

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 June 2023

Odin GSA signed, project on schedule to deliver first gas Q3 CY23

Odin (PRL211):

- Gas sales agreement (GSA) was signed by the PRL211 joint venture parties (JV parties) with Pelican Point Power (Engie/Mitsui JV) for supply of gas from field start-up to the end of CY2024
- ACCC authorisation was received for the JV parties to jointly market Odin field gas from January 2025
- The Odin accelerated connection project is on schedule and anticipated to deliver first gas in the third quarter CY2023

Vali (ATP2021):

- Vali-1 gas production performance in line with expectations averaging raw gas production of 3.56 mmscf/day during the quarter
- Work programs to establish stable gas production on Vali-2 and Vali-3 were delayed due to equipment availability and significant rainfall resulting in road closures

Corporate:

- Metgasco fully funded for Odin/Vali capital requirements via \$5 million debt facility secured in Q1CY23

Metgasco MD Ken Aitken:

“The signing of a GSA with Pelican Point Power for the Odin gas field is a significant achievement for Metgasco. This deal marks the final step in the commercialisation process of the Odin gas field and brings a new revenue stream online during Q3 CY23. The East Coast domestic gas market demand remains strong, and Metgasco is well positioned to benefit with uncontracted gas in both the Odin and Vali fields. The receipt of ACCC authorisation for long term joint marketing and release of the Mandatory Gas Code has given clarity on our capacity to contract further gas knowing that is exempt from the price cap provisions.

Work programs at Vali-2 and Vali-3 during the June quarter were delayed by a combination of wet weather restricting site access and equipment availability. The completion of Vali work and the completion and commissioning of the interim accelerated connection of the Odin field means the September quarter will provide a significant uplift in production and revenue generation through bringing multiple production wells online.

We are dedicated to delivering optimum value to our shareholders and maximizing the potential of these projects. Our focus remains on advancing our current projects and pursuing additional opportunities that will underpin our continued sustainable growth and long-term value creation.”

Key figures (Net MEL)	June Q4 FY23	March Q3 FY23	FY2023 YTD
Sales revenue \$'000	292.85	179.77	472.62
Sales gas volume PJ	0.035	0.023	0.058
Production PJe ¹	0.04	0.024	0.064

¹ Petajoule equivalent: comprises sales gas and gas liquids.
Metgasco Limited | Quarterly Activities Report | 30 June 2023

The Quarter’s activities and subsequent events are detailed below:

Cooper/Eromanga Basin Exploration Licence - ATP2021:

ATP 2021 (Metgasco 25%, Vintage 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%)

Asset Overview

ATP2021 is located in Queensland adjoining the Queensland - South Australia border (see Figure 1 below). ATP2021 contains the Vali gas field, discovered by Vali-1 ST1 in January 2020 and successfully appraised by Vali-2 and Vali-3 in the June and September quarters of CY2021. The Vali field has three cased and completed wells, which have been connected to the Moomba gas gathering network for supply to the eastern Australia domestic energy market.

The ATP 2021 joint venture has contracted to supply an estimated 9 PJ to 16 PJ of gas from the Vali gas field to AGL.

ATP 2021 is believed to contain the eastern portion of the Odin gas field, discovered by Odin-1 in the nearby South Australian licence PRL 211. Further discussion on PRL 211 (which has an identical joint venture composition to ATP 2021) and Odin follow.

