

METGASCO

Cooper Eromanga gas exploration success discovers a “string of pearls”

L14 – Cervantes Oil Exploration project

PERTH
BASIN

COOPER
EROMANGA
BASIN

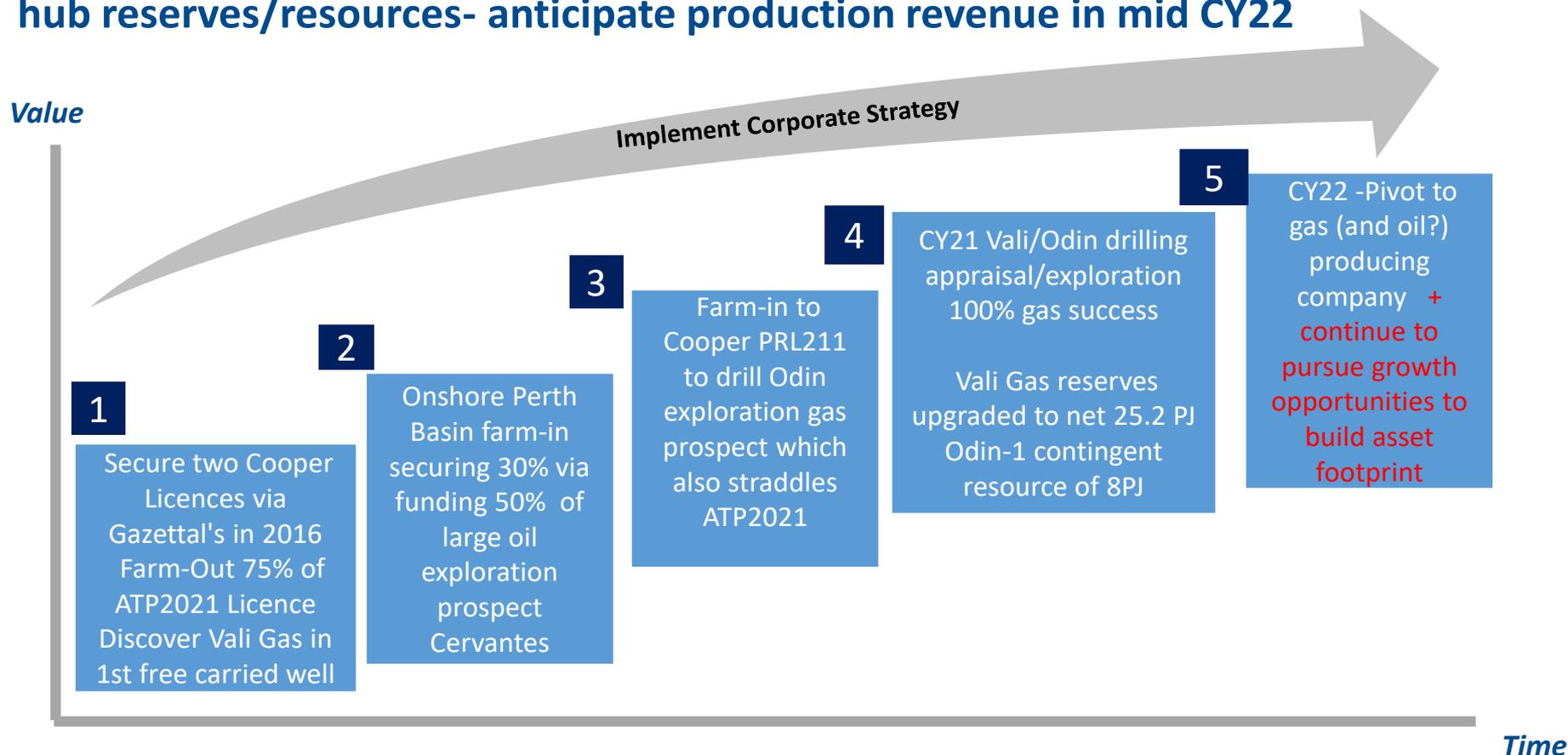
ATP2021 – Three Vali gas discoveries
PRL211 – Odin-1 gas discovery
Potential significant gas production hub emerging to assist east coast gas shortage

Metgasco AGM 2021
ASX: MEL
December 2021

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Metgasco Business Transformation

Since 2016 company transformed by building quality exploration/appraisal portfolio in Cooper and Perth Basin. 100% success in 4 Cooper wells building gas hub reserves/resources- anticipate production revenue in mid CY22



