



## ASX / MEDIA RELEASE

**ASX Code: MEL**

22 June 2021

### Investor Presentation

Metgasco Ltd (ASX:MEL) (**Metgasco** or **the Company**) is pleased to provide a copy of the investor presentation made at the Switzer Small & Micro Cap Virtual Investor Day on Tuesday 22 June 2021.

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

**For further information contact:**

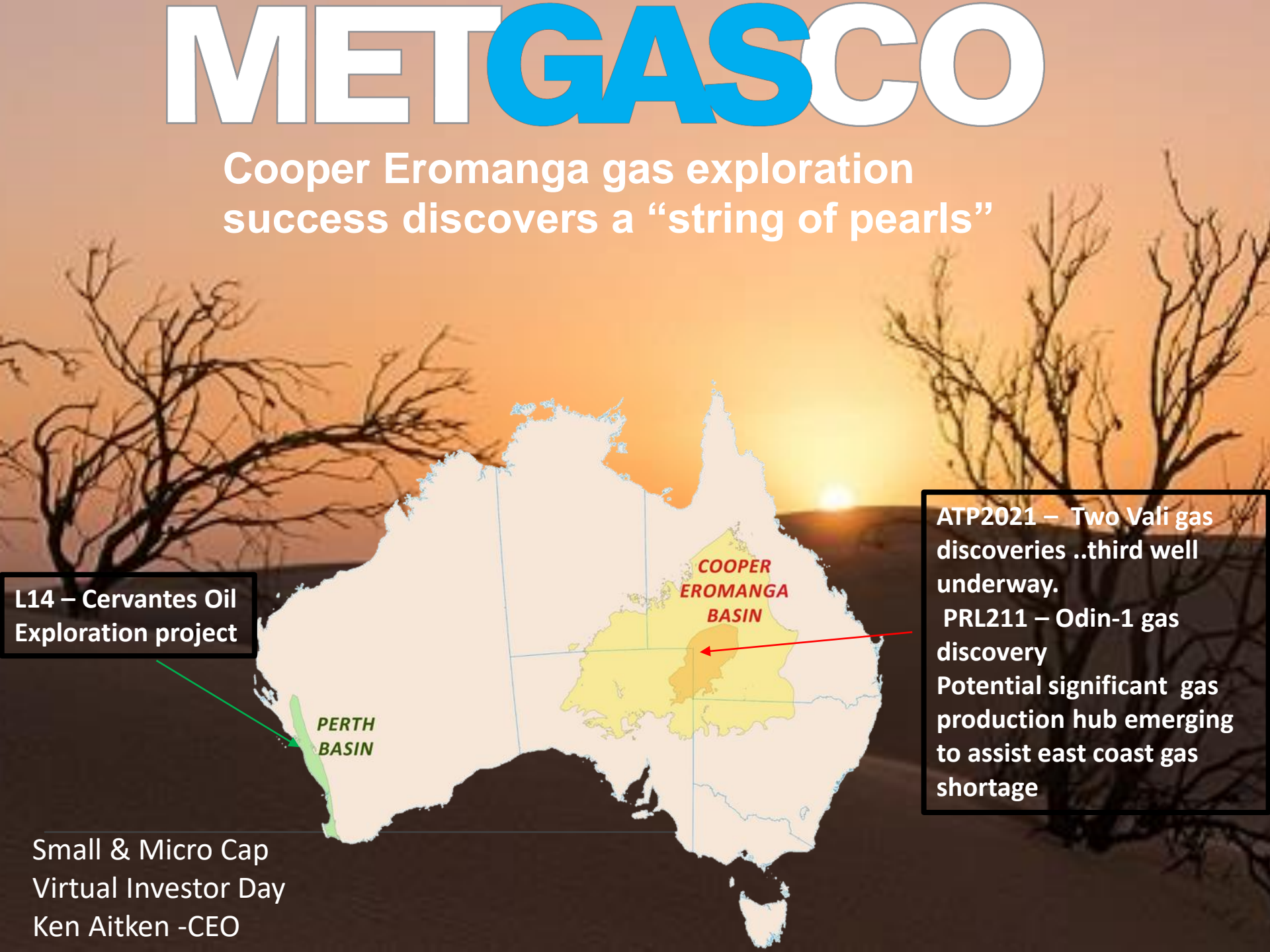
Philip Amery  
Chair  
+ 61 402 091 180  
[philip.amery@metgasco.com.au](mailto:philip.amery@metgasco.com.au)

Ken Aitken  
CEO  
+61 8 6245 0062  
[ken.aitken@metgasco.com.au](mailto:ken.aitken@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](mailto:info@metgasco.com.au)  
[www.metgasco.com.au](http://www.metgasco.com.au)  
 <https://www.linkedin.com/company/metgasco-ltd>

# METGASCO

Cooper Eromanga gas exploration  
success discovers a “string of pearls”



L14 – Cervantes Oil  
Exploration project

PERTH  
BASIN

COOPER  
EROMANGA  
BASIN

ATP2021 – Two Vali gas  
discoveries ..third well  
underway.

