

# METGASCO

The background of the slide is a photograph of a desert landscape. It features rolling sand dunes under a warm, orange-hued sky, suggesting a sunset or sunrise. Two bare, dark trees are silhouetted against the sky, one on the left and one on the right. The overall mood is serene and expansive.

## RIU Good Oil Conference Presentation

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ASX: MEL

SEPTEMBER 2019

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# Company snapshot

## Metgasco is an active exploration company poised for growth

### Company overview

- Experienced team focused on building value in the business
- Exploration focus in onshore Cooper and Perth Basins in Australia
- Recent farm-in basin entry to Northern Perth Basin L14
- MEL has successfully executed out two farm-out deals Cooper/Eromanga ATP2021 to gain a free carry on highly prospective gas exploration well
- Leveraged to successful GOM player Byron Energy via circa 7% stock ownership and SM74 exploration licence
- The Company continues to review business development opportunities

### Financial information

Share price (10 Sep 2019)	A\$0.044
Number of shares	390.6m
<b>Market capitalisation</b>	<b>A\$17.19m</b>
Cash <sup>1</sup>	A\$0.406m
BYE Shares <sup>2</sup>	A\$18.62m
BYE SM74 Settlement (30 Sep)	A\$1.75m

1 As at 30 Jun 2019

2 As at 10 Sep 2019

### Substantial shareholders & Board

Keybridge Capital Limited	20.22%
M&A Advisory Pty. Ltd.	19.59%
Board and Senior Management	1.68%
Top 20	59.37%
Total shareholders	2,169

Source: Link Market Services (6 Sep 2019)

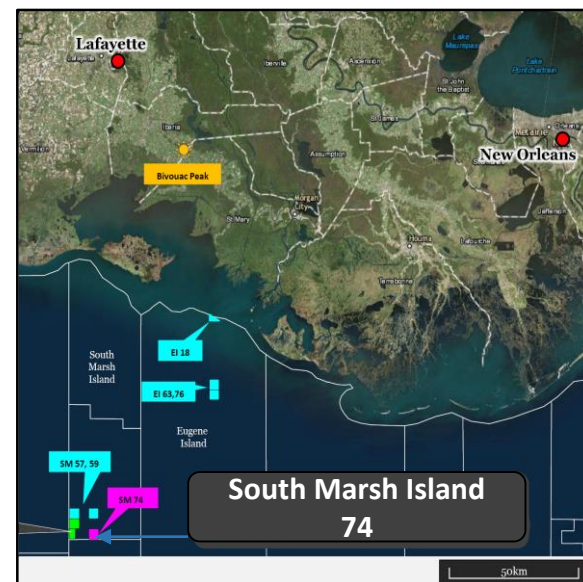
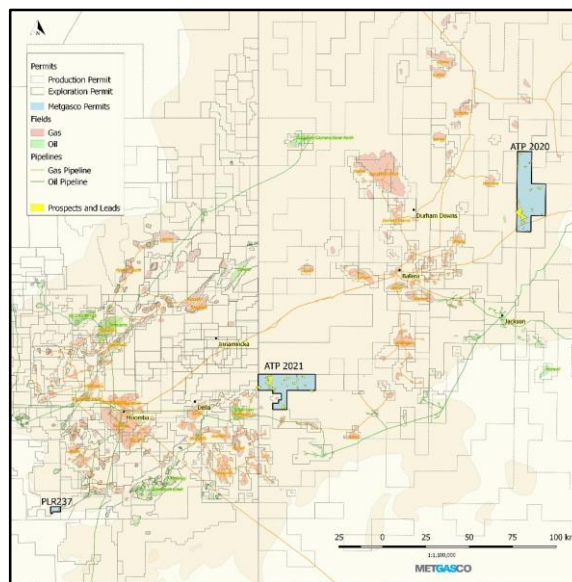
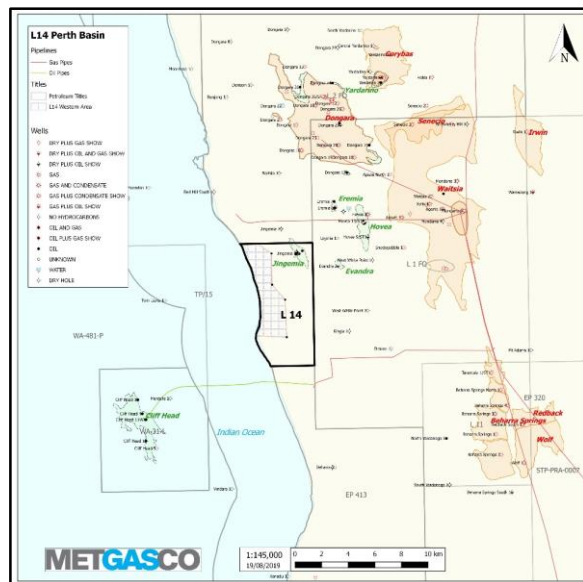
### Share price performance since disposal of NSW assets



Graph takes into account MEL's 2.5c per share, \$9.96m capital return to shareholders in November 2016

# Metgasco: Strategy / Asset Overview

**Strategy - Deliver shareholder returns from current and new E&P assets/investments and be the non-operator of choice**



## Onshore Perth Basin

- Exploration farm-in right for up-to 2 exploration wells in L14 by paying 100% to earn 60% equity in any discovery
- Exercise right Well 1- 15/11/19, drill by Q3 CY 2020
- Well 2 exercise right Q2-Q4 CY2020..same terms Well 1

## Cooper/Eromanga Basin

- 3 permits - 2 non-op /1 op
- ATP2021 (25%) - drilling on Vali-1 well in Q4 CY 2019
- ATP2020 (100%) - farm-out process underway
- PRL 237 (20%)

## USA Gulf of Mexico

- Circa 7% Byron ownership
- 2 wells drilled by Byron in last 12 months - disappointing results
- SM74 (30%) - review further permit potential
- Relinquished leases on Bivouac Peak

# Achievements over the past 12 months

Significant achievements have been made in the last 12 months in 3 focus areas

## Byron Energy GOM JV

- ✓ Drilled Weiss Adler-1 well in Sep/Oct 2018 - No hydrocarbons encountered
- ✓ Drilled SM74 D-14 well in May/Jun 2019 - Non commercial hydrocarbons found
- ✓ Byron repaid loan and \$2 mill of debt converted to shares
- ✓ In Jul 2019 10 million options exercised at \$0.25 becoming circa 7% shareholder
- ✓ Significant value retained in Byron equity ownership

