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SOUTH MARSH ISLAND 74 D-14 Progress Report

- **Byron operated SM74 D-14 exploration well is currently drilling ahead at 4,490 feet MD**
- **The 13-3/8 inch casing string has been cemented in place at a depth of 3,510 feet MD**
- **The well is being drilled from Ankor's SM73 D platform, utilising the White Fleet Drilling 350 jack-up rig**

The Board of Metgasco Ltd (**ASX:MEL**) (**Metgasco**, or, the **Company**) is pleased to advise that the Byron Energy Limited (ASX:BYE), operated SM74 D-14 well, the first test well on the South Marsh Island 74 block, was drilled to a depth of 3,510 feet Measured Depth ("MD") /3,464 feet True Vertical Depth ("TVD") and the 13-3/8 inch surface casing was set and cemented in place. As of 5:00 pm US Central Daylight Time on 26 May 2019, the Byron SM74 D-14 well is currently drilling ahead at 4,490 feet MD.

The SM74 D-14 well is being drilled from the SM73 D platform. As previously announced on 19 September 2018, Byron signed an agreement with Ankor Energy LLC, the offset operator of SM73, to drill from and, in the success case, produce through the SM73 D platform. This arrangement reduces the threshold of economic reserves by eliminating the need to build a new platform and offers significant capital savings in infrastructure as well as reducing the cycle time to first production if hydrocarbons are discovered.

As previously reported, the Raptor prospect that is being drilled by SM74 D-14 will be drilled to a depth of 16,464 feet Measured Depth ("MD") (14,741 feet True Vertical Depth). The SM74 D-14 well will test three multiple seismic amplitude supported target sands.

In July 2018, Metgasco farmed-in for a 30% working interest ("WI") in SM74 block (24.37% net revenue interest) via funding 40% of the approx. US\$11 million dry hole cost of the Initial Test Well (SM74 D-14) to casing point. Byron Energy Limited will pay the remaining 60%. Both companies will then bear their respective working interests costs after the SM74 D-14 is drilled to total depth.

Metgasco will issue progress reports on the SM74 D-14 well as material developments occur.

Contact and further information:

Metgasco welcomes shareholder communication and invites all interested shareholders to make contact at any time.

ENDS

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