



29 July 2020

Dear fellow Metgasco Shareholder,

Metgasco Ltd Share Purchase Plan (SPP)

I am pleased to invite you to participate in the offer of fully paid ordinary shares (**Shares**) in Metgasco Ltd ACN 088 196 383 (**Metgasco**, or, the **Company**) under the share purchase plan (the **Plan**) established by Metgasco (the **Offer**).

Overview of the Offer:

The Offer provides you, as an 'Eligible Shareholder' (being a shareholder registered at 7:00pm (AEST) on 17 July 2020 with a registered address in Australia or New Zealand) of Metgasco (subject to certain conditions), with an opportunity to acquire up to, in aggregate, \$30,000 of Shares in Metgasco at an issue price of \$0.025 per Share (**Issue Price**), without incurring brokerage or other costs.

The Issue Price represents a 24.5% discount to the volume-weighted average price of Shares traded on the ASX over the 5 trading days up to, and including, 15 July 2020, which was the last day of trading of Shares on the ASX prior to Metgasco's announcement of the Plan. The Issue Price is the same as the issue price applicable to the placement to institutional and sophisticated investors (**Placement**), completed by Metgasco Monday, 20 July 2020.

Metgasco is seeking to raise up to A\$2 million under the Offer, however the Company reserves the right to accept oversubscriptions above this maximum, if this is deemed to be in the best interests of the Company at the time. In determining the target sizing of the Offer, the Company's Board had regard to (a) the anticipated funding needs of the Company under various scenarios, (b) the overall size of the offer, on the basis of differing levels of take-up, relative to the Company's current capital base, and (c) the estimated level of potential shareholder interest in the Offer. The Offer is not underwritten. Any oversubscriptions and scale backs will be at the Board's discretion but subject to using all reasonable endeavours to ensure that each applicant has a reasonable opportunity to participate equitably in the overall capital raising. If applications are scaled back, excess funds will be returned to applicants without interest.

Participation in the Offer is optional and will not incur brokerage, commissions or other transaction costs.

If an 'Eligible Shareholder' holds shares as a 'custodian' (as that term is defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) (**ASIC Instrument**) the Offer is also being made to the 'custodian' and, subject to a number of conditions, the 'custodian' has the discretion to extend the Offer to the relevant beneficiaries.

The Offer is being undertaken in conjunction with, and supplemental to, the Placement in reliance on the ASIC Instrument and the relief provided under 1.2 and 1.3 of the ASX Class Waiver Decision – Temporary Extra Placement Capacity .

The impacts of the COVID-19 health crisis for the Company were articulated in our letter to shareholders dated 31 March 2020. The Company has accordingly determined that undertaking the Placement and the Offer was a prudent measure to manage the ongoing financial requirements of the Company and ensure adequate funding for the business in light of continuing market and economic uncertainty. In addition to funding the costs of the Offer and Placement, the proceeds of the Offer (along with the Placement) will be applied to fund:

- Vali-1 stimulation, flow test and, on a successful test, well completion
- On a successful test and Vali-1 Joint Venture decision, production tie-in and commercialization of Vali-1
- Advancing the Company's Cooper and Perth basin projects, and
- For general working capital purposes.

Attaching right to apply for options:

As indicated in the Company's 20 July 2020 announcement of the Placement and this follow on Offer, Eligible Shareholders who participate in the Offer will be offered, subject to shareholder approval, the opportunity to apply for one attaching option for every three Shares issued to them under the Offer, exercisable at \$0.05 per option and expiring 30 September 2021 (**Attaching Options**), for nil consideration.

The offer of the Attaching Options to Eligible Shareholders will be made separately to this SPP under a prospectus (**Prospectus**) that will be made available when the offer for the Options is made. A copy of the Prospectus will be made available online, and sent via email or post (as applicable) to Eligible Shareholders who have participated in the Offer. Any Eligible Shareholder who participates in the Offer and wishes to apply for Attaching Options will need to complete the application form that will be in or will accompany the Prospectus.