## Cooper Eromanga Basin

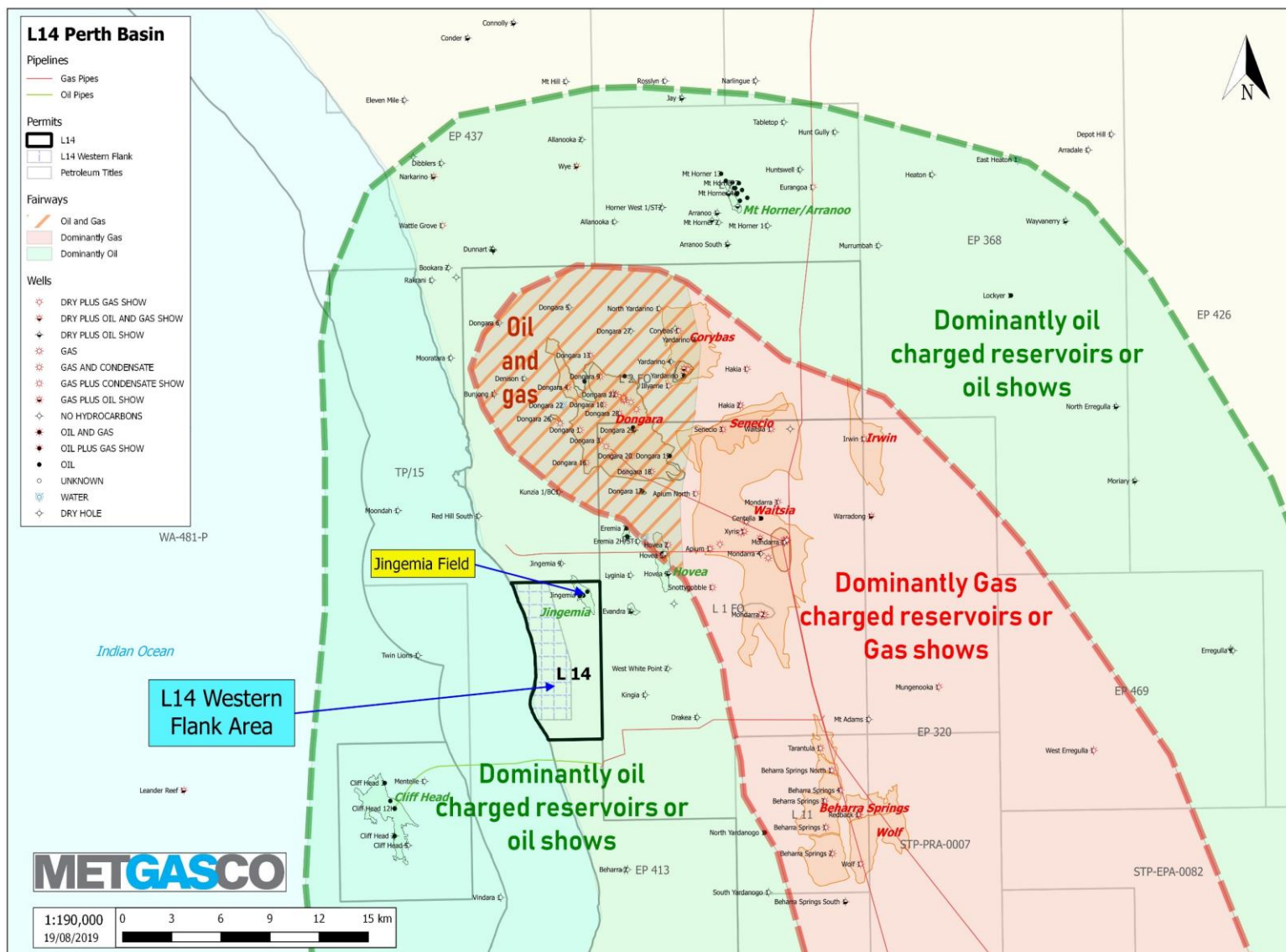
- ✓ ATP2021 and ATP2020 prospectivity reviewed and farm-out process initiated
- ✓ Two 3D defined gas prospects identified. Prospective resources announced in Nov 2018
- ✓ A number of shallow oil leads identified in ATP2021
- ✓ ATP2021 farm-out agreed with Vintage Energy in May, for operatorship and 50%
- ✓ Farm-out 25% to Bridgeport in Aug, free carried on Vali-1 exploration well with 25% interest remaining
- ✓ Plans underway to drill Vali-1 late Q4 2019

## Corporate

- ✓ Highly experienced focused Board and management team
- ✓ Reviewed numerous business development opportunities in onshore Australia assets
- ✓ In Sep 2019 signed Perth Basin exploration farm-in deal with RCMA in the Western Flank of the Perth Basin. Deal terms allow up to two exploration wells to be drilled
- ✓ Cervantes and Western Brush prospects mapped by Metgasco, Prospective resources announced
- ✓ Plans underway to drill 1<sup>st</sup> well

