



## **ASX / MEDIA RELEASE**

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### **METGASCO ANNOUNCES PLACEMENT AND SHARE PURCHASE PLAN**

Metgasco Limited ("Metgasco") is pleased to announce that it has received binding commitments from existing shareholders and new institutional and sophisticated investors in Australia and overseas for a private placement of new ordinary shares at an issue price of \$0.26 per share to raise approximately \$6.25 Million ("Placement").

As a result of this announcement, Metgasco will resume trading from the commencement of trading today.

The private placement was conducted in accordance with ASX Listing Rule 7.1 and will be settled in one tranche.

In addition, Metgasco will offer eligible shareholders the right to participate in a Share Purchase Plan ("SPP") which will enable shareholders to apply for up to \$15,000 of shares at the same price as the Placement. Further details on the SPP, including the timetable, will be provided to shareholders shortly.

Proceeds from the capital raising will be used to fund:

- The supply of gas to local customers and Stage 1 of the Richmond Valley Power Station (6 MW). The completion of these local projects will generate first revenue for the Company;
- Reserve development and licence commitment drilling in PEL 13 and PEL 426;
- The drilling of the potentially high impact Rosella E01 well on the Mackellar North structure. This structure is located to the north of Metgasco's Kingfisher discovery and has a P50 OGIP estimate of 1,312 Bcf; and
- Ongoing working capital requirements.

Further details of the capital raising, along with a business update are provided in an Investor Presentation to be released today.

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Metgasco has a 100% interest in PEL 16, 13 and 426 in the Clarence Moreton Basin in NSW where we operate the largest acreage position in the basin. Metgasco currently has 2P gas reserves of 397 Petajoules and 3P gas reserves of 2,239 Petajoules from less than 10% of our acreage area. We are exploring for gas in conventional and unconventional reservoirs and in 2010 discovered the Kingfisher gas field, the largest conventional discovery in NSW in over a century of exploration in the State. Metgasco is currently progressing its gas commercialisation agenda which includes gas and electricity supply to NSW and gas supply to Queensland. With gas in place resources likely to exceed the domestic markets requirements and sufficient to supply export scale projects, Metgasco is currently investigating LNG project development options.

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