



ASX / MEDIA RELEASE

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Metgasco to commence court action and field activities

Metgasco Limited (ASX: MEL) announces that negotiations with the NSW Government have not resulted in a settlement of the matters between Metgasco and the Government. Metgasco has accordingly paused formal discussions with the Government over the future of Metgasco's three Northern Rivers licence areas and is taking the following actions:

- initiation of court action for damages from the NSW Government in relation to the Government's unlawful suspension of the Company's 2014 drilling program;
- preparation for a judicial review to have PEL 426 renewed and for the award of a production licence for PPLA 9; and
- conclusion of contractual agreements for a seismic acquisition program to the east of Lismore and for the drilling of the Rosella conventional/tight gas prospect.

"Details of the seismic and drilling programs will be issued over the next few months as contract details, including drilling rig choice and availability, are concluded. Mr Henderson said "we expect the Government will provide all necessary police protection to allow the lawful activities to be undertaken safely and securely and we were given assurances in this respect as part of our discussions with Government."

"Metgasco would have preferred to settle its claim for 2014 suspension damages with the New South Wales Government out of court and is happy to resume good-faith discussions with Government in this respect, but not at the expense of having to indefinitely suspend its business activities," added Mr Henderson.

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