PRL211 – Odin-1 gas  
discovery

Potential significant gas  
production hub emerging  
to assist east coast gas  
shortage

Small & Micro Cap  
Virtual Investor Day  
Ken Aitken -CEO

## Metgasco's gas exploration success allows line of sight to profitable business in H1CY22

### Company overview

- ASX listed energy exploration company (ASX code: MEL)
- Experienced team focused on creating shareholder value.
- An exploration focus in the prolific onshore Australian Cooper/Eromanga and Perth basins.
- 100% success rate in discovering gas in first three wells drilled in ATP2021 and PRL211 licences to assess reserve upside of Vali and Odin. Vali-3 drilling underway.
- FID to commercialise Vali/Odin Q3 CY21 and gas production of gross 12mmscf/d targeted in H1 CY22
- Currently planning the drilling of high impact oil exploration well Cervantes-1 onshore in Perth Basin.

### Financial information

Share price (11 June 2021)	A\$0.031
Number of shares	549.6m
Bonus Options (4c expiring 31/12/2021)	182.5m
Employee Performance Rights	10.4m

<b>Market capitalisation</b>	<b>A\$17.04m</b>
Cash <sup>1</sup>	A\$0.33m
BYE Shares <sup>2</sup>	A\$0.78m
Debt	A\$ nil

<sup>1</sup> As at 31 May 2021

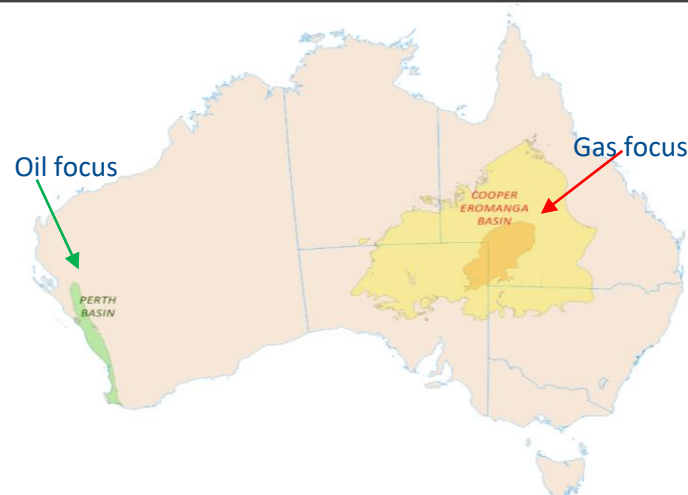
<sup>2</sup> As at 11 June 2021

### Substantial shareholders & Board

Melbana Energy Limited	20.00%
Keybridge Capital Limited & Aurora Funds	14.77%
Board and Senior Management	2.59%
Top 20	50.52%
Total shareholders	1,970

Source: Link Market Services ( 11 June 2021)

