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Presentation to LNG Outlook Australasia 2010

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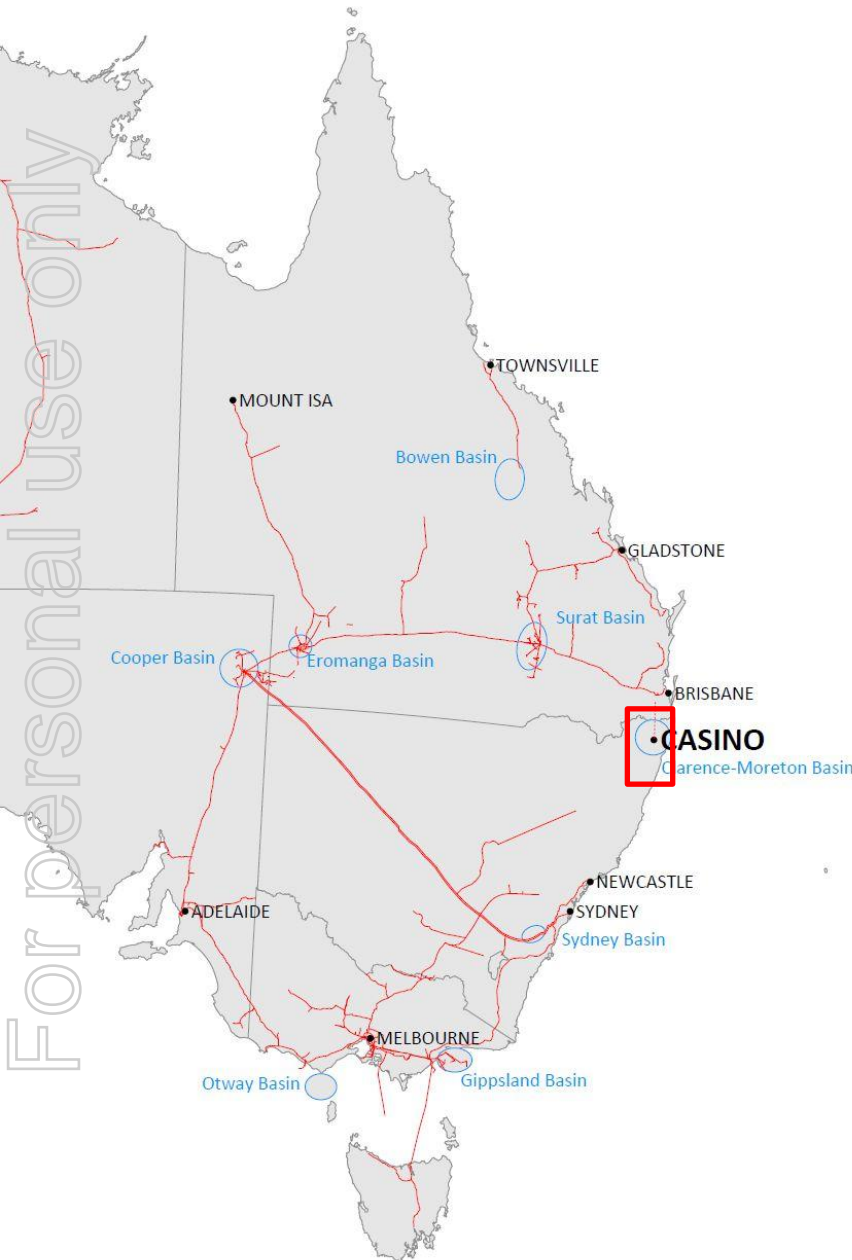
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Metgasco overview

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- Onshore oil and gas exploration close to markets on east coast of Australia
- Shares on issue – 252 million (approximately)
- Options on issue - 9 million (approximately)
- Included in ASX All Ordinaries Index
- Market capitalisation - A\$130 million @ \$0.515 (19 November 2010)
- Cash - A\$16.5 million (30 september 2010)
- Basin focused player
- **Coal Seam Gas** – reserves and trial production
- **Conventional Gas** – discovery and production testing
- **Markets** – gas or electricity, local, regional markets, *international possibilities*

