

ASX / MEDIA RELEASE

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High Impact Perth Basin Cervantes-1 Oil Exploration Well to Spud in March

- Metgasco has secured the Ensign 970 rig and full environmental approvals for the high impact Perth Basin Cervantes-1 oil exploration well
- Strong oil prices (Brent + 17% year to date and +57% over the last twelve months) underpin extremely robust success-case project economics
- Cervantes-1 targets 15.3 million barrels of oil(mmbbls) of P50 Prospective Resource (Metgasco net 4.6 mmbbls)
- Civil works and drill pad preparation commencing immediately

Metgasco Ltd (ASX:MEL) ("Metgasco") (the Project Manager) is pleased to confirm that it has secured the Ensign 970 drilling rig and comprehensive environmental approvals for the Cervantes-1 exploration oil well, situated in the onshore Perth Basin Licence L14 (Metgasco farminee and Project Manager).

The Cervantes oil prospect is on trend with the Cliff Head, Jingemina and Hovea oil fields. The structure is a high side fault trap similar to other fields in the basin. The well will target Permian sandstone reservoir targets which have been prolific producers in the Perth Basin (see Figure 1 below).

As announced by Metgasco on 10 September 2019, Cervantes is assessed to contain Gross recoverable Prospective Resources (P50) of 15.3 million barrels of oil. (4.6 million barrels net to Metgasco)

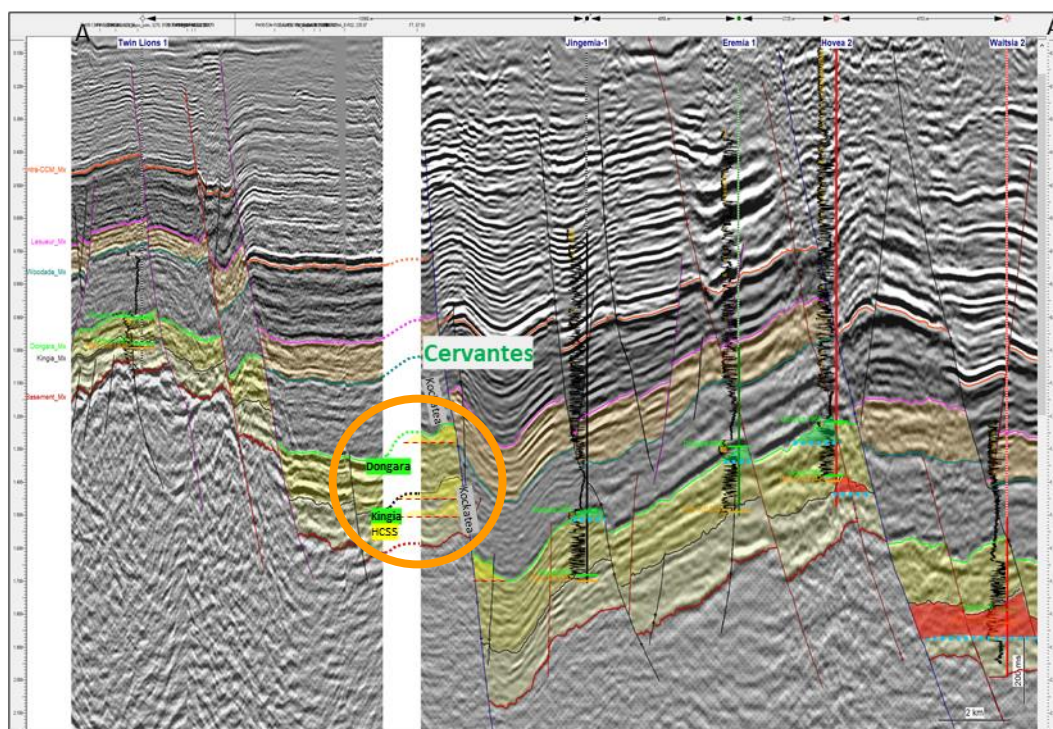


Figure 1 Seismic cross section indicating Cervantes fault trap

Ken Aitken, Metgasco Managing Director, commented:

"I am pleased to have finalised environmental approvals and executed agreements to secure the Ensign 970 drilling rig to drill Cervantes-1 in the 2nd half of March. The Ensign 970 has an impressive track record in safely and efficiently drilling exploration wells for other operators over the last circa 18 months in the Perth Basin. Cervantes-1 with a P50 15mmbbls prospective recoverable resource is one of the largest remaining oil prospects in the onshore Perth basin. Combine the size of the prize with the current oil price of over \$90 US/bbl (the highest in seven years) and its clear to see the potential of a truly transformational commercial outcome for Metgasco shareholders on exploration success."

The Cervantes-1 well is to be drilled by the L14 Cervantes Joint Venture (CJV) comprising Metgasco (30%), Vintage Energy Ltd ("Vintage") (30%) and RCMA Australia Pty Ltd ("RCMA"), (40%). Metgasco is earning its stake in any Cervantes discovery in the targeted Permian reservoirs through funding 50% of the cost of Cervantes-1 (with Vintage to fund the remaining 50% to earn its stake).

Metgasco's Perth based management team are seconded as Project Managers to L14 operator of record RCMA, with drilling management services supplied by Aztech Well Construction Pty Ltd.

All environmental approvals to drill the Cervantes-1 oil exploration prospect now been received from government regulatory authorities. RCMA has signed a drilling contract with Ensign (Ensign Australia Pty Ltd) for the 970 drilling rig which is currently operating in the Perth Basin.

Preparatory site works at Cervantes-1 will commence this week in preparation for the arrival of the Ensign 970 drilling rig at Cervantes in mid-March (subject to rig availability following the immediately preceding well) with spud to occur in the latter half of the month.

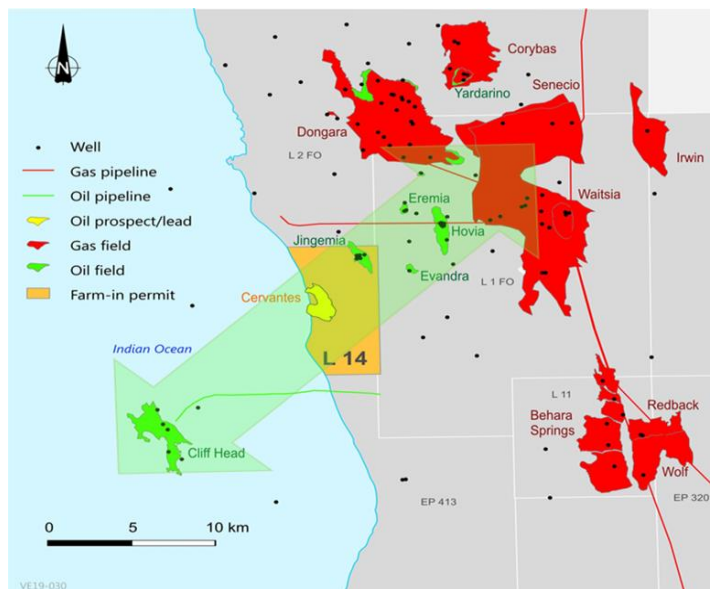


Figure 2 Cervantes prospect location

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

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