METGASCO

ASX/MEDIA RELEASE

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Drilling program plans

Metgasco Limited (ASX: MEL) today announced that field work for the first of its 2013 exploration and pilot wells will commence in early January 2013.

The first well to be drilled will be the Thornbird E04 well, a simple vertical well to better define coal distribution in PEL 426. Metgasco has all landholder and government approvals required for work to commence.

This well is the start of a work program that has been approved by the New South Wales Government.

The approval to conduct this work program and the renewal of Metgasco's exploration licences clearly demonstrates the support that the New South Wales Government is providing the Company and the CSG industry in general.

Metgasco's Managing Director, Mr Peter Henderson said: "Once we have completed drilling our core/exploration wells, we will drill some lateral wells to demonstrate the productivity of the coal seams, before drilling our conventional prospect, the Greater Mackellar structure. One of the short to medium term goals of this program is to provide competitively priced natural gas to local businesses."

"We remain committed to delivering gas to Richmond Dairies, delivering cleaner, cheaper energy to other local businesses and industries in the Northern Rivers region, and pursuing broader gas sale opportunities in the longer term."

ENDS

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