



## ASX / MEDIA RELEASE

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### BYRON IN-SPECIE DISTRIBUTION: CONFIRMATION AND UPDATE

- **Metgasco has exercised approximately half of its BYE entitlements, adding 1,111,112 BYE shares at \$0.27 to its portfolio holdings**
- **The planned in-specie distribution to shareholders has been confirmed in a reduced quantum of 20m shares**
- **Professional advisors have recommenced work with a meeting of shareholders to be called mid-February**
- **Metgasco expects to be well funded for all 2020 activities holding cash and financial assets of ~\$7.5m post-distribution**

The Board of Metgasco Ltd (**ASX:MEL**) (Metgasco, or, the **Company**) is pleased to advise that it has elected to take up \$300,000.24 (1,111,112 shares) in Byron Energy's Limited (**ASX:BYE**) (**Byron**) recent 1 for 17 shareholder entitlement offer. In consequence of this election, Metgasco's investment in Byron now totals 43,444,495 shares with a present market value of approximately \$13m. The entitlement election has been value-accretive to shareholders.

Given the Company's recently completed farm-in agreement, with its ATP2021 Joint Venture partners Vintage Energy Ltd (**ASX: VEN**) (**Vintage**) and Bridgeport, over PRL211 (currently held by Senex) (see ASX announcement *ATP2021 JV Farm-in to PRL 211 in Cooper/Eromanga Basin* 22 November 2019), the Board of Metgasco, considering the modestly increased exploration commitments held by the Company in 2020, has unanimously resolved to proceed with a shareholder distribution of part of its Byron holding but reduce the quantum to be distributed from 30m to 20m securities.

The Board considers this a prudent and ethical approach, consistent with its aim of maximising shareholder returns. The retained financial asset, along with the Company's cash resources, will leave Metgasco with a strong balance sheet, well funded for the two planned exploration wells at Cervantes (Perth Basin) and Odin (Cooper Basin) in 2020 and with the flexibility to fund completion/testing appraisal activities in the event of a gas discovery at Vali-1 and also pursue compelling new business opportunities. The still material 20m shares distributed will provide Metgasco's shareholders with a potentially attractive direct exposure to Byron's Gulf of Mexico portfolio, which has generated strong financial returns to Metgasco and which the Company's Board believes has significant upside. At the present BYE price (30c), the distribution has an approximate value of 1.5c per MEL share.

Metgasco's professional advisers and independent expert have recommenced work on the distribution process, with a meeting of shareholders for approval now expected to be held (allowing for mailing times and the upcoming Christmas/New Year holiday period) in mid-February.

#### About Metgasco:

Metgasco Limited (**ASX:MEL**) is an oil & gas exploration and development business with three, highly prospective, exploration prospects planned to be drilled over the next 12 months in the Cooper/Eromanga and Perth Basins. Any hydrocarbon discovery on these three exploration prospects will be transformational for the company due to early commercialisation opportunities via proximity to infrastructure and strong local gas and oil markets.

- The Company's Vali-1 well in Cooper Basin ATP2021 (MEL 25% and free carried for the well with partners Vintage and Bridgeport) commenced drilling on 17 December with results expected in late December /early January.
- With high-quality farm-in partners, two further wells, the Odin prospect in ATP2021 (Cooper Basin) and the Cervantes oil prospect (L14 in the Perth Basin), are planned for drilling in 2020.

Metgasco also holds a significant stake (43,444,495 shares) in ASX Gulf of Mexico producer/explorer Byron Energy Limited, which possesses an impressive shallow water GOM portfolio including the 2019 hydrocarbon discovery at SM58. ATP2020 in the Cooper/Eromanga Basin continues to be appraised for development and/or farm-out.

***AUTHORISED FOR ISSUE TO ASX BY THE BOARD OF METGASCO LTD***

**Contact and further information:**

Metgasco welcomes shareholder communication and invites all interested shareholders to make contact at any time.

Metgasco's CEO, Mr. Ken Aitken, was recently interviewed by Stockheads' Mr. Peter Strachan. The recording is available here: <https://stockhead.com.au/energy/wildcatter-podcast-perth-basin-profit-potential-the-beauty-of-the-byron-stake-and-metgascos-bright-2020/>

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