



## Announcement Summary

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**Entity name**

METGASCO LTD

**Announcement Type**

New announcement

**Date of this announcement**

13/3/2023

**The Proposed issue is:**

☒ A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	OPTION EXPIRY 14 MARCH 2026	160,000,000

**Proposed +issue date**

14/3/2023

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

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**1.1 Name of +Entity**

METGASCO LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

**1.2 Registered Number Type**

ABN

**Registration Number**

24088196383

**1.3 ASX issuer code**

MEL

**1.4 The announcement is**☒ New announcement**1.5 Date of this announcement**

13/3/2023

**1.6 The Proposed issue is:**☒ A placement or other type of issue



## Part 7 - Details of proposed placement or other issue

## Part 7A - Conditions

**7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?**

☒ Yes

## 7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	30/11/2023	<input checked="" type="checkbox"/> Estimated	No

## Comments

There are no external approvals required.  
The options will be issued in two tranches, comprising of 159,582,712 options issued under ASX LR7.1 and 417,288 options issued subject to shareholder approval at the next Annual General Meeting of Shareholders.

## Part 7B - Issue details

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

☒ New class

**Will the proposed issue of this +security include an offer of attaching +securities?**

☒ No

## Details of +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

☒ No

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

☒ No

**ASX +security code**

New class-code to be confirmed

**+Security description**

OPTION EXPIRY 14 MARCH 2026



### +Security type

Options

### Number of +securities proposed to be issued

160,000,000

### Offer price details

#### Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

#### Please describe the consideration being provided for the +securities

Options are being issued as part of the consideration for the debt facility entered into by the Company and ongoing availability of drawdown funds during the availability period with no line fee.

159,582,712 Options will be issued to loan note holders on the initial draw down of the facility

417,288 Options will be subject to shareholder approval at the next Annual General Meeting of Shareholders

#### Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

#### Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

### Options details

#### +Security currency

AUD - Australian Dollar

#### Exercise price

AUD 0.0250

#### Expiry date

14/3/2026

#### Details of the type of +security that will be issued if the option is exercised

MEL : ORDINARY FULLY PAID

#### Number of securities that will be issued if the option is exercised

One fully paid ordinary share (ASX:MEL)

#### Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Refer to ASX announcement on 13 March 2023 in relation to the Debt Facility

<https://wcsecure.weblink.com.au/pdf/MEL/02642686.pdf>

159,582,712 Options will be issued to loan note holders on initial draw down of the facility

417,288 Options will be subject to shareholder approval at the next Annual General Meeting of Shareholders



## Part 7C - Timetable

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### 7C.1 Proposed +issue date

14/3/2023

## Part 7D - Listing Rule requirements

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### 7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ No

### 7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ Yes

### 7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

159,582,712 Options will be issued using the entity's 15% placement capacity under listing rule 7.1  
417,288 Options will be subject to shareholder approval at the next Annual General Meeting of Shareholders

### 7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No

### 7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ No

### 7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

### 7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

## Part 7E - Fees and expenses

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### 7E.1 Will there be a lead manager or broker to the proposed issue?

☒ No

### 7E.2 Is the proposed issue to be underwritten?

☒ No



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**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

Metgasco in connection with the debt facility will incur an estimated total cost for legal fees and advisor fees of \$250,000. Metgasco is not incurring any legal fees on behalf of the loan note holders. Metgasco estimated approximately \$35,000 is attributable to the issue of options.

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**Part 7F - Further Information****7F.01 The purpose(s) for which the entity is issuing the securities**

The purpose for issuing the securities is related to the \$5M debt facility the Company has entered into which funds will be applied towards the Vali and Odin Gas Field projects, working capital and for general corporate purposes

**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

☒ No

**7F.2 Any other information the entity wishes to provide about the proposed issue**

Of the 160,000,000 options  
159,582,712 Options will be issued to loan note holders on initial draw down of the facility  
417,288 Options will be subject to shareholder approval at the next Annual General Meeting of Shareholders