

ASX ANNOUNCEMENT



13 February 2008

OPERATIONS REPORT

Metgasco (ASX:MEL) advises the following operational activities were undertaken over the past week.

The Company has continued to flare gas and produce water at Corella-P11. During the week, pumps were installed at Corella-P16 and water pumping commenced. Pumping also commenced during the week on Corella-P14 and Riflebird-P11. Dewatering of Corella-P12 has continued during the week. Access to certain well sites remains difficult with rain persisting during the last week.

In the last week the Company spudded Riflebird-E14 which is aimed at evaluating the deeper I/J sequence of the Walloon Coal Measures. The hole will be drilled through the sequence and cased in preparation for fracking at a later date. This well is currently drilling ahead at 754 metres.

The installation of pumps at Riflebird-P12 has been delayed due to current drilling operations on Riflebird-E14 which shares the same drill pad.

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