



ASX / MEDIA RELEASE

ASX Code: MEL

26 September 2017

Metgasco invests into Frey-1 Cooper Basin exploration well

- Metgasco joins Senex Energy and Cooper Energy via a farm-in investment into the Frey-1 Area within PEL93 for a 20% working interest.
- Frey-1 represents a relatively high risk/high return oil exploration objective, with the potential to trigger a revival of exploration in the south-western Cooper Basin.
- The Frey-1 well spudded at 13.00 on the 23 of September, and has a prognosed total depth of 1,502 metres and is expected to take 11 days to complete.
- The Frey Prospect represents a large undrilled structure in the South-western Cooper Basin.
- Total Metgasco investment commitment estimated at < \$600,000.
- Metgasco is currently evaluating certain further associated farm-in opportunities with Senex.

Metgasco Limited (**ASX: MEL – “Metgasco” or “Company”**) is pleased to announce that it has entered into agreement with **Senex Energy** and **Cooper Energy Limited** (together, the **JV Parties**) by which, depending on the outcome of drilling and testing, Metgasco will farm-in to the Frey-1 Well Area within PEL93 in the South Australian Cooper Basin.

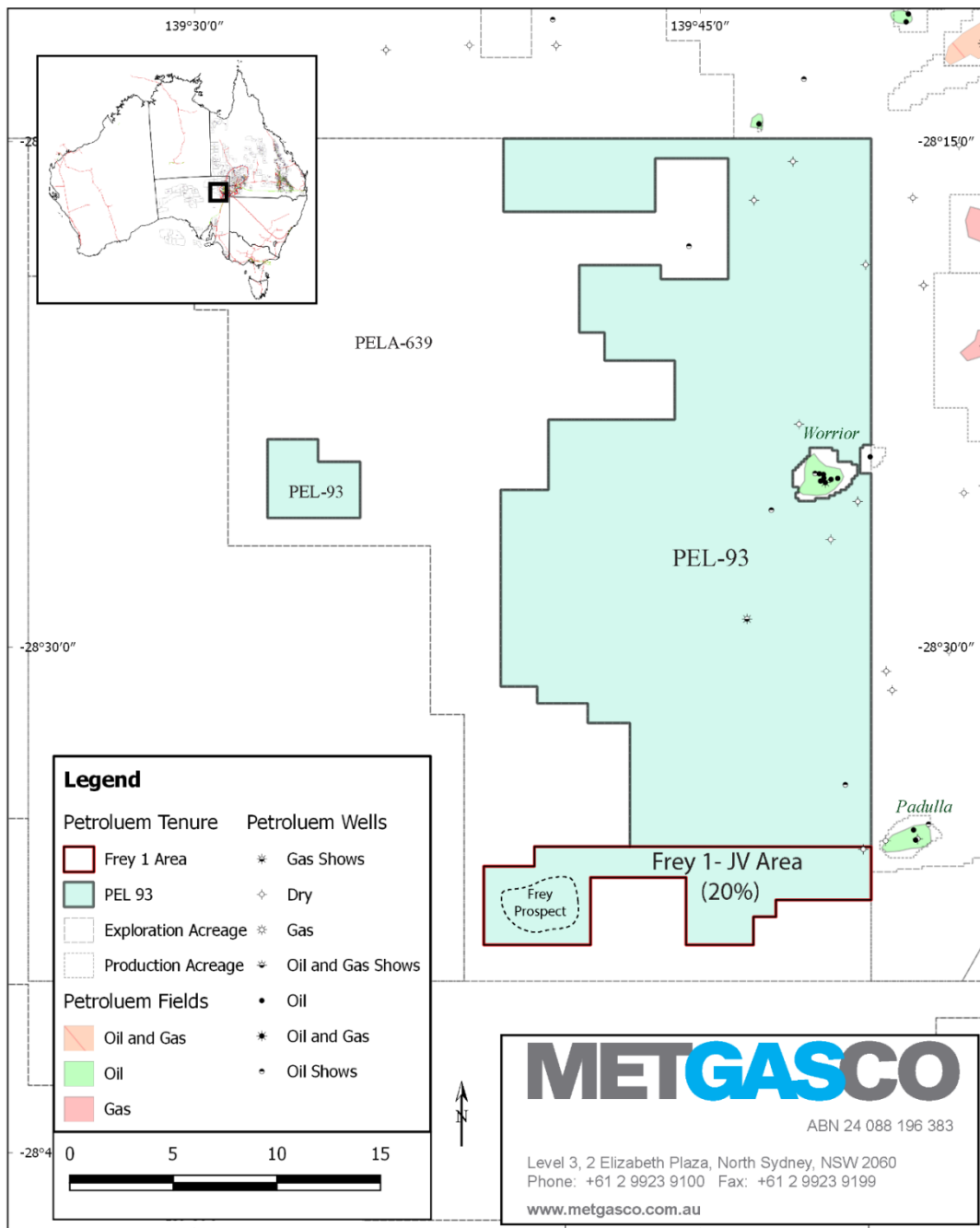
The Frey prospect has the potential for stacked pay in multiple formations. The structure as mapped is a 4-way dip closed anticline evident on all stratigraphic levels. The closure is imaged via 2D seismic exhibiting 30m of closure with an area of 9.5 km² at the lowest closing contour. Proximal Oil fields within a short distance of the proposed well, enhancing economics and making development of any discovered hydrocarbons both quick and cost effective.

If Metgasco elects, on success, to proceed with the acquisition of the Farmin Interest, the JV Parties will take steps to complete the registration of a PRL over the Frey-1 Area (as per the map below) and Metgasco will be registered as the holder of a 20% participating interest in that PRL.

The agreement is conditional on the usual regulatory approvals being granted.

Metgasco will be responsible for paying 30% of the aggregate costs associated with the drilling of the Frey-1 Well, up to a maximum aggregate (100%) cost of \$2m (Metgasco: \$600,000)..

Certain further associated assets in the Cooper Basin are currently under evaluation by Metgasco.



ENDS

About Metgasco:

www.metgasco.com.au

Metgasco is presently pursuing new opportunities in the Oil & Gas sector. It holds an interest, via a secured production development funding facility, equity options and participation rights, in U.S Gulf of Mexico company Byron Energy Limited (ASX:BYE). Metgasco holds a 10% (non-operating) farmed-in interest in Byron's Bivouac Peak Littoral Louisiana hydrocarbon project with a planned initial well testing a Gross prospective resource of 32,270 Mboe in addition to farm-in rights in relation to Byron's Gulf of Mexico (GOM) portfolio. Aside from its \$8m secured receivable noted above, Metgasco holds cash and cash equivalent investments of approximately A\$10.2m., gross of its recent election to invest ~\$2.6m, via its pre-emptive participation right, into Byron Energy's \$0.07 placement settling September 26th 2017.

For further information contact:

Alexander Lang
 Executive Chairman
info@metgasco.com.au

Metgasco Limited ACN 088 196 383
 Level 3, 2 Elizabeth Plaza, North Sydney, NSW 2060
 Tel: +61 2 9923 9100 Fax: +61 2 9959 5387
 Web: www.metgasco.com.au