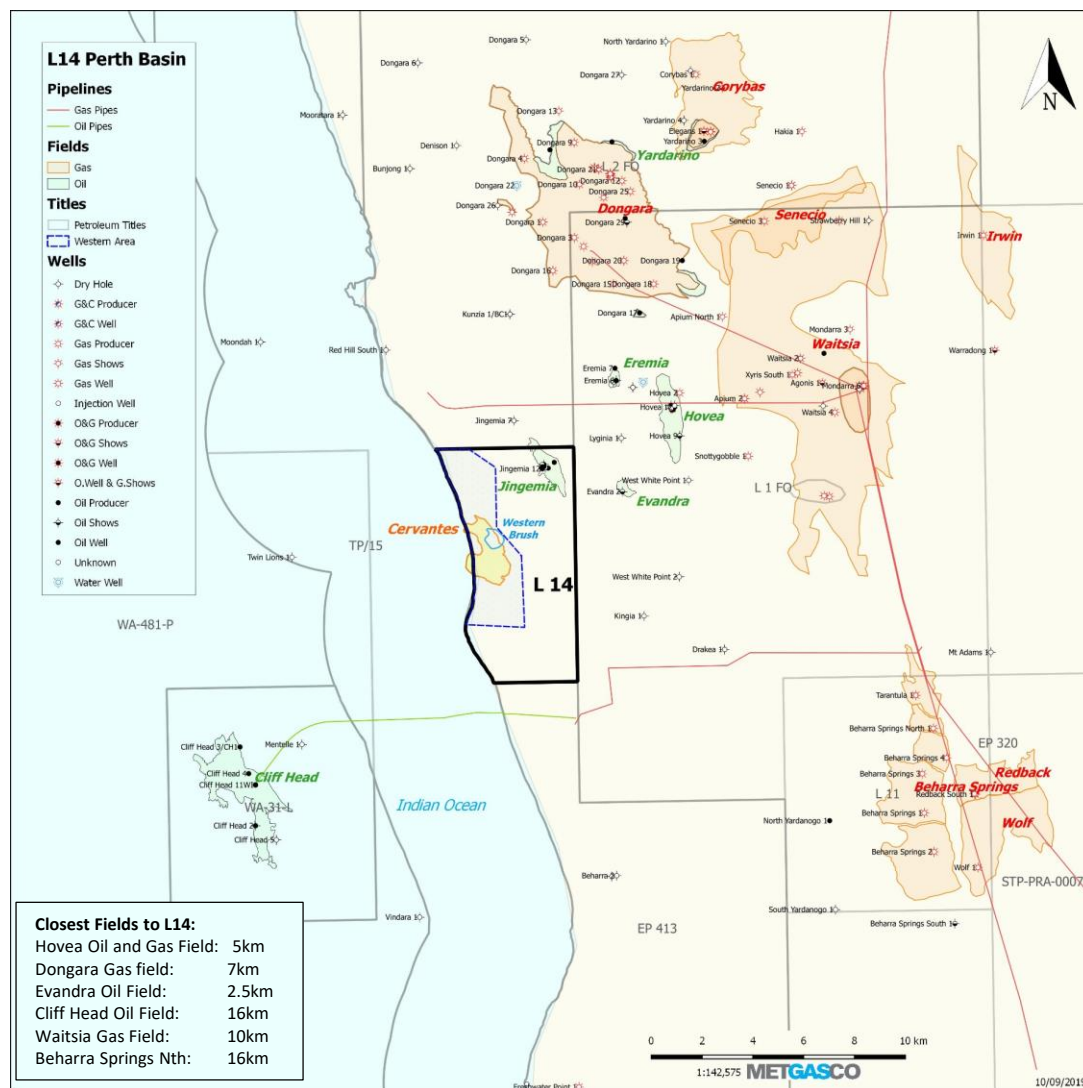


# Perth Basin: L14 - High Rate Oil/Shallow Kingia Dongara



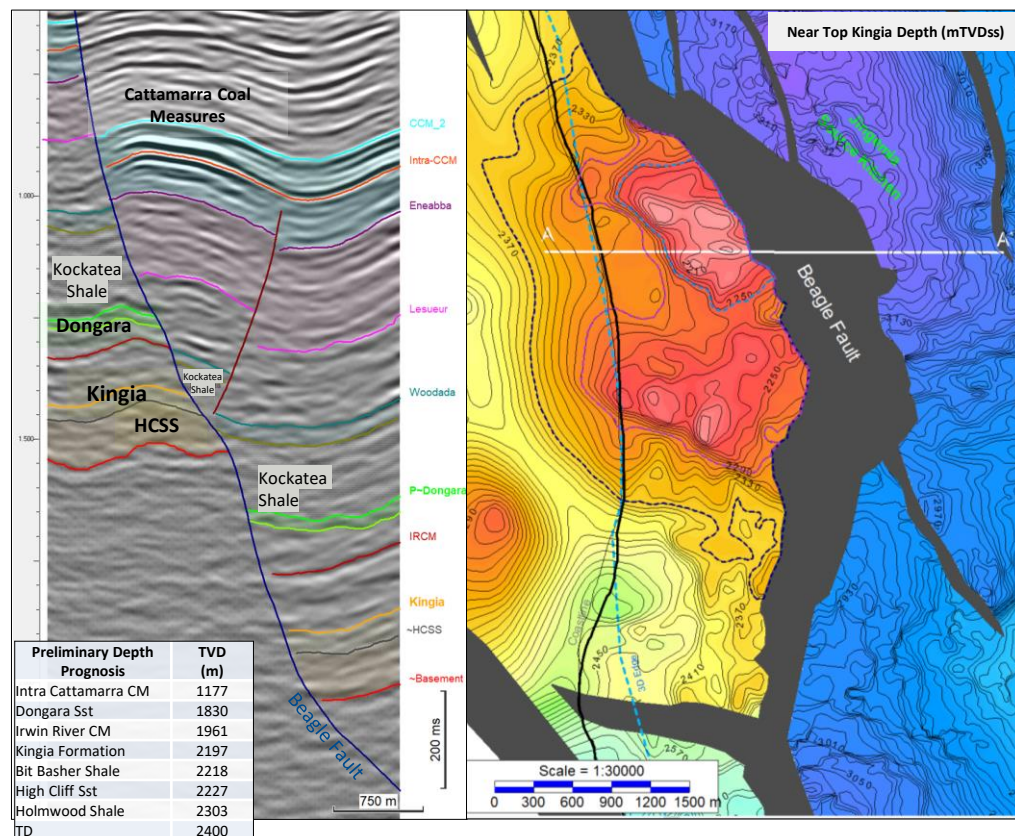
# Perth Basin: L14 - RCMA farm-in deal

- Metgasco has secured the right (exercisable by 15th Nov 2019) to drill one exploration prospect in the L14 Western Flank in the period to Q3 CY 2020. With this commitment to drill to the High Cliff formation Metgasco earns a 60% equity interest in commercial discoveries associated with the prospect drilled by paying 100% of well costs.
- Metgasco may, with the first well committed, elect to drill one further well on the same terms on a single remaining uncommitted prospect in the L14 license area (uncommitted @ time of Metgasco firm commitment), with that right being exercisable between April and December 2020.
- Sub-surface work has confirmed a significant number of prospects across L14 including the 3D seismically defined conventional oil prospects Cervantes & Western Brush estimated to potentially have up to 15.6 mmbo\* of gross recoverable prospective oil resources within four sands across the two prospects.
- Metgasco is intending to commit to the Cervantes prospect and drill it by the end of Q3 2020.
- Jade has seconded Metgasco as exploration manager for the Cervantes drilling campaign.
- Both Jade and Metgasco are inviting investors into this project for the drilling of the Cervantes prospect for up to a 30% participating interest & data rooms have been opened for due diligence.



# Perth Basin: L14 - Cervantes/Western Brush prospects

Potentially one of the largest undrilled oil opportunity in the Perth Basin (Gross P50 OOIP 36mmbo), with geological similarities to nearby discoveries



- Locally prolific Kingia Ss at lowest depth in onshore Perth Basin and potential oil bearing

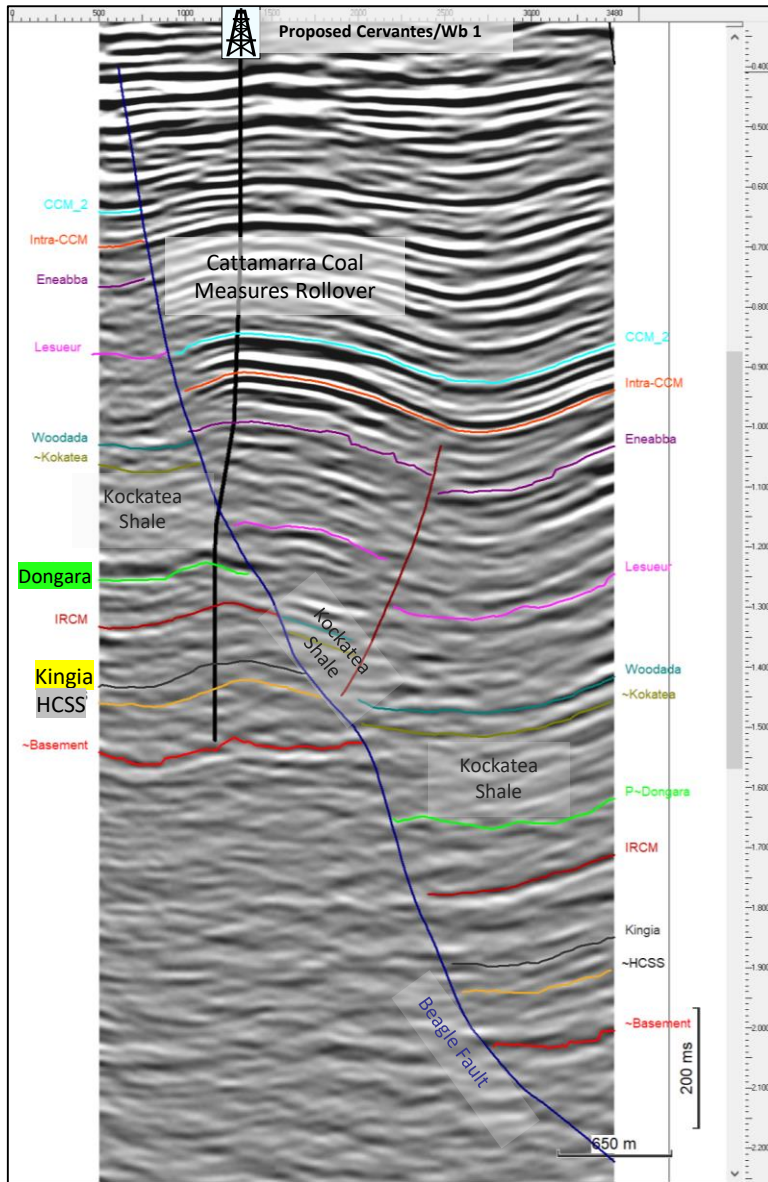
Exploration Key Data	
Country	Australia
Basin	Perth Basin
Licence	L14 Western Flank
Prospect Targets	Cervantes and potentially Western Brush
Licence Entry L14	Farm in for 60% for funding 100% of 1 <sup>st</sup> well
Licence Owners	RCMA 40% (Operator), Metgasco 60%
Target Information	TD: ~2500mMd Primary Targets: Kingia/HCSS/Dongara Ss/Cattamarra
Gross Prospective Resource	P50: OOIP 36.4mmbo and Recoverable 15.6 mmbo, (arithmetic sum of 4 Zones) across 2 prospects
Spud date	3Q CY 2020
Proximity to Infrastructure	3km to Jingemina Plant – processing & sale and purchase structure in place

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
Western Brush	Cattamarra	0.3	1.5	6.0	0.04	0.2	1.0
L14 100%		13.9	36.4	102.3	6.0	15.6	42.9
Metgasco 60%		8.3	21.8	61.4	3.6	9.3	25.8

\*Prospective Resources Announced 10 September 2019.