The offer of the Attaching Options is subject to shareholder approval. Shareholder approval will be sought by no later than the Company's next annual general meeting. If shareholders do not approve the issue of the Attaching Options, the Company will withdraw the offer the subject of the Prospectus and no Attaching Options will be issued.

Timing considerations:

The Offer will be undertaken in accordance with the below timetable. However, Metgasco reserves the right to vary the dates and times set out below subject to the Corporations Act and other applicable laws.

Event	Date
Record Date for SPP	17 July 2020
SPP offer opens	31 July 2020
SPP offer closes	24 August 2020
SPP results announced	27 August 2020
Allotment of SPP Shares and Quotation of SPP shares sought	2 September 2020

To participate in the Offer, you should either:

- pay via BPAY® online or by telephone (only available for Shareholders with an eligible Australian bank account); or
- pay via Electronic Funds Transfer (EFT) (available for New Zealand registered holders only) and return your enclosed Application Form in accordance with the details on the Application Form, together with your payment receipt to capitalmarkets@linkmarketservices.com.au

Further information:

In accordance with the enclosed terms and conditions (**Terms and Conditions**), the Offer is non-renounceable and Shares in Metgasco may be issued under the Offer only to the 'Eligible Shareholder' to whom they are offered.

Further details in relation to the Offer are set out in the accompanying documentation, including the Terms and Conditions.

In deciding whether to participate in the Offer, you should seek your own independent financial, legal and taxation advice in respect of the Offer. No cooling off regime applies to the acquisition of ordinary shares in Metgasco under the Offer.

On behalf of the Board, I thank you for your continued support of Metgasco and I invite you to consider participating in the Offer.

Yours faithfully,



Philip Amery
Chair

Metgasco Ltd

METGASCO LTD

ACN 088 196 383

Share Purchase Plan Terms and Conditions

24 July 2020

Offer

Metgasco Ltd (Company) is offering its shareholders the opportunity to purchase up to A\$30,000 of fully paid ordinary shares in the Company (**Shares**) by way of a share purchase plan (**SPP**).

The Company is proposing to raise up to A\$2 million under the SPP. However, if the Company receives in excess of A\$2 million in applications, the Board may, in its sole discretion, take oversubscriptions subject to any pro-rata scale back described further below.

The price per share under the SPP (**SPP Price**) being offered is **A\$0.025**. This is the same price that was offered to institutional and sophisticated investors under the placement announced on 20 July 2020. The SPP Price is a **24.5%** discount to the volume weighted average price of Shares traded in the ordinary course on ASX in the five trading days up to the day on which the SPP was announced.

Establishment

This plan is established pursuant to ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**) and 1.2 and 1.3 of the ASX Class Waiver Decision – Temporary Extra Placement Capacity (**Relief Waiver**) under the ASX Listing Rules, which facilitates offers under a Share Purchase Plan that follow on from a Placement.

Eligibility

All shareholders at 7.00 pm (AEST) on **17 July 2020 (Record Date)** with a registered address in Australia or New Zealand (**Eligible Shareholders**), are offered participation in the SPP.

The Company has determined that it is unlawful or impractical for the SPP to be offered to a shareholder whose address on the register of members is a country outside of Australia or New Zealand.

Participation in the SPP by acceptance of the offer:

- (a) is optional for Eligible Shareholders;
- (b) is subject to these Terms and Conditions.

Subscription

ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument) prohibits the Company issuing Shares in accordance with this SPP if the aggregate subscription amount to be paid by an Eligible Shareholder, together with the aggregate amount paid for any other Shares applied for by that Eligible Shareholder or which a custodian has been instructed to acquire under the SPP on their behalf, or any similar arrangement operated by the Company in the 12 months before the date the application is made, exceeds A\$30,000.

Eligible Shareholders may subscribe for any one of the following parcels (subject to any scale back of the Shares described below):

	Subscription Amount	Shares to be allotted calculated at the SPP Price
Minimum application	\$2,500	100,000
	\$5,000	200,000
	\$10,000	400,000
	\$15,000	600,000
	\$20,000	800,000
	\$25,000	1,000,000
Maximum application	\$30,000	1,200,000

No Eligible Shareholder may be issued with Shares with an application price totaling more than A\$30,000.

