

# 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

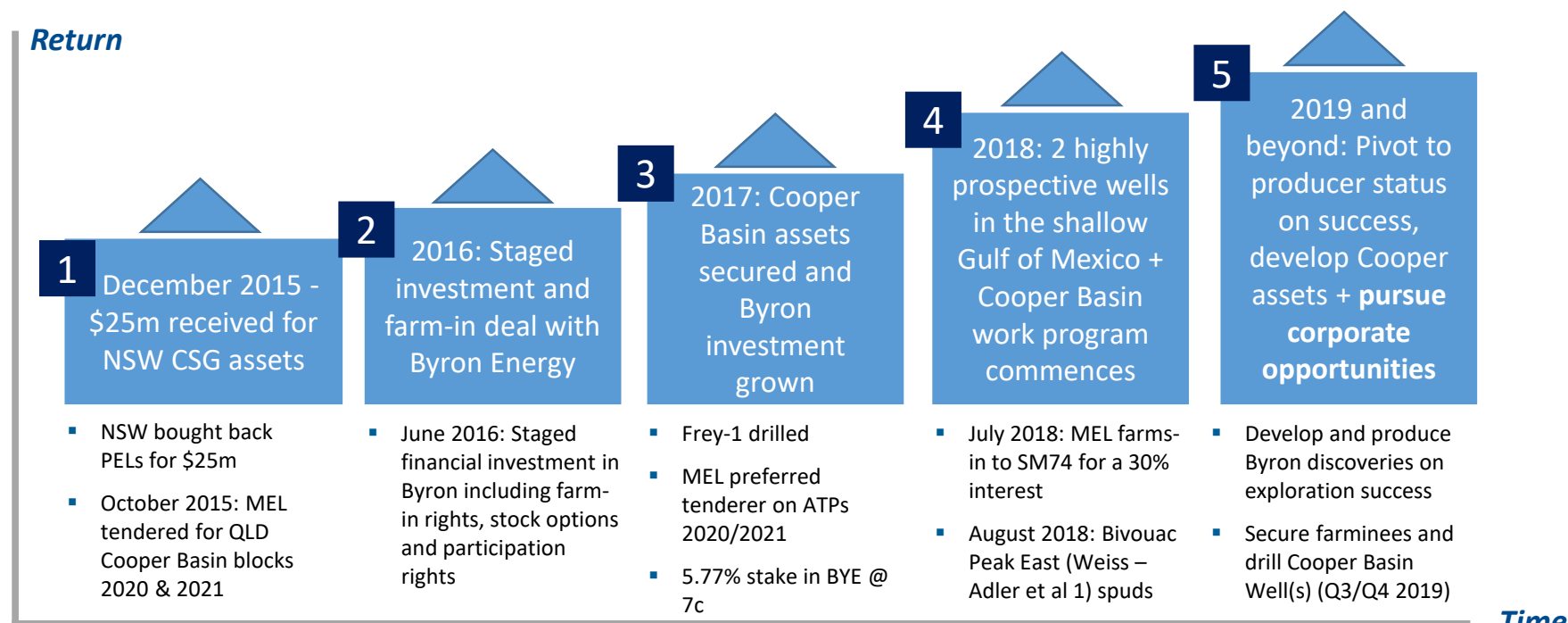
SEPTEMBER 2018

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# Metgasco Business Transformation

Since 2016 the company has transformed, via financial and new asset deals, to deliver a total shareholder return of >55%\*

Two high impact wells planned in the next 12 months, one currently drilling



## Funding options

Fully Funded through 2018 Gulf of Mexico program and 2018-2019 Cooper Basin work program – cash, cash equivalents and financial assets of >\$24m (June 30, 2018)

Combination of in-house funds + funding from new farm-in partners for long term Cooper Basin development

## Metgasco is now an emerging exploration and development company

### Company overview

- Experienced team focused on building value in the business
- MEL is fully funded to drill two highly prospective exploration wells with experienced Gulf of Mexico operator Byron Energy
- Exploration success in the Gulf will lead to production revenue in 2019
- MEL 100% owner of two prospective gas prone permits in the Cooper Basin close to significant gas producing fields allowing infrastructure and access to East Coast gas markets

### Financial information

Share price (10 <sup>th</sup> September 2018)	A\$0.06
Number of shares	390.6m
<b>Market capitalisation</b>	<b>A\$23.5m</b>
Cash <sup>1</sup>	A\$6.7m
Convertible Note (BYE) <sup>1</sup>	A\$5.0m
Exchange Traded Bonds <sup>1</sup>	A\$2.2m
BYE Shares <sup>1</sup>	A\$13.5m
Debt	Nil

