



ASX / MEDIA RELEASE

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Vali-ST1 Drilling Progress Report

- The Vali-ST1 exploration well is currently drilling in the Rosneath Formation at 2,657m MD
- Plug back and side-track operation required to correct well path
- Metgasco is free carried for the drilling of Vali-ST1 with a 25% interest
- Vali-1 Net Prospective Resource (2U Best Estimate) of 9.5 Bcf

The Board of Metgasco Ltd (ASX:MEL) (Metgasco, or, the Company) is pleased to advise that, as of 6:00 am this morning, the Vali-ST1 gas exploration well operated by Vintage Energy (ASX:VEN) is being drilled through the Rosneath Formation at a measured depth of 2,657m MD. Vali-1 was plugged back and side-tracked within the Murta Member to correct excessive wellbore deviation and maintain target tolerances. High gas shows were observed over substantial thicknesses in a number of intervals in the Nappamerri Group and two thinner intervals in the Toolachee sands at greater depths than was reached by the original Vali-1 wellbore prior to side-track operations. In addition, oil shows were again observed in the shallower Westbourne and Birkhead formations.

A survey tool was run in Vali-1 after reaching a depth of 2,106 metres within the Nappamerri Group to check the wellbore position and showed that the subsurface geology had caused the well to deviate in excess of 24 degrees from its vertical position. To correct the well path and maintain an angle toward the target reservoirs, it was necessary to plug back with cement and side-track the well. The Vali-ST1 side-track commenced at a depth of 1,644 metres in the Murta Member and the well is now drilling ahead with a directional assembly to control any tendency to build angle caused by the geology. This is standard drilling procedure in such circumstances and the angle of deviation has now been controlled to less than one degree and is well within target tolerances. The well is expected to reach the planned targets and total depth by the end of this week.

The Vali-ST1 primary target is in sandstones of the Patchawarra Formation, with the Toolachee Formation being a secondary objective. These reservoirs are proven as producing reservoirs on the southern flank of the Nappamerri Trough, with over 600 Bcf of gas produced from fields within a 15 to 40 kilometre radius of the proposed Vali-1.

Metgasco is free carried on Vali-ST1 via signing farm-out agreements with Vintage and Bridgeport earlier this year. Please refer to announcement on 10 December for further information on the Vali prospect.

Metgasco will issue progress reports on the Vali-ST1 well as material developments occur.

AUTHORISED FOR ISSUE TO ASX BY THE BOARD OF METGASCO LTD

Contact and further information:

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

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