

ASX / MEDIA RELEASE

ASX Code: MEL

20 April 2021

DRILLING UPDATE VALI-2 & ODIN-1

- SLR-184 drilling rig mobilised to Vali-2 location
- Vali-2 appraisal well expected to spud within days
- Odin-1 exploration well to be drilled immediately following Vali-2
- Odin-1 gross prospective resource (2U Best Estimate) of 12.6 Bcf
- Vali-2/ Odin-1 drilling multiple zones to potentially boost gas for production hub

Metgasco Ltd (ASX:MEL) (**Metgasco or the Company**) is pleased to announce the following Cooper Eromanga drilling update.

Cooper Basin – ATP 2021 (Vintage 50% and operator, Metgasco Ltd 25%, Bridgeport Cooper Basin Pty Ltd 25%)

The SLR Rig-184 is expected to commence drilling Vali-2 over the coming days and take approximately three weeks to reach total depth. The primary objectives of Vali-2 are to appraise the extent of the Patchawarra Formation gas accumulation discovered in Vali-1 ST1, as well as assess the potential for gas at a crestal location in the Toolachee Formation four-way dip closure, not tested in Vali-1 ST1. Vali-2 along with a number of other potential gas targets in the area, such as Kinta and Odin, may form the basis for a production hub at Vali. Should these other targets prove successful, the plan would be to have flowline infrastructure feed from those reservoirs into Vali, where gas could then be transported to market. Such a hub would be an efficient and cost-effective way to transport gas from the region to market.