Important dates

Record Date	17 July 2020
Opening Date	31 July 2020
Closing Date	24 August 2020
Announcement of results	27 August 2020
Share Issue Date and Appendix 2A	2 September 2020
First Trading Date	4 September 2020
Despatch of Holding Statements / Confirmation advice	4 September 2020

The timetable above is indicative only and is subject to change at the sole discretion of the Board, subject to the application of the ASX Listing Rules.

Nature of offer

Offers made under the SPP are non-renounceable. Eligible Shareholders cannot transfer their right to other parties to subscribe for Shares under the SPP. Acquisition by an Eligible Shareholder of additional shares or a new separate holding of Shares before the Closing Date, will not give rise to any additional right to subscribe for Shares under this SPP offer.

Offers under the SPP will be made on the same terms and conditions to each Eligible Shareholder. For the avoidance of doubt, all Eligible Shareholders will receive the same offer, irrespective of the number of Shares which they hold on the Record Date.

Single Eligible Shareholders

Single Eligible Shareholders that receive more than one offer under the SPP, for example due to multiple registered sole or joint holdings, may only apply for an aggregate of up to A\$30,000 worth of Shares (one maximum parcel).

Joint Eligible Shareholders

Eligible Shareholders recorded on the register with one or more other persons as the joint holder of Shares are considered to have a single registered holding (unless the holder is a "custodian" for the purposes of the ASIC Instrument) for the purpose of the SPP. If the same joint holders receive more than one offer under the SPP due to multiple holdings, the joint holders may only apply for an aggregate of up to A\$30,000 worth of Shares (one maximum parcel).

Custodians, trustees and nominees

A custodian, trustee or nominee within the definition of "custodian" in the ASIC Instrument, or in any other ASIC relief granted to the Company in relation to the SPP (**Custodian**) who holds Shares on behalf of one or more persons (**Participating Beneficiary**), may apply for up to a maximum of A\$30,000 worth of Shares for each Participating Beneficiary, subject to providing notice in writing to the Company (by way of Custodian Certificate) certifying the following:

- (a) that the Custodian holds the Shares on behalf of Participating Beneficiaries who have instructed it to apply for Shares in the Company on their behalf under the SPP;
 - (b) the number of Participating Beneficiaries;
 - (c) the name and address of each Participating Beneficiary;
 - (d) the number of Shares in the Company that the Custodian holds on behalf of each Participating Beneficiary;
 - (e) the number or dollar amount of Shares which each Participating Beneficiary has instructed the Custodian, either directly or through another Custodian, to apply for on their behalf;
 - (f) that there are no Participating Beneficiaries in respect of which the total of the application price exceeds A\$30,000 worth of the Company's Shares, calculated by reference to Shares in the Company applied for by the Custodian on behalf of each Participating Beneficiary under:
 - (i) the SPP; and
 - (ii) any other Shares issued to the Custodian as custodian in the 12 months before the Custodian's application under an arrangement similar to the SPP,
- in each case, as a result of an instruction given by the Participating Beneficiary to the Custodian to apply for Shares in the Company on their behalf;
- (g) that a copy of these Terms and Conditions was given to each Participating Beneficiary;
 - (h) where Shares are held by the Custodian on behalf of the Participating Beneficiary indirectly through one or more interposed custodians, the name and address of each interposed custodian; and
 - (i) any such additional or varied information as might be required under any more specific ASIC relief that might be granted to the Company in relation to the SPP.

The offer under this SPP is made to the Custodian as the registered holder, not to the beneficiaries directly.

For the purposes of these Terms and Conditions, a Custodian is as defined in the ASIC Instrument.

If the Shares are held as a trustee or nominee for another person, but are not a Custodian as defined in the ASIC Instrument, that holder cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

Custodians requiring a Custodian certificate or further information on how to apply should contact the Company's share registry, **Link Market Services on 1300 666 437** (within Australia) or **+61 1300 666 437** (outside Australia)

Overseas shareholders

This SPP does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The SPP is not being extended to, and Shares will not be allotted to, shareholders with a registered address which is outside Australia or New Zealand.