### Quality exploration portfolio in Cooper and Perth basins

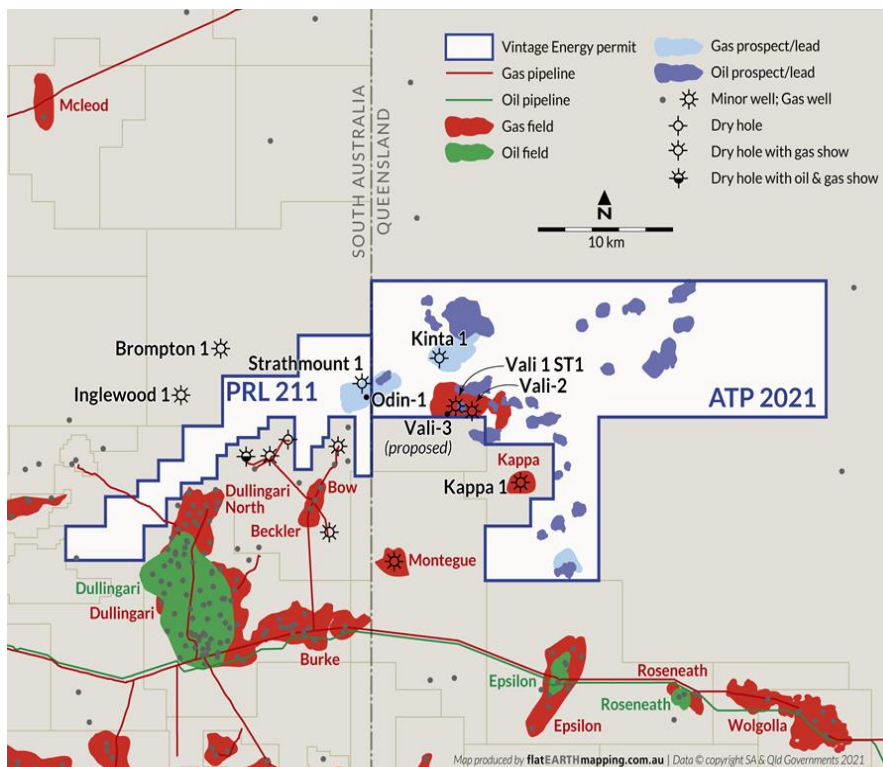


**Metgasco's Strategy is to deliver shareholder returns from current and new E&P assets/investments and be the partner of choice**

# ATP2021- Vali Hub Reserves ....how big is the upside?

## Vali-2 delivers greater net gas pay than Vali-1 ST1 and is cased for production. Reserve increase anticipated

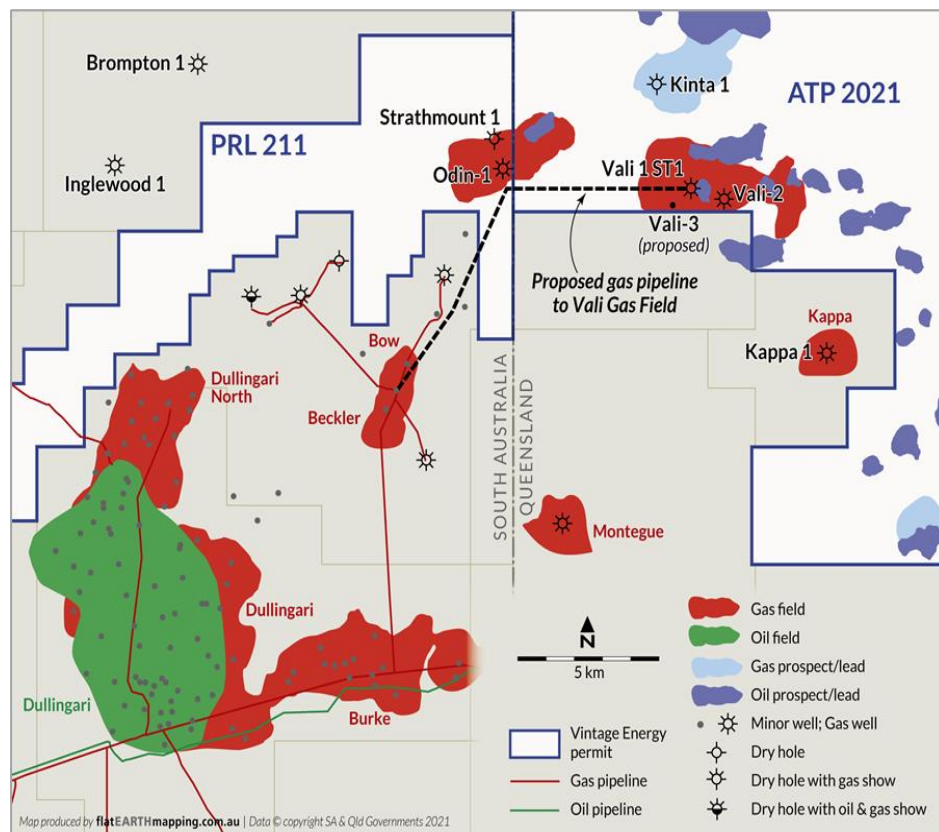
- Vali-2 drilled to appraise Patchawarra gas discovery and assess potential for gas in a Toolachee formation four-way dip closure(not tested in Vali-1)
- Log data confirmed gas in both Toolachee and Patchawarra formations
- 150 metres of net gas pay interpreted primarily in Toolachee and Patchawarra formations
- Toolachee gas sample recovered to surface
- Vali-2 similar to Vali-1 ST1 stacked gas pay in Toolachee and Patchawarra formations
- Toolachee in Vali-2 six metres up-dip of Vali-1 ST1
- Cased for perforation, fracture stimulation and production
- Vali-3 currently drilling ahead with gas shows in Nappamerri and oil shows in multiple formations.



