METGASCO

2020 Annual Report

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

2020 was in many ways a transformative year for Metgasco, with the Company finally achieving a material drilling success in the Cooper Basin, finalising farm-in partnerships across both of its core assets and resolving a number of corporate matters that largely occupied the first half of the financial year.

In the Cooper Basin, the Company was successful, under CEO Ken Aitken's leadership, in attracting further farm-in interest from Bridgeport Energy, a subsidiary of New Hope Corporation, over ATP2021, delivering for Metgasco an effective free carry in the pivotal Vali-1 well. This well, spudded in December 2019 resulted in a robust gas discovery and successful flow test in August of this year.

The Cooper Basin joint venture between Metgasco, Vintage Energy and Bridgeport has proved a productive one, with all parties recognising value in an expanding central Australian portfolio. To this end the joint venture successfully executed a farm-in to adjacent Senex acreage (PRL 211), as announced in February, delivering for the partners a strong pipeline of exploration opportunities in a highly prolific, and infrastructure-rich, area of the Cooper.

Metgasco's ability to attract high quality farm-in partners to its projects was further demonstrated during the financial year by Vintage Energy's decision to join Metgasco in the Cervantes (L14) onshore Western Australian project, identified by the Company in early 2019.

With the financial year commencing against the backdrop of a setback in the Gulf of Mexico (SM74), the achievement of the above drilling and joint venture successes is a testament to the resilience and effectiveness of Metgasco's leadership team. A reflection of the confidence the board has in that team was the decision taken by the Company in March of this year to relocate head office to Perth, to enable CEO Ken Aitken and CFO Paul Bird to be more closely aligned to the Perth Basin Cervantes project.

Financially, the setback at SM74 early in the period was mitigated by Metgasco achieving an effective commercial close-out of the Company's exposure to drilling, abandonment and other cost overruns, which were compounded by Tropical Storm Barry. Notwithstanding this mitigation of an otherwise disappointing outcome, the Company's share price was materially impacted and Metgasco contemporaneously received an unsolicited takeover bid from Melbana Energy Limited. This bid, along with a subsequent attempt by Melbana to have nominees elected to the Metgasco board, were soundly rejected by shareholders.

Subsequent to the end of the financial year, and following the Company's drilling success at Vali, Metgasco undertook its first capital raising in many years, with very pleasing support from both new and existing shareholders. Metgasco looks forward to 2021 well funded, with a significant discovery realised, a clear path to commercialisation of that discovery, strong partners and a very exciting pipeline of high impact exploration activity. The Board is confident the Company's inherent value can be realised for shareholders in 2021.

Finally, in looking forward to the future, Metgasco is respectful of its past. The Board noted with sadness this year the passing of Metgasco's former managing director David Johnson. I had the privilege of coming to know David during my time with the Company and it is the Board's hope the Metgasco being built today will serve as a fitting tribute to the efforts of all those who have come before us.

I commend the Annual Report to you.

Sincerely,

Philip Amery
Chairman

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DIRECTORS' REPORT

Your Directors present their report on Metgasco Ltd ("Metgasco" or the "Company") and the entity it controlled for the year ended 30 June 2020.

Principal Activities

The principal activities of the Company during the financial year were oil and gas exploration, appraisal, development and investment in and development of associated energy infrastructure. There has been no change in the nature of these activities during the year.

Company Information

Metgasco is a company limited by shares, which is incorporated and domiciled in Australia. Metgasco was incorporated on 22 June 1999 and converted to a public company on 28 June 2002. On 23 December 2004 Metgasco became a publicly traded company on the Australian Securities Exchange.

Review of Operations

Cooper /Eromanga Basin Exploration Blocks

ATP2021

In the September quarter Metgasco executed a Farm-out agreement including a Joint Operating Agreement (JOA) to farm-out 50% and operatorship to Vintage Energy Ltd (ASX:VEN) ("Vintage") and a further 25% to Bridgeport(Cooper Basin) Ltd (a subsidiary of New Hope Corporation, (ASX:NHC)) over ATP2021 in the Cooper Basin

Vintage agreed to contribute 65% of the cost of Vali-1 (up to a gross cost of $5.3 million), paying for 65% of past exploration costs, and funding up to $70,000 of 2D and 3D reprocessing. Bridgeport contributed a further 32.5% of the cost of Vali-1(up to gross cost of $5.3 million) and paid Metgasco's future exploration costs up to $263,900 (net) on ATP2021.

These two farm-out transactions achieved a free carry for Metgasco on the drilling of the Vali-1 ST1 prospect. (See Vali Location on ATP2021 map in Figure 1 below)

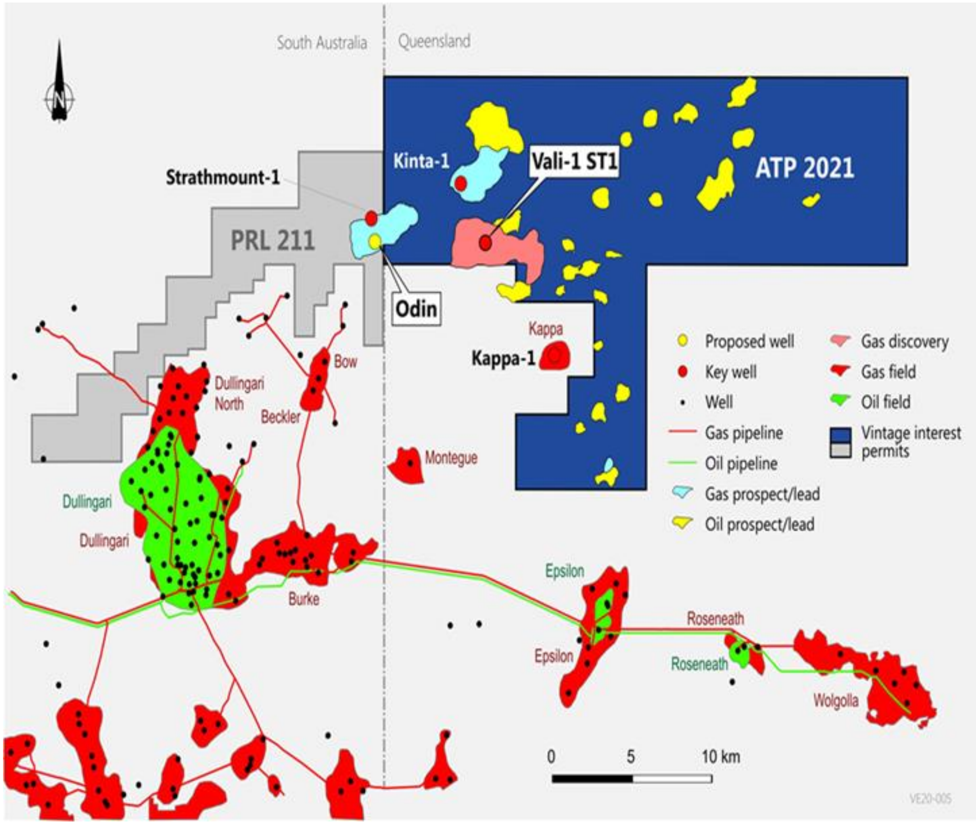

***Figure 1** Location of ATP2021 and surrounding oil and gas fields and pipelines*

The Vali-1 ST1 gas exploration well commenced drilling in December 2019 and reached a total depth of 3217m measured depth on 10 Jan 2020 discovering approximately 80m of interpreted net gas pay (porosity cut-off 6%) over a gross 312m interval in the Patchawarra Formation target. Gas was also recovered from the target Upper Nappameri Group via MDT sampling. Oil shows were also detected in the Jurassic age Westbourne and Birkhead formations.

ERC Equipoise Pte Ltd ("ERCE") has independently certified 37.7 Bcf of gross 2C Contingent Resources in the Patchawarra Formation of the Vali Gas Structure, (refer to ASX release 3 March). Metgasco has a 25% net working interest share and accordingly a net 2C Contingent Resource of 9.4 Bcf.

Vali-ST1 Successful Fracture and Stimulation

Fracture stimulation activities commenced 12 July on Vali-1 ST1 in the ATP2021 Licence. Six zones were perforated, and fracture stimulated prior to testing commencing on 26 July. Following the flow-back of stimulation fluids, a two-day test with measured a stabilised flow rate of 4.3 MMscfd through 36/64" choke at 942 psi (see Figure 2 below). Transient tests were also undertaken with rates recorded between 3.7 MMscfd (through a 24/64" choke at 1,676 psi FWHP) and 7.5 MMscfd (through a 32/64" choke at 1,593 psi FWHP).

A production log confirmed that all fracture stimulation zones were contributing to flow. All test objectives were achieved, and the data are currently being analysed to enable the reserve assessment of recoverable reserves. As a consequence of the flow testing of the well, the anticipated initial estimates of the potential gas flow rate for the Vali-1 ST1 well are in excess of 5 MMscfd.

Figure 2: Gas flare at Vali-1 ST1 (5 August 2020)

ATP2021 JV Farm-in to PRL 211 in Cooper/Eromanga Basin

In the December quarter, a term sheet was executed with a 90-day exclusivity period to negotiate a binding farm-in agreement with a subsidiary of Senex for PRL 211 on the South Australian side of the Cooper/Eromanga basins. On 24 February the ATP2021 JV executed the farm-in agreement.

Under the joint venture, Vintage would become the operator with 42.5% working interest, Metgasco with 21.25%, Bridgeport with 21.25% and Senex with 15%, with Senex to be free carried through the drilling of the first well.

PRL 211 is a 98.49 km2 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 in the South Australian side of the Cooper/Eromanga Basin(see Figure 3) and is immediately adjacent to ATP2021.

