



ASX / MEDIA RELEASE

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METGASCO ELECTS TO PARTICIPATE IN DRILLING FIRST WELL AT BIVOUAC PEAK

Metgasco Ltd (**Metgasco** or the **Company**) is pleased to advise that it has elected to participate in the drilling of the Weiss-Adler et al No. 1 well on the Bivouac Peak prospect (Metgasco: Working Interest (**WI**) 10%, Net Revenue Interest (**NRI**) 7.45%). Formal election notification has been provided to the operator, Byron Energy Inc., a wholly owned subsidiary of Byron Energy Limited (ASX:BYE) (**Byron Energy**) today.

The Weiss-Adler et al No. 1 well is expected to be spud in August and will be drilled to a depth of 18,294 feet (Mining Depth 18,000 feet). True Vertical Depth is designed to test the Bivouac Peak East Prospect, targeting a Gross Prospective Resource of 126 billion cubic feet (**Bcf**) and 11.2 million barrels oil (**Mmbo**) (32,270 million barrels oil equivalent (**Mboe**)).*

*Source: Byron Energy Limited (ASX releases dated 26 July 2016 and 28 September 2017)

The Bivouac Peak project consists of two separate prospects, the East Prospect and the Deep Prospect with a combined gross prospective resource of 16.0 Mmbo and 177.7 Bcf of natural gas. Byron, through its wholly owned subsidiary Byron Energy Inc., is the operator of Bivouac Peak Prospect Area and holds a 95% WI and a 70.775% NRI in the Bivouac Peak lease. A portion of Byron's WI is subject to a reduction based on a promoted farm-in by both Otto Energy Limited (ASX:OEL) (**Otto**) and Metgasco as each hold an option to participate for a 45% WI and 10% WI respectively by electing to participate in the initial test well and paying their disproportionate share of costs to earn. Should both Otto and Metgasco exercise their options to earn a WI in Bivouac Peak, Byron's WI in the Bivouac Peak leases would be reduced proportionately

Background:

Pursuant to Metgasco's staged financial investment into Byron Energy in 2016, Metgasco received certain rights including: (a) the option (but not the obligation) to farm-in to Bivouac Peak; (b) preferred farm-in partner status in relation to certain future Byron exploration projects; and (c) participation rights in relation to future capital raisings of Byron. Metgasco took up participation rights in relation to Byron's August 2017 placement of 379 million new shares at \$0.07 per share, to become a 5.77% shareholder of Byron Energy and at that time, also negotiated certain further farm-in rights, which are the subject of present discussions between Metgasco and Byron Energy, following recent block awards to Byron Energy.

As announced in July 2016 (see Metgasco ASX announcement dated 28 July 2016, *Bivouac Peak Farm-In and Capital Return*), Metgasco elected to exercise its option to farm-in to the Bivouac Peak project following due diligence of the project. A further technical review has recently been concluded upon notification by Byron Energy of the receipt of final drilling approvals (see Byron Energy Limited ASX announcement dated 25 June 2018, *Bivouac Peak Drilling Permits Granted*).

Bivouac Peak Farm-In:

Metgasco will earn a 10% working interest, (7.45% NRI), in the leases/well when: (a) Metgasco funds its portion of the drill costs of the Initial Test Well; and (b) by either reaching earning depth or reaching its funding cap on the drilling costs (US\$1.333m). Metgasco will pay a 13.33% share of the initial well costs to reach earning depth or up to a cap of US\$1.333m, whichever occurs first, at which time our costs forward will revert back to our participating interest of 10%. Metgasco's share of any future well completion costs, subsequent drilling, or development costs, will be at its then earned participating interest of 10%.

The **attached maps** provide an overview of the Bivouac Peak project.

