



ASX / MEDIA RELEASE

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Metgasco signs binding agreement to farm-out a further 25% of ATP 2021

The Board of Metgasco Ltd (Metgasco, or, the Company) is pleased to announce that it has executed a binding Farm-in Agreement with Bridgeport (Cooper Basin) Pty Ltd (“the farminee”), a highly experienced Cooper/Eromanga focussed JV party, in respect of its Cooper/Eromanga Basin asset ATP 2021.

Metgasco will be free carried through the first exploration well on ATP 2021 planned for Q4 CY 2019, and will retain a 25% non-operated interest.

- The Agreement provides for the farminee to earn a 25% non-operated interest in Metgasco’s Cooper/Eromanga Basin licence ATP 2021. The Farm-Out Agreement terms provide for the farminee to:
 - Fund 32.5% of the first exploration well drilled, up to a maximum joint venture gross cost of \$5.3 million (with the farminees share being up to \$1.72 million);
 - Fund 32.5% of Metgasco’s share of future exploration costs in relation to ATP 2021 up to a maximum cap of \$A812,000 gross (A\$263,900 net)
- The contribution from the farminee in respect to the well and exploration costs are anticipated by end Q1 CY 2020
- The Farm-Out Agreement is binding, and subject to certain standard formal conditions including ministerial approval and license registration, with Metgasco and the farminee expecting final licence transfer documentation by October 2019.

This farm-out agreement with Bridgeport and the previously executed agreement with Vintage Energy (refer to ASX announcement 22 May 2019) provides the following key benefits to Metgasco shareholders:

- Metgasco costs are 100% free carried for the drilling of the Vali-1 exploration well planned for Q4 CY 2019,
 - The interest and quality of the JV parties have increased Metgasco’s expectation that the prospects and leads identified in ATP 2021 are highly prospective for both gas and oil,
 - The farminee has agreed to provide Metgasco access to their regional technical data analysis for review by the ATP 2021 JV as part of their contribution to the joint operations.
- ATP 2021 (Figure 1) is a 370km² permit located on the Queensland side of the Cooper- Eromanga Basin and is highly prospective with drill ready prospects identified by 3D seismic. Within 20km of the permit boundary are oil and gas fields with associated pipelines and facilities that have produced over 600BCF of gas and 11MMbbl of oil.

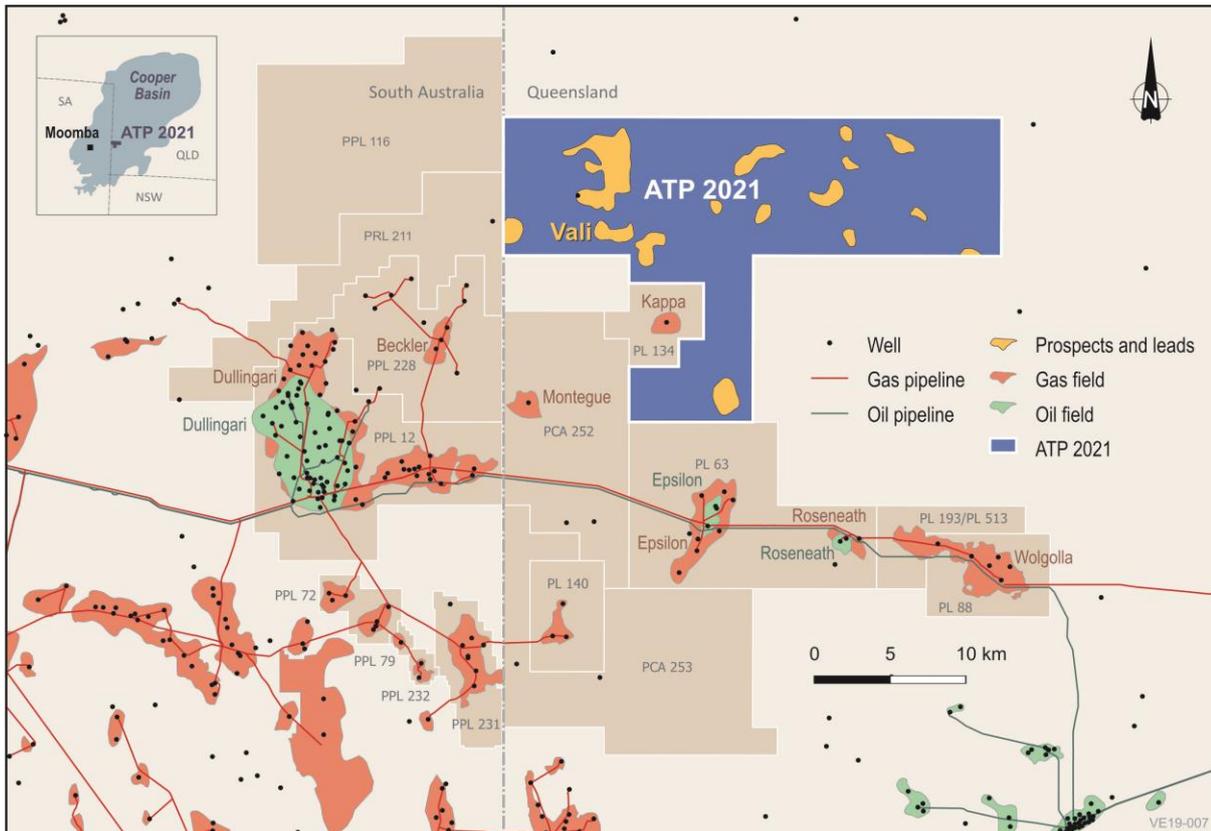


Figure 1: ATP 2021, regional production and infrastructure

Ken Aitken Metgasco Chief Executive Officer commented:

“Metgasco is pleased to have attracted a company of the calibre of Bridgeport to invest in the exploration potential of ATP 2021. I look forward to working with Bridgeport’s team in the ATP 2021 joint venture.

This farm-out to Bridgeport endorses Metgasco’s view that ATP 2021 has high exploration prospectivity and the potential to support material hydrocarbon discoveries and we look forward to drilling Vali-1 before the end of the year.”

Contact and further information:

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

ENDS

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