



ASX / MEDIA RELEASE

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22 February 2023

Vali first gas achieved to deliver maiden revenue

- Vali field first production on Tuesday 21 February
- Vali providing a significant new source of gas to Eastern Australia
- First gas achieved 3 years from field discovery
- Odin field connection advancing with flowline laid

ATP 2021 Joint Venture (Metgasco 25%, Vintage Energy Ltd 50% and operator and Bridgeport (Cooper Basin) Pty Ltd 25%). Metgasco Ltd (ASX: MEL, "Metgasco") is pleased to advise gas supply from the Vali gas field commenced Tuesday 21 February.

Metgasco Managing Director, Ken Aitken commented:

"First gas production from the Vali field is a significant milestone for Metgasco and achieves our goal of pivoting from being an explorer to becoming a gas producer and delivering Metgasco's maiden revenue to assist funding future business growth. The successful start of production from the Vali field represents the culmination of a staged process of value creation by Metgasco, from our initial application for ATP2021, technical appraisal, farm-out and, with our partners, a successful exploration and appraisal drilling program which confirmed Vali as a significant new gas field with gross 101 PJ gas reserves."

"The GSA to sell up to 16 PJ of gas to AGL, including the \$15 million gas pre-payment, facilitated the commercialisation of the Vali field. The Vali production hub infrastructure will deliver gas for the JV for decades to come as the Vali field has uncontracted gas reserves of gross 85 PJ and the nearby Odin gas field in PRL211 will start production in Q3 CY23. The Vali and Odin fields will be part of the solution to provide new gas supply to the constrained East Coast gas market. Metgasco can deliver significant value by leveraging its uncontracted Reserves and Resources connected to, or close to, existing infrastructure, into this market demand."

"Metgasco would like to thank our shareholders for their patience and supporting the company to achieve this milestone. Thanks to the Vali JV partners, AGL and the numerous contractors who in conjunction with operator Vintage have safely and successfully delivered first gas at the Vali field."

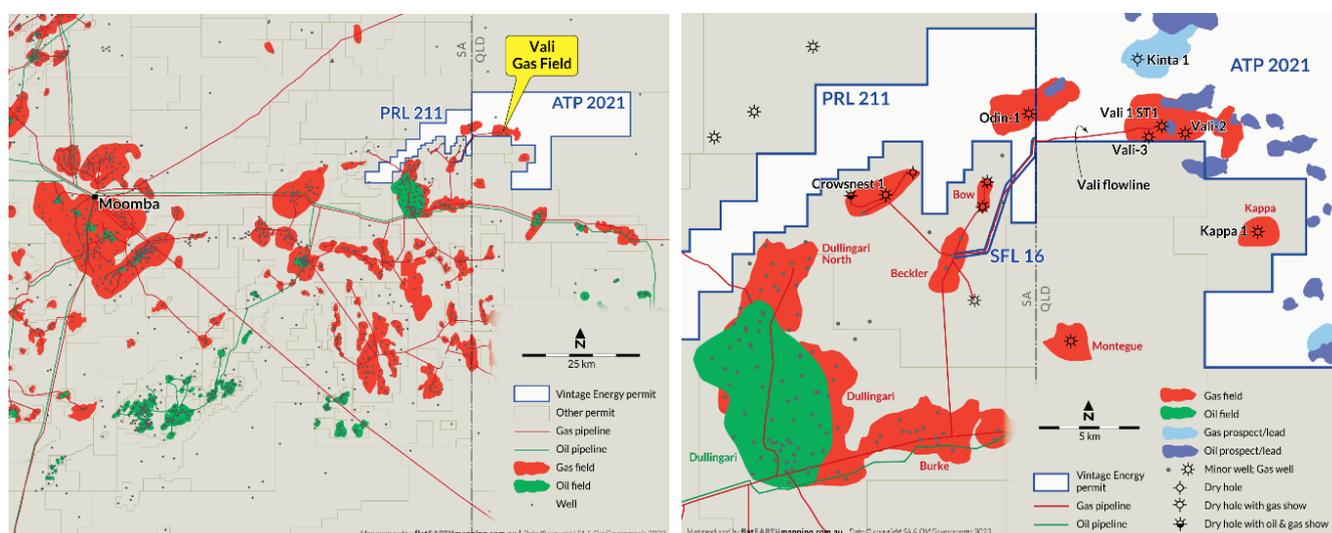
Vali is supplying gas to eastern Australia under a long-term gas supply agreement with AGL Energy Limited ("AGL"). The field, among the larger gas discoveries in the Cooper Basin in the past decade, is independently certified as having proved and probable gas reserves of 101 petajoules¹ (PJ) (Metgasco share 25.25 PJ). Vali is to supply an estimated 9 PJ to 16 PJ gas to AGL from field start-up to end-2026, under Metgasco's inaugural gas contract.

¹ Announced to the ASX 5 November 2021. Metgasco confirms it is not aware of any new information or data that materially affects the information included in the announcement and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply.

The Vali joint venture has refrained from contracting the bulk of the field's gas reserves, to enable a thorough understanding of the field's producing reservoirs from its three existing wells. The understanding acquired over the first 6 – 9 months of production will inform the preparation of a full field development plan and marketing of Vali's uncontracted gas, which currently stands at gross 85 PJ Metgasco share 21.25. PJ). The Odin gas field located (approximately 7 km west of Vali) has been independently certified as containing a gross 2C resource of approximately 40 PJ of gas (Metgasco share 10 PJ)².

Gas from Vali undergoes initial separation and metering through facilities recently installed and commissioned at the field from where it is transported to join the Moomba gas gathering network at Beckler. Processing is undertaken at the Moomba facility prior to sale.

Location of Vali and Odin gas fields



Vali-1 is currently producing from the Patchawarra Formation, although the well has been completed as a dual producer with capacity to produce from the Toolachee Formation. Work to bring Vali-3 then Vali-2 to commissioning is continuing. Current expectations are for first gas from Vali-3 in early March and from Vali-2 later in that month.

The focus in the initial production appraisal period will be on assessing and learning from the performance of the individual producing reservoirs in each well, rather than short term output maximisation.

The information gained from the first six months of flow will allow the joint venture to create a development plan for the Vali field to determine the most value-accretive scale and profile of a future expanded gas supply which can be produced into the gas market.

Odin

Work on connecting the nearby Odin gas field to market has been advancing. The Fiberspar pipe to connect the field to the Vali-Beckler pipeline has been laid. FEED on the connection has commenced. This link will provide an interim accelerated connection to enable Odin gas to flow to the east coast market as soon as practicable.

Supply from Odin through the interim accelerated connection is projected to be possible in the third quarter of calendar 2023.

² As announced in Metgasco December CY22 quarterly report. Metgasco confirms it is not aware of any information or data that materially affects the information contained in the announcement and technical parameters underpinning the information in the announcements continues to apply and have not materially changed

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

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