Modes of historic and future capital funding via selling Byron Shares /Farm-outs/ CY20 and CY21 Capital raisings/Negotiated gas sales pre-payment /potential funding from exercise of share options*

*Refer to MEL HoA with AGL on 6th December CY21

Metgasco's gas exploration success allows line of sight to profitable business in mid CY22

Company overview

- ASX listed energy exploration company (ASX code: MEL)
- Experienced team focused on creating shareholder value
- An exploration focus in the prolific onshore Australian Cooper/Eromanga and Perth basins
- 100% success rate in discovering gas in first four wells drilled in ATP2021 and PRL211 licences to assess reserve/resource upside of Vali and Odin
- 25% owner of Vali gas production hub planned to produce gross 10-15MMscfd by mid CY22 providing inaugural revenue
- Odin-1 anticipated to produce gas in 2nd half of CY22
- Currently planning the drilling of high impact oil exploration well Cervantes-1 onshore in Perth Basin

Financial information

Share price (6 Dec 2021)	A\$0.031
Number of shares	732.88m
Options (4c expiring 31/12/2021)	182.46m
Options (3.1c expiring 31/12/2022)	64.70m
Employee Performance Rights	5.2m
Market capitalisation	A\$22.72m
Cash ¹	A\$3.7m
Debt	A\$ nil

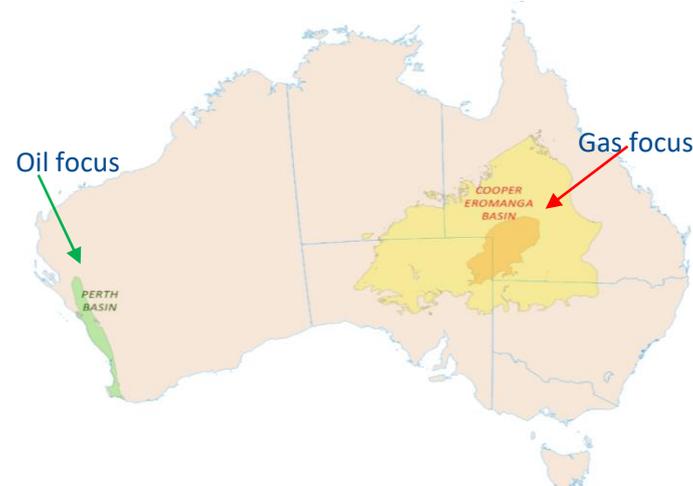
¹ As at 30 Sept 2021

Substantial shareholders & Board

Glennon Capital Pty Ltd	10.50%
Keybridge Capital Limited	8.86%
Aurora Funds Management Limited	5.82%
Board and Senior Management	3.43%
Top 20	43.72%
Total shareholders	2,165

Source: Link Market Services (6 Dec 2021)

Quality exploration/appraisal portfolio Cooper/ Perth Basins



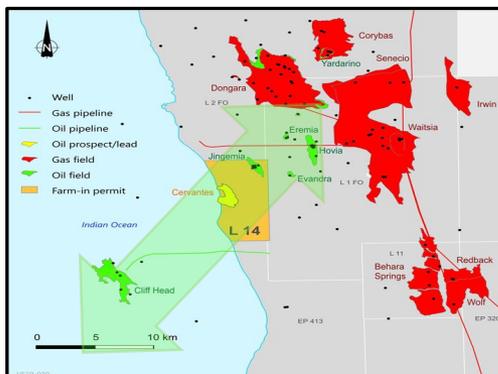
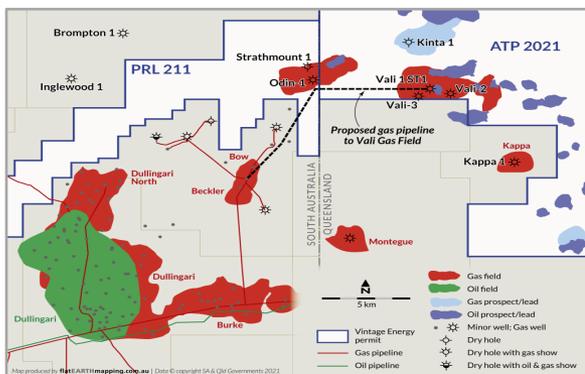
Metgasco's Strategy is to deliver shareholder returns from current and new E&P assets/investments and be the partner of choice

