



ASX / MEDIA RELEASE
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KINGFISHER E1- PROGRESS REPORT #4

Metgasco (ASX:MEL) today advises the following:

A short production test at appraisal well Kingfisher E1 was conducted overnight in an open hole section at 1,274 metres in the Heifer Creek sandstone. This zone is interpreted to be the equivalent to that encountered at 1,240 metres at Riflebird E14, the well previously drilled at the Kingfisher field.

The well produced at a rate of 900,000 scfd after a 4 hour test on a 32/64" choke.

Production testing appeared to generate some instability in the hole. Consequently, the testing process was curtailed and operations undertaken to run back to bottom to wash and ream the hole to bottom.

As at 6.00am today, the well was drilling ahead at 1,302 metres in a 6 1/8" hole. Depending upon drilling response, a short duration production test of the Heifer Creek and Gatton sandstones may be run at 1,500 metres prior to drilling ahead to TD, currently estimated at 2,100 metres. Depending on the nature and extent of further hydrocarbon shows encountered, the well will be cased and cemented for further appraisal testing.

Logging operations of the Walloon Coal Measures above the Heifer Creek sandstone have been completed and these logs are currently being evaluated.

Background

This well is located in PEL 16 approximately 2 kilometres from the town of Casino in northern New South Wales. Metgasco has a 100% interest in this well. The well is designed to appraise several zones including the Heifer Creek and Gatton sandstones; and the deeper Ripley Road Sandstone.

Metgasco estimates that the original gas in place (OGIP) potential of the entire Kingfisher structure is 82 Bcf (P50) and 831 Bcf (P10) with a contingent resource of 36.6 Bcf (P50) attributed to the upper gas sands intersected in the initial discovery well Riflebird E14.

Regular updates will be provided as to drilling progress for the well.

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