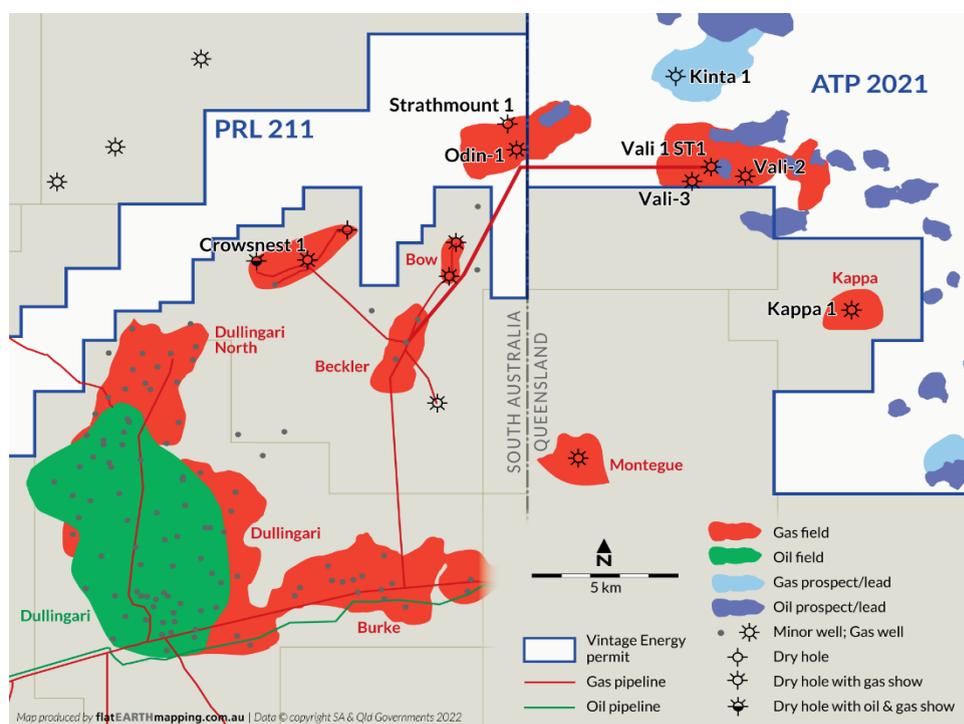


Figure 1: Cooper Basin permits PRL 211 and ATP 2021 including well locations Odin-1, Vali-1 ST1, Vali-2 and Vali-3. Source: Vintage

The 2P reserve of the Vali gas field is 101.0 PJ (25.2PJ net to MEL) independently certified and booked by Metgasco. The following tables detail the combined reserves estimates.

Table 1&2 – Vali Field Gross and Net Reserves:

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

Notes:

1. Reserves estimates reported here are ERCE estimates, effective 31 October 2021, first announced to the ASX 1 November 2021
2. Metgasco is not aware of any new data or information that materially affects the Reserves above and considers that all material assumptions and technical parameters continue to apply and have not materially changed.
3. Reserves estimates have been made and classified in accordance with the Society of Petroleum Engineers ("SPE") Petroleum Resources Management System ("PRMS") 2018.
4. Company Net Entitlement Reserves are based on the Metgasco working interest share of 25% of the field gross Reserves and are prior to the deduction of royalties.
5. Sales Gas volumes are net of fuel and flare volumes.
6. All quantities subject to rounding to one decimal place for clarity purpose.

Vali Gas Sales

Metgasco's 25% share of gas supplied by the Vali gas field for the quarter was 36.72 terajoules which compares to 22.64 terajoules in the previous quarter. Gas from the field is being supplied to AGL pursuant to the long-term contract announced 23 March 2022. Further discussion on the Vali gas field and its performance is provided in the activity section below.

As previously advised, the contract provides for the supply of an estimated 9 to 16 PJ by the joint venture from start up to December 2026 within the framework of two supply tranches. AGL prepaid \$15 million to the joint venture in June 2022 as an advance payment to be recouped over the life of the contract. Accordingly, revenue reported for this contract in a given period comprises sales attracting cash payment and sales for which cash payment has been prepaid.

There were no gas liquids sales during the quarter. Invoicing of gas liquids sales will occur on lifting ex-port Bonython.

Activity

Metgasco's share of production from the Vali gas field during the quarter comprised 37.11 terajoules of sales gas, 1.39 terajoules of ethane, 6.37 tonnes of LPG and 119.27 barrels of condensate.

Virtually all output was sourced from Vali-1, which was online for 66 days during the period, with production suspended for 6 days due to downstream network outage in April and 19 days for a scheduled third-party downstream shutdown commencing May 22. The Vali-1 well continues to perform consistent with expectations, recording quarterly average raw gas production of 3.56 million standard cubic feet per day ("MMscfd") whilst online.

Consistent production is yet to be established from Vali-2 and Vali-3. As reported in the March Quarterly report, both wells required fluid removal prior to the initiation of stable production. These operations are yet to be completed, with progress during the quarter impaired by equipment availability/waiting times and rolling road closures following rainfall. Fluid removal operations recommenced in late July following delivery of equipment.

Based on advice from the downstream operator approximately 13 days offline are anticipated in the September quarter due to scheduled outages.