Achievement Summary since CY2020 AGM

Cooper Eromanga
ATP2021 /PRL211

Perth Basin
L14- Cervantes

Corporate



- ✓ April-Vali-2 appraisal well drilled - gas pay in Toolachee and Patchawarra
- ✓ June -Vali-3 appraisal well drilled –gas pay in Toolachee and Patchawarra
- ✓ Nov- Three Fold increase in independently assessed Vali gas reserves to 2P- 101 PJ*
- ✓ Dec-AGL HoA up-to 16PJ/ \$15mill pre-pay
- ✓ May- Odin-1 well drilled gas pay in Toolachee,Epsilon and Patchawarra formations.
- ✓ Sept -Odin-1 contingent resources upgraded to gross 2C – 36.4 Bscf**
- ✓ Oct/Nov -Odin-1 well test delivered stabilised conventional gas rate of 6.5MMscfd(WHP 1823psi - 28/64”choke)

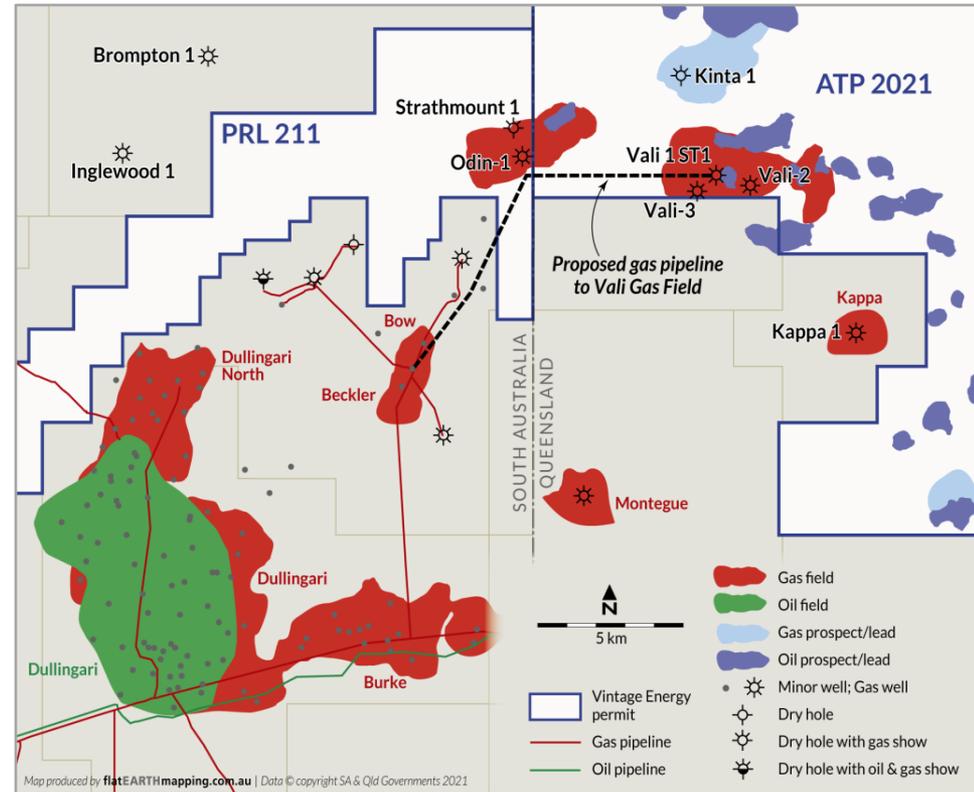
- ✓ Government environmental regulatory approvals significantly advanced and anticipating approval before end CY21
- ✓ Jan -All stakeholder land access approvals achieved.
- ✓ Well planning significantly advanced including purchase and delivery of long lead items.
- ✓ Service company contracts being prepared and nearing completion
- ✓ Sept -Letter of Intent signed with Strike Energy for a rig slot option on Ensign 970 Q2 CY22
- ✓ Q4 – Preparing rig sharing agreement and Ensign contract documentation

- ✓ Following Dec CY2020 AGM approval 20 million shares in Byron Energy(ASX “BYE”) In Specie- Distribution completed to MEL eligible shareholders.
- ✓ Remaining Byron Shareholding sold
- ✓ Issue and listing of free 4 cent bonus options to all shareholders
- ✓ Successful entitlement offer to shareholders raising \$4.58 million (excluding costs)
- ✓ Peter Lansom & Ken Aitken appointed to board
- ✓ Metgasco continues to assess value adding corporate and asset opportunities in the Cooper and Perth Basins.

