

METGASCO LIMITED

**CONTINUOUS DISCLOSURE
POLICY**

1. Introduction

The ordinary shares of Metgasco Limited are listed on the Australian Securities Exchange (ASX). This policy has been written to ensure compliance with the ASX Listing Rules regarding continuous disclosure.

2. Disclosure Principles

Metgasco will immediately notify the market by announcement to the ASX of any information concerning the business of Metgasco that a reasonable person would expect to have a material effect on the price or value of Metgasco's securities.

Information about Metgasco is regarded as material if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Officers and employees are encouraged not to rely on their judgment and to consult the Company Secretary on whether particular information is considered to be material.

The only exceptions to this disclosure principle are those permitted under Listing Rule 3.1A where a Company may withhold disclosure if all three of the following criteria are satisfied:

- a) A reasonable person would not expect the information to be disclosed;
- b) The information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- c) One or more of the following applies:
 - It would be a breach of the law to disclose the information;
 - The information concerns an incomplete proposal or negotiation;
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - The information is generated for the internal management purposes of the Company; and
 - The information is a trade secret.

3. Managing Market Disclosure

The Board of Metgasco is responsible for overseeing Metgasco's disclosure practices and procedures.

Specific responsibilities of the Board in this area are:

- a) Ensuring the Company meets its continuous disclosure obligations;
- b) Communicating with the ASX;
- c) Making decisions on what should be disclosed publicly under this policy;
- d) Promoting awareness of this policy within Metgasco;
- e) Overseeing, reviewing and updating this policy, as required to ensure continuing compliance with changing legal and regulatory compliance; and
- f) Implementing reporting processes and controls.

The Board has the power to delegate aspects of the administration of this policy to senior management. To this end the practical application of this policy at Metgasco is the responsibility of the Company Secretary. The Board will make decisions on the disclosure of material information pursuant to legal and regulatory requirements.

It is the responsibility of all Metgasco senior executives to keep the Board fully apprised of all potential material developments. The Managing Director and/or the Company Secretary will make a preliminary assessment of whether the information is material. The Board shall then evaluate and discuss those developments and determine the materiality of those developments and the appropriateness and timing of any public release of information relating to those developments.

The Company Secretary is the convenor of this policy responsible for its administration and the monitoring of compliance.

4. Market Disclosure Principles

The Board of Metgasco will comply with the following principles of disclosure:

- a) Material Information will be publicly disclosed promptly to the ASX in accordance with the ASX Listing Rules to prevent selective, unauthorized disclosures.
- b) Disclosure must be complete, without omissions that might make the rest of the disclosure misleading and unfavourable Material Information will be disclosed as promptly and completely as favourable Material Information.
- c) Metgasco will not make selective disclosures of Material Information. Previously undisclosed Material Information will not be disclosed to selected individuals (for example, as a result of telephone calls or inquiries from an analyst or a shareholder).
- d) Disclosure should be corrected as soon as reasonably practicable if Metgasco subsequently learns that an earlier disclosure by Metgasco contained a material error at the time it was given.
- e) The Managing Director and/or Company Secretary will monitor the media following the release of Material Information and, in the event of perceived inaccuracies in reporting, will consult with the Board to determine if and what corrective steps need to be taken.

5. Significant Announcements

The Board will approve the content of any announcement to the ASX other than those of an administrative nature.

Where issues arise which may fall within this category the matter is referred urgently to the Chairman by the Managing Director or Company Secretary.

Where the urgency of the subject matter precludes reference to the full Board the Directors who are available may approve an announcement within this category.

Significant announcements of a recurring nature, such as the Company's quarterly report, half year and end of year results are as a matter of course presented for consideration by the full Board prior to their release to the market.

6. Managing Expectations

Metgasco will try to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with Metgasco's expectations.

However, Metgasco will not confirm or attempt to influence an analyst's opinions or conclusions and will not express comfort with analyst's models and earning estimates.

7. Rumours

Metgasco will not normally comment, affirmatively or negatively on rumours. This policy also applies to rumours in the internet.

Should the ASX request that Metgasco make a definitive statement in response to a market rumour relating to Metgasco, the Company will respond to the ASX as required by the ASX listing rules.

8. Trading Halts

Metgasco may request a trading halt to prevent the emergence of a false or uninformed market for Metgasco's securities and to manage disclosure issues. Any decision to request a trading halt will be made under the procedure set out for the release of significant announcements.

9. Breaches of Policy

Breaches by employees of Metgasco's Continuous Disclosure Policy may lead to disciplinary action including dismissal in serious instances.