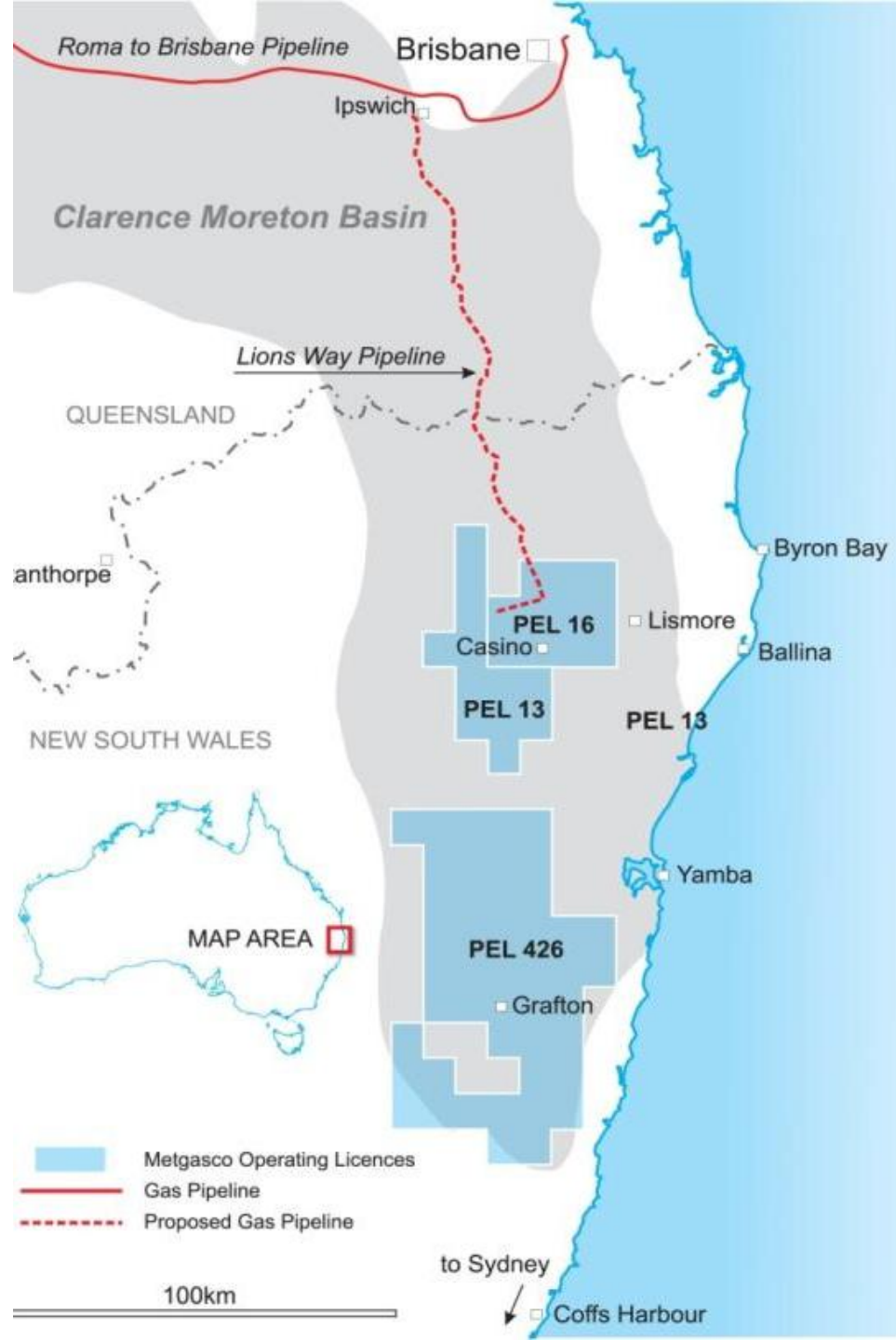
Metgasco overview

location and acreage

- Clarence Moreton is southern continuation of the Surat basin in Queensland
- Leader in the Clarence Moreton Basin in NSW with dominant acreage position
- Basin wide holdings provide unrivalled technical insight
- 100% ownership and operatorship control

Tenements

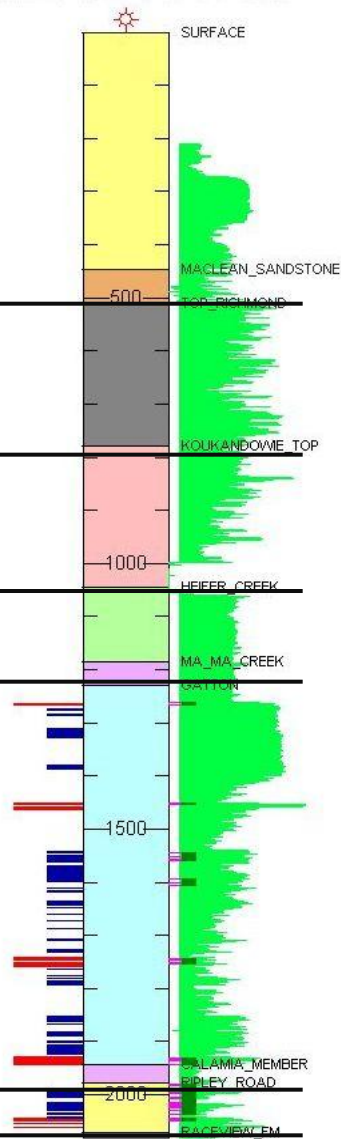
PEL 16	833 km ²
PEL 13	909 km ²
PEL 426	2,878 km ²
Total	4,620 km²



Clarence Moreton Basin

KINGFISHER-E01

Age		Stratigraphic Unit	
Tertiary to Recent		Alluvium & Volcanics	
?Cretaceous	Late	Grafton Formation	
		Kangaroo Creek Sandstone	
	Middle	Maclean Sandstone Member	
		Walloon Coal Measures	
		Koukandowie Formation	
Jurassic	Early	Bundamba Group	Heifer Creek Sandstone Member
			Ma Ma Creek Member
			Towallum Basalt
	Late	Marburg Subgroup	Gatton Sandstone
			Koreelah Conglomerate
			Calamia Member
Triassic	Late	Woogaroo Subgroup	Ripley Road Sandstone
			Raceview Formation
			Laytons Range Conglomerates
	Early/Late	Ipswich Coal Measures	Redcliff Coal Measures
			Evans Head Coal Measures
	Middle	Nymboida Coal Measures	