ATP2021- Vali Field Reserves Significantly Upgraded

Three-Fold upgrade of Vali Field Gross 2P Gas Reserves to net 25.2 PJ

- An independent evaluation of the Vali field reserves was completed based on the results of the Vali-2 and Vali-3 appraisal wells
- Independently evaluated Gross 2P reserves of 92 Bscf(101 PJ-25.2 PJ net MEL) versus previous estimate of 30.3 Bscf (33.45-8.4 PJ net MEL)
- Reserves increase for the Patchawarra Formation and addition of the Toolachee Formation
- Recovery of gas sample from Toolachee in Vali-2 confirming conventional gas flow potential



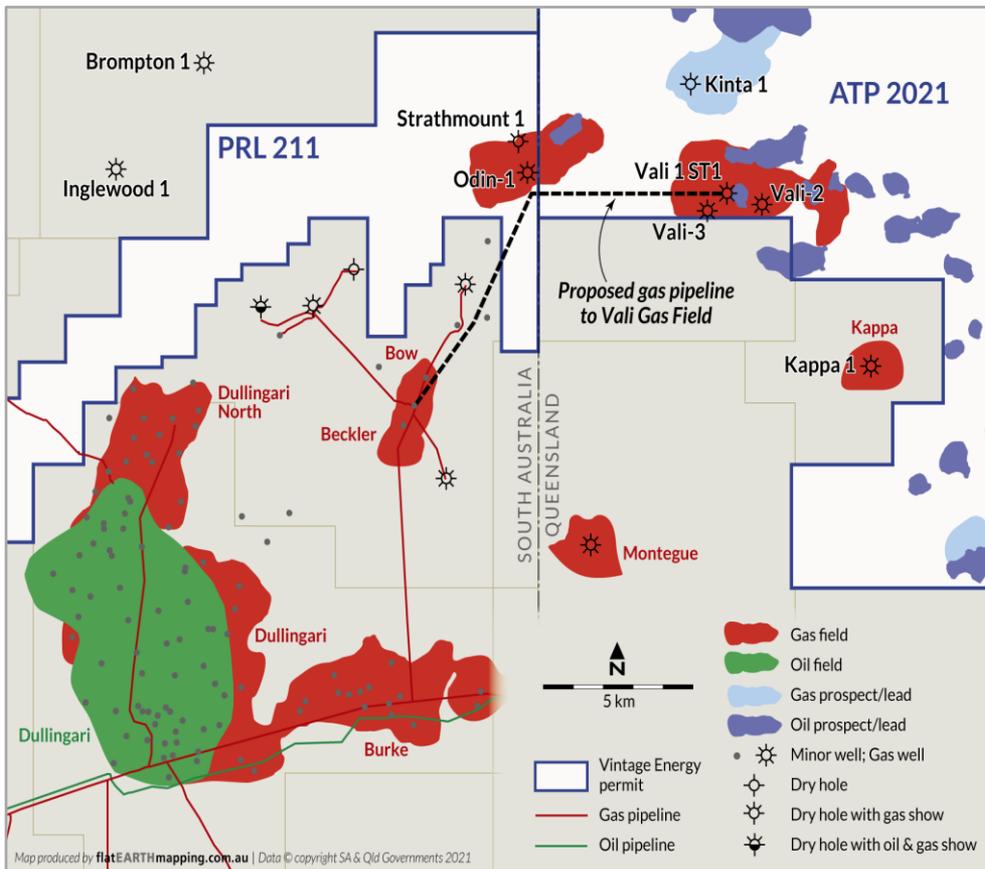
Gross ATP 2021 Vali Gas Field Reserves*			
	1P	2P	3P
Sales Gas (Bscf)	43.3	92.0	191.2
Sales Gas (PJ)	47.5	101.0	209.8

Net Entitlement ATP 2021 Vali Gas Field Reserves*			
	1P	2P	3P
Sales Gas (Bscf)	10.8	23.0	47.8
Sales Gas (PJ)	11.9	25.2	52.4



String of Pearls-Building a sizeable gas production hub

Vali field life approx 30-40 years – 10-15MMscf/day raw gas rate



By assessing the resource upside ahead of first gas has allowed the value of the ATP2021 and PRL211 assets to be optimised, with the following benefits expected to be realised:

