

ASX / MEDIA RELEASE

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NSW Government agrees to date for suspension review.

Metgasco has responded to a request by the NSW Government and agreed to adjourn the first court hearing for its legal action from Friday, June 13 until June 27. This agreement was made following a commitment by the NSW Government to use its 'best endeavours' to make a decision on whether to maintain the suspension of Rosella drilling approval by June 25 and to make available by June 20 the documentation used by the NSW Government to make its suspension decision.

Metgasco was advised of the suspension of its Rosella drilling approval on May 14 by the Office of Coal Seam Gas (OCSG) without notice and, in Metgasco's opinion, without valid justification. On June 3 Metgasco filed for judicial review of the suspension decision. The first hearing was scheduled for Friday, June 13.

Metgasco has asked 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. Furthermore, 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 reserves its rights to pursue other options, including a claim for damages to compensate the company for losses resulting from the preemptory suspension of its drilling approval. Whether such a claim is available may not become clear until after the judicial review proceedings have been completed.

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

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