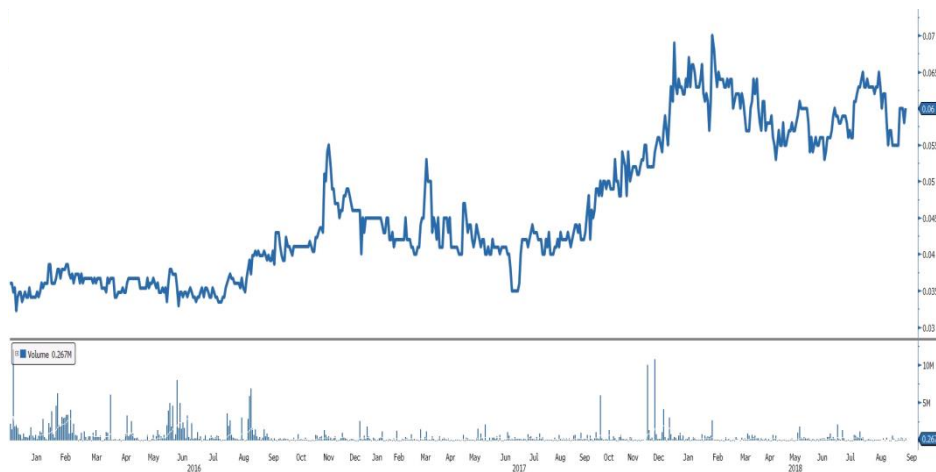
<sup>1</sup> As at 30 June 2018

### Substantial shareholders & Board

Keybridge Capital Limited	20.12%
M&A Advisory Pty. Ltd.	19.59%
Maeander Holdings Pty. Ltd. (Mr. Philip Amery)	1.05%
Dr. Robbert Willink	0.33%
Mr. John Patton <i>*Mr. Patton is also Chairman of Keybridge Capital</i>	0.14%
Top 20	59.23%
Total shareholders	2,297

Source: Link Market Services (Sep 2018)

### 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

## Highly engaged Board and Management team with a deep knowledge of Australian and international exploration and operations

- In 2018 Metgasco renewed its Board with specific technical experience in maximising value from current exploration programme to rapidly transition the business to profitability
- Significant operational knowledge of Australian onshore basins will allow Metgasco to optimise and grow its local operated assets

### Technical and Corporate Team

#### **Trudy Bretherton\*** – *E&P Geological Advisor*

- 30+ years experience with international and ASX-listed E&P companies including Esso Australia, Delhi Petroleum, Drillsearch and Roc Oil
- Operating experience in Australian onshore and offshore hydrocarbon producing basins

#### **Max Milz** – *Geophysicist*

- Joined Metgasco in 2011
- Eastern states onshore basin experience

#### **Mark Langan\*** – *Chief Financial Officer*

- 25+ years of senior financial experience across multiple sectors
- Chartered Accountant with commercial, strategic and risk management, corporate governance and financial management experience

#### **Phil Mackey\*** – *Company Secretary*

- 30+ years company secretarial and commercial experience, including multi-jurisdictional board practice as both a company secretary and a director
- Fellow of Governance Institute Australia and a Graduate Member of the Australian Institute of Company Directors

\* External consultants

### Board

#### **Philip Amery** – *Executive Chairman*

- Experienced capital markets advisor, investment manager and company director
- Director of Metgasco since 2015

#### **Ken Aitken** – *Executive Director*

- 30+ years E&P technical and executive experience
- Extensive knowledge of WA's energy industry including 7 years as Manager of Origin's Perth Basin Assets
- Part of the team that discovered and developed the Redback field
- Previously held senior roles with Empire, Origin, Mitsui and Apache

#### **Dr. Rob Willink** – *Non-Executive Director*

- 40+ years of experience in the oil and gas industry
- Worked for Shell, Sagasco Resources, Boral Energy and Origin Energy
- Held executive and non-executive director positions in the past and is currently a Director of the privately owned Timor Resources

#### **John Patton** – *Non-Executive Director*

- 25+ years of professional services and industry experience
- Extensive corporate finance credentials, involved 150 + corporate transactions including M&A, due diligence, structuring & restructuring, debt and equity raisings, IPO's, buy-outs, financial modelling and valuations
- Currently executive Chairman of Keybridge Capital Limited and Managing Director of Aurora Funds Management Limited

**The Metgasco team is focused on continuing to deliver significant shareholder returns from current and new Exploration and Production assets**

■ **Our Vision:**

- Generate significant long term shareholder returns
- Strong and proven Capital Management focus, sustainable growth
- A focus on ethical conduct and governance

■ **Our Business:**

- **Diversify and manage risk** – no wildcatting, never bet the company
- Aim to generate positive cash flows through participation in production, as well as make prudent financial investments – proven ability
- Invest in and develop long term production and exploration opportunities as part of our business

■ **Our Execution Strategy:**

- A focus on the **exploration and development** of our own assets
- Share risk through partnerships and farm-outs
- Continue to review and seek quality farm-in opportunities – becoming a “non-operator of choice”
- An **open and lateral approach to growing wealth** with a sole focus on shareholder value – whether through financial, asset-level or corporate transactions.