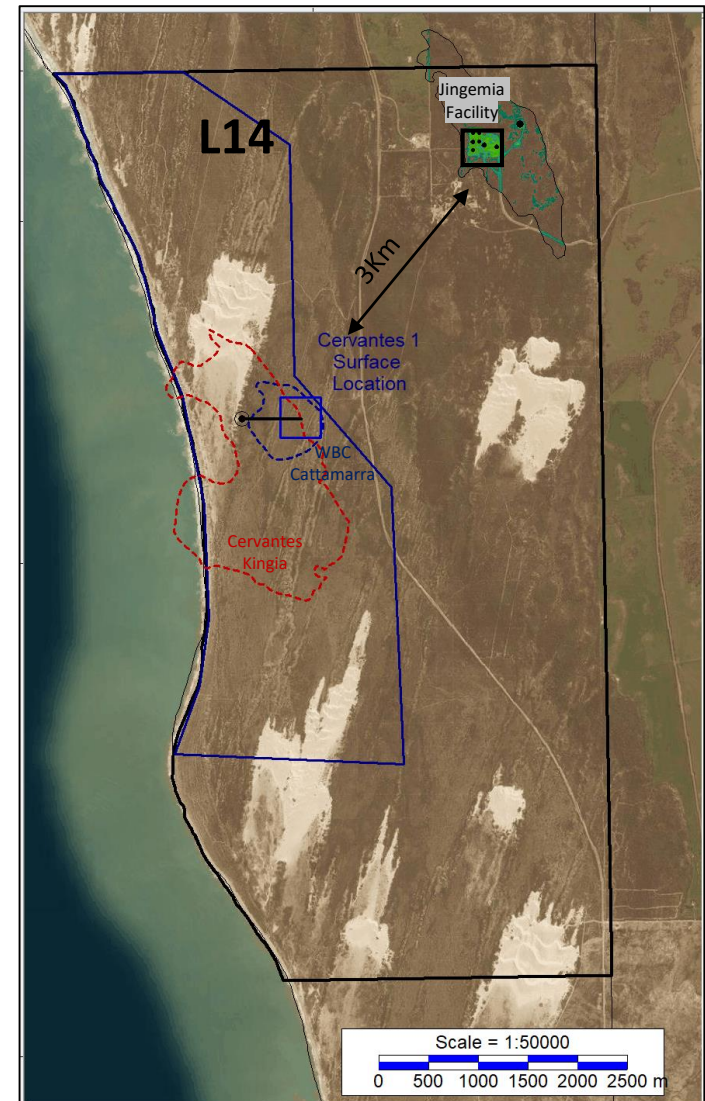
# Cervantes/WB: four chances for a large oil discovery!



- This well design would target two prospects and test 3 different hydrocarbon intervals in Cervantes being the Dongara, Kingia and High Cliff formations & potentially the Cattamarra formation in Western Brush
- Cattamarra rollover feature is generally associated with deeper Permian discoveries.
- High quality Kingia/High Cliff sands at shallowest depths in the onshore North Perth Basin
  - Oil mature Hovea shales can directly 'face-load' Permian sands
- If discovery solid economics, low cost of development-high profit margin at current oil price
- Rapid path to market (3-6 months) via tie back to Jingemia plant, farm-in agreement allows oil processing and purchase arrangement.
  - 3km from Jingemia oil processing plant with circa 6,000bopd of processing capacity
  - First processing right after Jingemia crude utilising approximately 5000 bpd of spare crude capacity
  - Jade has a purchase right for all crude processed on market terms less transport and an agreed 3<sup>rd</sup> party processing tariff
- Further exploration potential via right to farm-in for a 2<sup>nd</sup> well in any uncommitted prospect in the L14 license area (exercisable between Apr to Dec 2020)

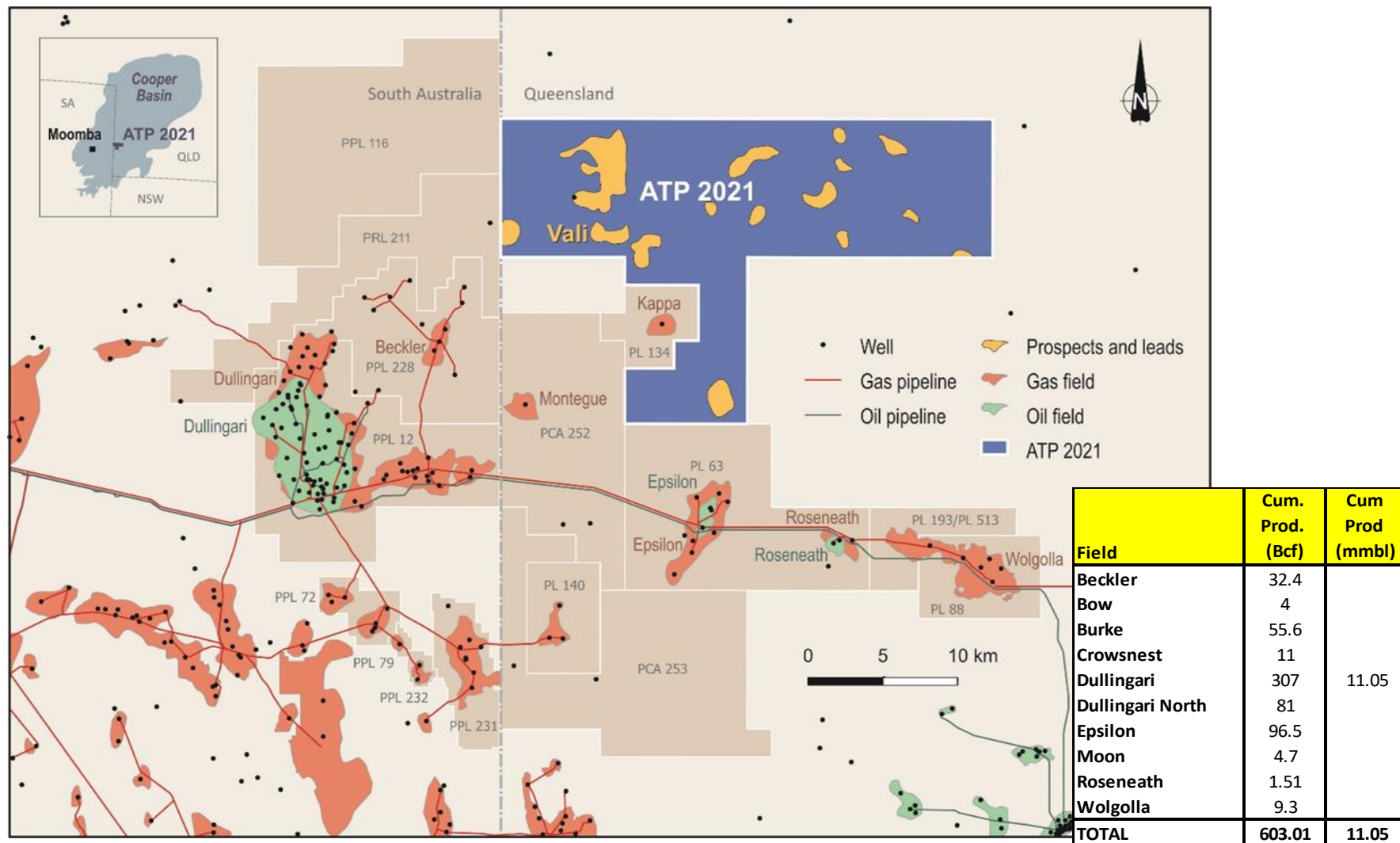
# Perth Basin: L14 planning to drill Cervantes/WB 1

- Early engagement for environmental approvals due to drilling within nature reserve
- Jade has initiated discussions with other Perth Basin operators on a drill club for a well that can drill to 2900m
- Data rooms have been setup to secure a JV partner for 50% of the well cost for up to a 30% participating interest in Cervantes
- Metgasco 1<sup>st</sup> well option commitment deadline 15<sup>th</sup> of November 2019
- Metgasco has been seconded as exploration project manager by Jade for the term of drilling
- Expected spud in Q3 CY 2020
- Further exploration work to enable selection and timing of 2<sup>nd</sup> well in 2020



# Cooper Basin ATP2021 - Local fields and prospects

ATP2021 surrounded by commercial gas and oil fields – Cumulative gas prod of ~600Bcf within 20km of permit boundary





# Cooper Basin ATP2021 - Metgasco free carry on Vali-1

**Metgasco has successfully achieved a free carry on the Vali-1 well via successful farm-outs to Vintage (operator and 50%) and Bridgeport (25%)**

- **May 2019 Vintage farm-in terms:**

- Pays 65% of cost of Vali-1 well to earn 50% interest and operatorship
- Contribute a further \$527,800 to future exploration costs
- Fund of \$70,000 of 2D/3D seismic re-processing