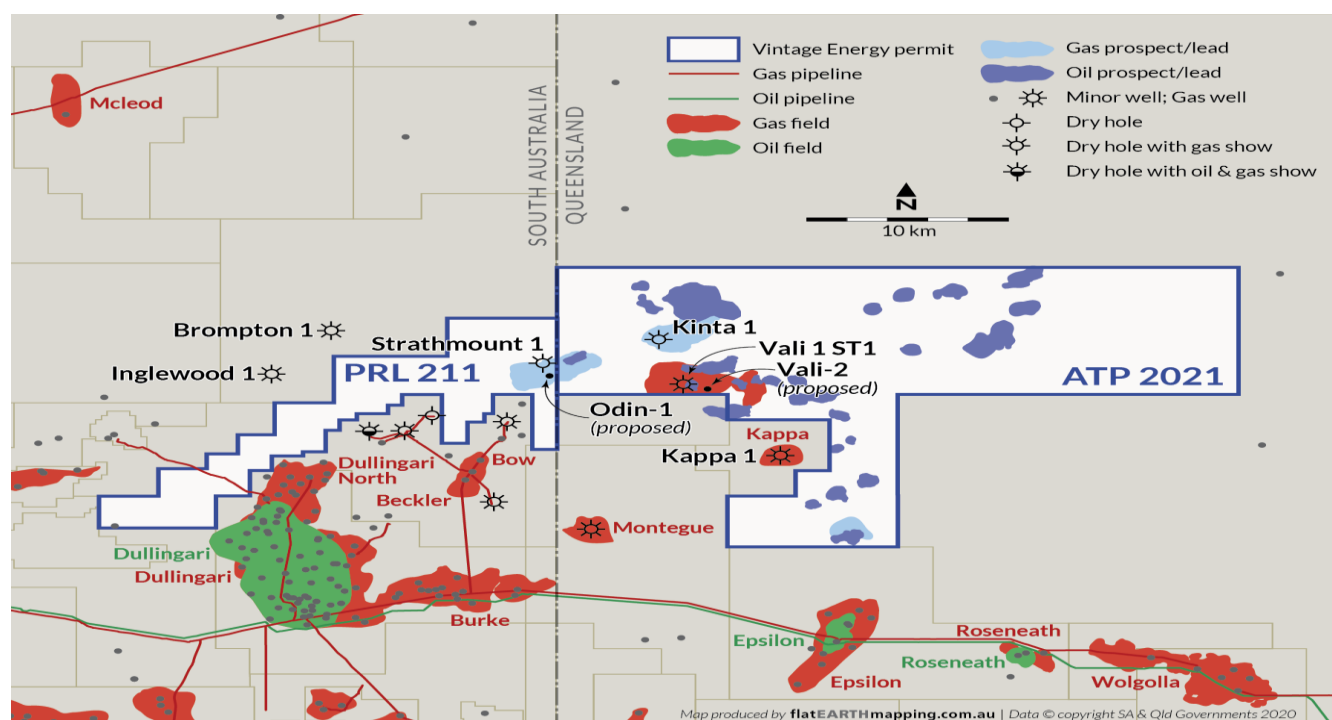


Figure 1: Vali-2/Odin-1 Locations Source: Vintage Energy

PRL 211 (Vintage 42.5% and operator, Metgasco Ltd 21.25%, Bridgeport Cooper basin Pty Ltd 21.25%, Beach Energy Ltd 15%)

Once Vali-2 has been drilled, the SLR-184 rig will move to the Odin-1 location in South Australia. Odin-1 is being drilled to address large fault bounded Toolachee and Patchawarra Formation closures, up dip of Strathmount-1, a discovery well drilled in 1987 but plugged and abandoned as a non-commercial hydrocarbon accumulation at that time. Strathmount-1 is interpreted to have conventional gas pay in the Toolachee Formation and both conventional and low permeability gas pay in the Patchawarra Formation. Stratigraphically trapped gas outside of mapped closure provides possible gas resource upside at Odin. Metgasco will own net 21.25% of PRL211 licence via paying 25% net of the Odin well cost.