Gross ATP 2021 Vali Gas Field Patchawarra Formation (1 December 2020)			
	1P	2P	3P
Reserves (Bscf)	12.3	30.3	78.9
Reserves (PJ)	13.4	33.2	86.6
Net ATP 2021 Vali Gas Field Patchawarra Formation (1 December 2020)			
	1P	2P	3P
Reserves (Bscf)	3.1	7.6	19.7
Reserves (PJ)	3.4	8.3	21.6

# String of Pearls-Building a sizeable gas production hub

Potential nine well Vali development - field life approx 20 years - 12mmscf/day average rate



By assessing the resource upside ahead of first gas there is the potential to optimise the value of the ATP2021 and PRL211 assets, with the following benefits expected to be realised:

- Appropriately sized flowline – by better defining field volumes via further successful drilling.
- Vali-1 ST1 test proved gas rate of circa 5 MMscf/day
- Targeting plateau field gas flow-rate of 12 MMscf/day
- Vali-2 and Odin-1's success will better define resource upside in the area surrounding the Vali Field. This could add significant value to the Vali Field as Odin-1 could be tied into the Vali pipeline infrastructure
- Preferred connection point at Santos operated Beckler field. Option for multiple spoolable composite lines.
- Gas marketing advantages – the Joint Venture will be in a stronger position to market larger volumes of gas, with the potential for improved terms and pricing.
- Exposure to rising gas prices – gas prices are increasing, with forecasters and market commentators expecting this trend to continue.

The success to date on the CY21 drilling program is likely to increase the size of the prize. Anticipate JV FID approval Q3 CY2021\* of new gas production hub development - First Gas anticipated H1 CY2022\*.



# Cooper Basin PRL211- Strategic Odin Farm-in

- **Odin-1 cased for production with gas shows in Toolachee, Epsilon and Patchawarra formations.**

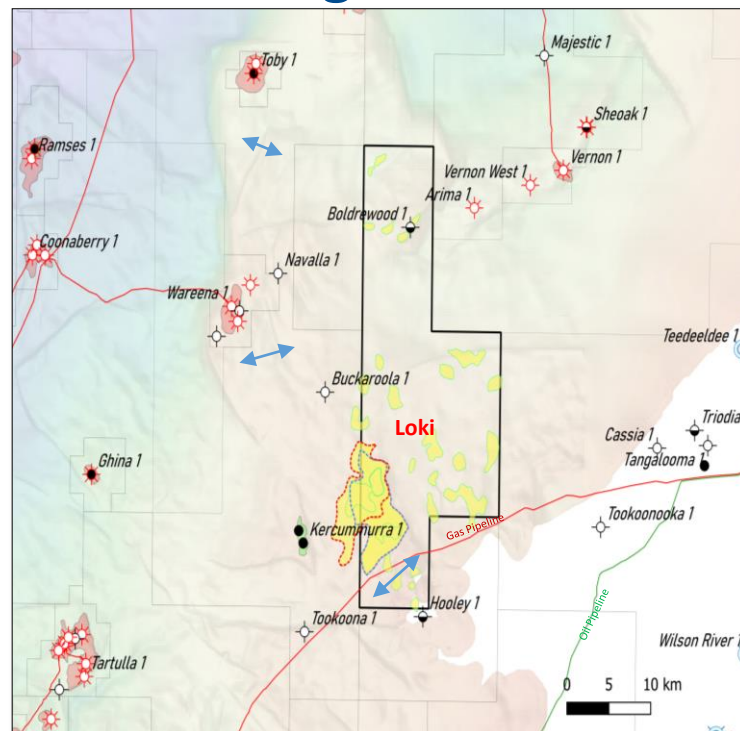


- Metgasco (21.25%), Vintage(operator with 42.5%) Bridgeport(21.25%) free carry Beach Energy(15%) for Odin-1 drilling
- Odin-1 cased early June as a gas discovery for future production
- Wireline logging confirmed extensive gas pay in primary target Toolachee and Patchawarra formations, with gas pay also discovered in Epsilon formation
- Gas samples recovered from the Toolachee and Epsilon formations
- Interpretation of log, pressure and sample data underway to quantify pay thickness, column heights and compositions
- Future potential production from the Odin field could be tied-in to the Vali production network
- Presence of gas in Odin-1 a clear indication that hydrocarbons are still discoverable in areas previously worked over by other companies
- Upside stratigraphic potential
- Reserve certification expected in coming months

Odin Prospect Prospective Resources <sup>1</sup>	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
<b>Total Gross Recoverable Gas (Raw) Bcf</b>	<b>3.6</b>	<b>12.6</b>	<b>42.6</b>
<b>Net To Metgasco (Raw) Bcf</b>	<b>0.8</b>	<b>2.8</b>	<b>9.5</b>