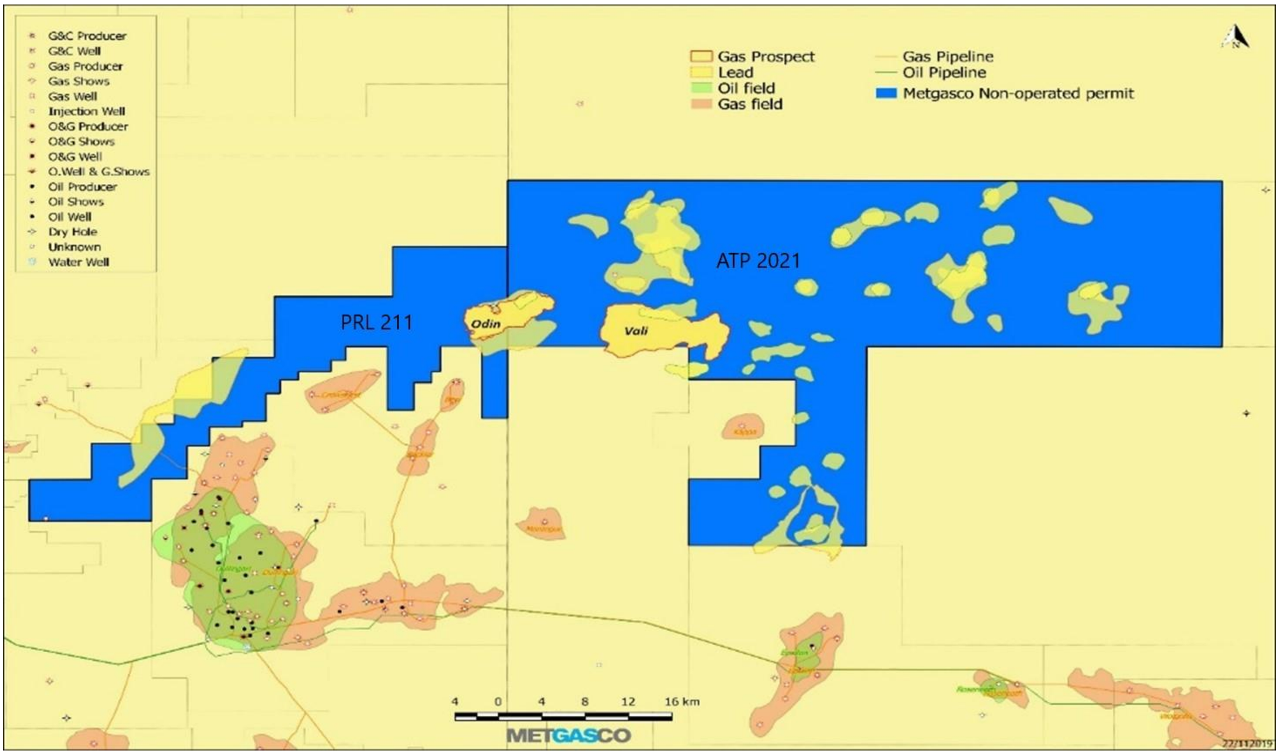

Figure 3 – PRL 211 and ATP2021

Under the terms of the farm-in, the ATP2021 Joint Venture participants will drill a well in the Odin structure (with Metgasco paying 25% of the estimated cost of the well, approximately $1.3 million net) for a 21.25% equity interest in PRL 211. All further work, including the potential to stimulate, complete and flow test the Odin well will revert to equity share. The JV has successfully applied to the South Australian Government for a 12-month extension extending the drilling commitment date to Q4 CY2021 . The Odin well will be located in PRL 211 with the drilling targeted to take place in Q3/Q4 CY2021.

ATP2020

Reprocessing of seismic in ATP2020 was completed in the March quarter. Data quality improved the definition of the Loki exploration lead. Additional work to support hydrocarbon migration pathways into the structure was also completed. During the March quarter farm-out work was deferred due to the prevailing market conditions relating to the collapse of oil prices and the COVID-19 Pandemic. Metgasco's ATP2020 licence allows near term exploration commitments to be deferred to future years. A decision will be made in the second half of 2020 on whether to continue holding the licence based on further technical work on the licence and success on securing a farminee.

PRL237 Licence- Cooper Basin

The JV has agreed to defer any exploration activities to the 2nd half of FY 2021.

Perth Basin L14: Cervantes Exploration Well

In the September quarter Metgasco executed a farm-in agreement into the North Perth Basin L14 Licence with Jade Energy for the right, exercisable by 15 November 2019, to drill and fully fund up to two exploration wells to earn a 60% interest in any hydrocarbons discovered by these wells. Metgasco had the right in the farm-in agreement to introduce a farminee for both exploration wells to share exploration costs, on the same terms. Metgasco's team identified the 3D seismically defined highly prospective Cervantes oil prospect in the L14 production licence, located 3km west of the Jingemia oil field, that has produced approximately 4.6 million barrels of oil to date (refer announcement 10 September 2019). Subsequently, a binding term sheet with Jade and Vintage was signed on 15 November 2019 introducing Vintage as a farminee. By signing the term sheet, Metgasco confirmed its right to drill Cervantes.

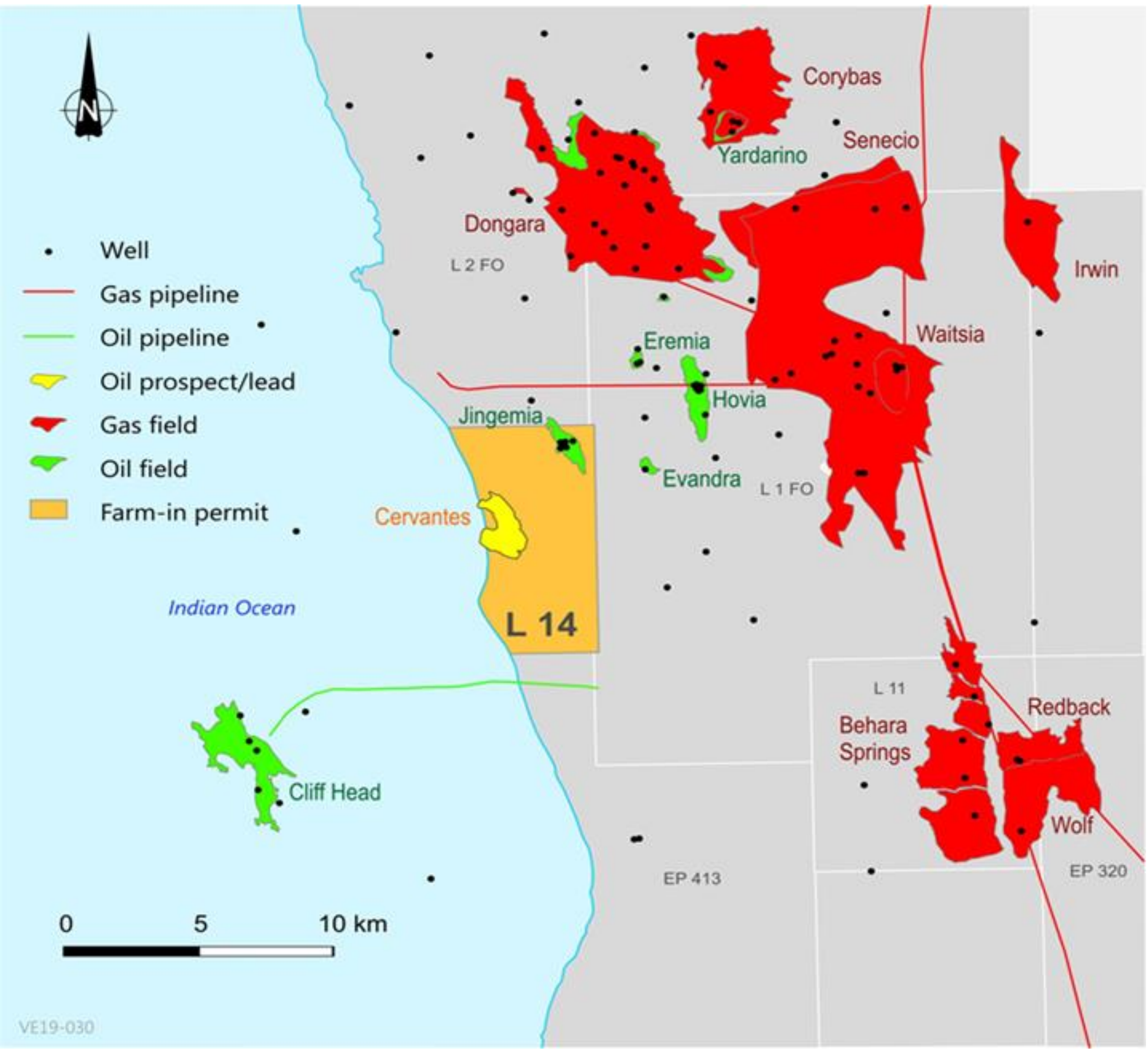

Figure 4 – L14 Cervantes Map

Vintage agreed to farm-in by paying 50% of the Cervantes well costs for a 30% working interest in the Cervantes prospect. Vintage also has the first option to participate in the optional well in L14 with the same commitment obligations and earned interest proportions as Cervantes. Vintage has paid Metgasco $100k for future exploration expenditure relating to Cervantes and Jade $100k relating to seismic re-processing over the L14 licence. A re-stated L14 Western Flank farm-out agreement with Jade and Vintage was executed on 20 January 2020.

As a result of the introduction of Vintage to the joint venture, Metgasco's cost exposure will reduce to 50% of the drilling of up to two wells, and its interest will reduce to 30% of any hydrocarbons discovered by these wells. The farm-in agreement allows for any oil discovery to be quickly commercialised via a negotiated crude oil processing and purchasing arrangement.

SM74 Licence – Gulf of Mexico

In July 2019 the SM74 well, which had a number of technical drilling problems resulting in cost overruns, was in the process of being plugged and abandoned when Tropical Storm Barry resulted in an evacuation of rig personnel delaying operations for several days.

On 18 July 2019 Metgasco finalised its exposure to SM74 drilling program costs, after negotiation, by reaching a commercial agreement with Byron by which:

- Metgasco paid Byron AUD $1.75 million to settle its exposure to the additional costs, on a capped basis (i.e. no liability to further cost overruns) on 30 September 2019; and
- Metgasco agreed with Byron to exercise the 10 million options it held over BYE shares in

accordance with its previously advised intention.

Metgasco remains a 30% owner of the SM74 Licence having met its farm-in drilling commitment.

Certified Reserves and Resources

The company has no certified reserves to date. Metgasco's successful gas exploration well Vali-1 ST1 drilled in Q3 FY20 discovered gas in Cooper/Eromanga basin licence ATP2021 and subsequently ERC Equipoise Pte Ltd ("ERCE") independently certified 37.7 Bcf of gross 2C Contingent Resources in the Patchawarra Formation of the Vali Gas Structure, (refer ASX release 3 March). Metgasco has a 25% net working interest share and accordingly a net 2C Contingent Resource of 9.4 Bcf. (see Table 1 below)

ATP2021 Vali Gas Field Patchawarra Formation as of 1 March 2020					
Gas in Place (Bcf, 25% MEL share)			Unrisked Contingent Resources (Bcf, 25% MEL share)		
Low	Mid	High	1C	2C	3C
8.5	21.05	54	3.8	9.4	24.2

Table 1 Vali Field Net Contingent Resources

Notes to the tables above:
1. Contingent Resource volumes have had shrinkage applied to account for CO_2 and include only hydrocarbon gas. No allowance for Fuel and Flare has been made.
2. ERCE GIIP volumes and Contingent Resources presented in the tables are the probabilistic totals for all 19 Patchawarra reservoir intervals.
3. Probabilistic totals have been estimated using the Monte Carlo method.
4. Estimates for contingent resources have not been adjusted for development risk.
5. The resources have been classified and estimated in accordance with the PRMS.
6. These resource estimates are as of 2 March 2020 and were first disclosed to the ASX by Metgasco dated 3 March 2020

The results of the fracture stimulation and flow testing of Vali-1 ST1 will be used to update the above tables.

Prospective resources have been calculated by operator Vintage for the Odin exploration prospect Table 2 below indicates the Odin prospect gross and net prospective resources.

