

31 December 2008

**Mr Adrian Smythe**  
**Principal Adviser, Issuers (Sydney)**  
**Australian Securities Exchange**

**By email**

**Re: Price Query**

We refer to your letter of 30 December in relation to an increase in the company's share price and volume of trading.

In response to the specific questions by ASX we comment as follows:

***1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company ?***

No. Metgasco Limited is unaware of any specific reason for the recent increase in its share price; however there have been a number of recent transactions in the sector that may impute a value to the company not reflected in its share price.

***2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made? Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).***

Not applicable

***3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?***

As previously advised in investor relations updates, Metgasco Limited is in discussion with a number of parties regarding potential joint ventures. These discussions have not reached a point that can be construed as material and there is no certainty that any such transaction may be completed.

***4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.***

The company confirms that it is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1

If the Company can be of any further assistance please contact the writer

Yours Sincerely

A handwritten signature in black ink, appearing to read 'David Johnson', with a small dot at the end.

David Johnson  
Managing Director