ASX / MEDIA RELEASE

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ATP2021 JV Executes Farm-in Agreement for PRL 211

- **PRL 211 adjacent to ATP2021 licence – Odin gas prospect straddles both permits**
- **ATP2021 JV paying 100% of Odin gas exploration well for 85% licence interest**
- **Metgasco will own net 21.25% of PRL 211 licence via paying 25% net (circa $1 million) of the Odin well**
- **Odin targeted to spud in Q4 FY20**
- **Odin is a similar structure to the recent Vali gas discovery**

The Board of Metgasco Ltd (ASX: MEL) (**Metgasco** or the **Company**) is pleased to announce that the ATP2021 JV (Metgasco 25% owner) has executed a binding farm-in agreement for PRL 211 on the South Australian side of the Cooper/Eromanga Basins. This binding farm-in agreement replaces the non-binding term sheet that was initially in place (refer to ASX release dated 22 November 2019). Under the joint venture, Vintage Energy Ltd ("Vintage", ASX: VEN) will become the operator with 42.5%, Metgasco will have 21.25%, Bridgeport 21.25% and a subsidiary of Senex Energy Ltd ("Senex", ASX: SXY) 15%, with Senex to be free carried through the drilling of the first well.

PRL 211 is a 98.49 km^2 retention licence that is close to infrastructure and has an initial five-year term expiring in October 2022, with an option to renew the permit for a further five years. The licence is located immediately adjacent to ATP 2021 (Vintage 50% and operator), with the main target being the Odin structure(see Figure 1 below).Odin, which is fully covered by recent 3D seismic, straddles the border between PRL 211 and ATP2021 and is located on the southern flank of the Nappamerri Trough near the producing reservoirs at the Bow, Beckler and Dullingari gas fields. Odin has gas potential in the Patchawarra and Toolachee formations, which is similar to the Vali prospect that was recently drilled and cased as a new field gas discovery (refer to ASX release dated 16 January 2020).

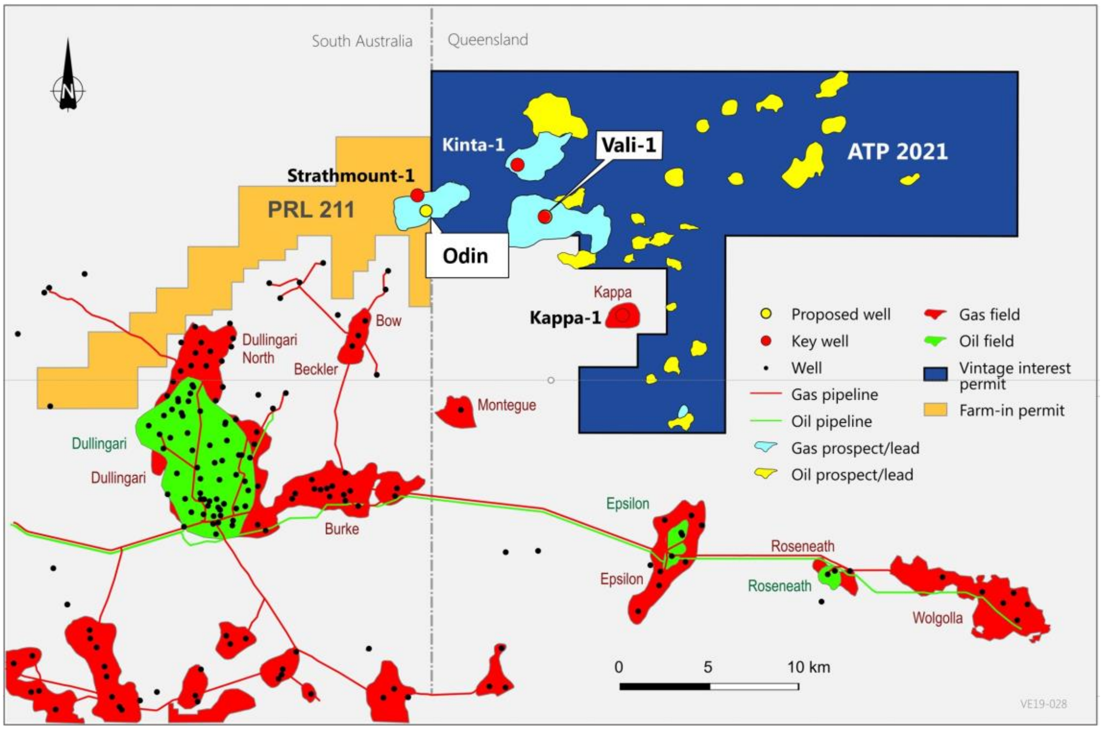

Figure 1- PRL 211 and ATP2021

Under the terms of the farm-in, the ATP2021 joint venture participants will drill a well into the Odin structure (with Metgasco paying 25% of the estimated cost of the well – approximately $1.0 million contribution by Metgasco for 21.25 % equity). All further work, including potential stimulation and flow testing, will revert to the equity share of the joint venture. Drilling is targeted to take place in Q4 FY20.

The farm-in is subject to a number of conditions, including:

- Ministerial approvals, including the reassignment of a well work commitment to PRL 211 from PEL 516;
- the farm-in parties demonstrating that between them there are sufficient funds available to drill the well; and
- other customary conditions for a transaction of this nature.

It is expected that the conditions will be satisfied by, and completion of the transaction occurs by, 31 March 2020.

Ken Aitken, Metgasco Chief Executive Officer, commented:

"Metgasco is pleased to have completed the farm-in agreement and would like to thank the Vintage technical and commercial team who diligently completed the farm-in deal. The Odin prospect is geologically similar to the recent Vali gas discovery and therefore considered a lower risk, highly prospective extension of Metgasco's plans to expand its exploration business in the Cooper/Eromanga Basins. We look forward to drilling the Odin exploration well later this year and adding a 2nd discovery in the area".

This release has been authorised on behalf of the Metgasco Ltd Board.

Contact and further information:

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

ENDS

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Forward Looking Statements:

This document may contain forward-looking information.

Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording.

Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project start-ups.

By their very nature, the forward-looking statements contained in this document require Metgasco and its management to make assumptions that may not materialise or that may not be accurate. Although Metgasco believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.