

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 March 2024

Odin-2 Drilling in May to increase cash flow generation in Q1 FY25

Odin (PRL211):

- Odin-1 gas production average online gross raw gas production of 3.11 MMscfd during the quarter.
- Well planning work significantly advanced during the quarter to drill the Odin-2 appraisal well in May CY24.
- Odin-2 well connection engineering and planning advanced to enable production within three months of well spud.

Vali (ATP2021):

- The Vali field (predominantly from Vali-1) average online gross raw gas production was 1.84 MMscfd during the quarter.
- Sub-surface work to review production enhancement opportunities on Vali-2 & 3 continued.

Revenue and Sales:

- Sales revenue of circa \$670k.
- Production of 0.055 PJe equivalent.

Corporate(March Quarter Activities and Subsequent events):

- Metgasco reviewed several business financing options to replace the Keybridge Capital(Keybridge) loan and fund future asset activities.
- On April 11 CY24 Metgasco discharged the Keybridge loan by securing \$1M from external investors and paying the balance of funds from production revenue. The discharge of the debt funds and cancellation of the share options terminates the Keybridge relationship.

Metgasco MD Ken Aitken commented:

“Odin and Vali gas production continued to deliver solid business revenue, notwithstanding natural well production decline, and both planned and unplanned field downtime, reducing average production during the quarter. Well planning and regulatory approval was significantly advanced to drill the Odin-2 field appraisal well in May. Metgasco secured \$1M short term financial support from two external investors to support the discharge of the remaining loan note liability with Keybridge Capital Ltd, with the balance of funding met from gas production revenue. Corporate and administration costs were tightly constrained during the quarter and this cost discipline will improve financial performance as gas production increases.”

| Key figures (Net MEL) | March Q3 FY24 | Dec Q2 FY24 | Qtr on Qtr Change % | FY2024 YTD |
|-----------------------------------|---------------|-------------|---------------------|------------|
| Sales revenue \$'000 | 669.6 | 901.9 | -26% | 2032.2 |
| Sales gas & ethane PJ | 0.055 | 0.08 | -31% | 0.185 |
| Production PJe¹ | 0.055 | 0.08 | -31% | 0.19 |

¹ Petajoule equivalent: comprises sales gas and gas liquids.

The Quarter's activities and subsequent events are detailed below

Sales

| | 3 months to 31 Mar 24 | Prior Qtr Dec '23 | Qtr on qtr change % | FY24 Year to date | FY23 Year to date | Year to date % change |
|-----------------------------|--------------------------|----------------------|------------------------|----------------------|----------------------|--------------------------|
| Sales revenue \$'000 | 669.65 | 901.95 | -26% | 2032.2 | 179.8 | 1030% |
| Sales volume | | | | | | |
| TJ | 55.3 | 79.1 | -30% | 184.4 | 22.5 | 720% |
| LPG tonne | 16.2 | 5.1 | 218% | 23.2 | - | 100% |
| Condensate bbls | 139 | 64 | 117% | 284 | - | 100% |

Sales revenue of circa \$670k was recorded for the quarter, 26% lower than the revenue of circa \$902k in the prior quarter.

The movement in quarterly revenue is attributable to lower gas production during the period. Discussion of factors contributing to the quarter's production is provided in the following section.

As previously advised, sales revenue reported in respect of supply from the Vali gas field comprises sales attracting cash payment and sales for which cash payment has been prepaid. From 1 July 2023, production and sales figures include gas produced under contractual agreement towards consideration for processing and transportation. The financial value of this gas is accounted as non-cash generating sales revenue.

Production

| Production data | 3 months to 31 Mar 24 | Prior Qtr Dec '23 | Qtr on qtr change % | FY24 Year to date | FY23 Year to date | Year to date % change |
|-----------------------------|--------------------------|----------------------|------------------------|----------------------|----------------------|--------------------------|
| Total production PJe | 0.055 | 0.08 | -31% | 0.19 | 0.024 | 692% |
| Sales gas & ethane TJ | 55.55 | 77.9 | -29% | 183.85 | 22.5 | 716% |
| LPG tonne | 7.95 | 10.0 | -21% | 21.45 | 2.8 | 666% |
| Condensate bbls | 207.85 | 181.75 | -14% | 522.65 | 71.35 | 633% |

Metgasco share of production for the December quarter was 0.055 PJe, 31% lower than the 0.08 PJe produced in the December quarter. The movement in quarterly production is attributable to natural decline in appraisal production rates from Odin-1 and Vali-1. Both the December and March quarters were adversely affected by approximately 25% downtime due to scheduled maintenance shutdowns and other factors including weather.

Further discussion of the performance of the Vali and Odin gas fields is provided under the heading 'Activity' following.