Coal seam gas – developing export scale reserves

- 100% ownership of gas reserves
- Large uncontracted reserve position in the CSG sector
- Reserves established over less than 5% of acreage

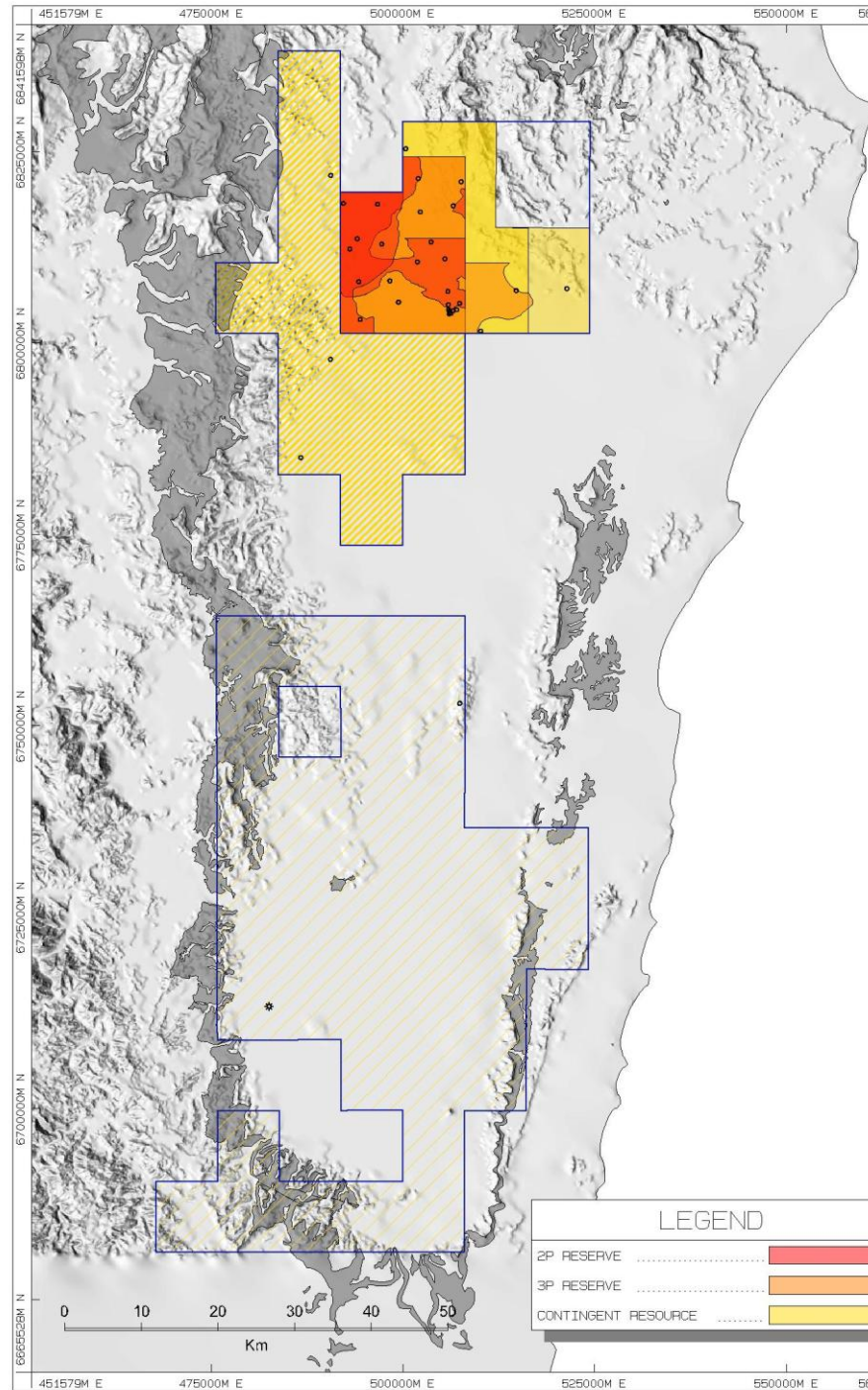
Reserves have been certified by Mr Tim Hower of MHA Petroleum Consultants (Denver) who is a qualified person as defined under the ASX Listing Rule 5.11. Reserves have been developed within the guidelines of the SPE. Mr Hower has consented to the use of the reserve figures in this presentation. Conversion of reserves from PJ to Bcf at 1.04 PJ/1.00 Bcf

