



ASX / MEDIA RELEASE

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RICHMOND VALLEY POWER STATION APPROVED

Metgasco (ASX:MEL) is pleased to advise that the NSW Department of Planning has approved the development of the Richmond Valley Power Station ("RVPS").

The Richmond Valley Power Station is a 30 megawatt (MW) power station located approximately 4 km from the town of Casino. The project will produce enough power to supply 30,000 homes in the northern rivers region. Importantly it will deliver gas fired electric power to the north coast region of NSW at significantly lower carbon emissions than coal fired electricity. The installation of a reliable power supply in the Casino area will also augment security of supply in this regional community.

The north coast region of NSW has one of the highest unemployment rates in the state. The Richmond Valley Power Station will create approximately 50 direct jobs during construction and 10 full time jobs during operation.

The power station will consume approximately 2.3 Petajoules ("PJ") of gas per year. This will be supplied by natural gas from the Casino gas project which will include the Kingfisher conventional gas field, recently discovered by Metgasco, and coal seam gas. Metgasco has gas reserves of 397 PJ in the Proved and Probable ("2P") category in PEL 16, which is sufficient to supply the power station for over 150 years, well beyond the expected life of the facility. The Richmond Valley power station is expected to monetise approximately 34 PJ over the 15 year life of the project.

Metgasco has acquired the land for this project and has also received approval for the required subdivision from the Richmond Valley Council. Power from the project will be connected to the existing 66kV power line network via the Casino/Lismore interconnector approximately 800 metres from the power station site. The final investment decision on this project remains subject to satisfactory progress on commercial negotiations and board approval.

The Managing Director of Metgasco, Mr David Johnson welcomed the approval of the project "We are delighted to receive the State Government's approval of this important project. The Richmond Valley Power Station will allow Metgasco to generate our first gas sales and is a critical first step in moving from being an explorer to producer."

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Figure 1: Diagram of Richmond Valley Power Station



Figure 2: Location of Richmond Valley Power Station