Beneficial shareholders not resident in Australia or New Zealand should consult their professional advisors to determine whether any government or other consents are required or whether formalities need to be observed to allow them to accept their entitlement.

Agreement

Eligible Shareholders may only acquire up to a maximum of A\$30,000 of Shares under an SPP or similar plan in any 12 month period (as prescribed by the ASIC Instrument).

By submitting the application form and making a BPAY® payment the Eligible Shareholder certifies:

- (a) the aggregate of the application price paid for the Shares the subject of the application form or BPAY® payment and any other Shares in the Company applied for or which a Custodian has been instructed to acquire under the SPP, or any similar arrangement operated by the Company in the 12 months before the date of submission and the application form or BPAY® payment, does not exceed A\$30,000 (except when applying as a Custodian for one or more beneficiaries);
- (b) it agrees that the application is only effective as of the date on which the application is signed (if applicable) (**Effective Date**);
- (c) it agrees generally to otherwise be bound by these Terms and Conditions; and
- (d) it authorises the Company to place its name on the register of members in respect of the Shares which are issued to the Eligible Shareholder under the SPP offer and agrees to be bound by the constitution of the Company.

The Company reserves the right and in certain circumstances may be required by the ASIC Instrument or other conditions, to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these Terms and Conditions or any statute, law, regulation, statutory instrument or the ASX Listing Rules.

Acceptance

Applications may only be made on the enclosed application form or by making payment via BPAY®. Applications will only be open for acceptance on and from **31 July 2020 (Opening Date)** in order to comply with legal requirements. To be valid, acceptances must be received by the Company's share registry at the address shown on the application form before 5pm (AEST) on **24 August 2020 (Closing Date)**. Applications received after that time will not be accepted. If the exact amount of application money is not tendered with the application form, the Company reserves the right to reject the application or otherwise read down the application to correspond with the amount of application money tendered.

Once an application is received, the application and associated payment under the SPP may not be withdrawn and the interest (if any) accruing on

the application money will accrue and be payable to the Company.

Calculation of number of Shares to be issued

In the absence of scale back, and subject to the Eligible Shareholder not exceeding the A\$30,000 maximum parcel limit, the number of Shares in the Company to be issued will be calculated by dividing the value of the Company's Shares applied for by the offer price, then rounding up to the nearest whole Share.

Scale back

The Company is seeking to raise up to **A\$2 million** under the SPP. In accordance with the ASX Listing Rules the number of Shares to be issued under the SPP will not be greater than 30% of the number of the Company's Shares on issue at the Record Date. However, if the Company receives applications in excess of A\$2 million the Board may, at its sole discretion, take oversubscriptions, subject to compliance with the ASIC Instrument, the Relief Waiver and the ASX Listing Rules. Unless the Company exercises this discretion, however, the Company may scale back applications received.

If the Company scales back applications, the amount of the application as scaled back may not be equal to a whole number of the Company's Shares. In that event, the number of the Company's Shares to be allotted will be rounded up to the nearest whole number. The scale back will be determined by the Company in the manner permitted under the Relief Waiver, including on a pro-rata basis to all participants in the offer based on either the size of an Eligible Shareholder's holding as at the Record Date or the number of Shares that the Eligible Shareholder has applied for. The Company will use all reasonable endeavors to ensure that participants in the offer have a reasonable opportunity to participate equitably in the overall capital raising.

If the Company undertakes a scale back, Eligible Shareholders will receive the number of Shares which may be less than the parcel of Shares which was applied for. In this case, the difference between the application money received and the number of Shares allocated to the Eligible Shareholder multiplied by the issue price, may be refunded by direct credit (to a nominated account if recorded on the Company's share register) as soon as practicable without interest at the time of allotment.

Price risk

Note that the market price of the Company's Shares may rise or fall between the date this offer was announced and made and the issue date. This means that for the same aggregate application amount, the number of Shares acquired by an Eligible Shareholder under the SPP may be lower than the number of Shares that may be acquired on the market on the date that the Shares are issued. No cooling-off regime applies in relation to the application for or acquisition of Shares under the SPP.