Company Reserves (PJ)	2P	3P
APLNG (Origin/ ConocoPhillips)	10,100	15,541
QCLNG (BG)	7,716	8,618
Shell LNG (Shell/ PetroChina)	5,265	8,251
GLNG (Santos/ Petronas)	4,629	7,322
AGL	1,717	3,639
Eastern Star	988	1,818
Metgasco	397	2,239
Molopo	222	610
Mitsui	184	424
Bow Energy	114	2,574
Westside	94	381
CS Energy	70	189
Victoria Petroleum	45	89
Toyota Tsusho	42	128
Icon Energy	0	0
Stanwell	0	0
Blue Energy	0	0
Dart Energy	0	14
Apollo Gas	0	0
Total CSG Sample	31,583	51,837

Coal seam has reserve development upside

- Coal seam gas has only been recognised on 10% of acreage

■	PEL 16	PJ
➤	2P Reserves	397
➤	3P Reserves	2,239
➤	2C Resources (Independent certification)	1,177
■	PEL 13	
➤	Prospective resource (Internal estimate)	11,000
■	PEL 426	
➤	No resource estimate as yet	
➤	Limited drilling	
➤	Coal thickness 20.6m	
➤	Gas content 13.0m ³ /t (daf)	



Conventional/Tight Gas Resources

PEL 16

- Kingfisher 2C (Pmean) 77 Bcf
- Kingfisher 2C (P10) 284 Bcf
- 7 other Prospects & Leads
- Total Pre drill OGIP (Pmean) 391 Bcf
- Total Pre drill OGIP (P10) 4,360 Bcf

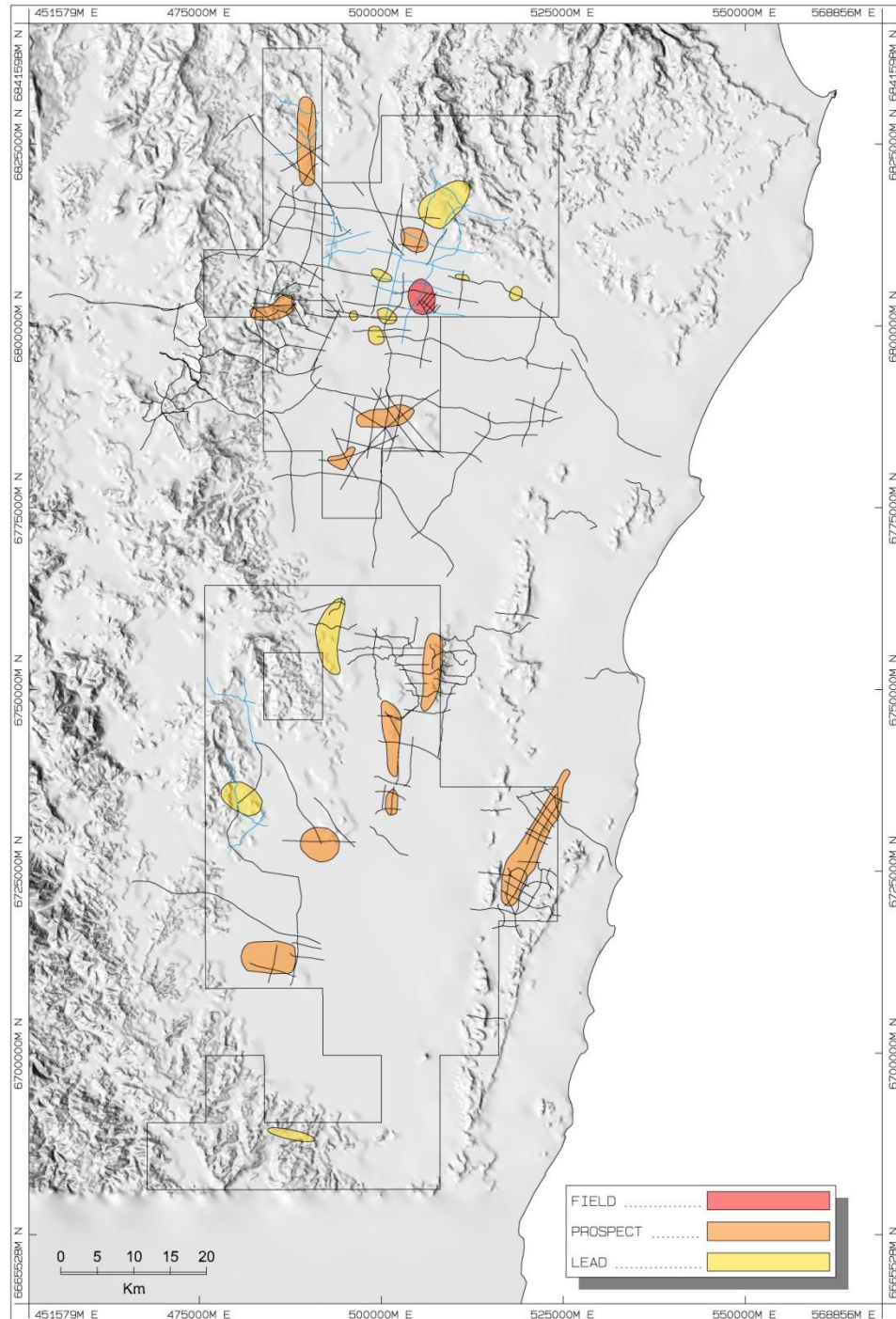
PEL 13

- 5 Prospects and Leads
- Total Pre drill OGIP (Pmean) 299 Bcf
- Total Pre drill OGIP (P10) 3,219 Bcf

