

ASX / MEDIA RELEASE

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Metgasco initiates legal action

Judicial Review

Metgasco advises that it has filed for judicial review of the decision to suspend its approval to drill the Rosella well at Bentley. Metgasco was advised of the suspension on 14 May by the Office of Coal Seam Gas (OCSG) without notice and, in Metgasco's opinion, without valid justification.

In the judicial review proceedings Metgasco will ask the Supreme Court to set aside the OCSG's decision to suspend drilling of the Rosella well. The grounds for Metgasco's claim are that the decision was unlawful because it was not authorised by legislation, and was made without affording Metgasco procedural fairness. The Minister has claimed that he exercised his power to suspend because of Metgasco's alleged failure to engage in community consultation. Metgasco will ask the court to rule that it complied with its community consultation obligations. Consequently, the Minister's power to suspend did not arise. Metgasco will ask the court to expedite the hearing.

Metgasco is continuing to investigate all options, including whether it may have a claim for damages to compensate the company for losses resulting from the peremptory suspension of its drilling approval. Whether such a claim is available may not become clear until after the judicial review proceedings have been determined.

Review by Office of Coal Seam Gas

In a separate development, the OCSG has written to Metgasco advising that it considered it was appropriate for the OCSG to review a submission Metgasco made on May 15. The OCSG further advised, that based on the May 15 submission, it is inclined to maintain its decision to suspend. Metgasco has until Friday 6 June 2014 to respond to the OCSG's letter.

Metgasco intends to work cooperatively with the OCSG to deliver the benefits a gas industry in NSW can provide, without in any way prejudicing its rights and the legal proceedings that are underway.

For further information contact:

Peter J Henderson Sean Hooper
Managing Director & CEO Chief Financial Officer

Metgasco Limited ACN 088 196 383

Level 11, 2 Elizabeth Plaza, North Sydney NSW 2060
Tel: +61 2 9923 9100 Fax: +61 2 9923 9199

Web: www.metgasco.com.au

For media inquiries contact:

Helen McCombie, Citadel : (02) 9290 3073 or 0411 756 248