Odin Prospect Prospective Resources[1]	1U Low Estimate	2U Best Estimate	3U High Estimate
Toolachee Bcf	1.2	4.1	13.5
Patchawarra Bcf	2.4	8.5	29.1
Total Gross Recoverable Gas (Raw) Bcf	**3.6**	**12.6**	**42.6**
Net To Metgasco (Raw) Bcf	**0.8**	**2.8**	**9.5**

Table 2 Odin Field Gross and Net Contingent Resources

[1]Volumetric estimates as calculated by operator Vintage. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of potentially significant moveable hydrocarbons. These prospective resource estimates are probabilistic in nature and are recoverable raw gas attributable to JV gross (100%) and Metgasco net interest (25%) in the Odin prospect as of 14 October 2019. The resources have been classified and estimated in accordance with the Petroleum Resource

Significant Changes in the State of Affairs

On 12 February Metgasco relocated its Head Office to Perth to support the increasing work activity on the significant Cervantes exploration project. Mr Paul Bird was appointed as Chief Financial Officer and Company Secretary.

Likely Developments and Expected Results

The results of the fracture stimulation and test program on Vali-1 ST1 are currently being reviewed by the joint venture and may lead to a financial development decision prior to the end of CY 20. Metgasco continues to pursue transformative transaction, acquisition and partnership opportunities and are pleased with the quality of projects and partners with which it is engaged. Potential transaction opportunities remain focused on assets capable of generating reliable income streams via exposure to operating production and with a preference for opportunities within Australia.

Operating Results for the Year

The consolidated net loss after tax of the Company for the year ended 30 June 2020, amounted to $7,463,046 (2019: Loss $14,223,289).

Effects on COVID-19 on the Company

The Company took early action in March 2020 in response to the considerable disruption and volatility on global equity and commodity markets due to the outbreak of a novel coronavirus (COVID-19). The impact of this health event has been minimal given remote working was already standard. Management made the decision that staff in Perth would work from home in order to mitigate any potential exposure to the COVID-19 virus, with all interstate travel ceasing.

The stimulation and test program on the Vali-1ST1 gas discovery continued unabated for the remainder of the reporting period and in accordance with the relevant government guidelines regarding COVID-19.

The Company also implemented temporary cost reductions to both Directors and Employees to substantially reduce the Company's cash outgoings and demonstrates the alignment of Metgasco's board and staff with the interests of shareholders.

Dividends

No dividends have been paid or declared since the end of the previous year and no dividends have been recommended by the Directors in respect of the year ended 30 June 2020.

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act* 2001.

Environmental Regulation and Performance

Exploration and development activities are subject to State and Federal laws, principally the Petroleum (Onshore) Act and Environmental Protection Act and associated regulations in QLD, WA & SA. Metgasco has a policy of complying with its environmental performance obligations.

Directors

The following persons were Directors of Metgasco during the whole of the financial year (except where otherwise noted) and up to the date of this financial report:

Philip Amery	Non-Executive Chairman
John Patton	Non-Executive Director
Robbert Willink	Non-Executive Director

Paul Bird	Company Secretary (appointed 12 February 2020)
Mark Langan	Company Secretary (resigned 1 April 2020)

Philip Amery
Independent Non-Executive Chairman
Appointed: 23 December 2015

Mr Amery is an experienced capital markets advisor and private banker. He holds BA and LLB degrees (Adelaide) and is a graduate of the Financial Asset Management and Engineering Program of the Swiss Finance Institute.

Special responsibilities: Member of the Audit and Risk Management Committee and a member of the New Business and Investment Committee.

Other directorships of listed companies: Austar Gold Limited (ASX: AUL)

Previous directorships of listed companies during the last three years:
Nil.

John Patton
Non-Executive Director
Appointed: 19 September 2016

Mr Patton is a senior executive with extensive finance experience in the corporate and professional services sectors. John was previously a partner with Ernst & Young in the Transactions Advisory Services division. With over 25 years of professional services and industry experience, John has extensive corporate finance credentials, having been involved in over 150 corporate transactions, including mergers & acquisitions (lead advisory), structuring, debt and equity raisings, IPOs, management buy-outs, valuations (including Independent Expert Reports), due diligence, financial modelling, restructuring and corporate advisory.

In addition, John has held the positions of CFO, acting CEO and alternate director of Epic Energy Company, a major infrastructure owner of high-pressure gas transmission pipelines in Australia. This business was the core asset within the ASX-listed Hastings Diversified Utilities Fund. As a result, John has solid hands-on operational experience with, and a strong appreciation of regulatory, commercial, financial, capital structure and external stakeholder management issues and requirements associated with major assets within an ASX-listed environment in Australia.

Special responsibilities: Chairman of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee.

Other directorships in listed companies: None

Previous directorships of listed companies during the last three years: Keybridge Capital Limited

Robbert Willink
Independent Non-Executive Director
Appointed: 5 February 2018

Dr. Willink has 40 years of experience in the Oil & Gas industry. Following graduation with a first-class honours degree and the completion of his PhD in Geology, Dr. Willink embarked on a career in exploration that led through various overseas assignments to executive appointments in leading Australian Oil & Gas companies. Dr. Willink has worked for companies such as Shell, Sagasco Resources, Origin Energy and Central Petroleum. Among other executive roles, Dr. Willink held the position of Executive General Manager, Geoscience & Exploration New Ventures with Origin Energy from 2005 to 2011.

Dr. Willink has held executive and non-executive director positions of other ASX listed companies in the past and is currently an Exploration Advisor of the privately-owned company Timor Resources. Since retirement from fulltime work, Dr. Willink has returned to advisory and consulting work.

Special responsibilities: Member of the Audit and Risk Management Committee.

Other directorships of listed companies: None

Previous directorships of listed companies during the last three years: Nil

Indemnification of Directors and Officers

Throughout the reporting period, the Company has maintained Directors' and Officers' insurance for the purpose of covering any loss which Directors and Officers may become legally obligated to pay on account of any claim first made against him/her during the policy period and for a wrongful act committed before or during the period of insurance. The amount paid by way of premium is unable to be disclosed due to confidentiality provisions in the insurance contract.

Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Director's Meetings		**Meetings of committees**
	Number of meetings held while a director	Number of meetings attended while a director	Audit & Risk Management
P. Amery	27	27	2
J. Patton	27	26	2
R. Willink	27	25	2

No Nomination & Remuneration Committee nor New Business Investment Committee meetings were held during the year.

Committee membership

As at the date of this report, the Company had an Audit & Risk Management committee, of the board of directors.

Members acting on the committee of the board during the year were:

Audit & Risk Management
J. Patton (chair)
P. Amery
R. Willink

Retirement and Election of Directors
All Directors have acted as Directors of the Company for the entire financial year unless otherwise disclosed.

Options
There are no unexpired options on issue as set out in Note 19.

Options Exercised or Lapsing in the Year
No options were exercised by staff in the year and up to the date of this report.

Remuneration Report (Audited)

Policy
Metgasco has a structured remuneration framework which provides a competitive base pay coupled with short and long term incentives to reward employees for above average performance and to create incentive over time to build value in the Company.

Use of Remuneration Consultants
Metgasco has neither sought nor received any recommendations from remuneration consultants during the year.

Non-Executive Directors
Remuneration for non-executive directors is normally determined at market rates by conducting an annual benchmarking exercise against a pool of comparable companies.

The structure of remuneration for Non-Executive Directors comprises a Base Fee inclusive of superannuation plus, where applicable, Committee Fees for participation as a member of a Board Committee. Fees to Non-Executive Directors are approved by the Board and set in aggregate within the maximum amount approved by shareholders. The maximum amount of fees approved to be paid to Non-Executive Directors by shareholders on 16 November 2010 was $500,000. Fees paid to Non-Executive Directors during the year to 30 June 2020 were $128,681.

Executive Team
Remuneration for the executive team is determined at market rates by conducting an annual benchmarking exercise against a pool of comparable companies. All employees are classified into a job band and the mix of remuneration between base pay, short term incentives and long term incentives is applied within the framework of the job band. The combination of these is considered to be the Total Remuneration for each executive team member.

Given the stage of development of the Company, financial performance conditions, which would encompass KPI measures such as revenue, profit or EBITDA are not considered to be appropriate for assessing performance. Instead, an assessment of each individual's performance against individual and team objectives is undertaken.

Base Pay
Base pay is structured as the total cost of employment to the Company and comprises a fixed base pay amount paid in cash, superannuation and certain non-cash benefits in particular cases.

Benefits
Benefits may include Income Protection Insurance, car parking or motor vehicle leasing and running expense payments.

Short Term Performance Incentives (STIs)
The Company currently does not have an STI program in place and is planning to implement one during the next financial year.

Long Term Incentives (LTIs)
The Company currently does not have an LTI program in place and is planning to implement one during the next financial year.

REMUNERATION REPORT (CONTINUED)

In the case of options, once they are granted, the conditions required to ensure vesting are a service condition and a volume weighted share price condition. Future performance of an individual is therefore not a condition affecting the vesting of options granted in past periods.

Key Management Personnel
The Directors and key management personnel of the Company during the reporting period are as follows:

- Philip Amery Non-Executive Director
- John Patton Non-Executive Director
- Robbert Willink Non-Executive Director
- Ken Aitken CEO

Elements of Remuneration related to Performance
The Corporations Act requires disclosure of the Company's remuneration policy to contain a discussion of the Company's earnings and performance and the effect of the Company's performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five-year financial summary to 30 June 2020.

12 months ended	Jun-20	Jun-19	Jun-18	Jun-17	Jun-16
Net Profit / (Loss) After Tax ($million)	(7.46)	(14.22)	1.02	(1.05)	23.05
EPS (loss) (cents) Basic	(1.91)	(3.64)	0.30	(0.30)	5.30
EPS (loss) (cents) Diluted	(1.91)	(3.64)	0.30	(0.30)	5.30
Share Price ($) - start of the year	0.047	0.060	0.040	0.054	0.065
Share Price ($) - end of the year	0.029	0.047	0.060	0.040	0.054
Share on Issue (million)	390.60	390.60	392.88	398.46	401.11
Market Capitalisation ($million)	11.33	18.36	23.57	15.94	21.66

For the reporting period, the Board determined a set of Company KPIs, reflecting the Company's strategies, business plan and budget. The KPIs and the performance set against them are set out below.

Performance against key strategic objectives set for the year
This measure is concerned with the Company's strategic and qualitative objectives, which are subjective to measure. Some of the key objectives include:

- developing the Company's assets through a competitive farm-out process and attracting suitable joint venture partners.
- acquiring additional assets which are in line with the Company's core strategies and future growth plans.

Performance against financial targets
Under this measure, the Board set specific financial management targets for the year which included cost reductions throughout the organisation including minimising overall corporate costs and ensuring appropriate funding is in place to enable the Company strategy to be delivered.

REMUNERATION REPORT (CONTINUED)

Remuneration 2020

	Short Term Employment Benefits			Post-Employment Benefits		Share Based Payments				
Name	**Cash Salary & fees**	**Other benefits**	**Performance Bonus**	**Termination Payments**	**Superannuation**	**Net no. of shares granted in period**	**Share expense for year**	**Option expense for year**	**Total**	**% of remuneration that is equity based**
Directors	**$**	**$**	**$**	**$**	**$**		**$**	**$**	**$**	
P Amery	41,552	-	-	-	3,948	-	-	-	45,500	-
J Patton	43,750	-	-	-	-	-	-	-	43,750	-
R Willink	43,379	-	-	-	4,121	-	-	-	47,500	-
K Aitken	225,000	-	50,000	-	19,209	-	-	-	294,209	-
Total	**353,681**	**-**	**50,000**	**-**	**27,278**	**-**	**-**	**-**	**430,959**	**-**

No shares were granted as remuneration for the reporting period ending 30 June 2020.
A discretionary bonus was paid on 13/12/2019 to the CEO.

