

23 November 2023

ASX Code: KBC

ASX MARKET ANNOUNCEMENT

Metgasco Ltd Loan

Keybridge Capital Limited (Keybridge) refers to the ASX announcement of Metgasco Ltd (ASX:MEL or Metgasco) of today's date in relation to a Loan Note Deed (Deed) of which Keybridge and MEL are parties.

Keybridge has loaned \$1,440,000 to Metgasco at an interest rate of 10% pa with attaching options in Metgasco for Keybridge's benefit.

On 19 October 2023, Keybridge issued Metgasco a default notice due to Metgasco's failure to pay an interest amount that was due and payable no later than 30 September 2023. After receipt of the default notice, Metgasco then remedied its default.

On 9 November 2023, in accordance with the Loan Note Deed, Keybridge issued Metgasco a termination notice.

Under the Loan Note Deed, Keybridge held an express right to terminate the Deed should Metgasco fail to satisfy a condition that required it to obtain shareholder approval (or ASX waiver) for the attaching options within 90 days of the initial drawdown date.

At the time of the Loan Note Deed, Metgasco had limitations due to ASX Listing Rule 7 and Rule 10, in that it was only able to satisfy the condition by obtaining shareholder approval (or ASX Waiver) within a specified time – Metgasco failed to do so.

In the interests of reaching an amicable and commercial resolution, Keybridge – at the request of Metgasco – agreed to place its termination notice in abeyance whilst the parties engaged in good faith negotiations to reassess the terms of the Loan Note Deed.

Following the ASX announcement of Metgasco today, Keybridge is of the view Metgasco breached the implied covenant of good faith and fair dealings and has, accordingly, today pressed the termination.

Keybridge understands that Metgasco challenge Keybridge's right to terminate and call in the loan on the basis, including but not limited to, there being a purported undocumented agreement to waive that condition. Keybridge denies the existence of such agreement and notes that the Deed requires any waiver of the condition to be in writing.

Accordingly, Metgasco must make repayment to Keybridge in the sum of \$1,440,000 plus interest within 90 days.

This announcement was authorised by the Managing Director

FOR FURTHER INFORMATION:

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