Cooper/Eromanga Basin Exploration Licence - PRL211:

PRL 211 (Metgasco 25%, Vintage 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%)

Asset Overview

PRL 211 lies in the South Australian Cooper Basin, with the licence’s eastern boundary near to the ATP 2021 western boundary. (see Figure 1) The licence is in close proximity to the South Australian Cooper Basin’s Joint Venture’s gas production infrastructure at Beckler, Bow and Dullingari.

The licence holds the western portion of the Odin gas field, discovered by the PRL 211 joint venture in 2021. The eastern portion of the field is mapped to extend into ATP 2021, which has identical joint venture composition to PRL 211. The field has one connected well, Odin-1, which has been completed to produce from the Epsilon and Toolachee formations. Odin is currently subject to a long-term production appraisal program with gas produced from the field being supplied to Pelican Point Power (a joint venture of ENGIE and Mitsui Australia) under a contract extending to December 2026.

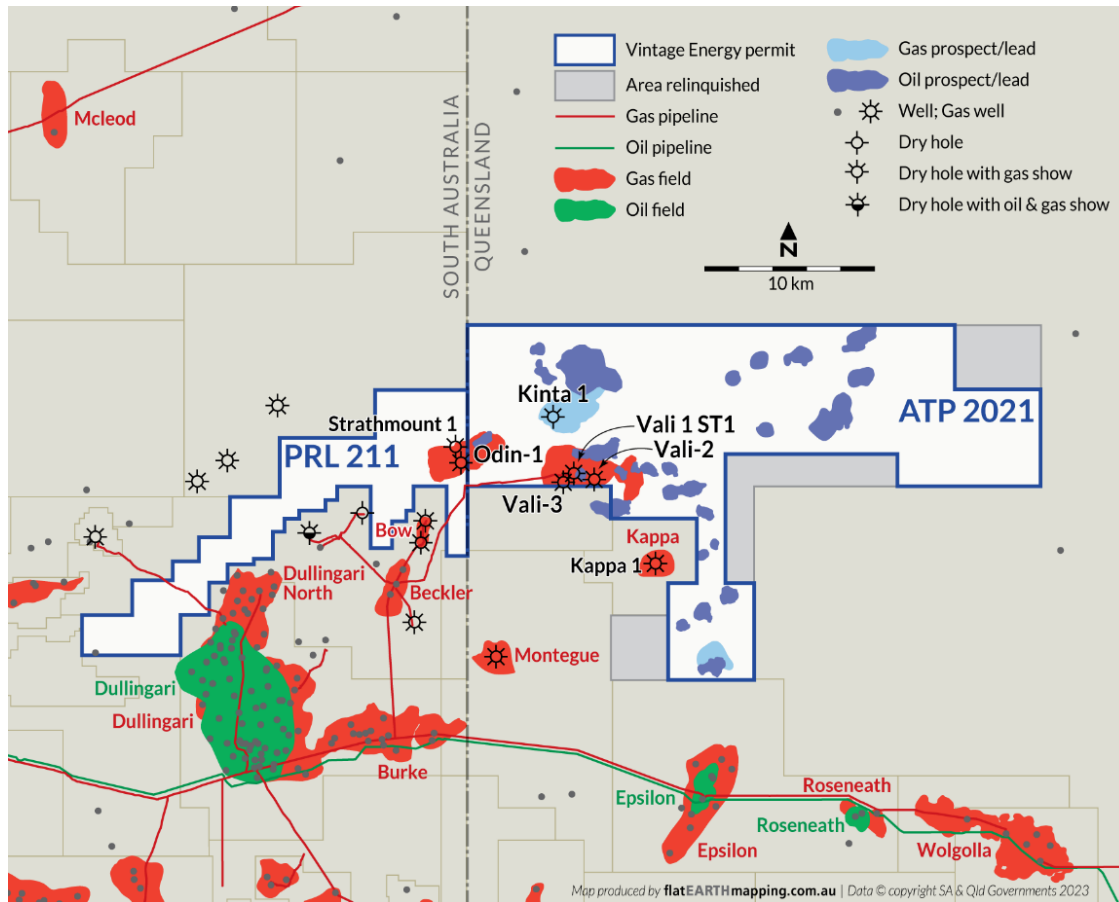


Figure 1: Cooper Basin permits PRL 211 and ATP 2021 including well locations Odin-1, Vali-1 ST1, Vali-2 and Vali-3. Source: Vintage

Gas resources at Odin have been independently certified and were most recently reported in the company’s 2023 Annual Report as comprising 39.7 PJ of gross 2C Contingent Resources (Metgasco share 9.55 PJ) in the Toolachee, Epsilon, Patchawarra and Tirrawarra formations of the field.