Remuneration 2019

	Short Term Employment Benefits			Post-Employment Benefits		Share Based Payments				
Name	**Cash Salary & fees**	**Other benefits**	**Performance Bonus**	**Termination Payments**	**Superannuation**	**Net no. of shares granted in period**	**Share expense for year**	**Option expense for year**	**Total**	**% of remuneration that is equity based**
Directors	**$**	**$**	**$**	**$**	**$**		**$**	**$**	**$**	
P Amery	53,272	-	-	-	5,061	-	-	-	58,333	-
J Patton	50,000	-	-	-	-	-	-	-	50,000	-
R Willink	57,272	-	-	-	5,061	-	-	-	62,333	-
A Lang*	6,984	-	-	-	-	-	-	-	6,984	-
K Aitken**	169,706	-	-	-	25,000	-	-	-	194,706	-
Total	**337,234**	**-**	**-**	**-**	**35,122**	**-**	**-**	**-**	**372,356**	**-**

* Resigned 7 August 2018
** Appointed 4 September 2018

No shares were granted as remuneration for the reporting period ending 30 June 2019.
No incentives were granted to KMP in reporting period ending 30 June 2019.

REMUNERATION REPORT (CONTINUED)

Key Management Personnel Remuneration

There were no payments received or receivable by key management personnel of the Company or related parties of the Company other than those which are disclosed in the remuneration section of the Directors' Report and in Notes 19 and 21 of the Financial Statements.

At 30 June 2020, the direct and indirect interests of the Key Management Personnel in the ordinary shares of Metgasco are as follows:

Shares 2020	Opening Balance	Granted as Compensation	Received on Exercise of Options	Long term incentives forfeited	Shares Acquired	Closing Balance
Philip Amery	4,576,477	-	-	-	1,423,523	6,000,000
J Patton	550,000	-	-	-	-	550,000
R Willink	1,282,701	-	-	-	2,200,000	3,482,701
K Aitken	160,668	-	-	-	-	160,668

All holdings of shares disclosed this year and prior year are held either directly or indirectly by Key Management Personnel or related parties rather than nominally.

No options were held directly or indirectly by management personnel during the year ended 30 June 2020.

Other key remuneration disclosures
During the year there were no transactions of any kind between the Company and Directors, Key Management Personnel or parties related to these Companies other than what has been disclosed in this remuneration report and in Notes 19, 21 and 23 of the Financial Report. This includes loans, dividends, and consulting services. Any shares issued to Directors or other Key Management Personnel throughout the year were issued as a component of disclosed remuneration, through a rights issue, on-market transactions or through the exercise of options.

There were no payments received or receivable by Key Management Personnel of the Company or related parties of the Company other than as disclosed in this remuneration section of the Directors' Report.

Details of Employment Agreements

It is the Board's policy that all Key Management Personnel and employees enter into Employment Agreements.

Key terms of employment for Mr. Ken Aitken are as follows:

Title:	Chief Executive Officer (CEO).
Total fixed remuneration:	$300,000 plus statutory superannuation contributions.

In March 2020 and in response to COVID-19, the remuneration of the CEO was temporarily reduced to 50% until 30 June 2020.

Options Exercised by Directors or other Key Management Personnel during the year
During the year no options were exercised by Directors or other Key Management Personnel.

Voting at the Company's 2019 Annual General Meeting
The Remuneration Report for the financial year ended 30 June 2019 was adopted at the Company's Annual General Meeting held on 28 November 2019.

REMUNERATION REPORT (CONTINUED)

Directors' and Officers' Interests and Benefits

At the date of this report, the direct and indirect interests of the Directors and officers in the securities of Metgasco are as follows:

	Options	Ordinary Shares
Philip Amery	-	6,000,000
John Patton	-	966,277
Robbert Willink	-	4,315,255
Ken Aitken	-	993,222

Note that no shares have been resolved to be issued by way of short term and long-term incentives to Directors.

Equity based remuneration following the end of the reporting period and up to the date of this report

There is no proposal to issue shares to Directors as part of their remuneration.

End of Audited Remuneration Report (Audited)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18, and forms part of this report.

Audit Services

During the year, audit and review fees payable to Grant Thornton Audit Pty Ltd amounted to $68,512.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. During the current financial year, the auditor, Grant Thornton Audit Pty Ltd, did not provide any non-audit services to the Company.

All non-audit services would be reviewed by the Audit and Risk Management Committee to ensure that they do not impact the impartiality and objectivity of the auditor and that none of the services would undermine the general principles relating to auditor independence as set out in Accounting Professional and Ethical Standards (APES) 110 Code of Ethics for Professional Accountants.

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, the Company and its subsidiaries have adopted the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Company's Corporate Governance Statement was approved by the Board on 30 August 2018. The Corporate Governance Statement is available on Metgasco's website at:
http://www.metgasco.com.au/information/corporate-governance-statement.

Significant Events after End of Reporting Period

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than:

In late July 2020 a Share Placement (placement) of $1.375 mill (before issue costs) was completed by offering 55 million new shares to institutional and sophisticated investors at an issue price of $0.025 per share. Each new share issued under the placement will also receive an attaching option on a 1 for 3 basis with a strike price of $0.05, expiring 30 September 2021, with issuance of options subject to shareholder approval. The placement price of $0.025 per share represents a discount of 24.2% on the closing price of Metgasco on 15 July 2020 and a discount of 24.4% on the 30-day VWAP to 15 July 2020.

On 4 September 2020, the Company also completed a Share Purchase Plan ("SPP"), raising a further $2.6 million. On 14 September 2020 it issued 103,999,914 shares at the same issue price of $0.025 per share. In line with the placement, each new share issued under the SPP will likewise receive an attaching option on a 1 for 3 basis with a strike price of $0.05, expiring 30 September 2021, with issuance of options also subject to shareholder approval.

Funds from the Placement and SPP will be used to progress the Vali-1 ST1 discovery well including stimulation, well testing, completion and, assuming a JV decision on commerciality, connection in order to meet the estimated production milestone of Q1 CY2021. The company will retain ample financial capacity to advance its significant Perth Basin Cervantes prospect and potentially undertake further corporate and capital management initiatives in the interests of shareholders.

As of the date of this report the Company's investment in the shares of Byron Energy has increased significantly from $5,521,645 (as at 30 June 2020) to over $7million.

As noted above, the COVID-19 pandemic did not have any significant impact on the Company's operations during the year. Subsequent to the end of the financial year, the pandemic and its impact has continued to evolve with further outbreaks resulting in lockdown restrictions in Victoria, additional border closures between states, new stimulus measures (such as Jobkeeper 2.0) and many other items. It is therefore not practical to estimate the potential impact, positive or negative, after reporting date.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001.

Philip Amery
Chairman
21 September 2020

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Metgasco Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Metgasco Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 21 September 2020

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
Finance income	*5 (a)*	**5,898**	**377,701**
Other Income	*5 (b)*	**51,185**	**244,539**
		57,083	**622,240**
Expenses			
Finance costs	*6 (c)*	**(15,537)**	**(10,538)**
Accounting, compliance, legal & professional costs		**(234,078)**	**(127,648)**
Investor relations		**(99,669)**	**(131,129)**
Consulting fees		**(183,108)**	**(221,495)**
Depreciation	*6 (a)*	**(3,019)**	**(3,590)**
Impairment of capitalised exploration costs	*6 (e)*	**-**	**(10,239,707)**
Exploration costs expensed		**(55,211)**	**-**
Directors fees		**(154,750)**	**(177,651)**
Employee costs	*6 (d)*	**(596,748)**	**(368,986)**
Occupancy	*6 (b)*	**(36,379)**	**(41,703)**
Travel & accommodation		**(18,360)**	**(54,333)**
Other administrative		**(220,419)**	**(265,788)**
Loss on disposal of exchange traded bonds		**(68,030)**	**-**
Fair value movement of investments in listed securities		**(5,493,826)**	**(1,626,754)**
Realised gain / (loss) on sale of investments in listed securities		**81,276**	**(450,000)**
Loss on fair value movement of derivative asset	*6(f)*	**(422,271)**	**(1,126,207)**
		(7,520,129)	**14,845,529**
(Loss)/Profit for the year		**(7,463,046)**	**(14,223,289)**
Income tax expense	*7(a)*	**-**	**-**
Net (Loss)/Profit for the year		**(7,463,046)**	**(14,223,289)**
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Financial assets at FVOCI reserve recycled to profit or loss		**59,812**	**-**
Gain on fair value movement of exchange traded bonds		**-**	**2,187**
Total comprehensive (Loss)/Profit for the year		**(7,403,234)**	**(14,221,102)**
Earnings per share for profit from continuing operations			
Basic (loss)/profit per share (cents)	*27*	(1.91)	(3.64)
Diluted (loss)/profit per share (cents)	*27*	(1.91)	(3.64)

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020	2019
		$	$
ASSETS			
Current			
Cash and cash equivalents	*8*	**157,530**	**1,803,197**
Short term investments	*9*	**-**	**1,393,540**
Investment in listed securities	*9*	**5,521,645**	**4,500,000**
Trade and other receivables	*10*	**94,180**	**121,931**
Current assets		**5,773,355**	**7,818,668**
Non-current			
Exploration and evaluation expenditure	*11*	**1,891,585**	**1,298,423**
Plant and equipment	*12*	**1,412**	**5,957**
Other receivables	*13*	**24,000**	**24,000**
Investment in listed securities	*9*	**-**	**7,196,681**
Financial derivative assets	*15*	**-**	**422,271**
Non-current assets		**1,916,997**	**8,947,332**
TOTAL ASSETS		**7,690,352**	**16,766,000**
LIABILITIES			
Current			
Trade and other payables	*16*	**232,085**	**1,882,919**
Current liabilities		**232,085**	**1,882,919**
Non-current			
Provisions	*17*	**-**	**21,580**
Total non-current liabilities		**-**	**21,580**
TOTAL LIABILITIES		**232,085**	**1,904,499**
NET ASSETS		**7,458,267**	**14,861,501**
EQUITY			
Share capital	*18*	**111,100,469**	**111,100,469**
Financial assets at FVOCI reserve		**-**	**(59,812)**
Accumulated losses		**(103,642,202)**	**(96,179,156)**
TOTAL EQUITY		**7,458,267**	**14,861,501**