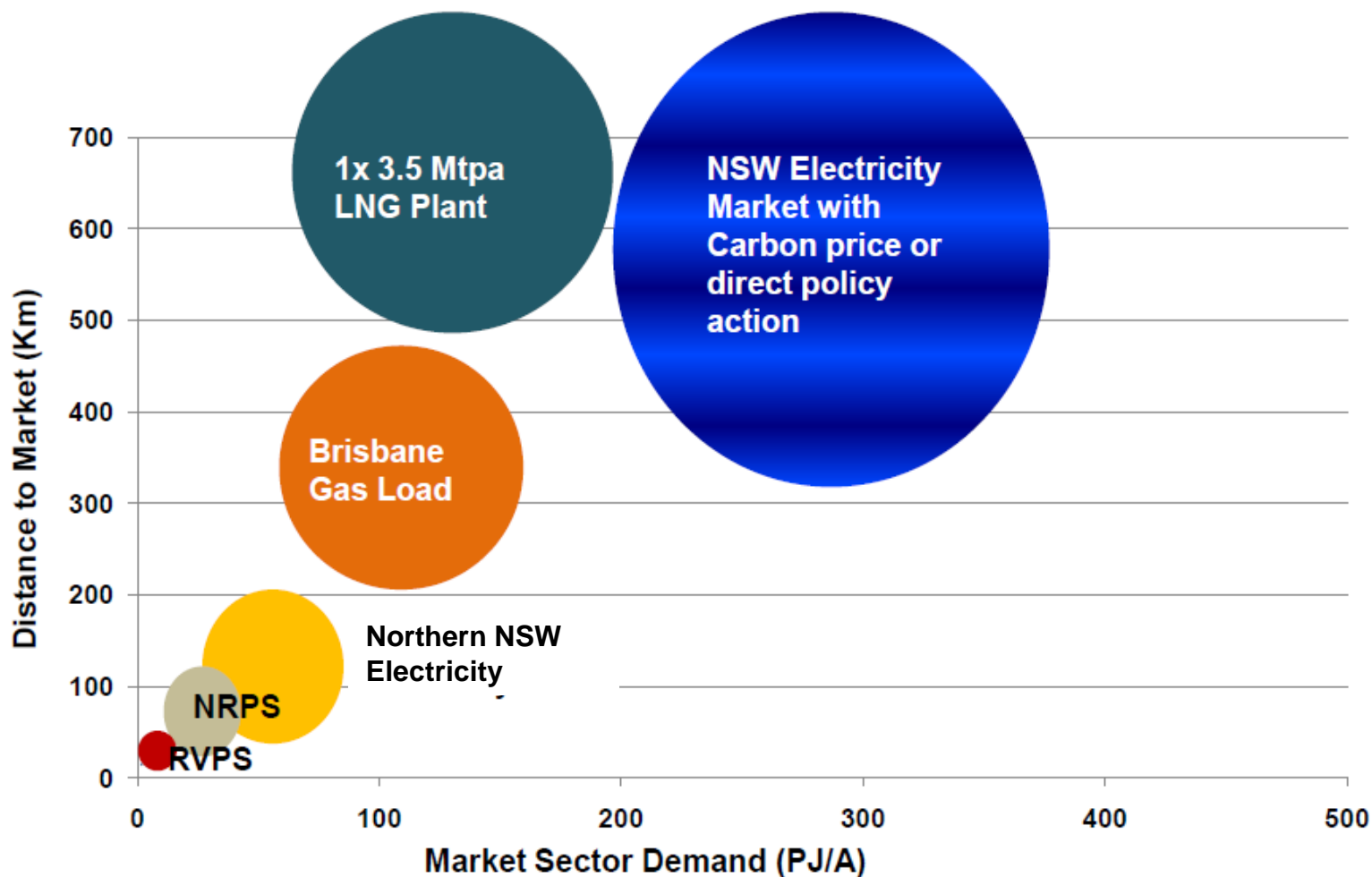
PEL 426

- 10 Prospects and Leads
- Total Pre drill OGIP (Pmean) 608 Bcf
- Total Pre drill OGIP (P10) 6,615 Bcf

- Total Pmean estimate **1.375 Tcf**
- Total P10 estimate **14.478 Tcf**



Gas market opportunities



Notes:

