

10th June 2009

Free Gas Flows from Wyan-E1

Metgasco (ASX:MEL) advises that over the past week the Wyan-E1 coal seam gas exploration well has been drilled.

This well is a vertical exploration well drilled to a total depth of 702 metres. The Walloon Coal Measures were intersected at the predicted depth. A number of coal seams were present, however Metgasco is unable to advise the net coal at this location until the interpretation of wireline logs has been completed.

Free gas shows were observed during drilling. Metgasco conducted two flow tests of approximately 8 hours each.

The first production test was performed over the interval from 402 to 456 metres containing the Richmond coal seam. A continuous production test demonstrated gas flows of approximately 120,000 standard cubic feet per day ("scfd") through a 24/64" choke.

A second production test of a further 8 hours was conducted over the total Walloons section once the well reached total depth. This test demonstrated sustained gas flows in excess of 160,000 scfd throughout the period with a flow rate at the end of the period of approximately 175,000 scfd through a 24/64" choke.

The well was wireline logged to 547 metres, however a bridge in the well prevented logging to 702 metres. The available logs are currently being interpreted and the well has been suspended pending decisions on further logging and testing. The Boart Longyear rig has now mobilised to PEL 16 where it will commence drilling the Riflebird-E15 coal seam gas exploration well.

Wyan-E1 is located in PEL 13, approximately 28km south west of the township of Casino.

The respective interests in PEL 13 (Coal Seam Gas) are:

Metgasco Limited (ASX:MEL) Operator	75%
Molopo Australia Limited (ASX:MPO)	25%

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