- Appropriately sized flowline – by better defining field volumes from the Vali 2/3 and Odin-1 drilling success
- Optimisation of field target plateau gas rate underway
- Vali-2/3 and Odin-1's success has better defined reserve/resource upside in the area surrounding the Vali Field.
- JV currently assessing whether Vali-2 should target initial production from both the Toolachee and Patchawarra
- Planned connection point at Santos operated Beckler field

ATP2021 further gas & oil prospectivity

- Kinta an exciting prospect with gas shows in the Kinta-1 well, drilled in 2003. Similar structure to Vali and Odin requires 3D seismic planned for 2nd half CY22
- Seismic results anticipated to convert numerous gas and oil leads into prospects

The success of the CY21 drilling program has significantly increased the size of the Vali production hub, significantly improving the commerciality of the field. The recent signing of a conditional HoA with AGL is a major catalyst to delivering gas production mid CY2022*.

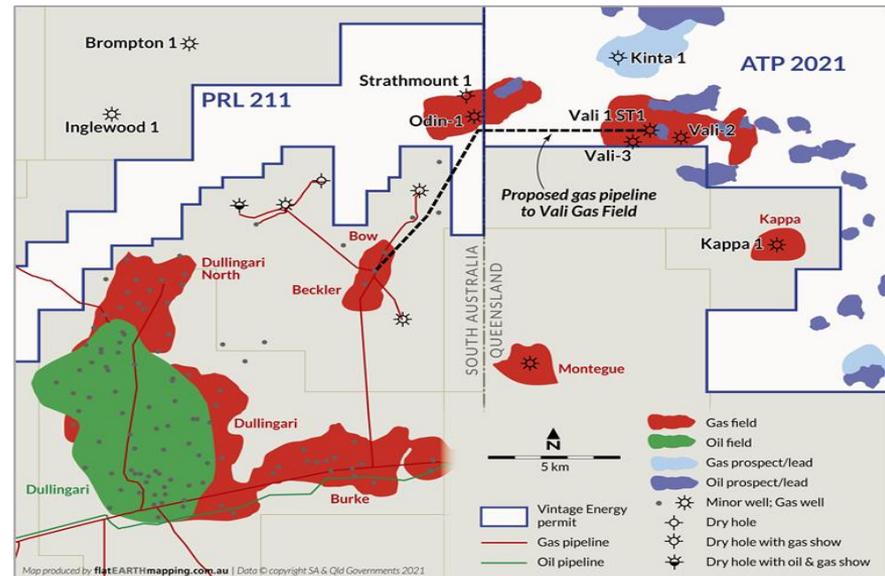
Gas Sales

- Heads of Agreement (HoA) signed with AGL Wholesale Gas Limited (AGL)
- HoA targets parties executing a Gas Sales Agreement (GSA) by year end.
- GSA gas supply term from mid 2022 until end 2026, estimated at between 9 PJ and 16 PJ (gross)
- GSA will include a staged pre-payment by AGL of gross \$15 million for funding the Vali Field work to first gas



Gas Processing Agreement

- The ATP2021 Joint Venture is currently in discussions with gas infrastructure owners, regarding 3rd party access for gas transportation and processing.
- A gas processing agreement is targeted for execution by the end of 2021.



PRL211 Odin Gas Resources Significantly Upgraded

- Independently certified Gross 2C Contingent Resources of 36.4 Bscf (8 Bscf net Metgasco) vs pre-drill estimates of 12.6 Bscf (2.8 net)



- Metgasco(21.25%),Vintage(operator with 42.5%) Bridgeport(21.25%) & Impress Energy(15%)
- Odin-1 drilled Q2 CY21-172.5m gas pay
- 190% increase in pre-drill 2U gross Prospective Resources, confirming Odin as a material gas discovery
- Odin-1 exploration drilled in May CY21 and cased as a gas discovery for future production
- Extensive gas pay in Toolachee and Patchawarra formations, as well as a basal sand in a secondary target in the Epsilon Formation
- Gas samples recovered from the Toolachee and Epsilon formations
- Potential gas production from the Odin Field could be tied-in to the Vali production network