- **August 2019 Bridgeport farm-in terms:**

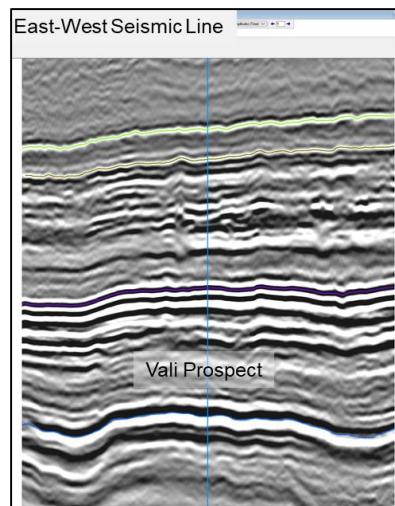
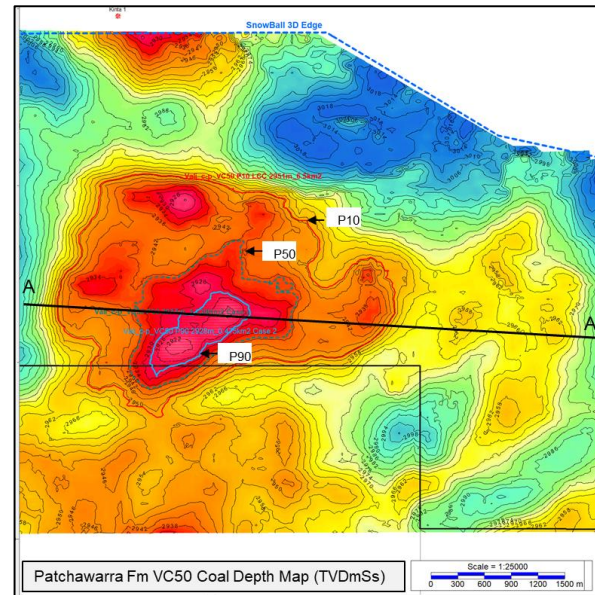
- Fund 32.5% of Vali-1 well to earn 25% interest
- Contribute a further A\$263,900 to future exploration costs

- **Metgasco free-carried for Vali-1 well**

- Large structure, 3D defined, with potential thick Permian gas charge sands, 5km to infrastructure, and access to eastern states high gas prices

- **The Vali-1 well will target sandstone reservoirs in the Toolachee and Patchawarra formations**

- Planned spud late Q4 CY 2019

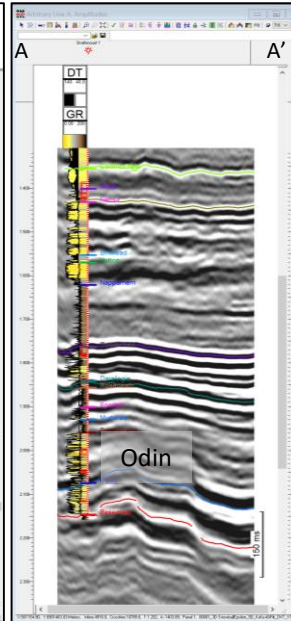
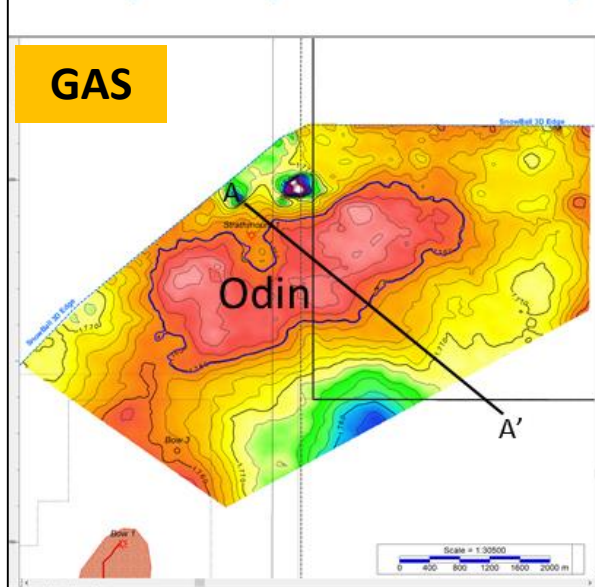


- Robust anticline mapped on recently acquired 2016 3D Seismic
- Dual primary targets of the Toolachee and Patchawarra Formations
- The closest well Kinta-1, ~3km to the north, intersected gas charged sands in both the Patchawarra and Toolachee intervals.
- Vali is close to existing gas and oil infrastructure and pipelines.



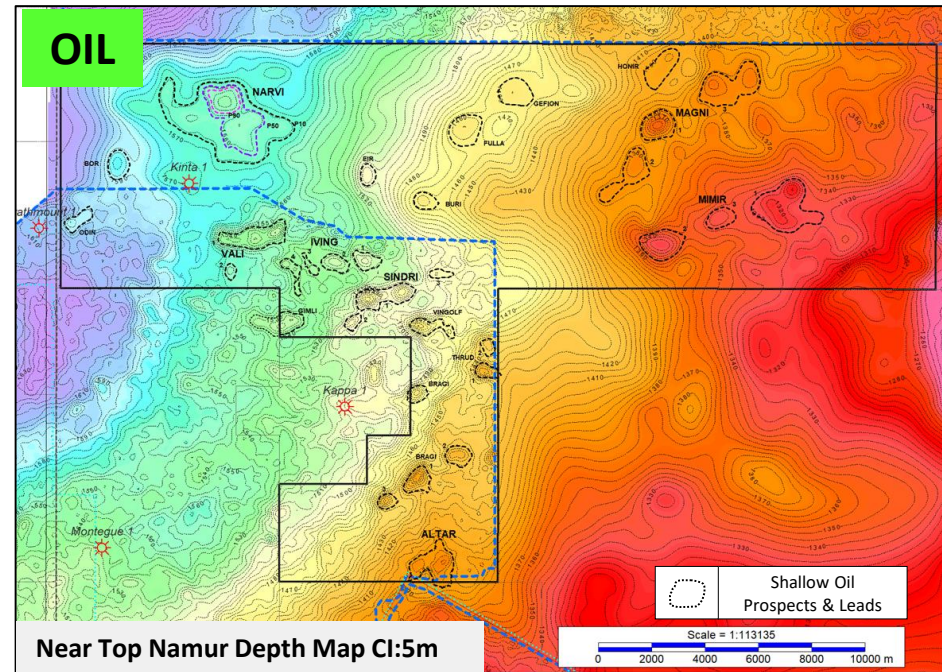
## Odin prospect - 3D defined gas prospect + significant number of shallow oil potential leads

