ASX / MEDIA RELEASE
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18 February 2016

Unmarketable Parcel Share Sale Facility

Metgasco Limited is pleased to announce that it has established a share sale facility (**Facility**) for holders of Unmarketable Parcels of the Company's shares. Of the Company's approximately 4,200 shareholders, 1,470 hold Unmarketable Parcels.

The Company is providing the Facility to Unmarketable Parcel holders to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomic.

The Company expects to reduce the administrative costs associated with maintaining a large number of small shareholders.

An Unmarketable Parcel (which is a parcel of the Company's shares with a market value of less than $500 on the Record Date) will be any registered shareholding of 8,197 shares or less. The Record Date for the purposes of establishing holders of Unmarketable Parcels has been set at 7.00pm on 15 February 2016.

The sale price will be determined once all of the Shares under the Facility are sold. Each shareholder will receive their proportionate share of the sale proceeds for all Shares sold through the Facility. If all or some of the Shares are sold off-market, the sale price for those Shares will be deemed to be the volume weighted average price of all the Company's Shares sold on-market during the five trading days up to (and including) the Closing Date.

However, Rule 149 of the Company's Constitution provides that there will be a Minimum Sale Price under the Facility. This is the volume weighted average sale price of all Metgasco's Shares sold on the ASX during the five trading days immediately preceding the Record Date, rounded off to the nearest half cent, which has been calculated as $0.06.

A summary of the key dates in relation to the Facility is as follows:

Summary of key dates

Unmarketable Parcels Record Date:	at 7.00pm on 15 February 2016
Unmarketable Parcels Announcement to ASX:	18 February 2016
Letters sent to shareholders holding Unmarketable Parcels:	18 February 2016
Closing Date for receipt of Share Retention Form:	31 March 2016
Unmarketable Parcels Payment Date:	expected to be on or about 22 April 2016

Attached is a copy of the Letter, Information Pack and the Share Retention Form which today has been sent to all shareholders holding an Unmarketable Parcel of the Company's shares on the Record Date.

ENDS

For further information contact:
Peter J Henderson
Managing Director & CEO

Metgasco Limited | ACN 088 196 383
Level 11, 2 Elizabeth Plaza, North Sydney NSW 2060
Tel: + 61 2 9923 9100 | Fax: + 61 2 9923 9199
Web: www.metgasco.com.au

METGASCO

ABN 24 088 196 383

MEL

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

18 February 2016

Dear Shareholder

IMPORTANT NOTICE - SALE OF YOUR UNMARKETABLE PARCEL OF METGASCO LIMITED SHARES

I am writing to advise you that Metgasco Limited has established a share sale facility (**Facility**) for eligible small shareholders to sell their shareholding without incurring any brokerage or handling costs.

The Facility is available to shareholders who on Monday, 15 February 2016 (**Record Date**) were holders of Shares valued at less than $500 (each being an **Unmarketable Parcel**). Based on the closing price of $0.061 for a Share on the Record Date, an Unmarketable Parcel is any holding of 8,196 Shares or less.

Our records show that you were an Unmarketable Parcel holder at the Record Date. Unless you advise the Company by 5.00pm (Sydney time) on 31 March 2016 (**Closing Date**) that you do NOT wish to sell your Shares, Metgasco intends to sell your Shares through the Facility in accordance with Rule 149 of the Company's Constitution. However, if on the Closing Date the value of your Shares has increased such that you no longer have an Unmarketable Parcel (e.g. due to an increase in the Company's share price), your Shares will not be sold.

<u>Summary of key dates</u>

Unmarketable Parcel Record Date:	7.00pm, 15 February 2016
Unmarketable Parcels Announcement to ASX:	18 February 2016
Letters sent to shareholders holding Unmarketable Parcels:	18 February 2016
Closing Date for receipt of Share Retention Form:	31 March 2016
Unmarketable Parcels Payment Date: expected to be on or about:	22 April 2016

<u>To retain your holding of shares</u>

If you wish to retain your Unmarketable Parcel of Metgasco Shares (i.e.you do NOT wish to sell your Shares through the Facility) you must complete and return the enclosed **Share Retention Form** so that it is *received by 5.00pm (Sydney time) on the Closing Date which is **31 March 2016***.