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	*Accumulated losses*	*Financial Assets at FVOCI reserve*	*Available for Sale Reserve*	*Total equity*
	$	**$**	**$**	**$**	**$**
At 30 June 2018	**111,232,683**	**(92,818,511)**	**-**	10,800,645	**29,214,817**
Adjustment from adoption of AASB9	-	10,862,644	(61,999)	(10,800,645)	-
Adjusted balance at 1 July 2018	111,232,683	(81,955,867)	(61,999)	-	29,214,817
Loss for the year	-	(14,223,289)	-	-	(14,223,289)
Other comprehensive income	-	-	2,187	-	2,187
Total comprehensive profit for the year	**111,232,683**	**(96,179,156)**	**(59,812)**	**-**	**14,993,715**
Transactions with owners in their capacity as owners					
Share buyback	(132,214)	-	-	-	(132,214)
At 30 June 2019	**111,100,469**	**(96,179,156)**	**(59,812)**	**-**	**14,861,501**
Loss for the year	-	(7,463,046)		-	(7,463,046)
Other comprehensive income	-	-	59,812	-	59,812
Total comprehensive profit for the year	-	**(7,463,046)**	**59,812**	-	**(7,403,234)**
At 30 June 2020	**111,100,469**	**(103,642,202)**	**-**	-	**7,458,267**

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
Operating activities			
Payments to suppliers and employees (inclusive of goods and service taxes)		(1,589,192)	(1,558,229)
Government Grants		50,000	-
Interest received		9,482	553,030
Net cash flow used in operating activities	*26*	(1,529,710)	(1,005,199)
Investing activities			
Expenditure on exploration, evaluation and decommissioning		(2,271,447)	(9,253,143)
Sale/(Purchase) of short/long term investments		2,155,917	2,405,307
Security Bond received/(advanced)		-	11,000
Secured convertible note facility		-	3,000,000
Purchase of property, plant and equipment		(427)	(460)
Net cash flow used in investing activities		(115,957)	(3,837,296)
Financing activities			
Share Buyback		-	(132,214)
Net cash flow used in financing activities		-	(132,214)
Net (decrease) in cash and cash equivalents held		(1,645,667)	(4,974,709)
Cash and cash equivalents at the beginning of year		1,803,197	6,777,906
Cash and cash equivalents, end of year	*8*	157,530	1,803,197

This statement should be read in conjunction with the notes to the financial statements.

1. Corporate Information

a) Nature of operations

The principal activities of Metgasco Ltd ("Metgasco") and its controlled entity (the "Company") were oil and gas exploration, appraisal, development and investment in and development of associated energy infrastructure.

b) General information and statement of compliance

The consolidated general purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Metgasco is a for-profit entity for the purpose of preparing the financial statements.

Metgasco is the Company's ultimate parent company. Metgasco is a public company incorporated and domiciled in Australia. The address of its registered office and principal place of business is Level 2, 30 Richardson Street, West Perth WA 6005.

The consolidated financial statements for the year ended 30 June 2020 were approved and authorised for issue by the board of directors on 21 September 2020.

2. Summary of Significant Accounting Policies

a) Critical accounting estimates and judgments

The preparation of a financial report requires the Company to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods. Judgments made by the Company in the application of accounting standards that have a significant impact on the Financial Statements and estimates with a significant risk of material adjustment in the next year are highlighted in the accounting policies detailed below.

Deferred tax assets

The application of accounting judgments is manifested in the Company's approach to the recognition of deferred tax assets arising from operating losses. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Provision for site restoration

The Company estimates the future restoration costs of wells at the time of installation. In most instances removal of these assets occurs many years into the future. The calculation of this provision requires management to make assumptions regarding removal date, application of environmental legislation, the extent of restoration activities required and available technologies.

Fair Value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

2. Summary of Significant Accounting Policies (continued)

b) Principles of consolidation

The consolidated financial statements comprise the financial statements of Metgasco and its controlled entity, as at and for the year ended 30 June 2020.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or as rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

At 30 June 2020, Metgasco controlled 100% of Richmond Valley Power Pty Ltd. The financial statements of the subsidiary have been prepared for the same reporting date as the parent company, using consistent accounting policies. The purchase method of accounting has been used to account for the acquisition of the subsidiary by the Company. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless cost cannot be recovered. The subsidiary is accounted for in the parent entity at cost.

c) Going Concern

The Directors note that as at 30 June 2020, the Company has a cash position of $157,530 and incurred net cash outflows from operating activities of $1,529,710 for the 12 month period ended 30 June 2020. The Directors are satisfied the Company can continue its operations on the basis that the Company has an investment exceeding $7million (as of the date the financial statements for the year ended 30 June 2020 were approved and authorised for issue by the board of directors) in listed shares that can be disposed as required.

In late July 2020 a Share Placement (placement) of $1.375 mill (before issue costs) was completed by offering 55 million new shares to institutional and sophisticated investors at an issue price of $0.025 per share. Each new share issued under the placement will also receive an attaching option on a 1 for 3 basis with a strike price of $0.05, expiring 30 September 2021, with issuance of options subject to shareholder approval. The placement price of $0.025 per share represents a discount of 24.2% on the closing price of Metgasco on 15 July 2020 and a discount of 24.4% on the 30-day VWAP to 15 July 2020.

On 4 September 2020, the Company also completed a Share Purchase Plan ("SPP"), raising a further $2.6 million. On 14 September 2020 it issued 103,999,914 shares at the same issue price of $0.025 per share. In line with the placement, each new share issued under the SPP will likewise receive an attaching option on a 1 for 3 basis with a strike price of $0.05, expiring 30 September 2021, with issuance of options also subject to shareholder approval.

The Company took early action in March 2020 in response to the considerable disruption and volatility on global equity and commodity markets due to the outbreak of a novel coronavirus (COVID-19). The impact of this health event has been minimal given remote working was already standard. Management made the decision that staff work from home in order to mitigate any potential exposure to the COVID-19 virus, with all travel ceasing. The Company also implemented temporary cost reductions to both Directors and Employees to substantially reduce the Company's cash outgoings. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the novel coronavirus (COVID-19) pandemic.

d) Income tax

Income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items based on the notional income tax rates for each jurisdiction. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or liability is settled. Deferred tax is debited or credited to profit or loss except where it relates to items that are debited or credited directly to equity or other comprehensive income, in which case the deferred tax is adjusted

2. Summary of Significant Accounting Policies (continued)

directly against equity or items of other comprehensive income. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse changes will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law. The Company has not formed a tax consolidated group.

e) Leases

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus and make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for remeasurement of the lease asset and for impairment losses, assessed in accordance with the Group impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments or index-based variable payments incorporating the Group expectations of extension options and do not include non-lease components of a contract.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with ant excess recognised in the consolidate income statement.

Short-term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the consolidated income statement. Low value assets comprise plant and equipment.

f) Revenue and expenses

The Group recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expected to be entitled in exchange for those goods or services.

The Group identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the performance obligations in the contract and recognises revenue when each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Management has undertaken an exercise to assess the Group's contractual arrangements with its customers as part of its implementation of AASB 15 and is satisfied that there is no impact to the Group’s financial statements upon adoption.

g) Operating segments

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

h) Foreign currency translation

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of transaction. At the end of the reporting period, amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date, with the resulting foreign exchange gains or losses being recognised in the profit of loss.

i) Earnings per share

(i) Basic earnings (loss) per share is determined by dividing the operating profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings (loss) per share adjusts the basic earnings used in determining earnings per share by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares noted is adjusted by the weighted average number of shares assumed to have been issued for no consideration. At the end of the reporting period, options over unissued shares are not considered to be dilutive and have not been used to calculate diluted loss per share.

j) Exploration expenditure and petroleum tenement leases

In accordance with AASB 6, exploration expenditure is carried forward as an asset provided that the rights to the area of interest are current and such expenditure was expected to be recouped by:

- Successful development of the area of interest; or
- By sale of the area of interest.

Exploration and evaluation activities had not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the interest are continuing.

Exploration expenditure which fails to meet at least one of the conditions outlined above is written off. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated expenditure applicable to such area of interest is written off to the profit or loss account in the year in which such decision is made. Qualifying Research and Development tax offsets received from the Australian Taxation Office are offset against the deferred exploration expenditure. Other Government grants which may be received from time to time are also offset against deferred exploration expenditure.

Amortisation is not charged on costs carried forward in respect of areas of interest on the basis that the Company is not able to assess with certainty the chances of the recoupment of expenditure through successful development or the rate at which the yet to be determined resources would be depleted.

A regular review is undertaken of each area of interest to determine the appropriateness of carrying forward costs in relation to the area of interest. Charges for depreciation of equipment used in exploration and evaluation activities are included as indirect costs of exploration and evaluation.

k) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2. Summary of Significant Accounting Policies (continued)

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.
All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at

least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets at fair value through other comprehensive income

The Group recognises 12 months expected credit losses for financial assets at FVOCI. As most of these instruments have a high credit rating, the likelihood of default is deemed small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

l) Property, plant and equipment

Each class of property, plant and equipment is carried at historic cost less accumulated depreciation and impairment losses, where applicable. Plant and equipment is measured on the historic cost basis less depreciation and impairment losses.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of assets constructed within the Company includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the carrying value of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

The carried value of an asset is written down immediately to its recoverable amount if the asset's carried value is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing proceeds with the carried value. These gains and losses are included in the profit or loss.

2. Summary of Significant Accounting Policies (continued)

m) Depreciation

All fixed assets are depreciated on a straight line basis over their useful lives to the Company. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Plant and equipment are depreciated at rates from 4% to 40%. The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of the reporting period. Depreciation charged on assets which are employed exclusively in the Company's exploration activities is capitalised. This is consistent with the treatment of other exploration related expenses.

n) Impairment of assets

Assets that are not subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing

value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

o) Restoration and rehabilitation

Estimates of the cost of restoration and rehabilitation represent the anticipated cost to decommission the Company's existing wells. Site restoration costs include: the dismantling and removal of infrastructure, removal of residual materials and remediation of disturbed areas. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company, prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

q) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured as the amounts expected to be paid when the liability is settled, plus related on-costs and booked as an accrual. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits and booked as a provision.

(i) Long service leave

The non-current liability for long service leave is recognised in the provision for employee benefits and estimated as future cash outflows to be made by Metgasco resulting from employees' services provided up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(ii) Share based payments

Share based compensation benefits are provided to employees via an employee and officer's equity plan.

- The fair value of options and share rights granted under an employee and officer's equity plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options and share rights.

- The fair value at grant date is determined by using a Black-Scholes option pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk free rate, vesting and performance criteria, the impact of dilution and the fact that the options and share rights are not tradable.

(iii) Superannuation

The Company contributes to the personal superannuation funds of employees in accordance with the prevailing Federal legislation. Contributions of superannuation are recognised as expenses when they

become payable. The cost of superannuation for employees employed exclusively in exploration and evaluation activities are carried forward in the statement of financial position.

r) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that such an outflow can be reliably measured.

s) Cash and cash equivalents

Cash and cash equivalents include: cash on hand and short, fixed term deposits with banks. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

u) Government grants

Grants from Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with conditions attaching to those grants. Government grants shall be recognised as a credit to carry forward exploration costs whilst the treatment of exploration costs continues to comply with AASB 6. Grants will be recognised only to the extent of the expenditure so far incurred for which the grants are intended to cover. Government grants not related to exploration expenditure are recognised in other income.

v) Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the Financial Assets at FVOCI reserve, which comprises gains and losses from the revaluation of exchange traded bonds.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

2. Summary of Significant Accounting Policies (continued)

w) Comparative Financial Information

Comparative financial information is reclassified where applicable to aid comparability with the current year, and more appropriately reflect the nature of the items concerned. None of the adjustments affect the loss before or after tax or net assets.

x) New and revised standards effective for these financial statements

AASB 16 Leases

New Standards	AASB 16 Leases
Nature of change	AASB 16: - replaces AASB 117 *Leases* and some lease-related Interpretations - requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases - provides new guidance on the application of the definition of lease and on sale and lease back accounting - largely retains the existing lessor accounting requirements in AASB 117 - requires new and different disclosures about leases.
Effective Date	Mandatory for financial years commencing on are after 1 January 2019 The Company has applied the standard using the modified retrospective approach which means that the cumulative impact (if any) of the adoption will be recognised in retained earnings as of 1 July 2019 and that comparatives will not be restated.
Impact	Based on review of the contracts pertinent to office space and lease commitments, management have concluded that there is no impact on adoption of AASB 16 to the Group's financial statements. On that basis, management believe the application of AASB 16 will not have an impact on the financial statements.