## • Farm-out process underway . Companies reviewing data room

- 2015 bid won by MEL
- ATP granted May 2018
- Located in SW QLD Cooper Eromanga Basin
- In close proximity to areas of hydrocarbon source and existing oil & gas fields
- 535 km<sup>2</sup>, 100% interest. Farmout process underway
- Underexplored region. MEL reprocessed 2D seismic
- Gas pipeline traverses permit & oil refinery only 100km away
- Primary gas target: Toolachee sands
- Primary Oil targets: Jurassic-Cretaceous sands
- Key prospect Loki . Shallow well - 1750 m. Low cost well
- Metgasco planning to drill well carried by farminee in CY22



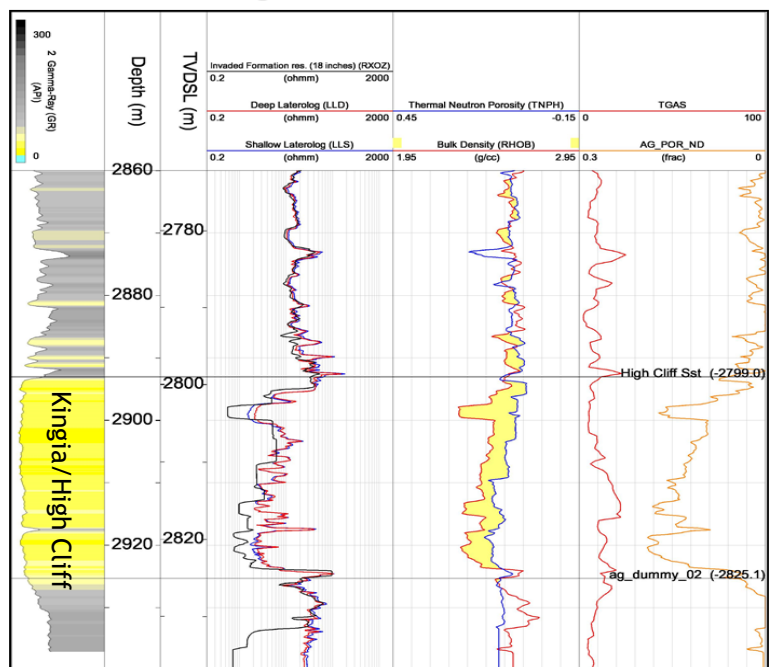
Loki Prospective resources\* – ASX release 31 March CY2021

Permian GAS	Loki Prospect – Toolachee Sands			
	Low(P90)	Best (P50)	High(P10)	COS(%)
OGIP(Raw) Bcf	4.5	22.1	68	16
Recoverable Gas (Raw) Bcf	2.6	13.1	40.7	

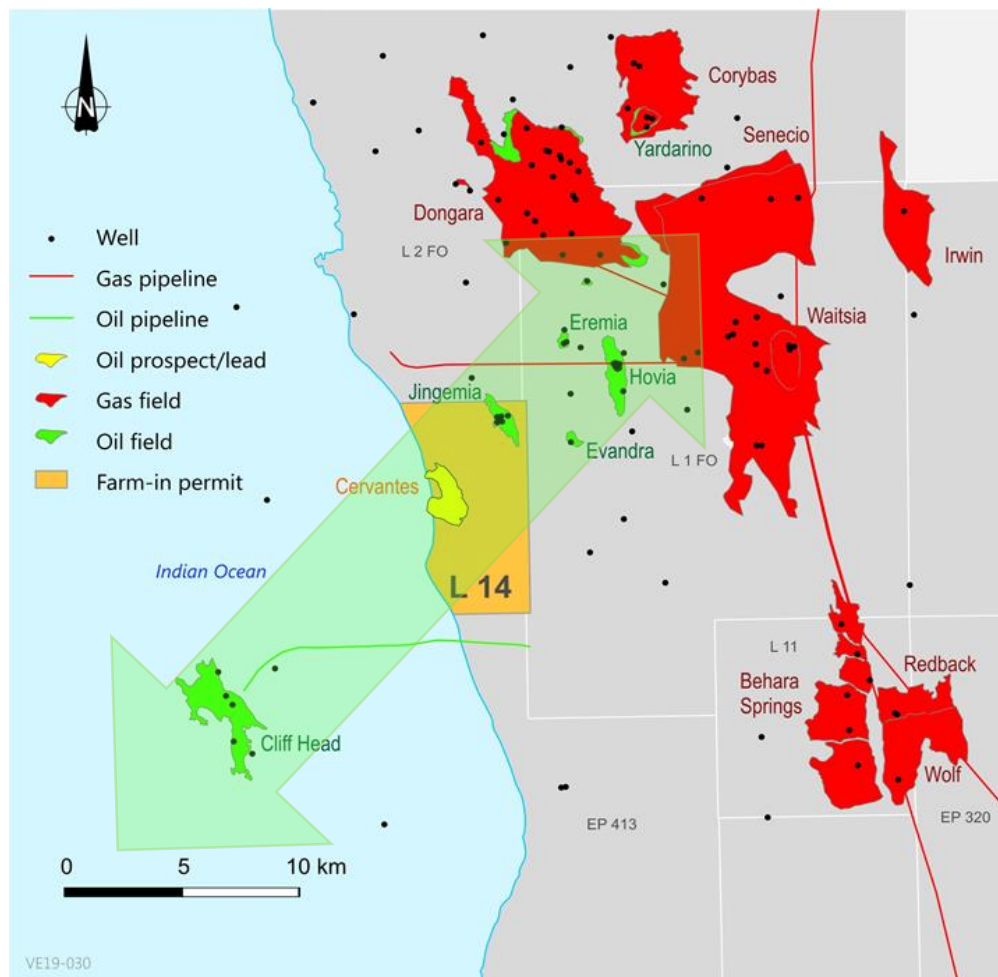
Eromanga OIL	Loki Prospect – Hutton and Wyandra Sands			
	Low (P90)	Best (P50)	High (P10)	COS(%)
OOIP MMbbl	7.5	26.7	57.8	Wyandra 15
Recoverable Oil MMbbl	1.8	6.4	14.8	Hutton 13