\* Refer to ASX release of 3 July 2018 “Metgasco Corporate Strategy Update”

## Strong returns and access to a compelling exploration portfolio

1

Metgasco commenced its relationship by structuring an **\$8m development finance facility** secured over Byron's SM-71 discovery

2

Fully secured, with convertibility, an effective coupon of 14%, **10m options of BYE shares**, farm-in and participation rights

3

In 2016 Metgasco announced its farm-in to **Bivouac Peak (32 Mmboe total project prospective resource) - first well is now drilling**

4

In 2017, Metgasco took up its participation right in Byron's \$26m, 7c raise, becoming a 5.77% shareholder - **our \$2.64m investment is now worth \$10.4m** (as at 10 Sep 2018 BYE: 0.275)

5

In 2018, Metgasco announced its **farm-in to Byron's South Marsh Island 74 ("SM74")** project, for a **30% interest** - drilling of this prospect, targeting a **5.2m mmbbl oil / 13 Bcf gas** prospective resource, is expected to commence in late 2018

6

Of our initial \$8m loan, **\$4m has been repaid** with the facility to be fully amortized by June of 2019 – relationship between the companies is strong and continues to evolve

7

Byron provides a good example of how Metgasco's team, by thinking laterally, has provided shareholders with leverage into an **attractive portfolio of opportunities** while optimising the use of company capital



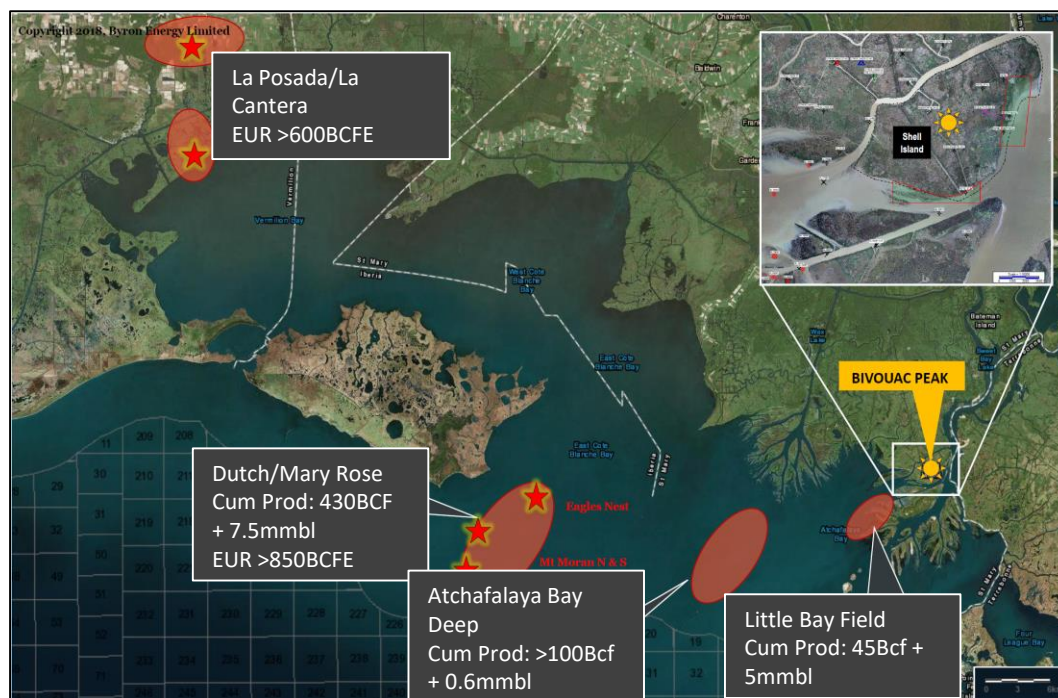
# Shallow GOM: Bivouac Peak - Byron Energy Farm In

Metgasco farmed in for a WI of 10% of Byron Energy operated Bivouac Peak

Weiss Adler et al-1 a high quality exploration prospect, currently being drilled by Byron Energy

## Exploration Key Data

<b>Country</b>	USA
<b>Basin</b>	GOM Marshlands
<b>Licence</b>	Bivouac Peak
<b>Well</b>	Weiss Adler et al-1
<b>Licence Entry</b>	Farm in for 10% for funding 13.33% of first well
<b>Licence Owners</b>	Byron Energy 43%(operator), Otto Energy 40%, Metgasco 10%, Nola 7%
<b>Target Information</b>	TD: 18,234ft MD. Primary Targets: 17,125ft and 17,445ft
<b>Gross Prospective Resource</b>	125.6 Bcf and 11.3mmbbl
<b>Estimated Drilling Time</b>	Spud 25/8/2018 Days drilling: 75 days
<b>Proximity to Infrastructure</b>	~5km to Little Bay Field