Uncertain tax positions

The Company has applied IFRIC 23 from 1 July 2019 and it serves to clarify how to apply the recognition and measurement requirements of AASB 112 Income Taxes, when there are uncertain tax positions ("UTP"). When there is a UTP, the interpretation addresses the following:

- Recognition and measurement using either a:
  - (i) 'most likely amount' methodology – when the outcome is binary or concentrated to a specific matter; or
  - (ii) 'expected value' or probability-weighted methodology – when there is a range of possible outcomes;
- Additional disclosure considerations, more specifically, around the judgements and estimates/ assumptions used in determining tax related balances; and
- Whether UTPs are to be assessed separately or bundled together.

The recognition, measurement and disclosure requirements of the standard have been applied to any UTPs which were under consideration for the year ended 30 June 2020. Where UTPs have required significant estimates and judgements to be made around determination of related tax balances, these will be disclosed.

2. Summary of Significant Accounting Policies (continued)

The Company will continue to monitor the availability and accessibility of its tax losses under the same business test and continuity of ownership test.

y) Adoption of new and revised Accounting Standards issued but not yet effective.

At the date of authorisation of the financial report, a number of Standards and Interpretations were on issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020
AASB 2019-5Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 January 2020

Management does not consider the above would have a material impact on initial application, but the assessment of the impact is ongoing.

3. Financial Risk Management

Activities undertaken by Metgasco and its subsidiary may expose it to a variety of financial risks including: market risk, credit risk and liquidity risk. The Company's risk management policies and objectives are designed to recognise and minimise the potential impacts of these risks, where such impacts may be material. At the present stage, the Company has exposure to market and credit risk.

The carrying amount of financial instruments by categories is as follows:

	Consolidated	
	2020	**2019**
	$	**$**
Cash and cash equivalents	**157,530**	**1,803,197**
Financial assets - derivative	**-**	**422,271**
Byron Energy securities	**5,521,645**	**11,696,681**
Short term investments	**-**	**1,393,540**
Loans and receivables	**24,000**	**24,000**
Financial liabilities at amortised cost	**210,005**	**1,863,020**

Cash and cash equivalents are detailed in Note 8 whilst the amount for loans and receivables represents amounts pledged as security for well rehabilitation, rental bonds, corporate credit cards and trade receivables. See Notes 10, 13 and 24 accompanying the financial statements.

a) Market risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

i) Foreign exchange risk
In prior years, small components of the Company's purchases of well materials were denominated in US dollars ("USD"). At the end of the reporting period however, the amount of trade payables denominated in USD was nil. Subsequent variations in the USD/AUD exchange rate therefore would have no impact on the future results of the Company. From time to time throughout previous reporting periods, the Company made purchases of well casing and other items that were denominated in US dollars. Due to the infrequency of such purchases, no foreign currency hedging was undertaken, however any material changes to the value of our commitments to be settled in foreign currency are communicated to senior management and budgeted for.

ii) Interest rate risk and equity securities or other financial securities price risk.
The Company has no exposure to interest rate risk other than reductions/increases in interest earned should the rates decrease/increase respectively. As an indication of possible sensitivity to changes in interest rates a 1% movement in interest rates, assuming a mean cash balance of $157,530 would increase/decrease the annual amount of interest received by $1,575.

Directors consider that there is no significant credit risk in respect of cash balances as those balances are all held with major Australian banks.

iii) The Long-Term Investment risk.

The Company has exposure to the equity market through its long-term investment in Byron Energy Limited which is listed on the Australian Securities Exchange.

b) Credit risk

Credit risk is the risk that the other party to a contract or financial instrument will fail to discharge their obligation resulting in the Company incurring a financial loss. This usually occurs when debtors or counterparties to contracts fail to settle their obligations owing to the Company. The Company was in the exploration and appraisal stage of development and had not entered into any sales contracts and is therefore not exposed to counterparty credit risk.

3. Financial Risk Management (continued)

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet commitments. The Company ensures that sufficient cash reserves are available to carry out its committed program of works. When assessing and managing liquidity risk, the Company considers that expected cash flows from current financial assets may not suffice to meet the current expected cash outflow requirements. Therefore, the Company may become reliant upon the continued support from shareholders to maintain the liquidity of the Company. All trade and other payables are payable within 6 months.

4. Segment Information

Management determined that the Company has no operating segments, on the basis that:

- no discrete information is provided to the executive management team;
- the executive management team and chief decision maker base their decisions on the consolidated financial information, which is not broken down by segment.

5. Finance Income and Other Income

		Note	Consolidated	
			2020	**2019**
			$	**$**
(a)	**Finance income**			
	Interest generated on cash at bank and traded bonds		**5,898**	**169,263**
	Interest generated on convertible note		**-**	**208,438**
	Total finance income		**5,898**	**377,701**
(b)	**Other income**			
	Unwinding and other finance income on convertible note		**-**	**239,877**
	Government Grants		**50,000**	**-**
	Other miscellaneous income		**1,185**	**4,662**
	Total other income		**51,185**	**244,539**

6. Expenses

Profit/(Loss) before income tax includes the following specific expenses:

		Note	Consolidated 2020 $	2019 $
(a)	**Depreciation**			
	Plant and equipment		3,019	3,590
	Total depreciation		3,019	3,590
(b)	**Occupancy**			
	Occupancy expenses		36,379	41,703
	Total Occupancy		36,379	41,703
(c)	**Finance cost - external**			
	Brokerage on sale of long-term investments		14,654	8,400
	Bank charges		883	2,138
	Total Finance Cost		15,537	10,538
(d)	**Employee costs**			
	Superannuation		42,919	38,107
	Wages and salaries		545,476	306,593
	Insurance		8,353	24,286
	Total employee costs		596,748	368,986
(e)	**Impairment**			
	Exploration costs	*11*	-	10,239,707
	Total impairment		-	10,239,707
(f)	**Loss on fair value movement of derivative asset**	*15*	422,271	1,126,207
	Total loss on fair value movement of derivative asset		422,271	1,126,207

Depreciation charged on assets employed directly in the Company's exploration activities for the year was $Nil (2019: $Nil) and expensed with the exploration activities. Depreciation charged on assets not in the above category was $3,019 (2019: $3,590) for the year and is charged directly to the statement of profit or loss.

7. Income Tax

		Consolidated	
		2020	2019
		$	$
(a)	**Income tax expense**		
	(Loss)/Profit before income tax expense	**(7,463,046)**	**(14,223,289)**
	Prima facie tax (benefit)/expense on profit/(loss) at 27.5% (2019: 27.5%)	**(2,052,338)**	**(3,911,404)**
	Tax effect of amounts which are not deductible in calculating taxable income:		
	Share based payments	**-**	**-**
		(2,052,338)	**(3,911,404)**
	Movements in unrecognised temporary differences	**5,335**	**4,219**
	Tax effect of current year tax losses for which no deferred tax asset has been recognised	**2,057,672**	**3,907,185**
	Utilisation of unused tax losses		
	Income tax expense	**-**	**-**
(b)	**Unrecognised deferred tax assets and liabilities**		
	Capital raising costs	**1,072,730**	**1,072,730**
	Accruals and provision for employee's benefits	**6,072**	**11,407**
	Carry forward tax losses:		
	– Operating	**2,357,501**	**3,006,286**
	– Exploration and evaluation expenditure	**26,144,105**	**25,965,802**
	Deferred tax liability - taxable temporary differences	**(24,633,302)**	**(28,488,622)**
	Net unrecognised deferred tax asset	**4,947,105**	**1,567,603**

The taxation benefits will be obtained only if the assessable income derived is of a nature and an amount sufficient to enable the benefit of deductions to be realised; conditions for deductibility imposed by the law are complied with; and there are no changes in tax legislation which adversely affect the realisation of the benefit of the deductions. For Financial Statement purposes, with respect to the above, the Company has not brought the tax benefit to account.

8. Cash and Cash Equivalents

	Consolidated	
	2020	2019
	$	$
Cash at bank and on hand	**157,530**	**1,803,197**
Total	**157,530**	**1,803,197**

a) Cash at bank and on hand

Amounts held in the Company's cheque account attract variable interest rates commensurate with a business cheque account.

9. Investments

	Consolidated	
	2020	2019
Investment in traded bonds (current)	$	$
Opening balance	1,393,540	2,116,658
Acquired during the period	-	-
Sold during the period	(1,385,322)	(725,305)
Movement in fair value	(8,218)	2,187
	-	1,393,540
Investment in listed securities		
Opening balance	11,696,681	13,453,435
Acquired during the period	2,800,000	2,000,000
Sold during the period	(3,562,486)	(1,680,000)
Realised gain / (loss) on sale	81,276	(450,000)
Movement in fair value	(5,493,826)	(1,626,754)
	5,521,645	11,696,681
Investment in listed securities		
Current	5,521,645	4,500,000
Non-current		7,196,681
	5,521,645	11,696,681

Pursuant to the Company's Convertible Note Deed (refer to note 15) with Byron Energy Ltd., the Board elected to exercise its priority rights in September 2017. As at 30 June 2020, the Company owned 39,440,321 shares in Byron Energy Ltd. During the period, it sold 12,004,174 shares realising a gain of $81,276. As a result of a decrease of the share price at 30 June 2020, the unrealised loss is $5,493,826 (2019: unrealised gain of $1,626,754).

Short term investments are exchange traded bonds with coupon rates between 4.50% and 7.75% with maturity dates from November 2019 to November 2025. All the exchange traded bonds have been sold during the year.

10. Trade and Other Receivables (Current)

	Consolidated	
	2020	2019
	$	$
GST receivable	3,708	23,478
Accrued Income	-	10,008
Rent deposits	-	3,182
Prepayments	76,302	85,260
Other	14,170	3
Total	94,180	121,931

No receivables are past due or impaired.