Gross Odin Gas Field Contingent Resources (Bscf) (14 September 2021)*

	1C	2C	3C
Total	18.5	36.4	71.7

Net Odin Gas Field Contingent Resources (Bscf) (14 September 2021)*

	1C	2C	3C
PRL 211	2.2	4.35	8.55
ATP 2021	1.85	3.65	7.15
Total	4.05	8.00	15.7

PRL211 Odin-1 Well Test Results

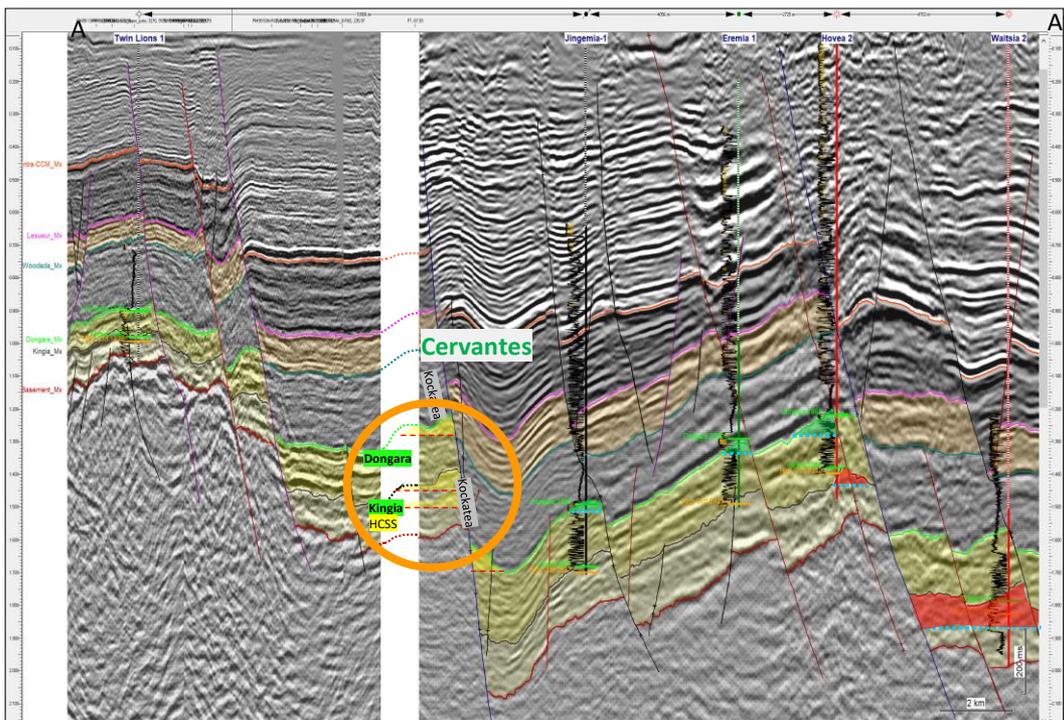
- Gas Flow Rate of 6.5 MMscfd at FWHP of 1823 psi on 28/64” choke
- A production log confirmed that all perforated zones were contributing gas



- A total of 26.6 metres over five intervals in the Toolachee Formation were perforated, along with 7.5 metres over two intervals in the Epsilon Formation
- The main flow period was carried out for circa 6 days and the final gas flow rate of 6.5MMscf/d and 38 bwpd (interpreted to be water of condensation) at a Flowing Well Head Pressure (FWHP) of 1823 psi.
- Flowing samples from both zones have been collected and are being analysed
- A 15 day pressure-build up was completed for pressure transient testing
- A memory production log was run and confirmed that all zones were contributing gas production
- A downhole shut-in gauge survey completed. Pressure data being analysed

Perth Basin – Cervantes – L14

Potentially one of the largest undrilled oil opportunities in the Perth Basin (Gross P50 OOIP 35mmbls), with geological similarities to nearby discoveries



Exploration Key Data	
Country	Australia
Basin	Perth Basin
Licence	L14 Western Flank Cervantes
Prospect Targets	Cervantes-1 + right to second exp farm-in
Farm-in Promote	Farm in for 30% for funding 50% of 1 st well-2 nd well option on same terms.
Cervantes Owners	MEL 30%(well op),RCMA 40%,VEN 30%
Target Information	TD: ~2500-2700 Md Primary Targets: Kingia/HCSS/Dongara
Gross Prospective Resource-see table	P50: OOIP 35mmbls and Recoverable 15.6 mmbls, (arithmetic sum of Permian Zones)
Estimated spud date	Subject to rig availability & government regulatory approvals.
Proximity to Infrastructure	3km to Jingemia Plant – oil processing deal already in place