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About Metgasco:

www.metgasco.com.au

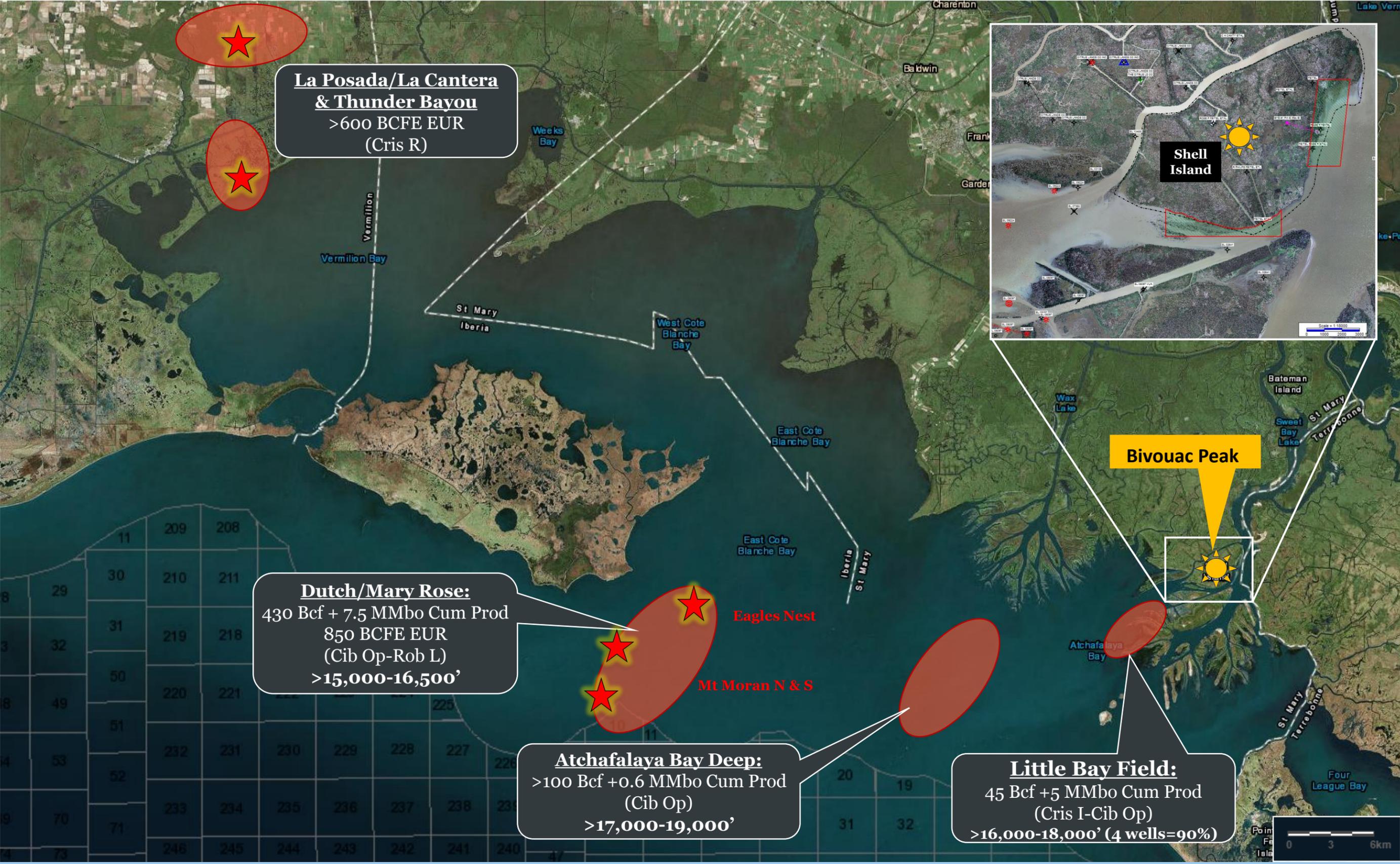
Metgasco is presently pursuing new opportunities in the Oil & Gas sector. It is developing its 100% owned Cooper Basin blocks ATPs 2021 and 2020, awarded in May 2018, which it considers prospective for hydrocarbons and which are proximate to infrastructure. It holds an interest, via a secured, convertible production development funding facility, options and participation rights, in U.S Gulf of Mexico company Byron Energy Limited (ASX:BYE) and is also a 5.77% substantial shareholder in Byron. Aside from its \$5.0 million secured receivable noted above, Metgasco holds cash and bond investments of approximately A\$7 million.

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Bivouac Peak Regional Map - LA Transition Zone



Bivouac Peak Lease Map