# Perth Basin – Cervantes – L14- Hunting for Oil in Kingia

Jingemia 1 well section



- Jingemia-1 intersected a 26m water bearing good porosity sand of Kingia/High Cliff Sand(outside of structural closure) reducing the risk of sand presence in Cervantes.
- Cervantes structure significantly shallower than Jingemia.
- Cervantes structure located in the gap between the oil discovery trend of the Hovea, Jingemia and Cliff Head Oil fields
- Permian sandstone reservoir targets prolific producers in the Perth Basin
- Total oil produced from nearby fields in excess of 27 MMbbl of oil

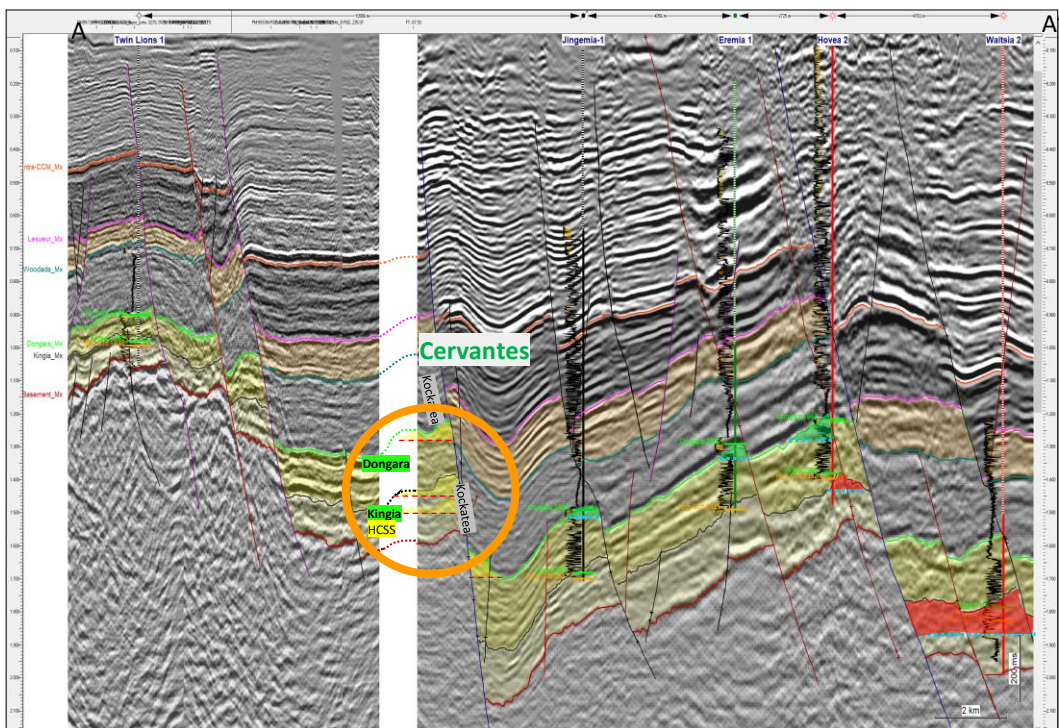


Cervantes well COS of 28% with high chance of development due to proximity(3Km) to Jingemia production facility.