Odin Prospect TWT Top Toolachee Structure Map



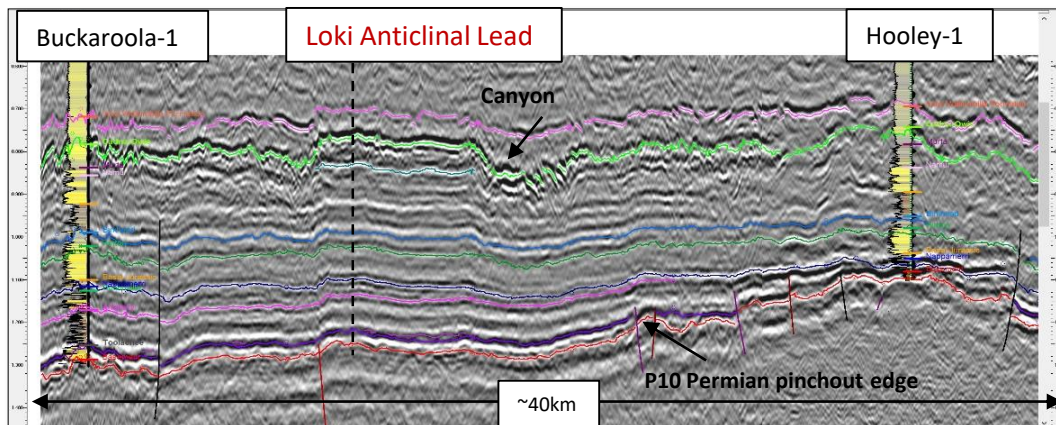
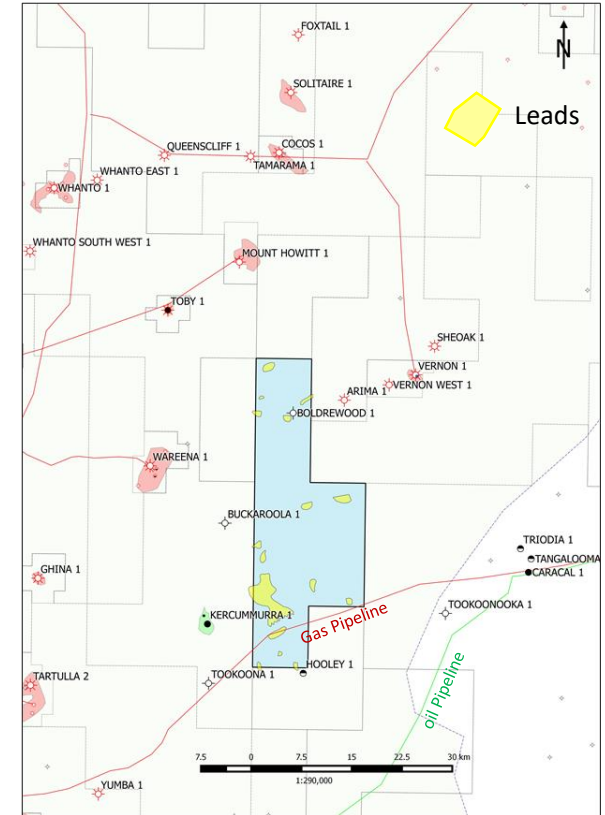
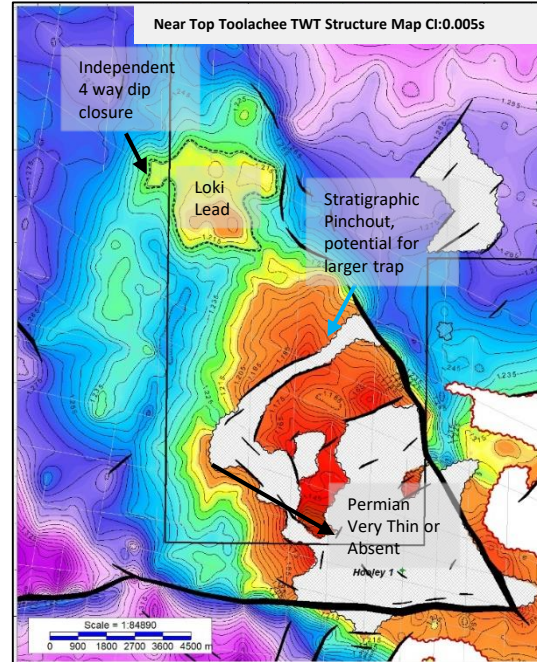
- Robust anticline with dual gas targets at the Toolachee and Patchawarra Formations mapped in 3D.
- The closest well is Strathmount-1 drilled downdip of the Odin crestal location at both Toolachee (~15 downdip) and Patchawarra Formations (~55m downdip)
- Strathmount-1 tested gas in the Patchawarra Formation and Tirrawarra Sandstone at RTSTM.

- 11mmbls of oil has been produced from the Murta Fm and the Namur SS locally at the Dullingari field
- Shallow oil leads to be converted to prospects after seismic reprocessing and JV alignment



## Overlooked, underexplored area with shallow oil and gas potential close to infrastructure

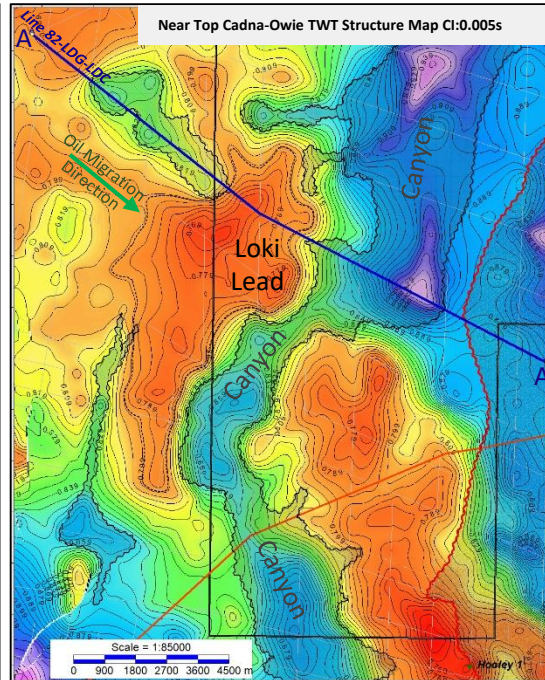
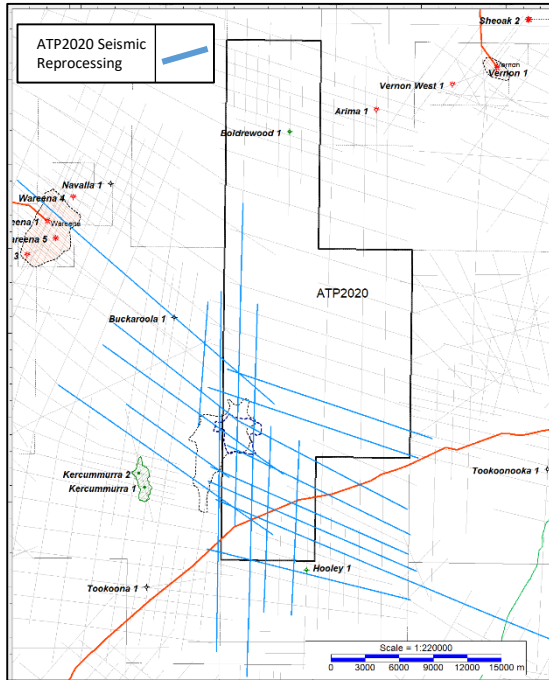
Exploration Key Data	
Country	Australia
Basin	Cooper/Eromanga
Licence	ATP2020
Well	Loki Lead
Licence Entry	QLD Government Gazettal
Licence Owners	Metgasco 100%
Native Title Agreement	In place
Target Information	TD: ~1750mMD. Primary Targets: Cret - Jurassic sands for oil, Toolachee Formation for gas
Indicative P50 OGIP + OOIP	17Bcf + ~ 13 mmbbls
Estimated Spud date	Subject to securing JV partner
Proximity to Infrastructure	Pipeline traverses permit