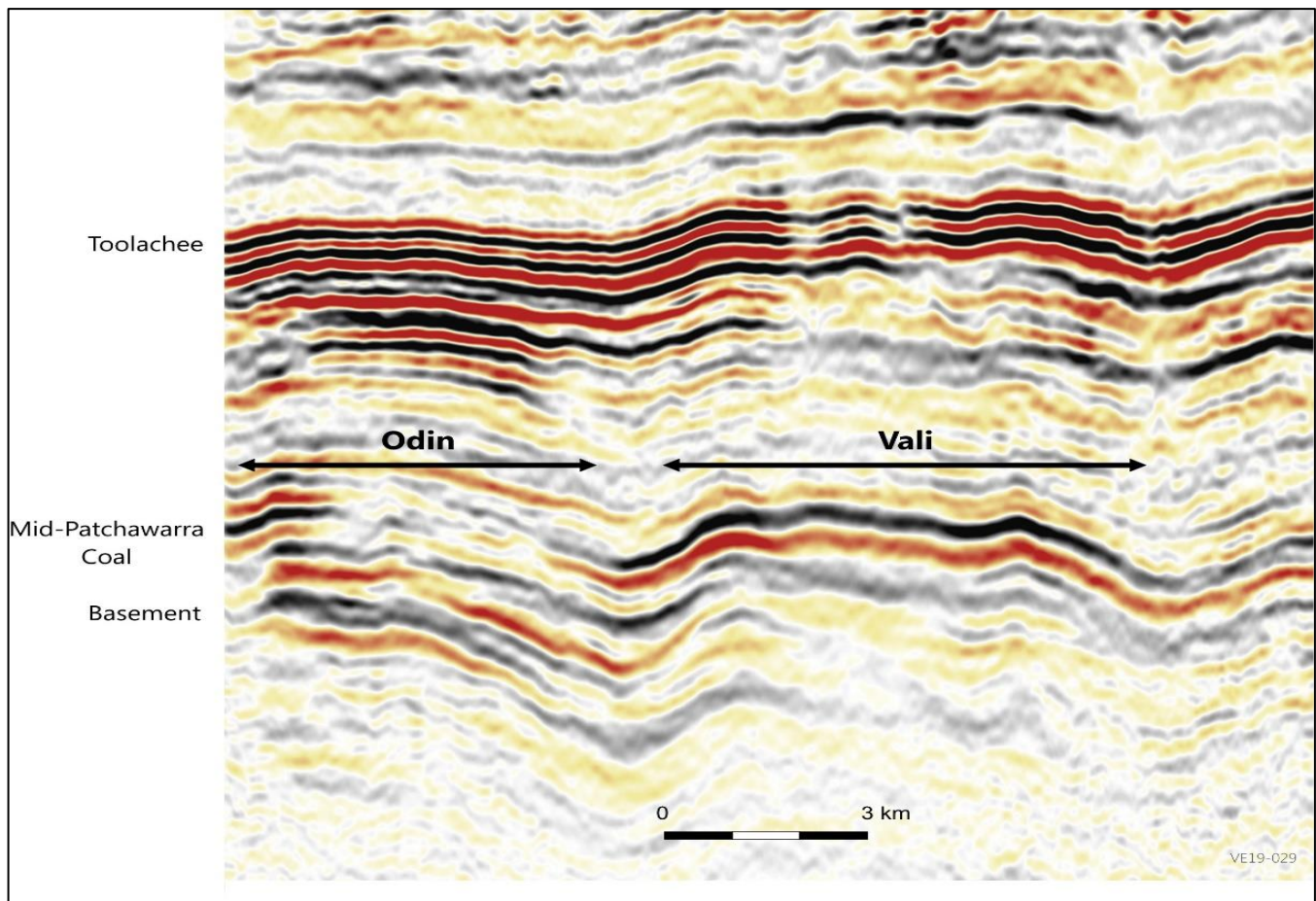


Figure 2: Odin/Vali Snowball 3D Seismic section Source: Vintage Energy

As per Metgasco's ASX release on 22 November 2019, the 2U Best Estimate Unrisked Prospective Resources in Odin have been calculated to be gross 12.6 Bcf or 2.8Bcf net to Metgasco (21.25% interest). Refer prospective resource table-1 below.

Odin is a robust anticline mapped in 3D with dual gas targets at the Toolachee reservoir (40% COS) and Patchawarra formations (32% COS). The chance of development of a commercial discovery is high given the close proximity to infrastructure (which would include the proposed Vali hub and flowline) connected to the eastern Australian gas markets.

Note that volumes are net to Metgasco and risking values stated are as calculated by Vintage and agreed by the joint venture.

Odin Prospect Prospective Resources ¹	1U	2U	3U
	Low Estimate	Best Estimate	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

¹Refer MEL ASX release on 22 Nov 2019

Table 1 - Odin gross and net prospective resources

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 have both an associated risk of discovery and a risk of development.

These prospective resources are estimated as of November 22, 2019. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The resources have been classified and estimated in accordance with the Petroleum Resource Management System (PRMS). The prospective resources have been estimated based on the interpretation of 3D seismic integrated with offset well data. Probabilistic methods have been used to estimate the prospective resource in individual reservoirs and the reservoirs have been summed arithmetically. Resource estimates are net of shrinkage.

The Odin-1 prospect will be drilled in Q2 CY2021 and no further material exploration activities, including studies, further data acquisition and evaluation work are to be undertaken prior to that activity.

Ken Aitken, Metgasco Chief Executive Officer, commented:

“The pending spud of Vali-2, followed by Odin-1, initiates an exciting period for Metgasco as the appraisal/exploration drilling program is anticipated to boost further gas reserves to underpin the commercial development of the Vali gas field and extend the field life through the potential emergence of a regional production hub to service the ATP2021& PRL211 permits.”

This ASX announcement was approved and authorised for release by the Board.

For further information contact:

Philip Amery
Chair
+ 61 402 091 180
philip.amery@metgasco.com.au

Metgasco Ltd ACN 088 196 383
Level 2, 30 Richardson Street, West Perth, WA 6005
Tel: +61 8 6245 0060
info@metgasco.com.au

Ken Aitken
CEO
+61 8 6245 0062
ken.aitken@metgasco.com.au