

## ASX / MEDIA RELEASE

ASX Code: MEL

16 July 2020

### Vali-1 ST1 Update

- **First stage of the Vali-1 ST1 fracture stimulation program successfully completed**
- **Flow testing to commence following stimulation of five Patchawarra zones**
- **Independently certified gross 2C Contingent Resource of 37.7 Bcf (9.4 Bcf Net)<sup>1</sup>**
- **Stimulation program targeting 80 m of net gas pay (porosity cut-off of 6%) over a gross 312 metre interval in Patchawarra and Tirrawarra Formations**

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 advise that the first fracture stimulation stage for the Vali-1 ST1 well, in the deepest Tirrawarra section, has been completed. This section will be cleaned out and then isolated to allow for the second fracture stimulation stage in the shallower Patchawarra Formation.

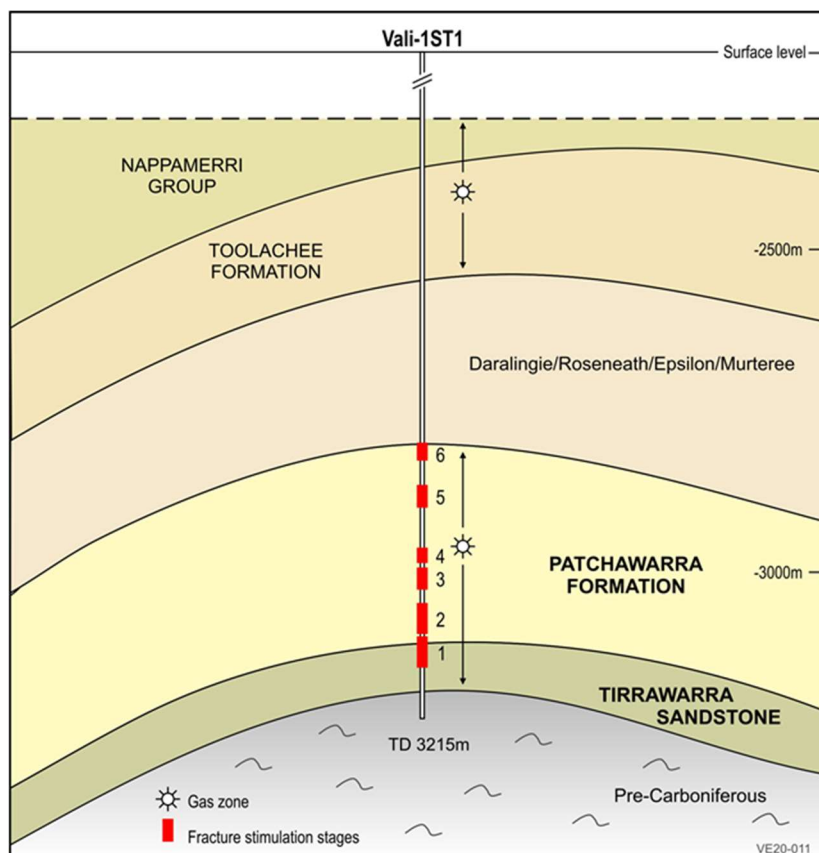


Figure 1: Cross section of Vali-1 ST1 and planned fracture stimulation stages

The Vali-1 ST1 fracture stimulation program is a planned six stage program, with the five remaining stages to be solely in the Patchawarra Formation. Operations commenced on Sunday 12 July, with the first activity being the perforation of the casing over the stage one interval, which was followed by a hole cleanout, an injection test and a mini-frac. These initial activities were undertaken to refine parameters for the first fracture stimulation stage.

1. Refer ASX release dated 3 March 2020

The stage one fracture stimulation was completed on Wednesday 15 July, with the stage one zone now isolated by setting a temporary bridge plug above the zone. This process will continue for each fracture stimulation stage, with bridge plugs set prior to undertaking the stimulation of the next shallower zone until all stages have been completed. At the completion of fracture stimulation operations, the isolation plugs will be milled out to provide full access to all six zones in preparation for flow testing the well. It is anticipated that the remaining five stages will be completed over the next 10 days.

The flow testing program objectives will be to measure stabilised gas flow rates, from the Patchawarra Formation and Tirrawarra Sandstone, as well as record down-hole reservoir pressure and individual zonal gas flow contribution. Once this has been completed, the results of the program will be assessed and incorporated into a commercialisation plan for the asset. A further ASX release on the program will be made once all fracture stimulation stages have been completed.



Figure 2: Vali-1 ST1 well being prepared for fracture stimulation

**Ken Aitken, Metgasco Chief Executive Officer, commented:**

"We are pleased to report the successful stimulation of the first zone on the Vali-1 ST1 program and we look forward to the safe and successful completion of the stimulation and flow test. Based on the stimulation results of similar nearby wells, Metgasco are confident that a commercial gas project can be established at Vali"

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

**For further information contact:**

Philip Amery  
Chair  
+ 61 402 091 180  
[philip.amery@metgasco.com.au](mailto:philip.amery@metgasco.com.au)  
[www.metgasco.com.au](http://www.metgasco.com.au)

**Metgasco Ltd** ACN 088 196 383  
Level 2, 30 Richardson Street, West Perth, WA 6005  
Tel: +61 8 6245 0060  
[info@metgasco.com.au](mailto:info@metgasco.com.au)

Ken Aitken  
CEO  
+61 8 6245 0062  
[ken.aitken@metgasco.com.au](mailto:ken.aitken@metgasco.com.au)