



ASX / MEDIA RELEASE

ASX Code: MEL

22 February 2022

Share placement completed

Metgasco Ltd (ASX: MEL) (Metgasco or the Company) is pleased to advise that it has received binding commitments to raise \$5.0 million (before costs) from institutional and wholesale/professional investors pursuant to a share placement (Placement) of 192 million new shares. The placement was strongly supported by existing shareholders and certain new strategic investors.

The terms of the placement were: an issue price of 2.6c/share. Options are to be issued to placement participants on a 1 for 3 basis, with a strike price of 4.5c, expiring 10 December 2024, with issuance of options subject to shareholder approval. These option terms are identical to those of options recently approved by shareholders for the company's board and management.

The Placement price of \$0.026 per share represents a discount of 16.1% on the closing price of Metgasco on 17 February 2022, a 9.5% discount to the 15-day VWAP, and a discount of 6.6% on the 30-day VWAP to 17 February 2022. The placement will settle in two tranches, comprising 173.9M shares issued under ASX LR7.1 and 7.1A ("tranche 1") and 18.4M shares issued subject to shareholder approval ("tranche 2").

Funds from the Placement and will be used to fund Metgasco's Cervantes#1 oil well (targeting P50 resource of 15.3MMbbls gross/4.6 MMbbls net) and to strengthen corporate balance sheet for ongoing project development and new business initiatives.

The Company wishes to thank both new investors and existing shareholders for their interest and support. Blue Ocean Equities Pty Limited acted as Lead Manager to the Placement.

Metgasco Managing Director, Ken Aitken said, *"The response to the placement is an outstanding vote of confidence from existing shareholders and new investors on the company's future. The team is focused on drilling the Cervantes-1 well safely and successfully and finalising contracts at Vali to deliver first gas to market in mid CY22"*.

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

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