11. Exploration and Evaluation Expenditure

	Consolidated	
	2020	2019
	$	$
Expenditure for the entity's operations		
Movement during the financial period (at cost):		
Opening balance	**1,298,423**	**534,987**
Capitalised exploration expenditure	**593,162**	**11,003,143**
Impairment	**-**	**(10,239,707)**
Carrying amount at end of year	**1,891,585**	**1,298,423**

12. Plant and Equipment

	Consolidated	
	2020	2019
	$	$
Computer equipment		
At cost	**7,118**	**11,077**
Accumulated depreciation and impairment	**(5,706)**	**(5,120)**
Net carrying amount	**1,412**	**5,957**

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current and previous financial year are set out below:

Computer equipment		
Carrying amount at beginning of financial year	**5,957**	**9,087**
Additions	**427**	**460**
Disposals	**(1,953)**	**-**
Depreciation	**(3,019)**	**(3,590)**
Carrying amount at end of financial year	**1,412**	**5,957**
Total plant and equipment		
Carrying amount at beginning of financial year	**5,957**	**9,087**
Additions	**427**	**460**
Disposals	**(1,953)**	**-**
Depreciation	**(3,019)**	**(3,590)**
Carrying amount at end of financial year	**1,412**	**5,957**

Impairment loss

At 30 June 2020, the Company reviewed the carrying amount of its plant and equipment for indicators of impairment in accordance with the Company's accounting policy (refer Note 2(m)).

The recoverable amounts of plant and equipment were also formerly reassessed, and no impairment was required during 2020 financial year (2019: $Nil).

13. Other Receivables (Non-current)

	Consolidated	
	2020	**2019**
	$	**$**
Security bonds non-current	**24,000**	**24,000**
Total	**24,000**	**24,000**

Security bonds are held in favour of the QLD Department of Natural Resources and Mines.

14. Other Financial Assets

The statement of financial position incorporates the assets, liabilities and results of the subsidiary in accordance with the policy described in Note 2(b).

Name of entity	Country of incorporation	Class of Shares	Equity holding			
			2020	2019	**2020**	2019
			%	**%**	**$**	$
Richmond Valley Power Pty Ltd	Australia	Ordinary	100	100	100	100

The proportion of ownership interest is equal to the proportion of voting power held for all the above subsidiaries.

15. Financial Assets

The derivative asset in the previous year related to 10 million options granted by Byron Energy Limited to the Company on 21 July 2016 which were recorded at fair value. The options were non-transferable unlisted options with an exercise price of $0.25 per share and a three year expiry (being 21 July 2019). The assumptions used in the valuation at grant date and of 30 June 2019 were as follows:

	At Grant Date	**30 June 2019**
Grant date	21 July 2016	21 July 2016
Vesting period ends	21 July 2019	21 July 2019
Share price	$0.17	$0.29
Volatility	95%	10%
Option life	3 years	3 years
Dividend yield	0%	0%
Risk free investment rate	1.49%	1.38%
Fair value at grant date	$879,900	-
Fair value at balance date	-	$422,271
Exercise price at date of grant	$0.25	$0.25
Exercisable from	20 Jul 2018	20 Jul 2018
Exercisable to	21 July 2019	21 July 2019
Weighted average remaining contractual life	3.0 years	0.1 years

Given the options have been exercised during the current period to purchase Byron Energy shares, the derivative asset has been reversed through profit and loss.

	Consolidated	
	2020	**2019**
	$	**$**
Fair value at beginning of the year	**422,271**	**1,548,478**
(Loss)/Profit on fair value movement of derivative asset	**(422,271)**	**(1,126,207)**
Total	**-**	**422,271**

16. Trade and Other payables (Current)

	Consolidated 2020 $	Consolidated 2019 $
Trade payables	**156,729**	**50,518**
Accrued charges and expenses	**48,300**	**1,812,502**
Employee benefits	**27,056**	**19,899**
Total	**232,085**	**1,882,919**

Amounts classified above as employee benefits are all expected to be settled within 12 months of the end of the reporting period.

17. Provisions (Non-current)

	Consolidated 2020 $	Consolidated 2019 $
Long service leave	**-**	**21,580**
Provision for long service leave		
Opening balance	**21,580**	**14,576**
Amounts provided	**5,045**	**7,004**
Amounts paid out	**(26,625)**	**-**
Closing balance for long service leave	**-**	**21,580**

18. Share Capital

		Parent Entity		Parent Entity	
		No of Shares	No of shares	**$**	$
		2020	2019	**2020**	2019
(a)	**Share Capital**				
	Ordinary Shares - Fully Paid	**390,601,434**	**390,601,434**	**111,100,469**	**111,100,469**

(b) Movements in Ordinary Share Capital

	Date	No of Shares	Value $
Balance at 30 June 2019		**390,601,434**	**111,100,469**
Balance at 30 June 2020		**390,601,434**	**111,100,469**

Ordinary shares have the right to participate in dividends, include a voting entitlement, and include a right to proceeds on the winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

At the end of the reporting period there were no options over ordinary shares on issue. There were no options granted during the reporting period which had vesting dates within the reporting period. No options were issued in the year by the Company with vesting dates after 30 June 2020.

On 28th July 2020 the Company issued 55,000,000 shares as part of a share placement at 2.5 cents a share. The Company issued a further 103,999,914 shares as part of a share purchase plan on 14 September 2020 at 2.5 cents per share.

Capital risk management

The Company considers its capital to comprise its ordinary shares. In managing its capital, the Company's primary objective is to effectively utilise its capital resources to deliver on its operational objectives and deliver

18. Share Capital (continued)

returns to shareholders. The issue of new shares is one of the Company's means of achieving its long term operational and strategic objectives. As the Company is involved in exploration and has no debt, the use of various gearing ratios is not employed.

19. Share Based Payments

The Metgasco Employees and Officers Equity Plan ("EOEP") was approved in November 2004. A summary of the rules of the EOEP is set out below.

The allocation of options or shares to each employee, officer or consultant is at the discretion of the Board. Each option or share is to subscribe for one fully paid ordinary share in the Parent Company. Options will expire five years from their date of issue. An option or share is exercisable at any time from its date of vesting. Options or shares are issued at no cost and the exercise price of options is determined by the Board, subject to a minimum price equal to the market value of the Parent Company's shares at the time the Board resolves to offer those options.

Details of options outstanding as part of the EOEP and those issued to contractors outside of the EOEP during the financial year are as follows:

Consolidated and Parent Entity 2020.

There were no options outstanding or issued during the year.

Consolidated and Parent Entity 2019

There were no options outstanding or issued during the year.

20. Available for Sale Reserve

	Consolidated	
	2020	**2019**
	$	**$**
Balance at the beginning of the year	**-**	**10,800,645**
Amount recognised during the year	**-**	**-**
Transferred to accumulated losses on adoption of AASB9	**-**	**(10,800,645)**
Balance at the end of the year	**-**	**-**

On adoption of AASB9 the balance of the reserve was transferred to accumulated losses. The Company now classifies the asset as an investment in listed securities (refer to note 9).

21. Key Management Personnel

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	**403,681**	**337,234**
Post-employment employee benefits	**27,278**	**35,122**
Share based payments	**-**	**-**
Total compensation	**430,959**	**372,356**

22. Auditor's Remuneration

Total amounts provided for remuneration for assurance services provided to the Company by the auditor are:

	Consolidated	
	2020	2019
	$	$
During the year, fees paid/payable to the Company's auditors were:		
For audit and review – Grant Thornton Audit Pty Ltd	68,512	74,000

23. Related Party Disclosures

Directors and Directors' related entities share and option holdings at the end of the reporting period are disclosed in the remuneration report. As such, apart from remuneration with key management personnel (refer to note 21 above), there are no further related party transactions to disclose.

24. Contingent Liabilities and Assets

	Consolidated	
	2020	2019
	$	$
Security Bonds to State governments	24,000	24,000

Should the Company fail to satisfactorily rehabilitate well sites after their abandonment, amounts secured by cash lodged with the QLD Department of Natural Resources and Mines could be forfeited.

25. Commitments

The exploration expenditure relates to the farm-in commitments for L14 Cervantes and PRL211 and two Exploration Licences in the Cooper Basin.

	Consolidated	
	2020	2019
	$	$
Minimum Exploration & Evaluation expenditure for exploration Tenements		
Within one year	4,785,474	5,925,000
Year 2 to Year 4	13,450,504	14,185,000
Over 5 years	-	-
Total	18,235,978	20,110,000
Office Rent		
Within one year	21,818	43,373
Later than one year but not later than five years	-	-
Total	21,818	43,373

Metgasco's strategy in meeting the above Exploration and Evaluation expenditures involves:

(i) sale of marketable securities;
(ii) raising capital; or
(iii) some combination of the above.

The Company may also consider farming out, divestment or relinquishment of certain assets if appropriate and acceptable to stakeholders.

26. Statement of Cash Flows Reconciliation

		Consolidated 2020 $	Consolidated 2019 $
(a)	**Reconciliation of net loss after tax to net cash flows from operations**		
	Net loss for the year	**(7,463,046)**	**(14,223,289)**
	Adjustments for:		
	Depreciation	**3,019**	**3,590**
	Loss on fair value movement of derivative asset	**422,271**	**1,126,207**
	Fair value movement of investments in listed securities	**5,493,826**	**1,626,754**
	Realised loss on sale of investments in listed securities	**(81,276)**	**450,000**
	Unwinding and other finance income on convertible note	**-**	**(114,799)**
	Impairment of exploration and evaluation expenditure	**-**	**10,239,707**
	Loss on financial assets at FVOCI reserve recycled to profit or loss	**59,812**	**-**
	Changes in assets and liabilities:		
	Decrease in trade and other receivables	**41,921**	**128,404**
	Increase in secured convertible note	**-**	**(90,078)**
	(Decrease) / Increase in trade and other payables	**15,343**	**(158,697)**
	Increase / (Decrease) in provisions	**(21,580)**	**7,002**
	Net cash flows used in operating activities	**(1,529,710)**	**(1,005,199)**

(b) **Non cash financing and investing activities**

$Nil (2019: $Nil)

27. Earnings Per Share

	Consolidated 2020 $	Consolidated 2019 $
Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
(Loss)/profit attributable to owners of Metgasco Ltd used to calculate basic earnings per share	**(7,463,046)**	**(14,223,289)**
Diluted earnings per share		
(Loss)/profit attributable to owners of Metgasco Ltd used to calculate diluted earnings per share	**(7,463,046)**	**(14,223,289)**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	**390,601,434**	**390,714,337**
(Loss)/profit per share (cents)	**(1.91)**	**(3.64)**

There are no Options.

28. Fair value measurement

Fair value measurement of financial instruments

Financial assets measured at fair value in the statement of financial position are grouped into three (3) levels of fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3**: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 30 June 2020 and 30 June 2019:

30 June 2020	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Exchange Traded Bonds	-	-	-	-
Listed securities	5,522	-	-	5,522
Derivative asset	-	-	-	-
Total assets	5,522	-	-	5,522
Net fair value	5,522	-	-	5,522

30 June 2019	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Exchange Traded Bonds	1,394	-	-	1,394
Listed securities	11,697	-	-	11,697
Derivative asset	-	-	422	422
Total assets	13,091	-	422	13,513
Net fair value	13,091	-	422	13,513

29. Financial Facilities

The Company does not have any loan facilities in place as at the date of these Financial Statements.

