



ASX / MEDIA RELEASE

ASX Code: MEL

9 November 2010

KINGFISHER STIMULATION PROGRAM

Metgasco (ASX:MEL) is pleased to advise that the trial stimulation program for Kingfisher E01 is in progress.

Stimulation of the target sandstone interval at 1450 metres, in the Gatton sandstone, was completed on 5th November 2010. The well has been cleaning up over the weekend in preparation for flow testing. The reservoir has responded to the stimulation stage; however the full proppant stage of the stimulation program was unable to be completed due to operational issues.

After the stimulation treatment, the well was allowed to flow continuously for approximately 4 hours to allow a flow back of frac fluids and sand proppant. The well is currently cleaning up and is returning gas, frac fluids and water from the stimulation treatment.

Over the coming days Metgasco expects to run a number of flow cycles to clean up the well and continue to remove remaining liquid volume introduced during the treatment. Production will be monitored during this time to develop a clearer understanding of stabilised flow rates and well performance. A flow test on the well is expected to commence next week.

Kingfisher E01 is the first conventional gas discovery in the Clarence Moreton basin and the largest conventional gas discovery in NSW. A gross gas column of 138 metres was identified in Kingfisher E01. Several zones have been identified as "tight gas" which will require stimulation to enhance productivity. As previously advised, the objective of this stimulation program is to examine the response of a single zone in the Kingfisher gas field to provide additional reservoir information for design of a more detailed stimulation program for a future production well.

The Kingfisher gas field is located in PEL 16 and Metgasco's current contingent resource estimate for this field is 80 PJ (P50) to 298 PJ (P10).

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Stimulation Operations at Kingfisher



Kingfisher Clean Up Flare



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