- Locally prolific Kingia Sandstone at shallowest depth in onshore Perth Basin and potential oil bearing
- An independent report by RISC (refer Metgasco announcement 4 October 2019) calculated the Mid/P50 prospective resources on the Cervantes prospect of gross 17.4 mmbls representing a 14% increase on the P50 estimate of Metgasco
- The regional cross section illustrates the tilted fault blocks of the hydrocarbon bearing Perth Basin
- Cervantes-1 similar structural features with successful wells due east

Prospective Resources

Prospect	Reservoir	OOIP mmbls			Recoverable mmbls		
		Low (P90)	Best (P50)	High (P10)	Low (P90)	Best (P50)	High (P10)
Cervantes	Dongara SS	7.7	14.9	28.5	3.7	7.4	14.6
	Kingia SS	5.5	17.8	54.0	2.2	7.1	22.3
	HCSS	0.3	2.2	13.8	0.1	0.8	5.0
L14 100%		13.6	34.9	96.3	6.0	15.3	41.9
Metgasco 30%		4.1	10.5	28.9	1.8	4.6	12.6

*Prospective Resources Announced 10 September 2019.

*refer to resource notes page 15

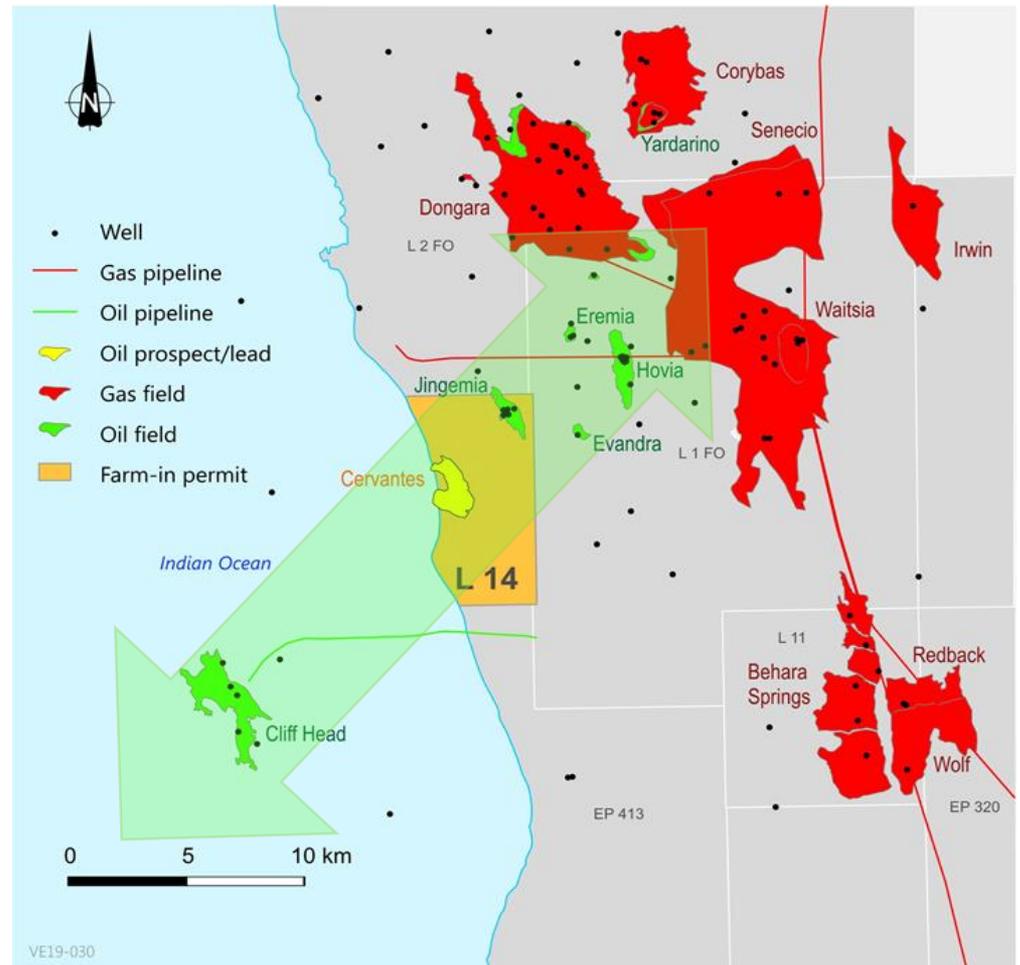
Perth Basin – Cervantes Oil prospect located in oil trend