NRPS - Northern Rivers Power Station, RVPS - Richmond Valley Power Station

Multiple commercialisation paths

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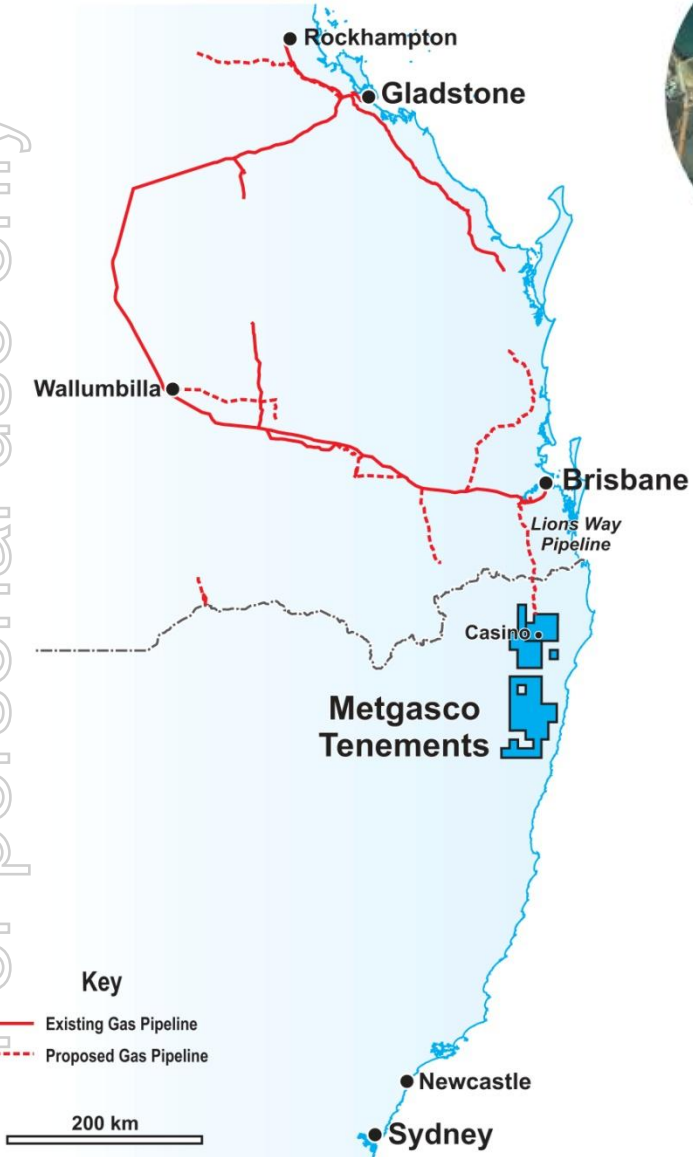
MARKET	PROJECT	CAPACITY PJ/A
LOCAL POWER MARKET	RICHMOND VALLEY POWER STATION NORTHERN RIVERS POWER STATION	2.3 8 - 24
REGIONAL GAS MARKET	LIONSWAY PIPELINE	27 - 220
LNG EXPORT MARKET	SWAPS EXTENSION TO FISHERMANS LANDING EXTENSION TO PORT OF BRISBANE FLNG	+30 90 90 90

Export LNG feasibility study

- Metgasco estimates that its acreage contains approximately 4.5 Tcf (2P) of coal seam gas resources and 1.5 Tcf (OGIP Pmean) in conventional gas resource
- Scale of this resource is beyond domestic market capacity to absorb
- Metgasco is conducting a feasibility study into export LNG projects:
 1. Extension of Lions Way Pipeline and export of LNG from Gladstone
 2. Lions Way Pipeline and export of LNG from Brisbane
 3. Floating LNG producer located offshore NSW
 4. Gas swaps to approved projects
- Metgasco is reviewing the economic, technical, environmental and social implications of these options to form a view on feasibility of options
- Metgasco has the potential to supply both conventional and coal seam gas to an export LNG facility, limiting ramp up gas and water production issues
- Potential for production of up to 3 Mtpa LNG plant over 20 years