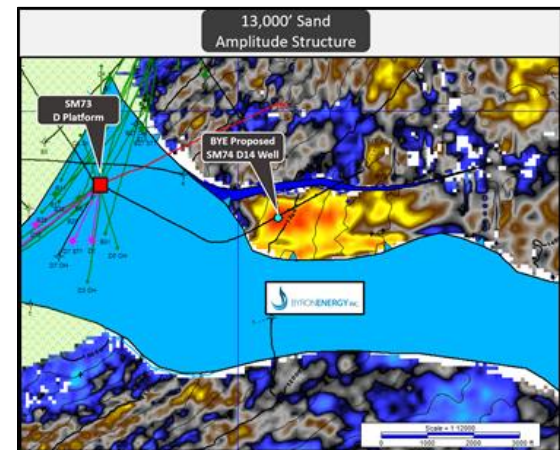


# Shallow GOM: SM74 – Byron Energy Farm In

Metgasco farmed in for a WI of 30% of Byron Energy operated SM74 block

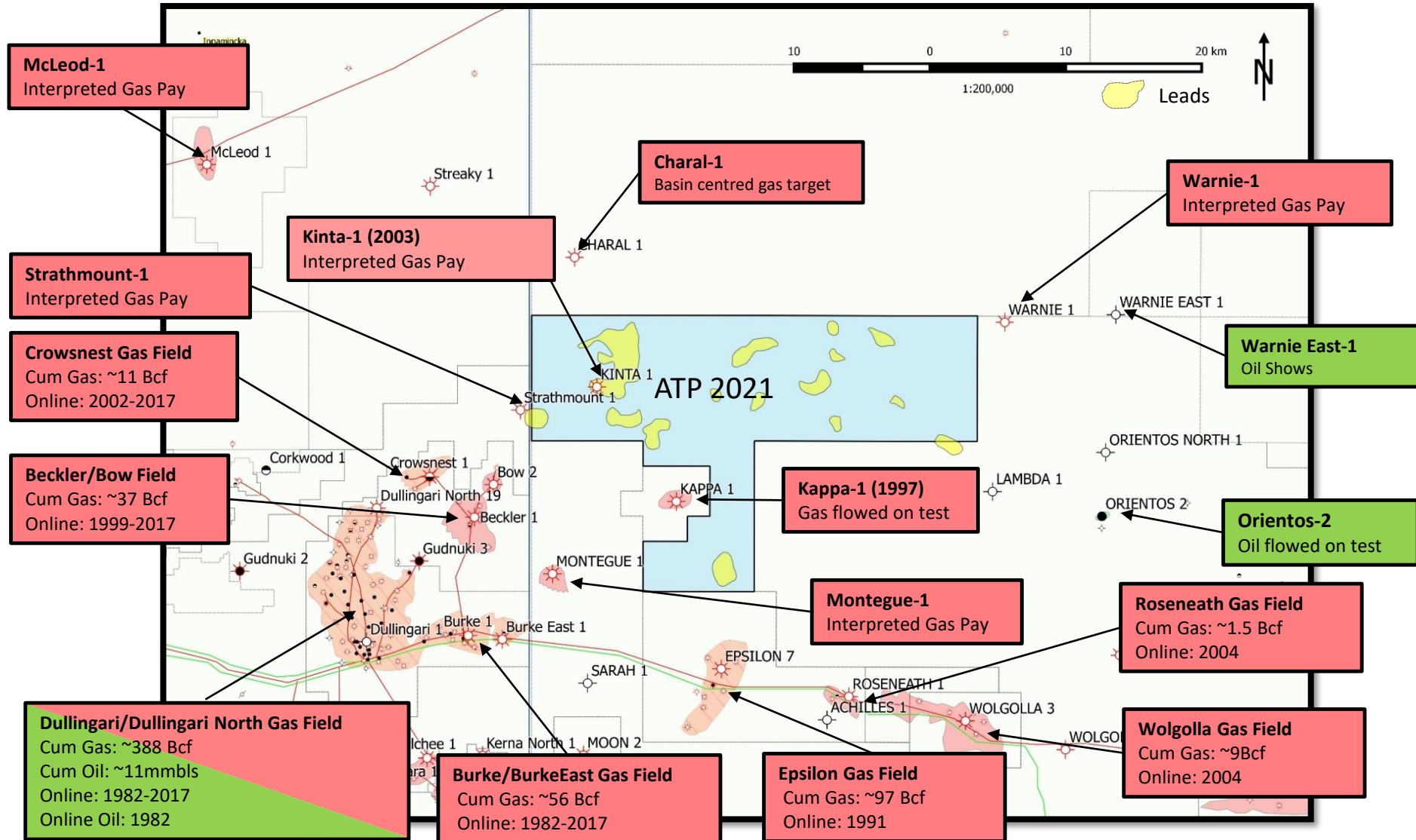
First exploration well planned for November 2018

Exploration Key Data	
Country	USA
Basin	GOM
Licence	SM74
Well	SM74 D-14
Licence Entry	Farm in for 30% for funding 40% of first well
Licence Owners	Byron Energy 70%(operator), Metgasco 30%
Target Information	TD: 16,486ft MD. Primary Targets:~13,000ft, 13,600ft
Gross Prospective Resource	13 Bcf and 5.2 mmbbl
Estimated Drilling Time	Spud 11/2018 subject to rig availability Days drilling: 40 days
Proximity to Infrastructure	Drilled from SM73 platform ~4000ft west of well