# Perth Basin – Cervantes – L14

Potentially one of the largest undrilled oil opportunities in the Perth Basin (Gross P50 OOIP 35mmbo), with geological similarities to nearby discoveries



Exploration Key Data	
Country	Australia
Basin	Perth Basin
Licence	L14 Western Flank Cervantes
Prospect Targets	Cervantes-1 + right to second exp farm-in
Farm-in Promote	Farm in for 30% for funding 50% of 1 <sup>st</sup> well-2 <sup>nd</sup> well option on same terms.
Cervantes Owners	MEL 30%(well op),RCMA 40%,VEN 30%
Target Information	TD: ~2500-2700 Md Primary Targets: Kingia/HCSS/Dongara
Gross Prospective Resource-see table	P50: OOIP 35mmbo and Recoverable 15.6 mmbo, (arithmetic sum of Permian Zones)
Estimated spud date	Subject to rig availability & government regulatory approvals.
Proximity to Infrastructure	3km to Jingemia Plant – oil processing deal already in place

- Locally prolific Kingia Sandstone at shallowest depth in onshore Perth Basin and potential oil bearing.
- An independent report by RISC (refer Metgasco announcement 4 October 2019) calculated the Mid/P50 prospective resources on the Cervantes prospect of gross 17.4 mmbo representing a 14% increase on the P50 estimate of Metgasco.
- The regional cross section illustrates the tilted fault blocks of the hydrocarbon bearing Perth Basin
- Cervantes-1 similar structural features with successful wells due east

ASX: MEL

## Prospective Resources

Prospect	Reservoir	OOIP mmbls			Recoverable mmbls		
		Low (P90)	Best (P50)	High (P10)	Low (P90)	Best (P50)	High (P10)
Cervantes	Dongara SS	7.7	14.9	28.5	3.7	7.4	14.6
	Kingia SS	5.5	17.8	54.0	2.2	7.1	22.3
	HCSS	0.3	2.2	13.8	0.1	0.8	5.0
L14 100%		13.6	34.9	96.3	6.0	15.3	41.9
Metgasco 30%		4.1	10.5	28.9	1.8	4.6	12.6

\*Prospective Resources Announced 10 September 2019.

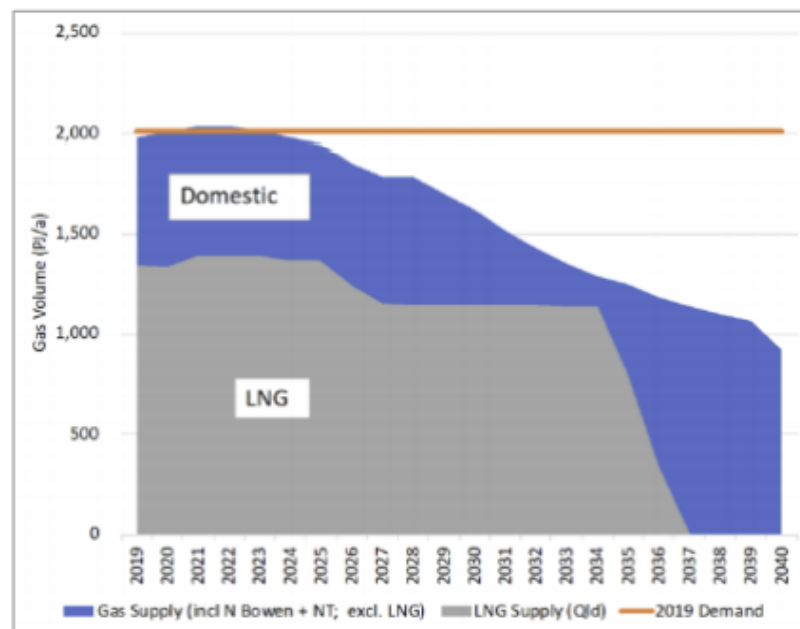
# High Gas demand in East Coast + Oil Price at 3yr High

## East Coast - New gas discoveries required to meet forecast demand

### Perth Basin or Cooper Oil discovery a company game changer as oil prices at 3yr high

- Federal Govt has identified gas companies and the delivery of gas to market as an essential service.
- Forecast demand underpinned by LNG, expected to be steady over the long-term.
- Significant investment, needed to meet forecast demand, required for:
  - Development of 2P undeveloped.
  - Development of 'anticipated developments.
  - Development of new discoveries.
  - Exploration and appraisal.
- Domestic gas prices are independent of the volatility of global oil prices.
- Recent ACCC papers indicate contract gas pricing in the \$9-10/GJ range.

