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## 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 drilling of the inseam section had continued until a drilling break occurred at 785 metres (measured depth). This led to the drillpipe becoming stuck in the hole and work has been underway to remediate the blockage to recommence drilling the lateral leg. Remedial attempts have been unable to clear the blockage and recover the drill string. The drill string has been parted at 490 metres (measured depth) to enable drilling of a sidetrack to complete the laterals.

Successful completion of the sidetrack will require additional work to be undertaken on the vertical intercept well. The Lucas Rig 150 currently on site has been demobilised until completion of this rectification work. Recommencement of the lateral drill will be dependent on this rectification work and the availability of an alternative rig.

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