If you do not take any action before the Closing Date your Shares will be sold.

The sale price will be determined once all of the Shares under the Facility are sold. Each shareholder will receive their proportionate share of the sale proceeds for all Shares sold through the Facility. If Shares are sold off-market, the sale price for those Shares will be deemed to be the volume weighted average price of all Metgasco Shares sold on-market during the five trading days up to (and including) the Closing Date.

Metgasco Limited ACN 088 196 383
PO Box 517, North Sydney, NSW 2059 | Phone: +61 2 9923 9100 | Fax: +61 9923 9199
www.metgasco.com.au

However, Rule 149 of the Company's Constitution provides that there will be a Minimum Sale Price under the Facility. This is the volume weighted average sale price of all Metgasco's Shares sold on the ASX during the five trading days immediately preceding the Record Date, rounded off to the nearest half cent, which has been calculated as $0.06.

Under the Facility the Company:

(a) is authorised the sell all of your Shares without any transaction costs being incurred by you; and

(b) will pay you the sale proceeds, following settlement of the sale of all Shares through the Facility. Where direct credit details have not been provided, you will receive a cheque for the sale proceeds.

If you need help deciding what to do or if you require information regarding the financial, legal or tax consequences of participating in the Facility, you should consult your legal, financial or taxation adviser.

The **attached** Information Pack sets out further details of the Facility, which you should read before making any decision. You can also contact Metgasco Limited on 02 9923 9100 (within Australia) or + 61 2 9923 9100 (outside Australia) if you have any queries about lodging your form or the operation of the Facility.

Yours sincerely

Peter J Henderson
Managing Director & CEO
Metgasco Limited

INFORMATION PACK FOR THE UNMARKETABLE PARCEL SALE FACILITY

1. *What is an Unmarketable Parcel?*

   An Unmarketable Parcel is a holding of Metgasco Limited Shares valued at less than $500. Based on the closing price of Metgasco Shares at the Record date, this is a holding of 8,196 Shares or less.

2. *What was the closing price of a Share at the Record Date?*

   The closing price of a Metgasco Share at the Record date on 15 February 2016 was $0.061.

3. *What do I have to do to sell my Shares through the Facility?*

   Nothing. Your Shares will automatically be sold unless you return a Share Retention Form.

4. *How will my Shares be sold under the Facility?*

   Under the Facility, your Shares may be sold:

   - off-market, including to the Company (to be cancelled) or to a related entity; or
   - on-market.

5. *What price will I receive for Shares sold through the Facility?*

   The price that you receive for your Shares under the Facility will be determined once all of the Shares under the Facility are sold. Each shareholder will receive their proportionate share of the Sale proceeds for all Shares sold through the Facility (rounded down to the nearest cent). If all or some of the Shares are sold off-market, the Sale Price for those Shares will be deemed to be the volume weighted average price of all Metgasco Shares sold on-market during the five trading days up to (and including) the Closing Date.

   However, Rule 149 of the Company's Constitution provides that there will be a Minimum Sale Price under the Facility. This is the volume weighted average sale price of all Metgasco's Shares sold on the ASX during the five trading days immediately preceding the Record Date, rounded off to the nearest half cent, which has been calculated as $0.06.

   You should note that the Sale Price you are paid for your Shares may be different from the sale price appearing in the media or on the ASX on a day a sale occurs, and may not be the best execution price on the trading day or trading days that your Shares are sold or at any other time during the operation of the Facility. The sale price will depend on a number of factors, including market conditions at the time of sale. Further, the sale price you are paid for your Shares may be less than the price you paid to acquire them.