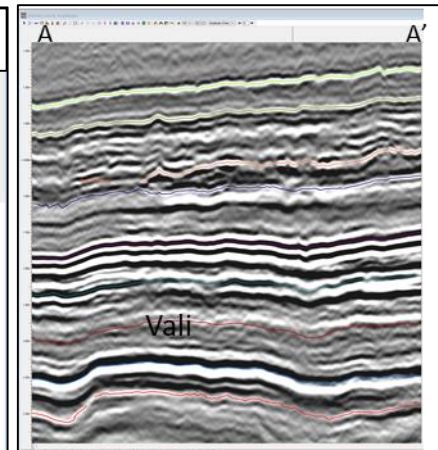
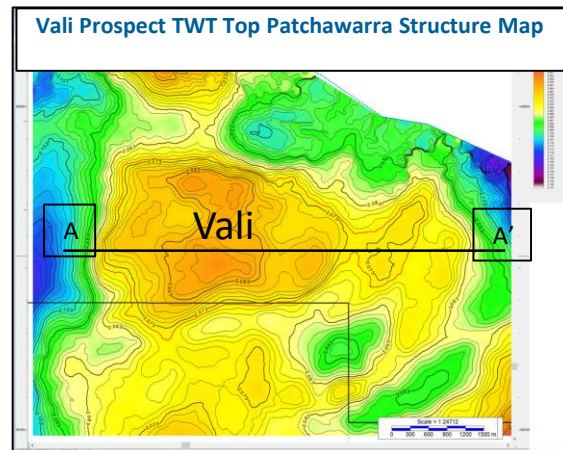
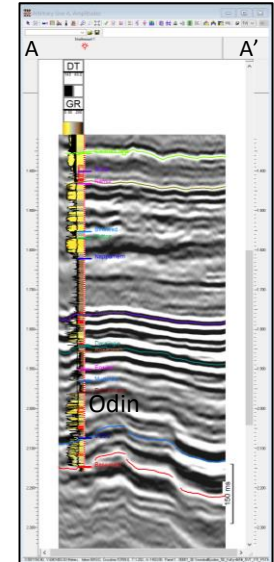
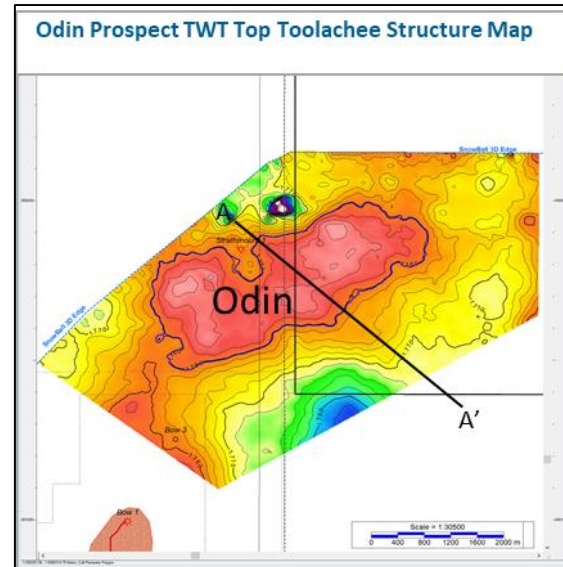
# Cooper Basin ATP 2021: local fields and discoveries

ATP 2021 surrounded by commercial gas and oil fields – Cumulative gas prod of ~600Bcf within 20km of permit boundary



A Cooper Basin discovery in 2019 will leverage high gas prices in eastern states  
2 sizeable drill ready gas prospects – one planned to be drilled in 2nd half 2019

Exploration Key Data	
Country	Australia
Basin	Cooper/Eromanga
Licence	ATP 2021
Well	Odin and Vali Prospects
Licence Entry	QLD Government Gazettal
Licence Owners	Metgasco 100%
Seismic Acquired	115km2 3D
Target Information	TD: 3200mMD.
	Primary Targets: Toolachee and Patchawarra Formations
Net Prospective Resource	Odin: 15 Bcf Vali: 40 Bcf
Estimated Spud date	4Q 2019
Proximity to Infrastructure	~5km to gas pipeline/producing infrastructure



# Cooper Basin ATP 2020: local fields and discoveries

Oil and gas fields/discoveries/shows to west, north and east - pipeline across block