Cooper/Eromanga Basin Exploration Licence - PRL211:

PRL 211 (Metgasco 25%, Vintage 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%)

Asset Overview

PRL 211 lies in the South Australian Cooper Basin, with the licence's eastern boundary adjacent to the ATP 2021 western boundary (see Figure 1). The licence is in close proximity to the South Australian Cooper Basin's Joint Venture's gas production infrastructure at Beckler, Bow and Dullingari fields. The Odin Gas Field, discovered by the PRL 211 Joint Venture in 2021, is located in both PRL 211 and ATP 2021 on the southern flank of the Nappamerri Trough in the Cooper Basin.

The Toolachee and Epsilon formations were successfully flow-tested at Odin-1 in the final quarter of CY 2021, with a stable rate of 6.5 million standard cubic feet per day recorded at a flowing wellhead pressure of 1,823 psi through a 28/64" fixed choke. At the end of the flow period, a multi-rate memory production log was acquired, which confirmed gas flow was being contributed from each of the perforated Epsilon and Toolachee formations.

Contingent resources (2C) attributable to Odin, including joint venture and Metgasco shares and allocation between PRL211 and ATP2021 were reported as follows in Table 3 & 4 below;

Table 3&4 - Odin gross and net (25% equity) Contingent Resources:

Gross Odin Gas Field Contingent Resources (PJ)			
	1C	2C	3C
Total	20.2	39.7	78.2

Net Odin Gas Field Contingent Resources (PJ)			
	1C	2C	3C
PRL 211	2.85	5.55	10.95
ATP 2021	2.00	4.00	7.80
Total	4.85	9.55	18.75

Notes on Odin Contingent Resource assessment:

- Gross Contingent Resources represent 100% total of estimated recoverable volumes within PRL 211 and ATP 2021.
- Working interest Contingent Resources represent Metgasco’s share of the gross Contingent Resources based on its working interest in PRL 211, which is 25%, and ATP 2021, which is 25%.
- These are unrisked Contingent Resources that have not been risked for Chance of Development and are sub-classified as Development Unclassified.
- Contingent Resources volumes shown have had shrinkage applied to account for inerts removal and include hydrocarbon gas only.
- No allowance for fuel and flare volumes has been made.
- Resources estimates have been made and classified in accordance with the Petroleum Resources Management System 2018 (“PRMS”).
- Probabilistic methods have been used for individual sands and totals for each reservoir interval have been summed deterministically.
- A conversion factor of 1.09 is applied to convert from billion standard cubic feet (Bscf) to petajoules (PJ).
- Contingent Resources certified by ERCE are as at 14 September 2021 and updated on 29 March 2022 to reflect 25% net Metgasco ownership
- Contingent Resources were first disclosed in a release to the ASX on 16 September 2021.

