



ASX / MEDIA RELEASE
14 January 2010

CORELLA P18 PROGRESS REPORT

Metgasco (ASX:MEL) advises the following progress on next generation coal seam gas ("CSG") pilot well Corella P18.

At last report the lateral leg of Corella P18 reached a total vertical depth ("TVD") of 388m and 7" casing was run and cemented. Drilling recommenced and successfully intersected the vertical offtake with good contact in the preferred location in the Richmond seam. Subsequent to this drilling of the inseam section continued until a drilling break occurred at 785m (measured depth) which lead to the drillpipe becoming stuck in the hole. Work is currently underway to remediate the blockage to recommence drilling.

For further information contact:

David Johnson
Managing Director

Glenda McLoughlin
Chief Financial Officer

Metgasco Limited ACN 088 196 383
Level 9, 77 Pacific Highway, North Sydney NSW 2060
Tel: +61 2 9923 9100 Fax: +61 2 9923 9199
Web: www.metgasco.com.au