**Tamarama 1:**  
Basin centred gas discovery  
Recovered gas on test.

**Whanto Gas Field**  
Cum.Gas: ~ 0.7 Bcf  
Online: 2015

**Toby Oil and Gas Field:**  
Cum Gas.: ~2.5 Bcf  
Cum Oil: ~0.04 mmbbl  
Online: Gas: 2015  
Oil: 1988

**Wareena Gas Field:**  
Cum Gas: ~7.4 Bcf  
Online: 2011

**Ghina-1**  
Cased as Toolachee gas discovery

**Kercummura-1:**  
Oil recovered on test:

**Tartulla Gas Field:**  
Cum Gas: ~14Bcf  
Online: 2005

**Cocos 1:**  
Flowed Gas on test

**Mt Howitt:**  
Cum Gas: ~1.4 Bcf  
Cum Oil: 0.04 mmbbl  
Online: 2015

**Sheoak 1:**  
Flowed gas on test

**Vernon:**  
Flowed gas on test

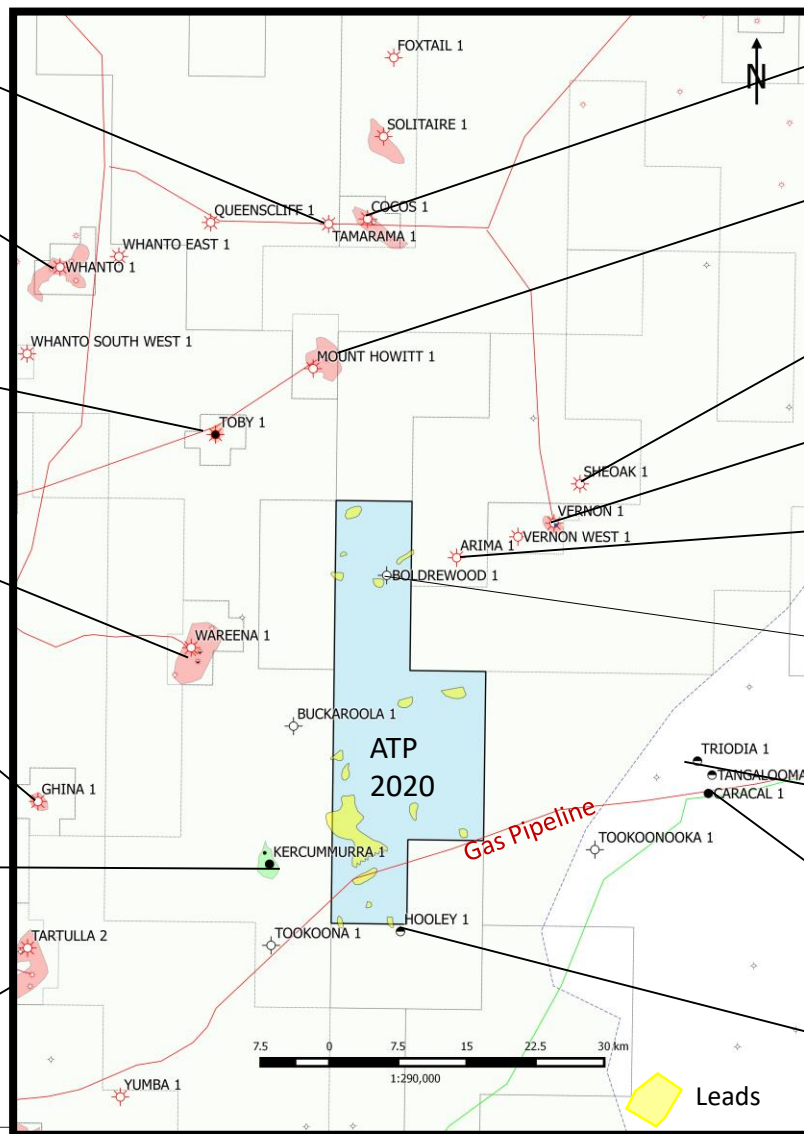
**Arima 1:**  
Gas shows

**Boldrewood 1:**  
Oil shows

**Triodia 1:**  
Oil shows

**Caracal 1:**  
Oil recovered on test

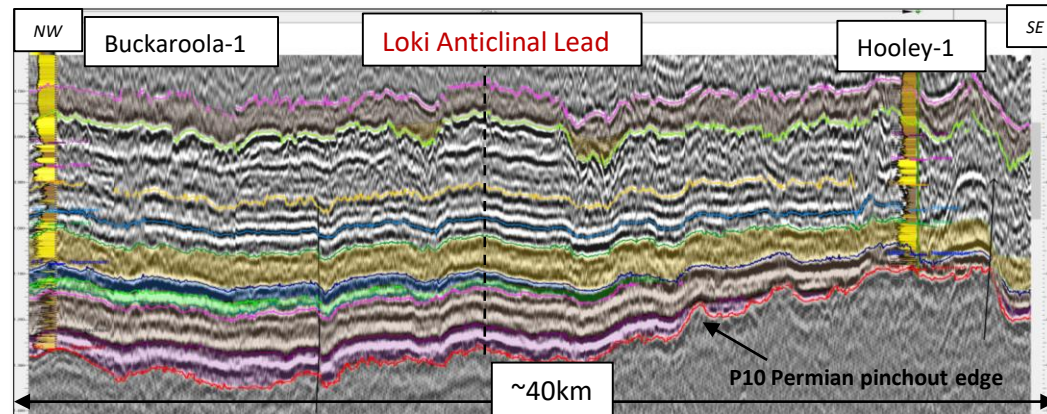
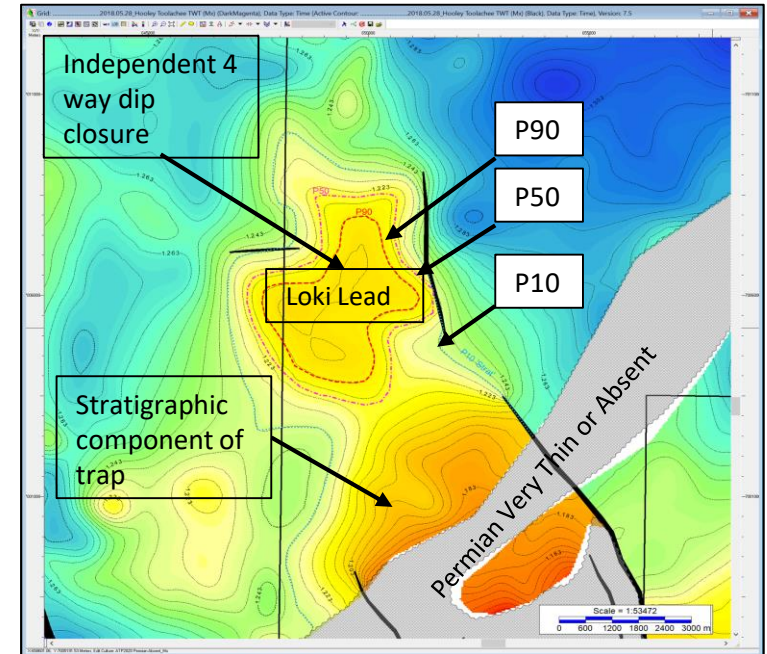
**Hooley 1:**  
Multiple oil shows





