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Vali-1 ST1 flow-back update

- **Good gas flow during flow-back of stimulation fluids**
- **Final gas flow testing, sampling and logging to commence in coming days**
- **Independently certified gross 2C Contingent Resource of 37.7 Bcf (9.4 Bcf Net)[1]**

The ATP 2021 joint venture (Vintage Energy Ltd (ASX: VEN, "Vintage") 50% and operator, **Metgasco Ltd** (**ASX:MEL**) ("**Metgasco**") 25% and Bridgeport (Cooper Basin) Pty Ltd 25% is pleased to report that a good gas flare (see figure 1 below) has been observed over the flow-back of stimulation fluid ahead of the final flow testing and separator sampling.

The gas stream was diverted through the test separator with the rate steadily increasing over the flow-back period. Recovery of the injected stimulation fluids has reached approximately 44%, with the gas rate reaching 3.7 MMscfd through a 38/64 inch choke at a wellhead pressure of 800 psi. It is expected that the gas rates to be measured over the flow test period will be higher as the choke size is increased during the testing program.

Figure 1: Gas flare at Vali-1 ST1 (5 August 2020)

[1] Refer ASX release dated 3 March 2020

As previously advised to the ASX (refer to ASX release of 27 July 2020) the six-stage fracture stimulation program for the Vali-1 ST1 well was safely completed, with one stage in the deeper Tirrawarra Sandstone and five stages in the Patchawarra Formation. Once completed, the plugs separating the various target zones were milled out to allow the well to flow. We anticipate well flow testing operations will commence around 10 August, once sufficient flow back of stimulation fluids has been achieved.

During testing activities, a Production Logging Tool (PLT) will be run into the hole to determine the gas contribution from each of the stimulated zones. The well will then be cycled through equal periods of shut-in and flow at various flow rates. This will be followed by an extended flow test of around two days, during which time gas samples will be taken at stable gas flow conditions. The gas samples will then be sent to a laboratory for accurate analysis of the composition of the gas. Once samples have been taken, the well will be shut-in to observe the pressure response of the reservoir.

This sequence of test events will allow the Joint Venture to estimate the potential flow rate for the Vali-1 ST1 well and volume of gas within the Vali Field.

All of this information will be assessed and incorporated into a commercialisation plan for the asset, which will include an estimate of the number of development wells required to maximise returns from the Vali Field.

Ken Aitken, Metgasco Chief Executive Officer, commented:

"*We are pleased to report an encouraging and steadily improving gas flow rate at a good wellhead pressure after back- flowing circa 44% of the stimulation fluids. We look forward to safely and successfully finishing the clean-up and then establishing a final separator gas flow rate at the completion of the well testing program*."

Glossary:

MMscfd = Million standard cubic feet per day.
FWHP = Flowing wellhead pressure.

This ASX announcement was approved and authorised for release by the Board.

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