



ASX / MEDIA RELEASE
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KINGFISHER E1- PROGRESS REPORT #7

Metgasco (ASX:MEL) today advises the following:

In addition to the zone at 1270 metres which has already been flow tested in Kingfisher E1, the Company's preliminary interpretation is that drilling has so far identified an additional three good to very good gas zones in the Gatton Sandstone as follows:

- 1450 metres;
- 1850 metres; and
- 1930 metres.

These zones have been associated with significant increases in background gas and increased drilling rates indicative of good quality sand porosity.

This well has encountered multiple further gas shows in several formations including the zone previously advised in Progress Report #6 at 1710 metres.

Further zones may be encountered in the deeper Calamia and Ripley Road sandstones as the well progresses.

The Company plans to log the well after drilling to TD, currently expected to be 2100 metres. The significance of each show will be evaluated further once logging operations are underway. Metgasco plans to log the well and make decisions on further testing of potential pay zones following analysis of the logs.

As at 9.00am today, Kingfisher E1 was drilling ahead at 1970 metres in a 6 1/8 " hole.

Background

This well is located in PEL 16 approximately 2 kilometres from the town of Casino in northern New South Wales. Metgasco has a 100% interest in this well. The well is designed to appraise several zones including the Heifer Creek and Gatton sandstones; and the deeper Ripley Road Sandstone.

Metgasco estimates that the original gas in place (OGIP) potential of the entire Kingfisher structure is 82 Bcf (P50) and 831 Bcf (P10) with a contingent resource of 36.6 Bcf (P50) attributed to the upper gas sands intersected in the initial discovery well Riflebird E14.

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