Activity

The Odin gas field contributed production for 65.5 days during the quarter, averaging raw gas production of 3.11 MMscf/d compared with 4.70 MMscf/d in the prior quarter. The field was offline for 25.5 days during the quarter, due to events including the annual maintenance shutdown, wet weather access and downstream driven outages.

Planning and preparation for appraisal drilling on the Odin gas field advanced to the point of readiness. The SLR 184 drilling rig, used to drill the successful Odin-1 well, was contracted with a view to rig mobilisation and the spudding of Odin-2 in April. Rainfall subsequent to the end of the quarter necessitated deferral of site preparation and rig mobilisation such that spudding is now expected to occur in May.

The independent study on conversion of Odin resources to reserves which has been previously foreshadowed has been deferred with the current focus on appraisal drilling.

Cooper/Eromanga Basin Exploration Licence - ATP2021:

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

Asset Overview

ATP2021 is located in Queensland, adjacent to the Queensland-South Australian border. (See Figure 1)

ATP 2021 contains the Vali gas field, discovered by Vali-1 ST1 in January 2020 and successfully appraised by Vali-2 and Vali-3. Reserves at Vali have been independently certified and most recently reported in the 2023 Annual Report as comprising gross Proved and Probable reserves equivalent to 101 PJe (Metgasco share 25.2 PJe)² of gas and gas liquids. Sales gas and ethane account for 97 PJ (Metgasco share: 24.25 PJ) of the 2P reserves.

The field has three cased wells, which have been completed and connected to the Moomba gas gathering network for supply to the eastern Australia domestic energy market. Vali is currently subject to a long-term production appraisal program. Gas produced from the field is supplied to AGL Energy under a supply agreement extending to December 2026.

Activity

The Vali gas field was online for 68.0 days during the quarter, averaging raw gas production of 1.84 MMscf/day compared with 2.15 MMscf/day in the prior quarter. The field was offline for 23.0 days during the quarter; for reasons which included the annual maintenance shutdown, wet weather and downstream driven outages. Vali-1 returned to production from shutdown ahead of schedule on 30 March.

Production from Vali-2 continued in the same manner as previously reported under the operational objective of dewatering so gas flow can improve. Fluid and gas production rates from the well decreased over the period.

During the March quarter, the joint venture agreed modification to this plan through employment of the Vali-2 sliding sleeve to expose the Toolachee formation perforations so flow from the formation can increase gas production and accelerate fluid removal. The operation, which requires the deployment of a slickline unit to the well site, was deferred following rainfall during the quarter and is now targeted for the June quarter. Vali-2 has been shut-in since the completion of the maintenance shutdown in March pending completion of the sliding sleeve operation.

Vali-3 remains shut-in as the joint venture assesses the performance and potential remediation options to improve performance of the producing zone in the Toolachee Formation. Future options for the well include production from other gas bearing zones such as the Patchawarra Formation.

Cooper Basin Exploration Licence – PRL237:

PRL237 (Metgasco 20%, BassOil 80% and operatorship)

In early CY23 the JV applied for and received a 12 month suspension of the Petroleum Retention Licence (PRL) from the SA government, this suspension period ended in January 2024. The operator has informed Metgasco that there is minimal near-term activity planned in CY24.

² As reported in the Metgasco 2023 Annual Report. 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.

Corporate Activities

Forward financing Review :

During the quarter Metgasco reviewed several options to both replace the Keybridge capital debt facility and fund further licence activities.

Finance Facility:

Metgasco executed a \$5 million debt facility(Loan Note Deed) in the CY2023 March quarter with long term shareholders Keybridge Capital(Keybridge) and Glennon Small Companies(Glennon).Keybridge committed to providing a maximum \$3m of the \$5m debt facility and Glennon the remaining \$2m.The key terms of the 36-month facility were detailed in an announcement to the ASX on 13 March 2023.The facility formed part of the funding of the remaining capital requirements of the Vali field and deliver the Odin gas field project. Metgasco's ASX announcements on 23/24 November provided an update relating to Keybridge's non-fulfilment of \$1.56M under the loan note agreement.

On April 11 CY24(Ref ASX announcement) Metgasco discharged the Keybridge capital loan by securing \$1M short term funding from external investors and paying the balance of the \$1.44M funds from production revenue.The discharge of the debt funds and cancellation of the share options terminates the Keybridge relationship.

Cash position:

The Company ended the Quarter with a cash balance of A\$300,000 and is advanced on options to fund Odin-2 appraisal drilling.