Forecast east coast gas supply vs 2019 demand



Source: EnergyQuest, March 2020

AEMO states in its March 2020 Gas Statement of opportunities that: "Actual operational constraints, particularly within the Victorian DTS, may lead to transportation limitations throughout the system, creating potential supply gaps during peak winter days from 2024".

# Conclusions - Upcoming investment highlights

**Near term operational, corporate and macro news flows will provide a number of share price catalysts**

## **Well Results leading to FID for Vali Hub (Q3 CY21)**

*ATP-2021*

Odin-1 net pay results + Vali-3 well results . Assess upside gas reserve potential and optimise flowline size & route.

## **Milestones to achieve FID on Vali Prod Hub**

*ATP-2021/PRL211*

Independent reserve certification of additional Vali Odin reserves. Secure gas sales agreement. Agree funding options on pipeline. Agree processing tariff with Santos. JV approve FID .

## **Farm-out of ATP-2020**

Complete ATP2020 farm-out process . Farm-out up-to 75% of the ATP2020 licence. Leading to drilling Loki or seismic in CY2022.

## **Secure Cervantes-1 Drilling Rig**

*Perth Basin L14*

Sign drilling contract in 2<sup>nd</sup> Half CY2021. Finalise drilling plans and regulatory approvals targeting spudding well in late Q4 CY2021 or Q1 CY2022 subject to rig availability & govt approvals

## **1<sup>st</sup> Gas Production**

*Vali Production Hub*

Install and commission gas pipeline and associated infrastructure to target 1<sup>st</sup> gas sales in H1 CY2022.

## **Plan seismic program and/ or drill drilling targets in ATP2021 /PRL211**

Review potential to drill additional gas and shallow oil prospects in ATP2021/PRL211 and select new drilling targets by Q2 CY2022. Review need for further 3D seismic.

- This presentation is being provided for the sole purpose of providing the recipients with background information about Metgasco Ltd (Metgasco) which is current only at the date of this presentation. No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in the presentation ("forward-looking statements"). Such forward-looking statements are neither promises or guarantees and involve unknown risks and uncertainties and are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Metgasco, its Directors and Officers) which may cause the actual results or performance of Metgasco to be materially different from any future results or performance expressed or implied by such forward-looking statements.
- This presentation provides information in summary form only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.
- Due care and consideration should be undertaken when considering and analysing Metgasco's financial performance. All references to dollars are to Australian Dollars unless otherwise stated.
- To the maximum extent permitted by law, neither Metgasco nor its related corporations, Directors, employees or agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.
- This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of Metgasco is available on our website, [www.metgasco.com.au](http://www.metgasco.com.au).
- Cautionary statement 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. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The prospective resource volumes quoted in this presentation for the Cervantes Prospect reference Metgasco ASX release of 10 September 2019 . The prospective resource volumes for the Odin exploration prospect reference Metgasco ASX release 22 November 2019. The reserves for Vali quoted in this presentation were independently certified by ERCE Equipoise Pte Ltd(ERCE) and were detailed in Metgasco ASX release 14 December 2021. The prospective resource volumes for the Loki prospect in ATP2020 reference release 31 March 2021.The reserves and resources have been classified and estimated in accordance with the Petroleum Resource Management System (PRMS). Metgasco has required material new data with the drilling of Vali-2 and Odin-1 ,however this data has not been fully interpreted and analysed at the date of this presentation. When this data has been incorporated into a resource revision a further announcement will be made.Resource estimates are net of shrinkage.
- Competent Person Statement: The reported Perth Basin prospective resource estimates are based on information compiled or reviewed by Dr. R. Willink who holds a PhD and a BSc (Hons) in Geology and is a member of AAPG and PESA. Dr. Willink is a Non-Executive director of Metgasco and is currently an Advisor on Exploration of the privately-owned Timor Resources and has worked in the petroleum industry as a practicing geologist for over 40 years. Dr. Willink has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.
- Competent Person Statement : The reported Vali Gas field contingent reserve estimates are based on information compiled or reviewed by Adam Becis , Principal Reservoir Engineer with ERCE. ERCE is an independent consultancy specialising in petroleum reservoir evaluation. Except for the provision of professional services on a fee basis, ERCE has no commercial arrangement with any other person or company involved in the interests that are the subject of this contingent resource evaluation.