6. *When will the proceeds for the sale of Shares be sent to me?*

   Payment will be sent to you following settlement of the sale of all Shares through the Facility or otherwise as soon as it is practicable. Payment will be made in Australian dollars by direct credit to your nominated account (where we have your details) or by cheque. You will be notified by way of a transaction confirmation statement of the number of your Shares that have been sold, the Sale Price obtained and total Sale proceeds payable to you. The transaction confirmation statement (and cheque if direct credit details have not been provided) will be sent by post to your address as shown in the share register.

   We expect payment to be made on or about 22 April 2016.

7. *What if I have outstanding dividend amounts owing to me?*

   Any outstanding dividend amounts owing to you will be paid together with the proceeds from the sale of your Shares.

8. *What if my direct credit details require updating?*

Should you wish to update your direct credit instructions, please call Metgasco Limited on 02 9923 9100 (within Australia) or +61 2 9923 9100 (outside Australia).

Alternatively, you can amend your instructions online through Computershare's Investor Centre site www.computershare.com.au/investor. You will be required to enter your SRN or HIN and postcode as shown on your enclosed Share Retention Form. As an additional security measure, you will also be required to create a user ID and password if you have not previously used the Investor Centre site.

9. *What do I have to do if I wish to retain my Metgasco Shares?*

If you wish to retain your Metgasco Shares, you must sign and return the Share Retention Form so that it is received before 5.00pm (Sydney time) on 31 March 2016. If your Share Retention Form is not received and you have not otherwise validly notified the Company that you wish to retain your Shares by that time, the Company will be entitled to sell your Shares for you.

Your Share Retention Form must be sent to:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 3001

Further, your Shares will not be sold if, on the proposed Closing Date, their value has increased to $500 or more.

10. *If I buy more Shares, will I retain my holding?*

Metgasco will not sell your Shares providing you increase your holding to a marketable parcel as at the Closing Date. A marketable parcel of Shares is one worth at least $500 based on the ASX closing price of Metgasco Shares, i.e. at least 8,197 Shares where the closing price is $0.061. For a purchase to be an effective notification that you wish to retain your Shares, any additional Shares acquired must be registered by that time under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Share Retention Form.

11. *What if my Shares are held in a CHESS Holding?*

If you have an Unmarketable Parcel of Shares and your Shares remain in a CHESS Holding, the Company may move those Shares to an Issuer Sponsored Holding and the Shares will be sold through the Facility on the terms described.

12. *Where can I get further information?*

If you have any questions concerning your shareholding or queries about how the Facility will work, please contact Metgasco Limited on 02 9923 9100 (within Australia) or +61 2 9923 9100 (outside Australia).

13. *What if I do not know what to do?*

This Information Pack and accompanying letter does not constitute advice, nor a recommendation to buy, sell or hold Shares, nor that the Facility is the best way to sell Shares. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.

14. *Important notes*

Metgasco reserves the right to change any of the dates referred to in the accompanying letter, this Information Pack or the Share Retention Form by notice to the ASX. Metgasco may, before a sale is affected under the Facility, suspend or terminate the Facility, either generally or in specific cases.

METGASCO

ABN 24 088 196 383

Return your Form to the Company's share registry:

By Mail:
Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:

Phone:
(within Australia) 02 9923 9100
(outside Australia) +61 2 9923 9100

MEL

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Share Retention Form

If you wish to retain your shares, this form must be received by Thursday, 31 March 2016

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in Metgasco Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Metgasco Limited, do not complete or return this form. If you have more than one shareholding on Metgasco Limited's register and you do not wish to sell your shares under the Share Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.
Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.
Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.
Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.
Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔

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For your security keep your SRN/ HIN confidential.

STEP 1 Shareholding Details

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

Shares held as at Monday, 15 February 2016: **2000**

STEP 2 Signature of Shareholder(s)

This section must be completed.

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Share Sale Facility.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary/ Sole Director (cross out titles as applicable)	Director	Director/Company Secretary (cross out titles as applicable)

STEP 3 Contact Details

Contact Name ______________________ **Contact Daytime Telephone** ______________ **Date** / /

Email Address ______________________________________

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.