEL 16
  - appropriate time to encourage further investment from a compatible joint venture party in field development – Metgasco has proven gas reserves and large 2P reserves
  - JV partners are being sought for up to 50% interest , incoming parties will be given opportunity to participate in downstream projects
- Announced an SPP to raise a maximum of $25m to provide shareholders an opportunity to support the company though next phase of growth in transition from exploration and appraisal to production

- As the transition from exploration and appraisal to production occurs, further interaction with stakeholders will be required
  - landowners on whose land we operate
  - indigenous groups whose presence we respect
  - community groups which provide a local voice on various issues
  - town councils who manage local regulations
  - Federal, state and regional departments who regulate legislative requirements

- Search for replacement Director

Question and answer session

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