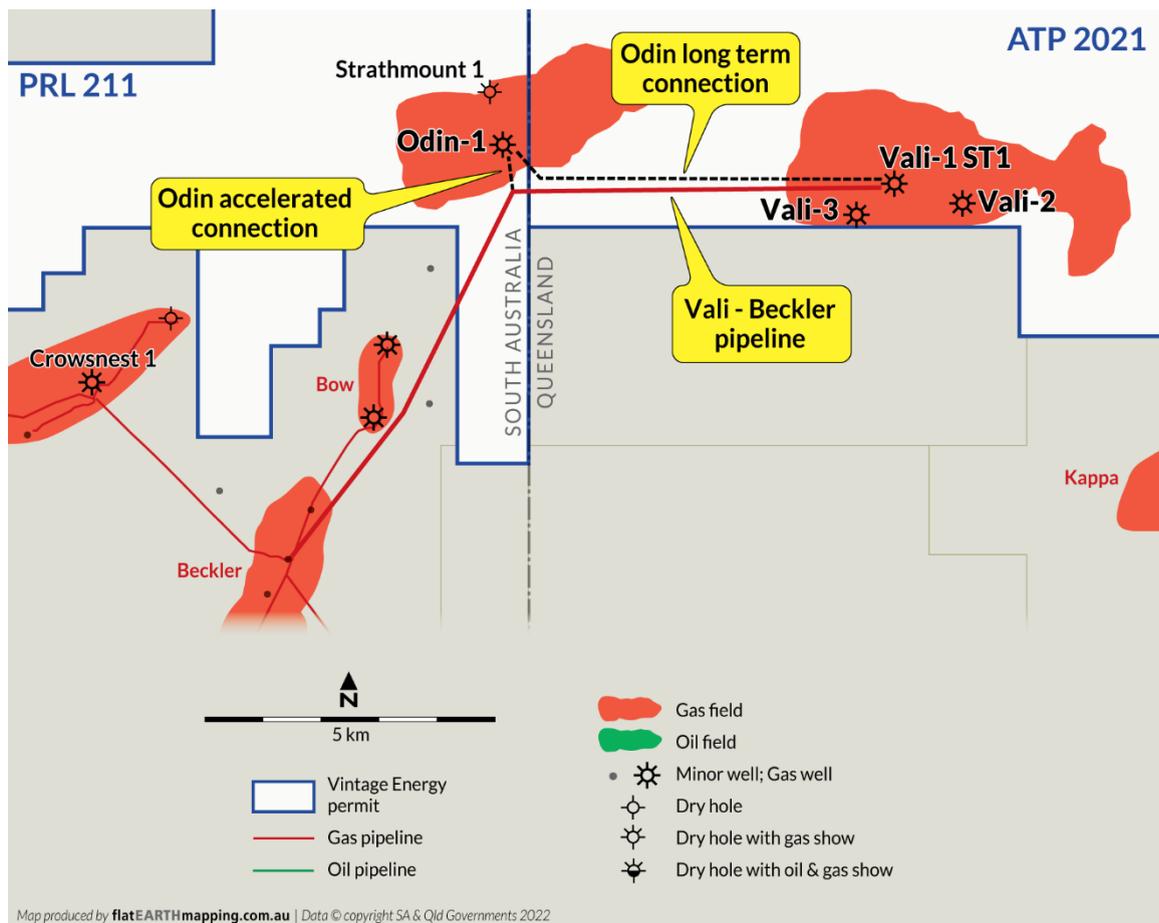


Figure 2: Illustration of Odin accelerated connection and long term connection to Vali

Activity

Activity during the quarter was directed to securing the first gas supply contract from the Odin field and the accelerated connection of the Odin gas field.

Odin gas supply contract

On 15 May a Gas Sales Agreement (“GSA”) was signed between the PRL211 Joint Venture parties and Pelican Point Power Limited*, a joint venture between ENGIE Australia and New Zealand (72%) and Mitsui & Co Ltd (28%), to supply gas from the Odin field from field start-up until 31 December 2024. This was the maximum period permissible for contracting under the existing interim ACCC authorisation for Odin which prevailed at contract execution.

Subsequent to the announcement of the Odin gas supply contract, the ACCC issued a final determination granting the joint venture parties authorisation to jointly market gas produced from Odin for a period of 5 years with a maximum gas supply term of 15 years to 16 June 2043.

The authorisation replaces the interim authorisation granted which permitted joint marketing for supply to December 2024.

The PRL211 JV initiated marketing of gas from January 2025 and is currently receiving strong interest from multiple customers.

*Pelican Point Power Station is a 497 MW combined cycle gas power plant in South Australia operated by ENGIE and Mitsui. The plant is regarded as a critical infrastructure asset for energy security and system stability in South Australia.

Connection of the Odin gas field

As announced November 2022 the PRL 211 Joint Venture has resolved to accelerate connection and sales from the field via a two-stage connection program.

The accelerated interim connection has continued to advance during the quarter consistent with schedule to bring the field into production prior to the conclusion of the September quarter.

The Fiberspar pipeline from the Odin well-site to the Vali-mid-line riser was installed in January 2023. All major materials have been ordered and most received with all outstanding items on track for installation. Regulatory approvals are progressing.

The contract for mechanical and civil construction was awarded to Global Engineering and Construction Pty Ltd. Global were the primary contractor for the Vali project, recording an incident-free installation. Electrical and instrumentation and fibre optic work will also be executed by subcontractors used at Vali, Hitec Electrical and Instrumentation and Apex Communication Technologies. This contracting team built a very reliable facility at Vali, which has had 99.4% availability since commissioning.

Global commenced field work under the contract in late July 2023.

As the interim connection project transitions from engineering and procurement to execution in the field, engineering design effort will switch focus to the permanent connection, starting with validation of the 2022 concept study conclusion against production data collected subsequently prior to moving to FEED and detailed engineering.