Overview

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METGASCO



Option 1
Fisherman's Landing



Option 2
Port of Brisbane



Option 3
Floating LNG

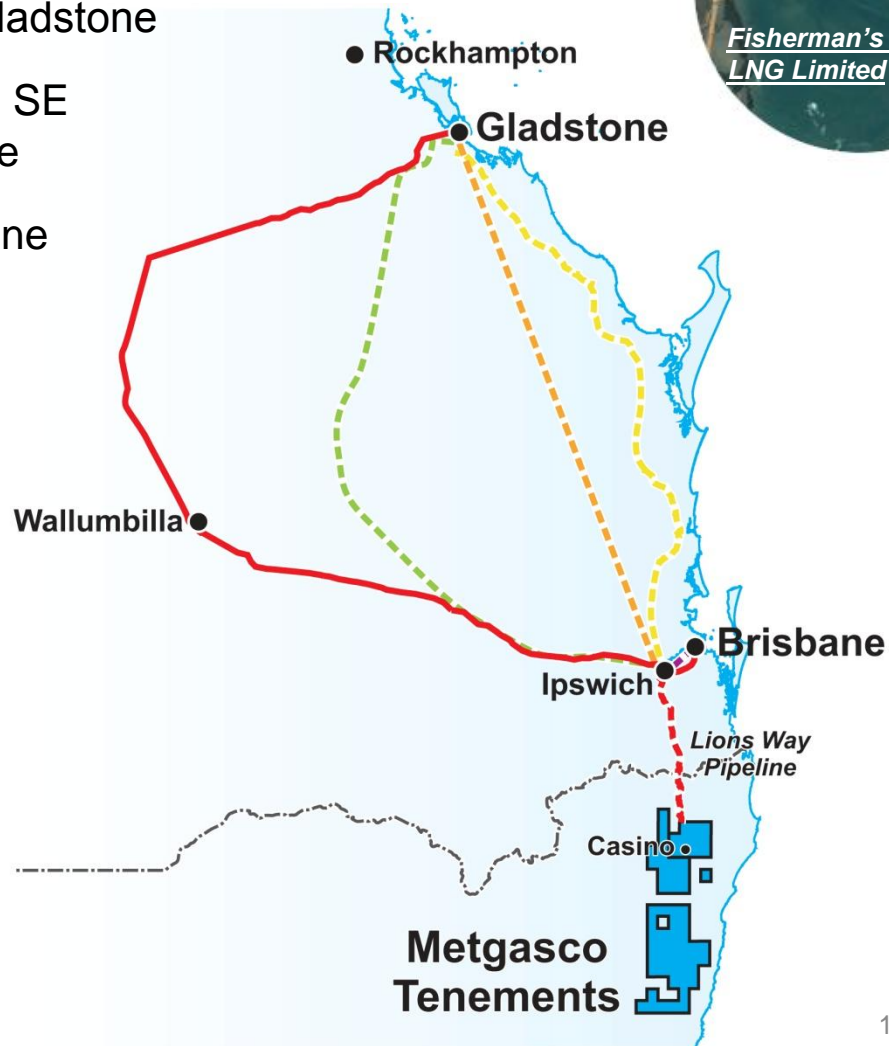


Option 4
Gas swaps

LNG Feasibility Study - Pipeline to Fisherman's Landing at Gladstone (Qld)

- LNG Ltd has an advanced LNG project at Fisherman's landing at the Port of Gladstone
- Metgasco is developing a pipeline to SE Queensland – the Lions Way pipeline
- This pipeline can connect to Gladstone through several route options:

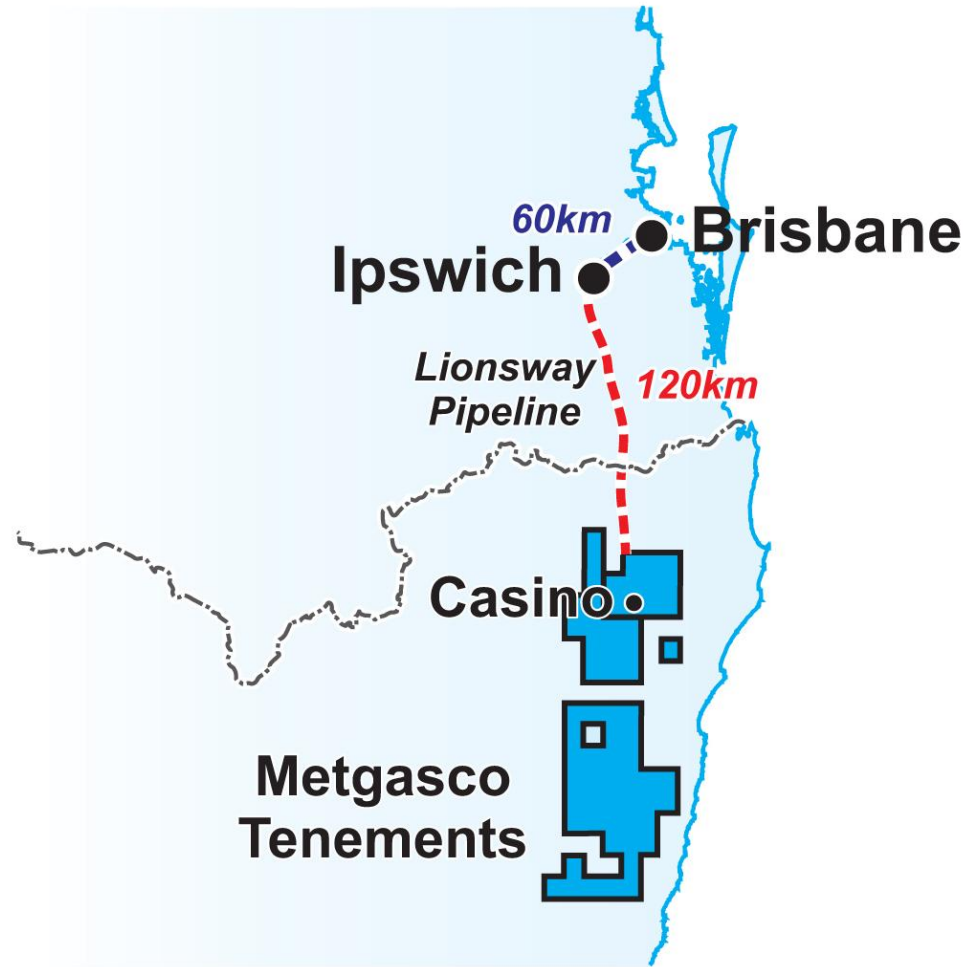
- 940km pipeline (completed)
- - - 680km pipeline
- - - 474km pipeline
- - - 642km pipeline
- - - 120km pipeline
- - - 60km pipeline