Cervantes in good address for oil

- Jingemia-1 intersected a 26m water bearing good porosity sand of Kingia/High Cliff Sand(outside of structural closure) reducing the risk of sand presence in Cervantes.
- Cervantes structure significantly shallower than Jingemia
- Cervantes structure located in the gap between the oil discovery trend of the Hovea, Jingemia and Cliff Head Oil fields
- Permian sandstone reservoir targets prolific producers in the Perth Basin
- Total oil produced from nearby fields in excess of 27 MMbbl of oil

Well Planning Status

- ✓ Government environmental regulatory approvals significantly advanced and anticipating approval before end CY21
- ✓ All stakeholder land access approvals achieved.
- ✓ Well planning significantly advanced including purchase and delivery of long lead items.
- ✓ Service company contracts being prepared and nearing completion
- ✓ Letter of Intent signed with Strike Energy for a rig slot option on Ensign 970
- ✓ Currently preparing rig sharing agreement with Strike and Ensign contract documentation
- ✓ Anticipate well spud in Q2 CY22 subject to regulatory approval and signing rig agreements



Cervantes well COS of 28% with high chance of development due to proximity(3Km) to Jingemia production facility.

Conclusions – Upcoming share price catalysts

- **Near term operational, corporate and macro news flows will provide a number of share price catalysts**

Vali Gas Sale Agreement <i>ATP-2021</i>	Execute a Gas Sales Agreement (GSA) with AGL by the end of CY21, including a gas pre-payment of \$15M.
Odin-1 Well Test Analysis <i>PRL211</i>	PRL 211 partners to finalise analysis of Odin-1 Test Results and review field commercialisation options
Milestones to achieve FID on Vali Prod Hub <i>ATP-2021</i>	Complete pipeline tie-in detailed design . Agree processing and tie-in agreement with Santos. Purchase long lead equipment . Targeted in Q4 CY2021.
Secure Cervantes-1 Drilling Rig <i>Perth Basin L14</i>	On receiving environmental approval proceed to sign binding drilling rig contract by end Q4 CY2021. Finalise drilling plans and regulatory approvals targeting spudding well in Q2 CY2022
1st Gas Production <i>Vali Production Hub</i>	Install and commission gas pipeline and associated infrastructure to target 1 st gas sales by mid CY2022
Plan seismic program and/ or drilling targets in ATP2021 /PRL211	Plan land access for 3D seismic program in 2 nd half CY2022. Review potential to drill additional gas and shallow oil prospects in ATP2021/PRL211 and select new drilling targets during CY2022.

Conclusions -Why should you invest in Metgasco?

- **Metgasco represents compelling value**

Since 2016, the company has **pivoted to growth** while also returning nearly **\$20m** in cash and shares to its shareholders

Metgasco's board has "walked the walk" in prioritising total shareholder returns - and will continue to do so in the future

Metgasco has a market cap of ~\$23m, with ~\$3.7m cash, presenting very cheap entry to a compelling suite of assets

Near term gas production and further development upside in the Cooper Basin is arguably heavily undervalued

Transformational Cervantes prospect (L14) is arguably not reflected in Metgasco's valuation

Growth focused board and management with proven business development expertise

*Metgasco's business transformation is **just beginning**, with the board actively focused on new opportunities alongside project delivery*

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- Competent Person Statement: The reported Perth Basin prospective resource estimates are based on information compiled or reviewed by Dr. R. Willink who holds a PhD and a BSc (Hons) in Geology and is a member of AAPG and PESA. Dr. Willink is a Non-Executive director of Metgasco and is currently an Advisor on Exploration of the privately-owned Timor Resources and has worked in the petroleum industry as a practicing geologist for over 40 years. Dr. Willink has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.
- Competent Person Statement : The reported Vali field gas reserve and Odin contingent resource estimates are based on information compiled or reviewed by Adam Becis , Principal Reservoir Engineer with ERCE. ERCE is an independent consultancy specialising in petroleum reservoir evaluation. Except for the provision of professional services on a fee basis, ERCE has no commercial arrangement with any other person or company involved in the interests that are the subject of this contingent resource evaluation.