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ANNUAL GENERAL MEETING 2009

CHAIRMAN'S ADDRESS

Good morning ladies & gentlemen.

My name is Dr Peter Power and I am your Company's Chairman. It is my pleasure to welcome you to the 2009 Annual General Meeting of Metgasco Limited.

At the time of our last AGM the world was in the midst of the global financial crisis. I am pleased today to report that Metgasco has not only survived the market storms but has made great progress in its exploration and appraisal programs and in consolidating its asset base in the Clarence Moreton basin, a petroleum basin which we believe is on the cusp of becoming one of the major gas suppliers to eastern Australian energy markets.

I want to communicate the Metgasco vision. We have identified huge gas reserves in the middle of the fastest growing energy market in Australia. We have established control of the major fairway in a gas rich basin.

We have established a large gas reserve position of 298 petajoules in the 2P category and over 1,500 petajoules in the 3P category. A petajoule is roughly equivalent to a billion cubic feet of gas. These reserves have been certified by an independent authority based in the US, MHA Petroleum Consultants.

The lead well of our pilot program has continued its strong performance with gas production rate increasing to 240,000 standard cubic feet per day with a small amount of water which is an enormous advantage as it minimises our environmental footprint and lowers water handling costs.

This year our reserve certifiers advised that gas production from this well is commercially proven and accordingly we have received our first 1P reserve certification.. As we move into implementing our development plan we expect to add to our proven reserves in the near future.

This year we expanded our coal seam gas exploration into other areas in the Clarence Moreton basin drilling two wells, both of which flowed gas to surface immediately, confirming that the coal seam gas resource in the basin is widespread and charged with gas.

Your proxy votes received prior to this meeting show shareholders strong support of Metgasco's expansion of our activities through the acquisition of additional interests. Further work is planned in these areas starting soon and we will keep shareholders informed of our views on the potential of these assets which we consider to be significant.

On a different note, we are currently drilling our first deep conventional well in the basin – Kingfisher E1. and the results to date appear to be highly encouraging. David Johnson will provide further insights into this important exploration well in his presentation.

Metgasco is managing its appraisal and development program with a relatively small but highly dedicated and experience team. I would like to thank them on your behalf, for their hard work over the past year.

I would also like to thank my fellow Directors for their contribution and in particular thank Rick Wood who retired from the Board this year. Rick made an outstanding contribution to the company as executive director of operations and his expertise and wise counsel will be missed. We wish him all the best for the future.

Metgasco is now planning to expand both coal seam and conventional gas exploration programs. We expect to book further gas reserves in the coming year, bring our next generation of coal seam gas wells online, drive our infrastructure development programme forward and move into full field development. This is an exciting program which we are all looking forward to bring to fruition.

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