

29 September 2011

ERM Power acquires a 6% interest in gas company Metgasco Limited

Integrated energy company ERM Power (ASX:EPW) has acquired a 6% interest in gas company Metgasco (ASX:MEL), further diversifying its gas investment strategy on the east coast of Australia.

Managing Director and CEO Philip St Baker said this was a modest investment that provides exposure to anticipated rising gas prices on the east coast of Australia.

He said ERM Power was comfortable with a shareholding at this level.

“ERM Power has a diversified gas investment strategy on the east and west coasts of Australia which includes direct investment in oil and gas exploration and production, direct gas procurement and direct (shareholding) investments in gas exploration and production companies,” Mr St Baker said.

“The diversified approach to gas investment provides greater options to the company for its own generation development activities whilst also providing business opportunities in their own right.

“This strategy is consistent with the broader ERM Power strategy of vertical integration.”

A handwritten signature in black ink, appearing to be 'P. Jans'.

Peter Jans
Group General Counsel & Company Secretary
ERM Power Limited

For further information

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About ERM Power

ERM Power (ASX code: EPW) is an integrated energy company which operates electricity sales, generation and gas procurement businesses. Founded in 1980 as a specialist energy advisory firm, it grew through deregulation and privatisation to become one of Australia's largest private energy sector companies before listing on the Australian Securities Exchange on 10 December 2010. ERM Power is leveraged to the forecast growth in the Australian electricity market through its sales business, ERM Sales, which focuses on large business customers, and its generation business, which focuses on low emission gas-fired assets with long term contracts. In the last six years ERM Power has developed five power stations, operating two of them and retaining interests in two.

www.ermpower.com.au

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Metgasco Limited

ACN/ARSN 088 196 383

1. Details of substantial holder (1)

Name ERM Power Limited (**ERM Power**), Energy Resource Managers Holdings Pty Ltd (**Energy Resource Managers**) and Trevor St Baker

ACN/ARSN (if applicable) ERM Power: 122 259 223, Energy Resource Managers: 010 165 554

The holder became a substantial holder on 27/09/2011

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
ORD	18,586,989	18,586,989	5.51%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
ERM Power	Beneficial owner of securities held by nominee ERM Power has a relevant interest by virtue of section 608(1) Corporations Act	18,586,989 ORD
Energy Resource Managers	Energy Resource Managers has a relevant interest in any securities that ERM Power has a relevant interest in by virtue of section 608(3)(a) Corporations Act	18,586,989 ORD
Trevor St Baker	Trevor St Baker has a relevant interest in any securities that Energy Resource Managers has a relevant interest in by virtue of section 608(3)(b) Corporations Act	18,586,989 ORD

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Refer to Annexure A			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Refer to Annexure A				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
ERM Power Limited	Level 5, Riverside Centre, 123 Eagle Street Brisbane QLD 4000
Trevor St Baker	658 Upper Brookfield Road Upper Brookfield QLD 4069
Energy Resource Managers Holdings Pty Ltd	C/- Accounting Solutions & Strategies, Level 10, 87 Wickham Terrace Spring Hill QLD 4000
Berne No 132 Nominees Pty Ltd	GPO Box 202 Brisbane QLD 4001
Blackanco Nominees Pty Ltd	GPO Box 202 Brisbane QLD 4001

Signature

print name Peter Jans

capacity Company Secretary
ERM Power Limited

sign here

date 29/09/2011


DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 1 page referred to in Form 603 (notice of initial substantial holder)



Peter Jans
Company Secretary

Date: 29 September 2011

Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
ERM Power, Energy Resource Managers and Trevor St Baker	Berne No 132 Nominees Pty Ltd <553957 A/c>	ERM Power Limited	1,598,079 ORD
	Berne No 132 Nominees Pty Ltd <80688 A/c>	ERM Power Limited	1,220,117 ORD
	Berne No 132 Nominees Pty Ltd <35724 A/c>	ERM Power Limited	3,031,610 ORD
	Berne No 132 Nominees Pty Ltd <Cust A/c>	ERM Power Limited	1,886,622 ORD
	Blackanco Nominees Pty Ltd <EPL A/c>	ERM Power Limited	1,612,925 ORD
	Blackanco Nominees Pty Ltd <Aust Equity A/c>	ERM Power Limited	2,841,107 ORD
	Blackanco Nominees Pty Ltd <Gen A/c>	ERM Power Limited	2,808,099 ORD
	Blackanco Nominees Pty Ltd <Nom A/c>	ERM Power Limited	2,630,727 ORD
	Blackanco Nominees Pty Ltd <586056 A/c>	ERM Power Limited	957,703 ORD

Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
ERM Power, Energy Resource Managers and Trevor St Baker	29 July 2011	\$ 90,983.90	-	259,954 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	1 August 2011	\$ 93,649.85	-	267,571 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	2 August 2011	\$ 210,194.36	-	631,954 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	3 August 2011	\$ 131,171.93	-	416,504 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	4 August 2011	\$ 86,270.28	-	267,329 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	5 August 2011	\$ 109,400.00	-	370,000 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	5 August 2011	\$ 502,434.21	-	1,790,306 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	8 August 2011	\$ 423,194.40	-	1,528,730 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	9 August 2011	\$ 15,269.24	-	54,533 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	9 August 2011	\$ 359,085.78	-	1,384,451 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	10 August 2011	\$ 15,060.93	-	54,767 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	10 August 2011	\$ 459,226.56	-	1,576,703 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	11 August 2011	\$ 88,478.70	-	320,863 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	12 August 2011	\$ 251,323.55	-	866,851 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	15 August 2011	\$ 252,290.88	-	846,517 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	16 August 2011	\$ 106,150.91	-	344,921 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	17 August 2011	\$ 138,947.00	-	451,600 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	18 August 2011	\$ 72,559.50	-	237,900 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	19 August 2011	\$ 211,726.26	-	732,636 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	22 August 2011	\$ 382,875.34	-	1,237,788 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	23 August 2011	\$ 121,546.26	-	389,290 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	24 August 2011	\$ 152,255.86	-	483,406 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	25 August 2011	\$ 177,292.20	-	550,976 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	26 August 2011	\$ 82,637.40	-	254,570 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	29 August 2011	\$ 70,822.16	-	216,099 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	30 August 2011	\$ 207,739.09	-	600,781 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	31 August 2011	\$ 100,470.00	-	263,000 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	1 September 2011	\$ 39,000.00	-	100,000 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	26 September 2011	\$ 87,500.00	-	300,000 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	27 September 2011	\$ 18,075.53	-	55,617 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	27 September 2011	\$ 199,349.47	-	634,154 ORD
ERM Power, Energy Resource Managers and Trevor St Baker	28 September 2011	\$ 368,856.81	-	1,097,218 ORD