The following is a reconciliation of the Company's cash position from 1 January 2024 to 31 March 2024:

| | \$A'000 |
|--|-------------------|
| Cash at 1 January 2024 | 839 |
| Overhead and administrative | (339) |
| Production (net) * | 357 |
| Development assets expenditure | - |
| Exploration and evaluation expenditure | (282) |
| Discharge of debt facility | (275) |
| Cash at 31 March 2024 | <u>300</u> |

* Gas sales receipts are received the month after production.

Notes Pertaining to Quarterly Cashflow Report (Appendix 5B):

Item 6.1: The aggregate amount of payments to related parties and their associates of \$72,171 relates to remuneration payments made to Directors and Officers.

Shareholder base:

At 31 March 2024, Metgasco had 1,063,886,745 shares on issue and 2351 shareholders. Its top 20 holders held 452,647,011, or 42.55% of the Company's issued capital.

Certified Resources and Reserves:

On 1 November 2021, the ATP2021 JV announced the reserves upgrade following the drilling of Vali-2&3. Contingent gas resources related to PRL211 were announced on 16 September 2021 and updated on 29th March 2022.

Glossary:

MMscfd = Million standard cubic feet per day.
 FWHP = Flowing wellhead pressure.
 Bcf= Billion Standard Cubic feet.
 PJ= Petajoule.
 PJe=Petajoule equivalent comprises sales gas and gas liquids.

For further information contact:

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

Metgasco Ltd ACN 088 196 383
 Level 3, 88 William Street, Perth,WA6000
 Tel:+61 8 9463 2463
info@metgasco.com.au
www.metgasco.com.au

Ken Aitken
 Managing Director
 +61 8 9463 2463
ken.aitken@metgasco.com.au

| Tenement Listing | | | | |
|-------------------------|----------|---------------------------------|------------------------------|---------------------------|
| Tenement Reference | Location | Nature of Interest | Interest at 31 December 2023 | Interest at 31 March 2024 |
| Cooper/Eromanga | | | | |
| ATP2021 | QLD | 25% working interest in Licence | 25% | 25% |
| PRL211 | SA/QLD | 25% working interest in Licence | 25% | 25% |
| PRL237 | SA | 20% Working Interest in Licence | 20% | 20% |

Forward Looking Statements:

This document may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this document require Metgasco and its management to make assumptions that may not materialise or that may not be accurate. Although Metgasco believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Metgasco Ltd

ABN

24 088 196 383

Quarter ended ("current quarter")

31 March 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 749 | 1,827 |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | - | - |
| (b) development | - | - |
| (c) production | (392) | (1,032) |
| (d) staff costs | (131) | (313) |
| (e) administration and corporate costs | (129) | (484) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (79) | (179) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | 18 | (181) |

| | | |
|--|-------|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation (if capitalised) | (282) | (1,213) |
| (e) investments | - | - |
| (f) oil and gas properties | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other – Working capital loan to Patriot Hydrogen Limited | - | - |
| 2.6 | Net cash from / (used in) investing activities | (282) | (1,213) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | 1,340 |
| 3.6 | Repayment of borrowings | (275) | (275) |
| 3.7 | Transaction costs related to loans and borrowings | - | (13) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (275) | 1,052 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 839 | 642 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | 18 | (181) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (282) | (1,213) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (275) | 1,052 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 300 | 300 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 300 | 839 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 300 | 839 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 72 |
| - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Amounts included in 6.1 are remuneration payments made to Directors

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | 5,000 | 3,165 |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | 5,000 | 3,165 |

7.5 **Unused financing facilities available at quarter end** -*

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As announced to the market on 13 March 2023, a \$5 million debt facility was agreed upon with Keybridge Capital and Glennon Small Company, which could be drawn down within 12 months from the initial issue date. However, Keybridge was unable to fulfill the agreed provision of \$3 million*. The term of the facility is 3 years from the first drawdown, with an interest rate of 10%. An establishment fee of 1% is payable on drawn funds only. The facility is secured by way of a general security deed jointly over all present property of the Company. An early repayment fee equal to 5% applies to the face value of notes redeemed early. During the March quarter, \$79,002 in loan interest was paid. As of March 2024, we have repaid \$275k, reducing the outstanding loan amount to Keybridge to \$1.165 million. As announced on the ASX announcement 11th April 2024, the Company secured short term financial support from external investors in the sum of A\$1m to support the discharge of the remaining loan note facility, with the balance of funding met from gas production revenue.

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | 18 |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | (282) |
| Capitalised development expenditure for oil & gas properties (Item 2.1(f)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (264) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 300 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | -* |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 300 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 1.14 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Metgasco has significantly advanced plans to secure further capital in the June quarter to finance the drilling of the Odin-2 appraisal well. Metgasco are confident the capital will be secured in a timely fashion

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Gas production revenue and Odin-2 funding will address cash flow needs.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **30 April 2024**

Authorised by: **The Board**

Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.