This offer is not made under a prospectus or other disclosure document. Accordingly, shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on ASX.

Issue of Shares

Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of issue.

Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue of Shares under, the SPP.

Allotment and quotation dates

Shares are expected to be allotted under the SPP on **2 September 2020 (Share Issue Date)** and the Company will apply for these Shares to be listed for quotation on ASX.

The Company expects to dispatch a holding statement or confirmation advice in respect of the Shares allotted under the SPP on 4 September 2020. Eligible Shareholders should confirm their holding before trading in any Shares in the Company that they believe have been allotted to them under the SPP.

General

The Company may determine, in any manner it thinks fit, any disputes or anomalies which arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any Eligible Shareholder or application for Shares. The decision of the Company will be conclusive and binding on all persons to whom the determination relates.

The Company reserves the right to waive compliance with any provision of these Terms and Conditions, to amend or vary these Terms and Conditions and to suspend or terminate the SPP at any time. Any variation in these Terms and Conditions will be notified by a release to the ASX.

The Company may at any time irrevocably determine that an application is valid, in accordance with these Terms and Conditions, even if the application form is incomplete, contains errors or is otherwise defective. The Company and its officers and agents are authorised to correct any error in, or omission from, an application form by the insertion of any missing details.

The Company's rights and discretions under the SPP may be exercised by the directors of the Company or any delegate of the directors.

The Company collects information about each applicant provided on an application for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an application, each applicant agrees that the Company may use the information provided by that applicant on that application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and other regulatory authorities.

If you do not provide the information required on the application, the Company may not be able to accept or process your application.

An applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company's registered office.

This offer is governed by the law of New South Wales. By accepting the offer the Eligible Shareholder submits to the non-exclusive jurisdiction of the courts of New South Wales.

ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547

This offer of Shares under the SPP is made in accordance with the requirements of the ASIC Instrument. The ASIC Instrument grants relief from the requirement to prepare a prospectus for the offer of Shares under the SPP.

If ASIC grants additional relief to the Company to allow clients of second-level or subsequent level

custodians to participate, then any additional or varied ASIC requirements will apply to participation on behalf of such clients.

Independent financial and taxation advice

The offer under this SPP is not a recommendation to purchase Shares. The Company recommends that Eligible Shareholders seek independent financial and taxation advice before participating in the SPP.

Questions

Any questions in respect of the SPP should be directed to the Company's share registry, Link Market Services on:

Telephone:

1300 666 437 (within Australia), or

61 1300 666 437 (outside Australia)

SRN/HIN:**Entitlement Number:****Record Date:** 17 July 2020**Offer Opens:** 31 July 2020**Issue Price:** A\$0.025

Offer Closes 5:00pm (AEST):	24 August 2020
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SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.

Payment Option: Paying by BPAY®.

PAYMENT OPTION

Paying by BPAY®

If paying by BPAY®, you do **NOT** need to return this Application Form. Payment must be received by the Registry by BPAY® by 5:00pm (AEST) on 24 August 2020. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment.

If you make a payment by BPAY® and Metgasco Limited receives an amount which is not equal to either A\$2,500, A\$5,000, A\$10,000, A\$15,000, A\$20,000, A\$25,000 or A\$30,000, Metgasco Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,500.

**Biller Code:** 327130**Ref:**

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

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THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY®.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of “custodian” in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 you must complete and submit an additional Schedule that contains additional certifications and details that must be provided (“the Schedule”) before your Application will be received. The Schedule can be obtained by contacting the Share Registry. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Shares by BPAY® payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of payment by BPAY® does not exceed A\$30,000.
7. Metgasco Limited reserves the right to make amendments to your form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Metgasco Limited may scaleback applications in its discretion.

If you require information on how to complete this Application please contact the Metgasco Limited SPP Offer Information Line on 1300 666 437 if calling within Australia or +61 1300 666 437 if calling from outside of Australia.