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## KINGFISHER E1 – TESTING UPDATE

Metgasco (ASX:MEL) advises that reservoir testing of the Ripley Road sandstone has now been completed. This consisted of two tests in the Ripley Road.

In the first test, the well was perforated over a 5.3 metre interval between 2,043.7 and 2,050 metres, representing the lowest accessible zone identified from the wireline logs. For the second test, the well was perforated over a 12 metre interval between 1,980 and 2,035.5 metres.

Following perforation the test program for each zone consisted of an Impulse Build Up Test followed by cleanup, flow after flow tests and subsequent build up.

As previously announced, following a 7 hour cleanup flow, the first zone flowed at a stabilised rate of 2.97 million scfd through a 1" choke after 15 hours flow. Following completion of the flow after flow tests and subsequent build up, the downhole pressure gauges have been recovered and data sent for analysis. Gas recovered during the test was very high in Methane and low in all other components with 95.8% Methane, 2.1% nitrogen, 0.3% carbon dioxide, and 1.8% heavier hydrocarbons. A subsequent gradient survey did not indicate any significant production of liquids to the wellbore during the flowing periods. No condensates were recovered.

The second test was conducted over the past week and was terminated early due to the slow pressure build up. Further testing of the zones in the second test as a tight gas reservoir will be considered.

With the completion of testing in the Ripley Road, the testing program will commence in the Gatton formation where testing of a further 5 zones is proposed. The testing program is currently being conducted without a rig and straddle packers and tests are completed using the full wellbore to reduce cost. Owing to the extensive number of zones and the nature of the testing process, the remaining program adopted will require up to 12 weeks to complete. The program and zones tested will be modified as results are obtained from each test zone.

The data collected from these tests will be used to progressively generate reserves estimates and as input to the design of a drilling and completion program for full field development.

### Background to Kingfisher E1 (PEL 16)

Kingfisher E1 is the first appraisal well of the Kingfisher field located in PEL 16 in the Clarence Moreton basin in northern New South Wales. The well was drilled in November 2009 to appraise the Heifer Creek and upper Gatton sandstones and explore the lower Gatton and Ripley Road sandstones. A total gas bearing interval of 138.3 metres has been identified from wireline logging with an estimated net pay of 30.3 metres. Metgasco's initial analysis is that the field has a contingent resource of 77 Bcf (P50) and 284 Bcf (P90) which is the largest conventional gas discovery in the history of New South Wales oil and gas exploration. Results from the production testing program will provide further information on the scale and commercial significance of this discovery. Metgasco holds a 100% interest in PEL 16.

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