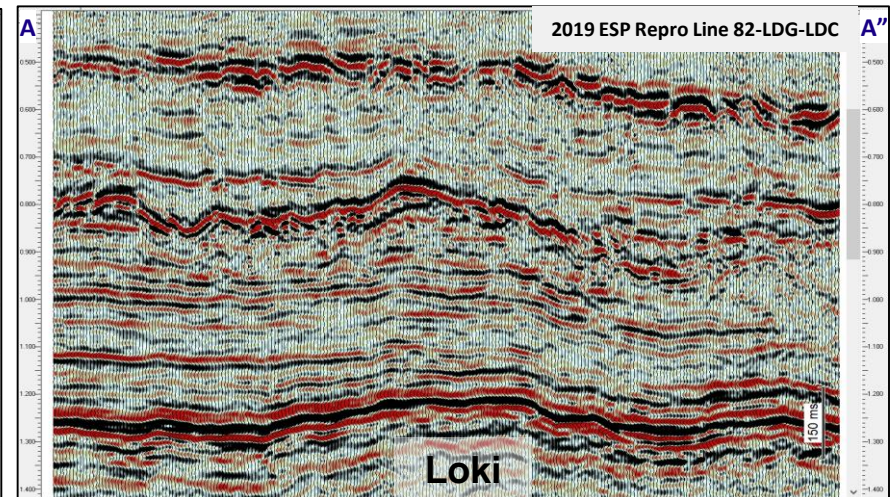
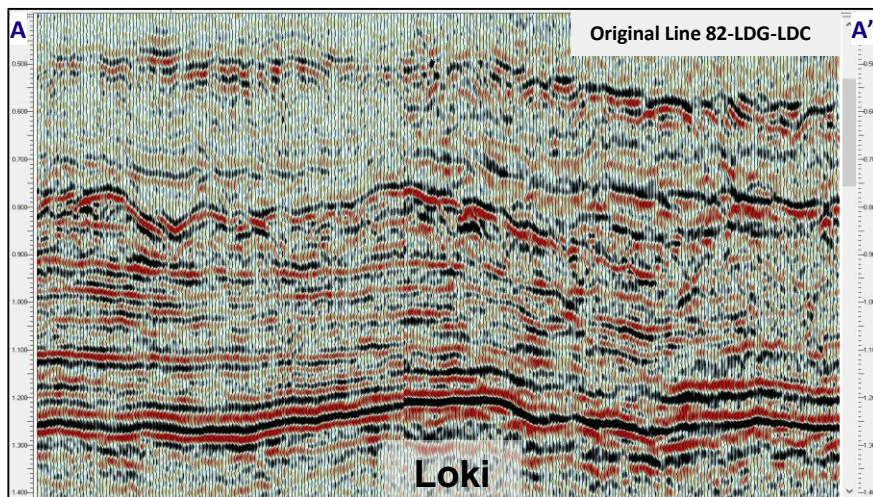
- Ongoing interpretation work on recently reprocessed seismic
- Securing farm-out partner



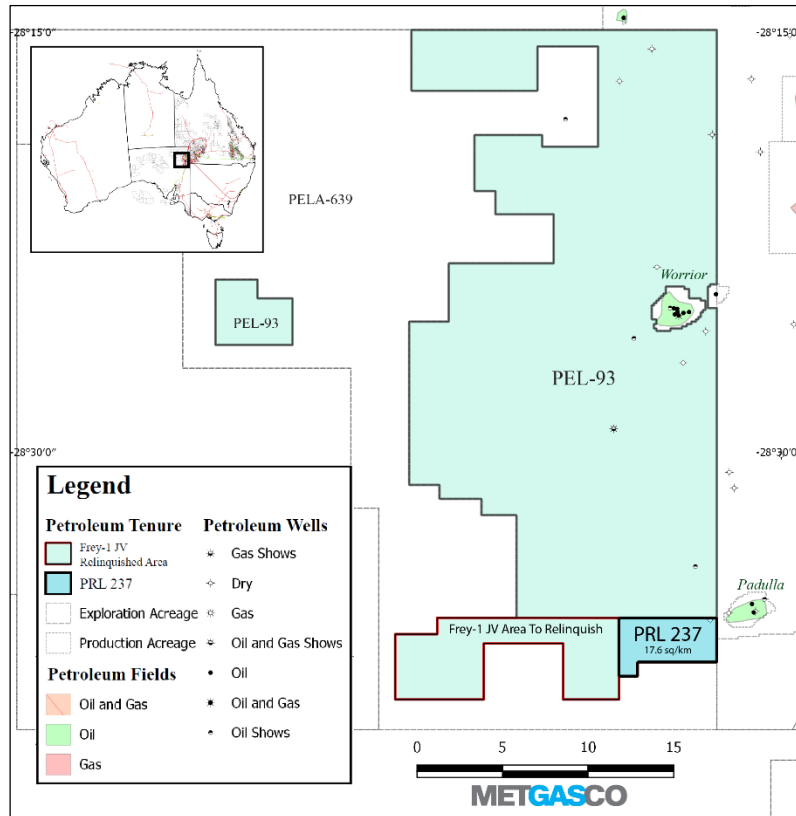
# ATP2020 Seismic repro - Sharper enhancement!



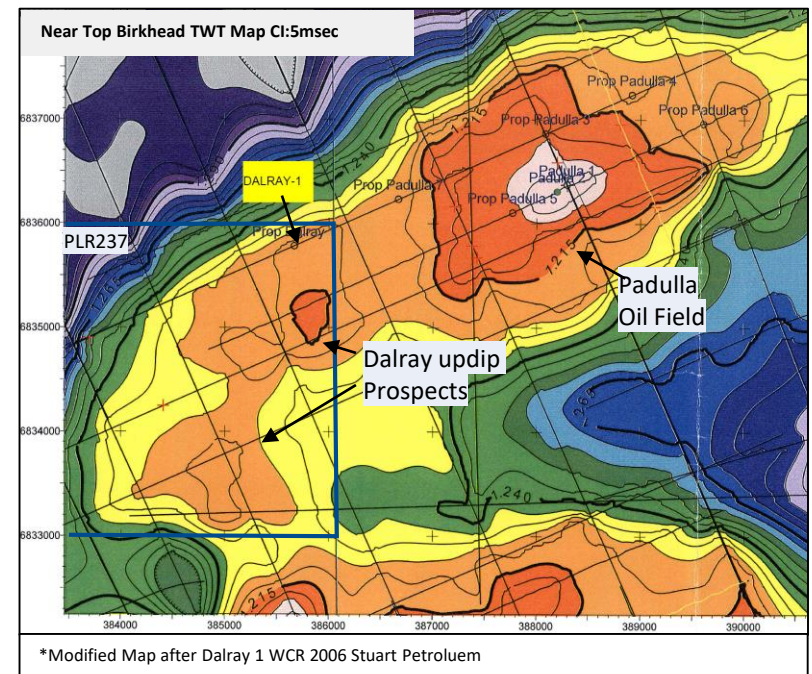
- Re-processing of 2D seismic over the Loki Lead has been completed.
  - There is a significant improvement in the quality of the newly reprocessed seismic.
  - The data has improved the resolution of pinch-outs, allowing a better definition of the Permian zero-edge.
  - Reprocessed 2D has defined potential barrier canyon behind Loki, implications being to hold up oil migration from west into Loki
- 2D defined large structure with dual targets.
  - Gas P50: 18BCF with upside of 65BCF
  - Oil P50: 13.5 mmbbls
  - Coincident crests can be tested by low cost well in 2nd half of 2020 (TD ~1750m)







- The Dalray updip prospect is located within PRL237 and is on the same structural trend as the Padulla Oil Field
  - Dalray 1 drilled in 2006, had oil shows over 18m of Murta.
  - Any valid traps in PLR237 are next in line to receive spill-up charge from the Padulla Oil Field.
  - JV decision to progress activity deferred to FY2021