## Multiple exploration targets with oil and gas potential - Close to existing infrastructure

Exploration Key Data	
Country	Australia
Basin	Cooper/Eromanga
Licence	ATP 2020
Well	Loki Lead
Licence Entry	QLD Government Gazettal
Licence Owners	Metgasco 100%
Target Information	TD: ~1750mMD. Primary Targets: Cret - Jurassic sands, Toolachee Formation
Net Prospective Resource	17 Bcf + ~15 mmbbl
Estimated Spud date	1Q 2020
Proximity to Infrastructure	~7km to pipeline

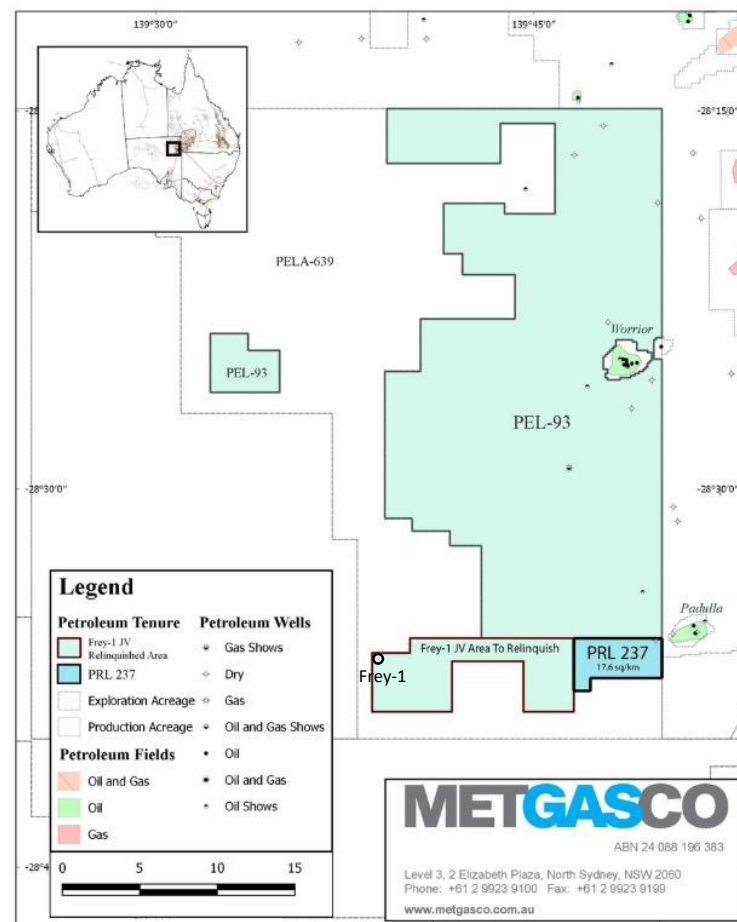


# Cooper Basin PRL 237

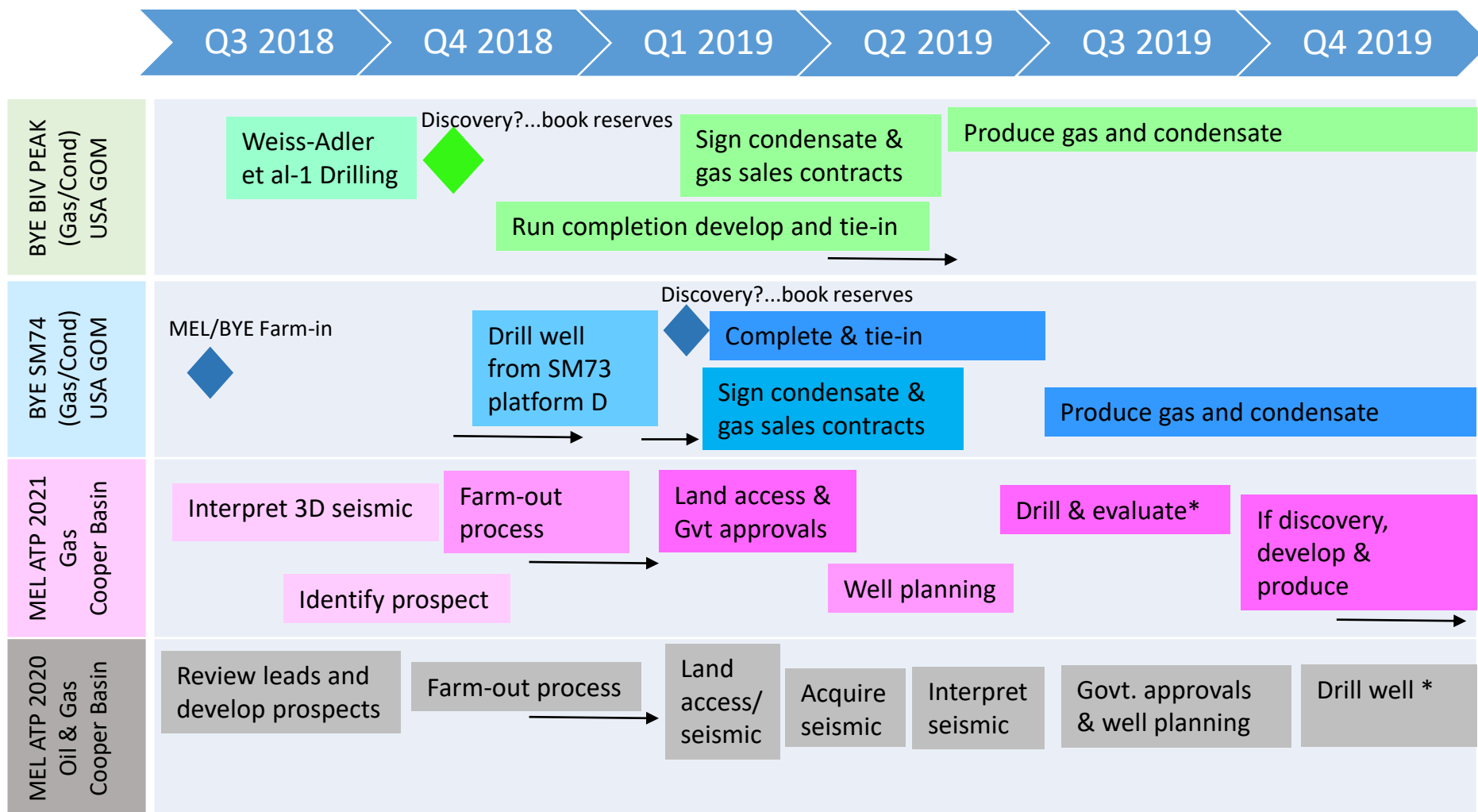
Exploration well drilled in October 2017 – no significant hydrocarbons intersected

In 1Q 2018, JV elected to retain prospective eastern portion of the Frey-1 JV area, adjacent to Padulla oil field

Exploration Key Data	
<b>Country</b>	Australia
<b>Basin</b>	Cooper/Eromanga
<b>Licence</b>	PRL 237 (formerly Frey-1 JV Area)
<b>Well</b>	Frey-1 drilled Oct 2017
<b>Licence Entry PRL 237</b>	Farm in for 20% for funding 30% of Frey-1
<b>Licence Owners</b>	Senex Energy (operator) 60%, Cooper Energy 20%, Metgasco 20%
<b>Target Information</b>	TD: ~1394mMD. Primary Target: Namur SS
<b>Net Prospective Resource</b>	0: well P&A
<b>Spud date</b>	September 2017
<b>Proximity to Infrastructure</b>	2km to closest production (Padulla)



# 2018/2019 Indicative Timeline



\*Subject to farm-in