30. Parent Entity Disclosures

	2020	**2019**
	$	**$**
Current assets	**5,773,355**	**7,818,668**
Non-current assets	**1,917,097**	**8,947,432**
Total assets	**7,690,452**	**16,766,100**
Current liabilities	**232,085**	**1,882,919**
Non-current liabilities	**100**	**21,680**
Total liabilities	**232,185**	**1,904,599**
Contributed equity	**111,100,469**	**111,100,469**
Financial asset at FVOCI reserve	**-**	**(96,179,156)**
Available for sale reserve	**-**	**(59,812)**
Accumulated losses	**(103,642,202)**	**(96,179,156)**
Total equity	**7,458,267**	**14,861,501**
(Loss)/Profit for the year	**(7,463,046)**	**(14,223,289)**
Other comprehensive income for the year	**59,812**	**2,187**
Total comprehensive (loss)/profit for the year	**(7,403,234)**	**(14,221,102)**

30.Parent Entity Disclosures (continued)

Commitments	2020	2019
	$	$
Minimum Exploration & Evaluation expenditure for exploration Tenements		
Within one year	**4,785,474**	**5,925,000**
Year 2 to Year 4	**13,450,504**	**14,185,000**
Over 5 years	**-**	**-**
Total	**18,235,978**	**20,110,000**
Office Rent		
Within one year	**21,818**	**43,373**
Later than one year but not later than five years	**-**	**-**
Total	**21,818**	**43,373**

The parent entity has an exploration commitment in relation to the farm-in for L14 Cervantes and PRL211 and two Exploration Licences in the Cooper Basin

Contingent Liabilities	2020	2019
	$	$
Security deposits to state governments	24,000	24,000

Should the parent entity fail to satisfactorily rehabilitate well sites after their abandonment, amounts lodged with the QLD Department of Natural Resources and Mines and Investment could be forfeited.

Metgasco's strategy in meeting the above Exploration and Evaluation expenditures involves:

(i) sale of marketable securities;
(ii) raising capital; or
(iii) some combination of the above.

The Company may also consider relinquishment of certain assets if appropriate and acceptable to stakeholders.

31. Events After the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than:

In late July a Share Placement (placement) of $1.375 mill (before issue costs) was completed by offering 55 million new shares to institutional and sophisticated investors at an issue price of $0.025 per share. Each new share issued under the placement will also receive an attaching option on a 1 for 3 basis with a strike price of $0.05, expiring 30 September 2021, with issuance of options subject to shareholder approval. The placement price of $0.025 per share represents a discount of 24.2% on the closing price of Metgasco on 15 July 2020 and a discount of 24.4% on the 30-day VWAP to 15 July 2020.

On 4 September 2020, the Company also completed a Share Purchase Plan ("SPP"), raising a further $2.6 million. On 14 September 2020 it issued 103,999,914 shares at the same issue price of $0.025 per share. In line with the placement, each new share issued under the SPP will likewise receive an attaching option on a 1 for 3 basis with a strike price of $0.05, expiring 30 September 2021, with issuance of options also subject to shareholder approval.

Funds from the Placement and SPP will be used to progress the Vali-1 ST1 discovery well including stimulation, well testing, completion and, assuming a JV decision on commerciality, connection in order to meet the estimated production milestone of Q1 CY2021. The company will retain ample financial capacity to

31.Events After the Reporting Period (continued)

advance its significant Perth Basin Cervantes prospect and potentially undertake further corporate and capital management initiatives in the interests of shareholders.

As of the date of this report the Company's investment in the shares of Byron Energy has increased significantly from $5,521,645 (as at 30 June 2020) to over $7million.

As noted above, the COVID-19 pandemic did not have any significant impact on the Company's operations during the year. Subsequent to the end of the financial year, the pandemic and its impact has continued to evolve with further outbreaks resulting in lockdown restrictions in Victoria, additional border closures between states, new stimulus measures (such as Jobkeeper 2.0) and many other items. It is therefore not practical to estimate the potential impact, positive or negative, after reporting date.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Metgasco Ltd:

   (a) the consolidated financial statements and notes of Metgasco Ltd are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

      ii) complying with Australian Accounting Standards (including the Australian Accounting interpretations) and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that Metgasco Ltd will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2020.

3. The Company has included in the notes to the financial statements, an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Philip Amery
Chairman
Sydney, 21 September 2020

Grant Thornton

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Independent Auditor's Report

To the Members of Metgasco Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Metgasco Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation Expenditure - Note 11	
The group recognises capitalised exploration and evaluation expenditure in accordance with *AASB 6 Exploration for and Evaluation of Mineral Resources.* As at 30 June 2020, the Group held exploration and evaluation assets amounting to $1,891,585. During the year the Group capitalised $593,162 of costs to exploration and evaluation assets in relation to different areas of interest. This is a key audit matter due to the inherent subjectivity that is involved in making judgments in relation to the evaluation for any impairment indicators, in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources.* There are a number of assumptions made when assessing the recoverability of capitalised costs and many times it is hinged upon the future success of projects and initiatives. Exploration costs were also higher this year than in the prior year.	Our procedures included, amongst others: • Obtaining from management a reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • Vouching a sample of expenditure to ensure they meet the recognition criteria under AASB 6; • Reviewing management's areas of interest considerations against AASB 6; • Confirming whether the rights to tenure the areas of interest remained current at balance date; • Obtaining an understanding of the status of ongoing exploration programmes for the respective areas of interest; • Obtaining evidence of the future intention for the areas of interest, including reviewing future budgeted expenditure; • Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and • Assessing the appropriateness of the related disclosures within the financial statements.
Going Concern – Note 2(c) and Note 9	
The Group's liquid assets are largely in the form of investments in listed securities of Byron Energy – an Oil & Gas operator. The share market has been through a period of instability during the current reporting period resulting in a reduction in the fair value of these shares for the year of $5,493,828. This has an impact on the liquid funds available to the Group. The Group's cash flow forecast up to 30 September 2021 reflects the disposal of a large portion of these shares for the purposes of working capital and honouring financial and exploration commitments. This area is a key audit matter due to the inherent subjectivity of potential effects of the instability of the share market and the impact this may have on the valuation of the Group's liquid investments and thus the ability of the Group to meet its financial and exploration commitments.	Our procedures included, amongst others: • Review and assessed management's cash flow forecast for reasonableness considering historical costs and actual commitments; • Assessment of management's cash flow forecast for reasonableness considering planning activity in period up to end of September 2021 and inquiries of management including consideration of impact of COVID-19 and the instability of the share market; • Verification of capital raising post the reporting date to supporting documents including evidence of cash receipts to bank statement; • Assessment of minimum expenditure requirements (per tenements), farm-in and farm-out agreements ensuring commitments appropriately quantified and included within the cash flow forecast; • Review of Byron Energy share price subsequent to reporting date and Byron Energy market announcements including consideration of Oil and Gas forecast spot prices; • Ensure disclosure (refer to note 25) in the financial statements pertinent to financial commitments are consistent with minimum expenditure requirements (per tenements), farm-in and farm-out agreements; and

- Ensure disclosure (refer to note 2(c)) in the financial statements pertinent to going concern is appropriate.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 11 to 15 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Metgasco Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 21 September 2020

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as of 30 October 2020.

Distribution of Ordinary Shares:

Analysis of ordinary shareholders by size of shareholding:

Number of Shares	Ordinary Shares Held	No. of Shareholders	% of Issued Shares
100,001 and Over	506,306,156	484	24.37
10,001 to 100,000	40,835,833	1,044	52.57
5,001 to 10,000	2,166,442	239	12.03
1,001 to 5,000	278,925	98	4.93
1 to 1,000[1]	13,992	121	6.09
Total	**549,601,348**	**1,986**	**100.00**

[1] 741 shareholders held less than a marketable parcel of Metgasco shares as of 30 October 2020.

Twenty Largest Shareholders

The names of the twenty largest holders of quoted equity securities are listed below:

	Shareholders	Ordinary Shares Held	% of Issued Shares
1	MELBANA ENERGY LIMITED	109,952,547	20.01
2	BNP PARIBAS NOMINEES PTY LTD	44,209,244	8.04
3	KEYBRIDGE CAPITAL LIMITED	22,838,515	4.16
4	PW AND VJ COOPER PTY LIMITED	11,253,551	2.05
5	CS FOURTH NOMINEES PTY LIMITED	8,580,738	1.56
6	FAST FREEZE INTERNATIONAL LIMITED	6,251,286	1.14
7	MAEANDER HOLDINGS PTY LTD	6,203,320	1.13
8	KASSA CORPORATION PTY LTD	6,000,000	1.09
9	SAXON ACQUISITIONS PTY LTD	5,843,546	1.06
10	KEYBRIDGE CAPITAL LIMITED	5,500,000	1.00
11	J & A VAUGHAN SUPER PTY LTD	5,474,704	1.00
12	MR ANDREW MOFFA & MRS SONIA CATHERINE MOFFA	5,197,162	0.95
13	MR GREGORY DYER & MRS DEBORAH DYER	5,023,516	0.91
14	MR ANDREW MCCREA COULTER	4,962,554	0.90
15	BEARAY PTY LIMITED	4,900,000	0.89
16	NAMBIA PTY LTD	4,524,707	0.82
17	MRS CATHERINE ANNE MARSON & MR JOSEPH MARSON	4,493,310	0.82
18	MR PETER JOHN GRAY	4,468,375	0.81
19	MR ROBBERT WILLINK	4,315,255	0.79
20	MR BERNARD PETER COUNTY	4,022,482	0.73
	Totals	**274,014,812**	**49.86**

Substantial Holders

The following shareholders have notified that they are substantial shareholders of Metgasco:

Shareholders	Ordinary Shares Held[1]	% of Issued Shares
Melbana Energy Limited	109,952,547	20.01
Keybridge Capital Limited	74,770,222	13.60
Aurora Funds Management Limited (AFML) as responsible entity (RE) of HHY Fund (HHY) and Seventh Orion Pty Ltd as trustee of the Aurora Investments Unit Trust (Seventh Orion) (collectively, the Aurora Entities)	42,222,735	7.68

[1] Issued equity held as disclosed in the substantial holding notices provided to the Company

On Market Buy-Back
There is no current on-market buy back.

Unquoted Securities
There are no unquoted securities currently on issue.

Voting Rights
On a show of hands, at a General Meeting of the Group, every member present in person or by proxy shall have one vote and upon a poll each person present in person or by proxy shall have one vote for each ordinary share held. Option holders have no voting rights.

CORPORATE DIRECTORY

Directors	Philip Amery (Chairman) John Patton Rob Willink
Chief Executive Officer	Ken Aitken
Company Secretary	Paul Bird
Registered Office and Principal Place of Business	Metgasco Ltd ABN 24 088 196 383 Level 2, 30 Richardson Street West Perth WA 6005 Telephone: +61 8 6245 0060 Email: info@metgasco.com.au www.metgasco.com.au
Stock Exchange	Australian Securities Exchange (ASX) 4 Bridge Street Sydney, NSW 2000
ASX Symbol	MEL
Share Registry	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138
Auditor	Grant Thornton Audit Pty Ltd Level 17, 383 Kent Street Sydney, NSW 2000
Solicitors	MARQUE Lawyers Pty Ltd Level 4, 343 George Street Sydney, NSW 2000

An electronic copy of this Annual Report is available at http://www.metgasco.com.au/annual-reports