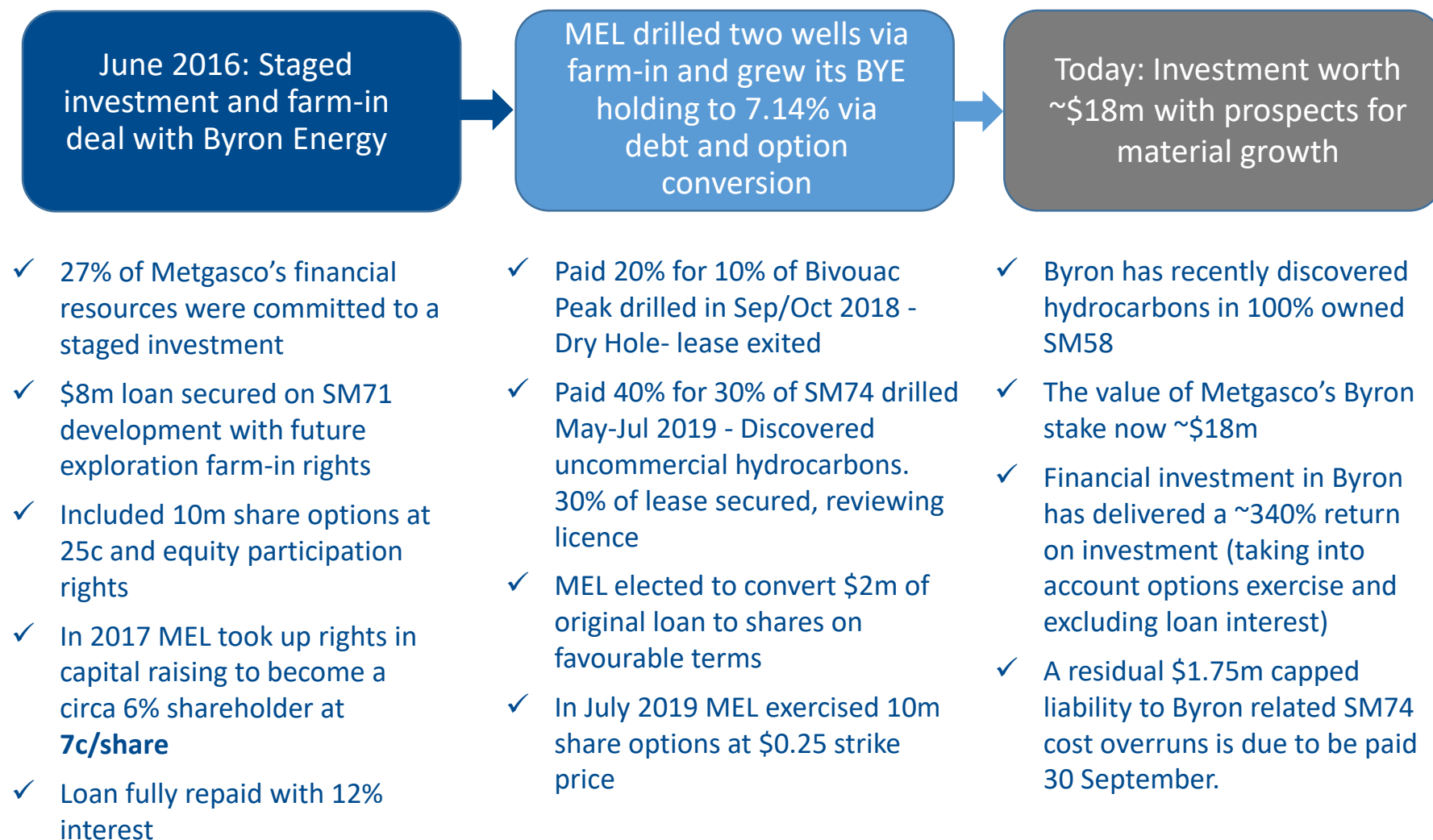


Exploration Key Data	
Country	Australia
Basin	Cooper/Eromanga
Licence	PRL237 (formerly Frey-1 JV Area)
Well	Dalray updip Prospect
Licence Entry PRL237	Farm in for 20% for funding 30% of Frey-1
Licence Owners	Senex Energy (operator) 60%, Cooper Energy 20%, Metgasco 20%
Target Information	Primary Target: Namur SS
Proximity to Infrastructure	2km to closest production (Padulla)

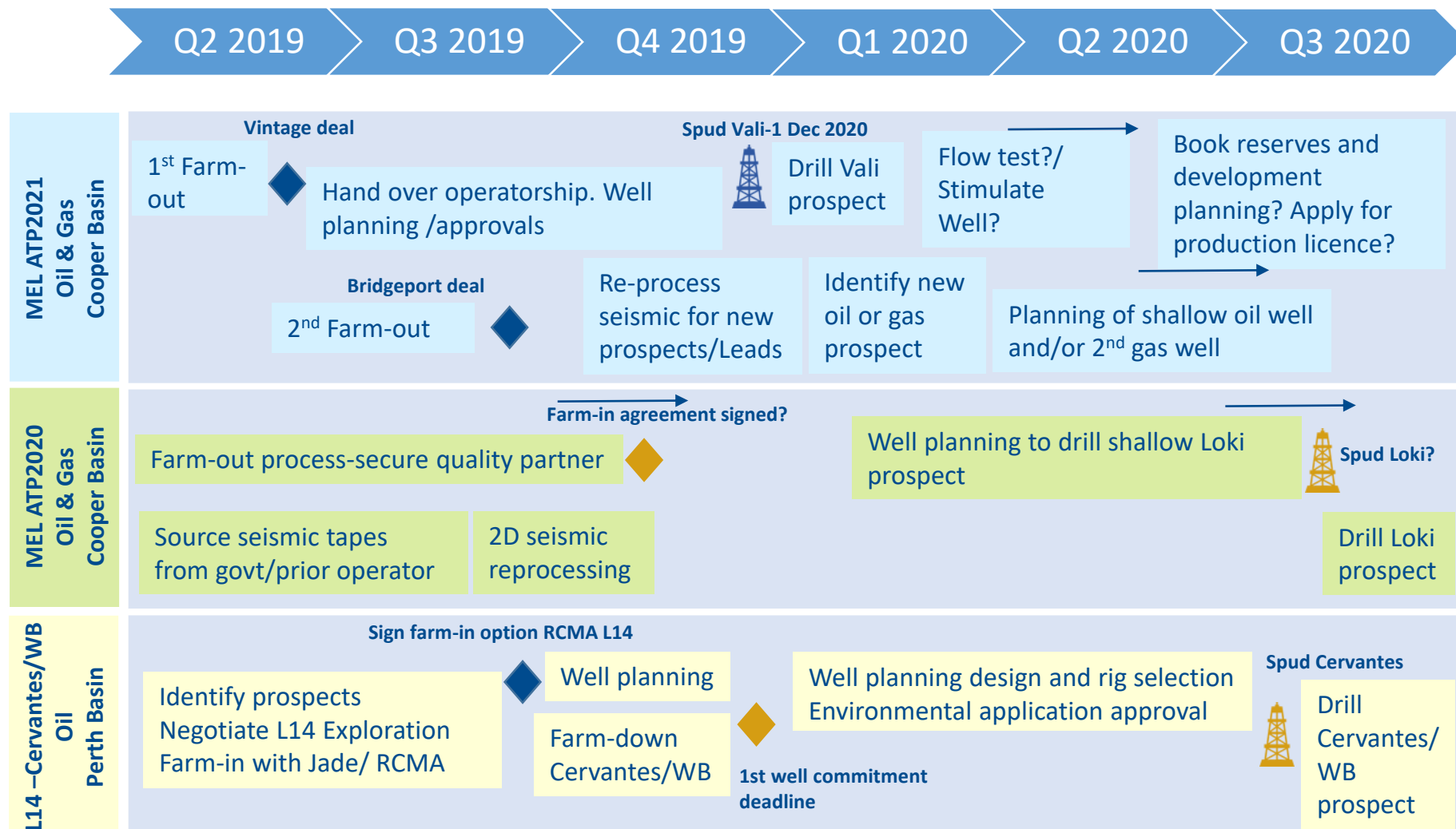


# Byron Energy: A strategic investment for growth

Metgasco's 3+ year investment relationship with Byron Energy has delivered strong returns to our shareholders, despite exploration disappointments in the Gulf of Mexico



# 2019/2020 Indicative exploration timeline



Past/future committed milestone



Milestone dependent on new partner and/or funding

# Conclusions - Upcoming investment highlights

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

**Cervantes/WB Farm-down**  
*Perth Basin L14*

MEL has initiated a farm-out process to reduce financial exposure to paying 100% of the Cervantes/WB well cost

**Cervantes/WB Drilling Commitment**  
*Perth Basin L14*

MEL seconded by RCMA as exploration well project manager to drill a high COS well in an oil prone basin by Q3 CY2020

**Farm-out of ATP2020**

In the process analysing re-processed seismic which will be a catalyst to farm-out up to 50% of the ATP2020 licence

**Drilling Vali-1 prospect**  
*ATP2021*

Planning underway to drill Vali prospect on ATP2021 in late Q4 CY 2019. On success well test/stimulate and tie back rapidly

**Complete ATP2021 2D Seismic Re-Processing**

Determine shallow oil prospectivity by Q1 CY 2020. Identify shallow Jurassic oil prospect in CY 2020

**Identify 2<sup>nd</sup> PB Well**  
*Perth Basin L14*

Further G&G work on numerous leads and prospects to identify 2<sup>nd</sup> optional well on L14 licence

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- Cautionary statement prospective resources: the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- 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.