



## ASX / MEDIA RELEASE

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### SOUTH MARSH ISLAND 74 - DRILLING RIG CONTRACT EXECUTED ALLOWING FEB 2019 SPUD

- **Drilling Rig contracted for February 2019 spud of South Marsh Island 74 Gulf of Mexico Exploration well**

The Board of Metgasco Ltd (**ASX:MEL**) (**Metgasco**, or, the **Company**) advises that Byron Energy Limited (ASX:BYE), being the operators of the South Marsh Island 74 prospect ("SM74"), has executed a drilling contract with White Fleet Drilling 350 LLC. The White Fleet Drilling 350 rig ("WFD 350") will drill the initial well from the SM73D platform to test the SM74 prospect.

As previously announced, Byron has signed an agreement with the offset operator of SM73 to drill from and, in the success case, produce through the SM73 D platform. This arrangement reduces the threshold of economic reserves by eliminating the need to build a new platform and offers significant capital savings in infrastructure as well as reducing the cycle time to first production if hydrocarbons are discovered.

The WFD 350 is expected to be available early February. This drilling rig is one of the few active rigs in the Gulf of Mexico configured in such a way as to allow proper access to the SM73 D platform.

The joint venture is now focussing its efforts on preparations for drilling the SM74 D-14 well to a depth of 16,464ft Measured Depth ("MD") (14,741 feet True Vertical Depth). The SM74 D-14 well will test three amplitude supported target sands with mapped gross prospective resource potential of 5.2 million barrels of oil and 13 billion cubic feet of gas. \*

Metgasco's interest in the SM74 prospect is for a 30% working interest and a 24.37% net revenue interest. Metgasco will pay 40% of the approx. US\$11 million dry hole cost and Byron Energy Limited will pay the remaining 60%. Both companies will then bear their respective working interests costs after the initial well is drilled to total depth.

Ken Aitken, Executive Director of Metgasco commented: "It is good news that an experienced drilling contractor and rig has been secured allowing a planned February 2019 spud of this highly prospective exploration well which if successful can be produced through the SM73 platform allowing rapid commercialisation"

#### Contact and further information:

Metgasco welcomes shareholder communication and invites all interested shareholders to make contact at any time.

Metgasco recently presented at the RIU Good Oil Conference in Perth, Western Australia, on Thursday 13<sup>th</sup> September. A video of Metgasco Executive Director Ken Aitken's presentation and the presentation itself are available at <http://metgasco.com.au/presentations/riu-good-oil-conference-presentation>

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\*Byron Energy's 2018 Annual Reserves and Resources Report was released to the ASX on 19 September 2018. The report was prepared by Collarini Associates ("Collarini"), an independent petroleum engineer, based in Houston, Texas, USA, with an effective date of 30 June 2018. Byron Energy confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements in respect to SM 74 and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.