Option 2: Port of Brisbane (Qld)

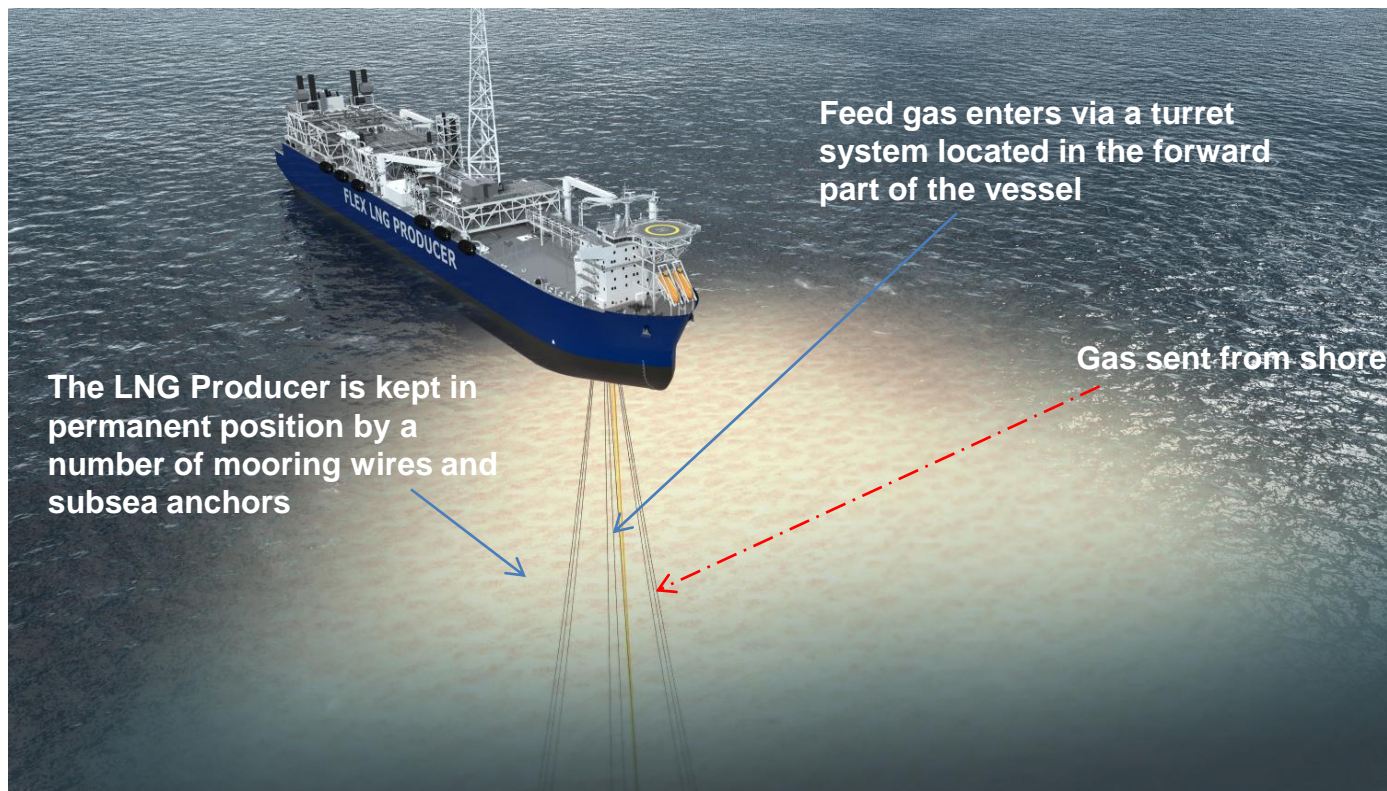
Metgasco has previously considered a pipeline to the Port of Brisbane and believes it to be technically feasible

Extension to Lions Way Pipeline is approximately 60 km in length



Option 3: Floating LNG located offshore (NSW)

- Moored at an off-shore location – limiting environmental footprint of LNG production facility
- At least 20 km from shore – beyond line of sight from coast
- Two transport ship movements per month – no further strain on limited NSW port capacity and no juggling with other ship movements at a port



Current and Forward work program

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CSG	PRODUCTION DRILLING PROGRAM <ul style="list-style-type: none">- AIR DRILLING PROGRAM PEL 426- HARRIER LATERAL PROGRAM PEL 16 FIRST RESERVES PEL 13 FIELD DEVELOPMENT PLANNING
CONVENTIONAL	2010 2D SEISMIC PROGRAM KINGFISHER STIMULATION PROGRAM KINGFISHER# 2 PLANNING/DRILLING VOLUMETRICS & RESOURCE DETERMINATION FINALISE OTHER PROSPECTS AND LEADS
INFRASTRUCTURE	RICHMOND VALLEY POWER STATION – FID LIONSWAY PIPELINE – LODGE EA LNG MARKET – UNDERTAKE FEASIBILITY STUDIES