Corporate Activities

Business Development Opportunities:

During the quarter Metgasco continued to review a number of new business development opportunities, as well as potential new areas of business consistent with the Company’s strategic objectives and the evolving energy sector backdrop.

Finance Facility:

Metgasco executed a \$5 million debt facility in the CY2023 March quarter with long term shareholders Keybridge Capital and Glennon Small Companies. The facility will form part of the funding of the remaining capital requirements of the Vali field and deliver the Odin gas field project. The key terms of the 36-month facility have been detailed in an announcement to the ASX on 13 March 2023. As at 30 June 2023, \$2.1million has been drawn down of the \$5 million facility.

Cash position:

The Company ended the Quarter with a cash balance of A\$642,161 with debt facility funding available to draw down of \$2.1million

The following is a reconciliation of the Company's cash position from 1 April 2023 to 30 June 2023:

	\$A'000
Cash at 1 April 2023	220
Overhead and administrative	(380)
Production (net) *	(143)
Development assets expenditure	(221)
Exploration and evaluation expenditure	(75)
Net proceeds debt facility	<u>1,241</u>
Cash at 30 June 2023	642

* Gas sales receipts are received the month after production.

Notes Pertaining to Quarterly Cashflow Report (Appendix 5B):

Item 6.1: The aggregate amount of payments to related parties and their associates of \$174,000 relates to remuneration payments made to Directors and Officers.

Shareholder base:

At 30 June 2023, Metgasco had 1,063,886,745 shares on issue and 2518 shareholders. Its top 20 holders held 450,936,100, or 42.39% of the Company's issued capital.

Certified Resources and Reserves:

On 1 November 2021, the ATP2021 JV announced the reserves upgrade following the drilling of Vali-2&3. Contingent gas resources related to PRL211 were announced on 16 September 2021 and updated on 29th March 2022.

Glossary:

MMscfd = Million standard cubic feet per day.

FWHP = Flowing wellhead pressure.

Bcf= Billion Standard Cubic feet

PJ= Peta Joules

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Tenement Listing				
Tenement Reference	Location	Nature of Interest	Interest at 30 June 2023	Interest at 31 March 2023
Cooper/Eromanga				
ATP2021	QLD	25% working interest in Licence	25%	25%
PRL211	SA	25% working interest in Licence	25%	25%
PRL237	SA	20% Working Interest in Licence	20%	20%

Forward Looking Statements:

This document may contain forward-looking information.

Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project start-ups.

By their very nature, the forward-looking statements contained in this document require Metgasco and its management to make assumptions that may not materialise or that may not be accurate. Although Metgasco believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Metgasco Ltd

ABN

24 088 196 383

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	274	300
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	46
(b) development	-	-
(c) production	(417)	(544)
(d) staff costs	(174)	(681)
(e) administration and corporate costs	(183)	(1,003)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(24)	(30)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(524)	(1,912)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(1)
(d) exploration & evaluation (if capitalised)	(75)	(470)
(e) investments	-	-
(f) oil and gas properties	(221)	(4,900)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Working capital loan to Patriot Hydrogen Limited	-	(100)
2.6	Net cash from / (used in) investing activities	(296)	(5,471)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,678
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(177)
3.5	Proceeds from borrowings	1,393	2,113
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(152)	(224)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,241	4,390

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	221	3,635
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(524)	(1,912)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(296)	(5,471)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,241	4,390

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	642	642

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	642	642
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	642	642

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Amounts included in 6.1 are remuneration payments made to Directors

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	5,000	2,100
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	5,000	2,100

7.5 **Unused financing facilities available at quarter end** 2,900

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As announced to the market on 13 March 2023, a 5 million debt facility has been provided Keybridge Capital and Glennon Small Company which can be drawn down within 12 months from the initial issue date. Term: 3 years from first drawdown. Interest rate:10%. Establishment Fee: 1% fee payable on drawn funds only. Security: Secured by way of a general security deed jointly over all present property of the Company. Early repayment fee equal to 5% of the face value of the notes redeemed early.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(524)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(75)
Capitalised development expenditure for oil & gas properties (Item 2.1(f))	(221)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(819)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	642
8.5 Unused finance facilities available at quarter end (Item 7.5)	2,900
8.6 Total available funding (Item 8.4 + Item 8.5)	3,542
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.3

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 July 2023**

Authorised by: **The Board**

Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.