# Conclusions - Upcoming Investment Highlights

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

	<b>Weiss Adler et al -1</b> <i>USA GOM Exploration Well</i>	10% MEL owned-currently drilling and anticipate at total depth in Q4 2018 If success potential for production in mid 2019
	<b>CORPORATE</b>	Four more quarterly -\$1mill Byron loan re-payments
	<b>SM74 exploration well</b> <i>USA GOM Exploration Well</i>	30% MEL owned – plan to start drilling in Q4 CY 2018 Rapid tie-in production potential due to drilling from nearby monopod.
	<b>FARM-OUT TO PARTLY FUND 2019 EXPLORATION</b>	Finalise Cooper Basin leads and prospects in ATP 2020/2021 Engage with potential farm-in partners.
	<b>Potential BD Opportunity</b> <i>Ongoing</i>	Continuing to evaluate new acquisition opportunities

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- Prospective resource estimates in this report for the Bivouac Peak and SM74 projects were included in Byron Energy’s ASX release, Byron Energy Limited’s (ASX:BYE) ASX release, Byron Energy Independent Reserves and Resources, dated 28 September 2017, based on the independent reserves and resources estimates prepared by Collarini Associates, based in Houston Texas USA (refer to the Company’s ASX release dated 28 September 2017).
- 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 .