

The logo for METGASCO, with 'MET' and 'SCO' in white and 'GAS' in blue, all in a bold, sans-serif font.

# METGASCO

A background image of a desert landscape at sunset. The sun is low on the horizon, casting a warm orange glow. Silhouettes of bare trees and sand dunes are visible against the bright sky.

## Annual General Meeting

**28 NOVEMBER 2018**

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# Chairman and CEO's Presentation

## Metgasco is now an emerging exploration and development company

### Company overview

- Experienced team focused on building value in the business
- MEL is fully funded for planned 2019 drilling and seismic activities
- SM74 exploration well planned to spud in Q1 CY 2019 by experienced Gulf of Mexico operator Byron Energy
- Exploration success at SM74 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 (26 November 2018)	A\$0.043
Number of shares	390.6m
<b>Market capitalisation</b>	<b>A\$16.80m</b>
Cash <sup>1</sup>	A\$5.2m
Convertible Note (BYE) <sup>1</sup>	A\$3.0m
Exchange Traded Bonds <sup>1</sup>	A\$2.1m
BYE Shares <sup>1</sup>	A\$13.9m
Debt	Nil

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

### Substantial shareholders & Board

Keybridge Capital Limited	20.12%
M&A Advisory Pty. Ltd.	19.59%
Mr. Philip Amery	1.15%
Dr. Robbert Willink	0.33%
Mr. John Patton <i>*Mr. Patton is also Chairman of Keybridge Capital</i>	0.14%
Top 20	59.30%
Total shareholders	2,270

Source: Link Market Services (26 Nov 2018)

### Share price performance since disposal of NSW assets:

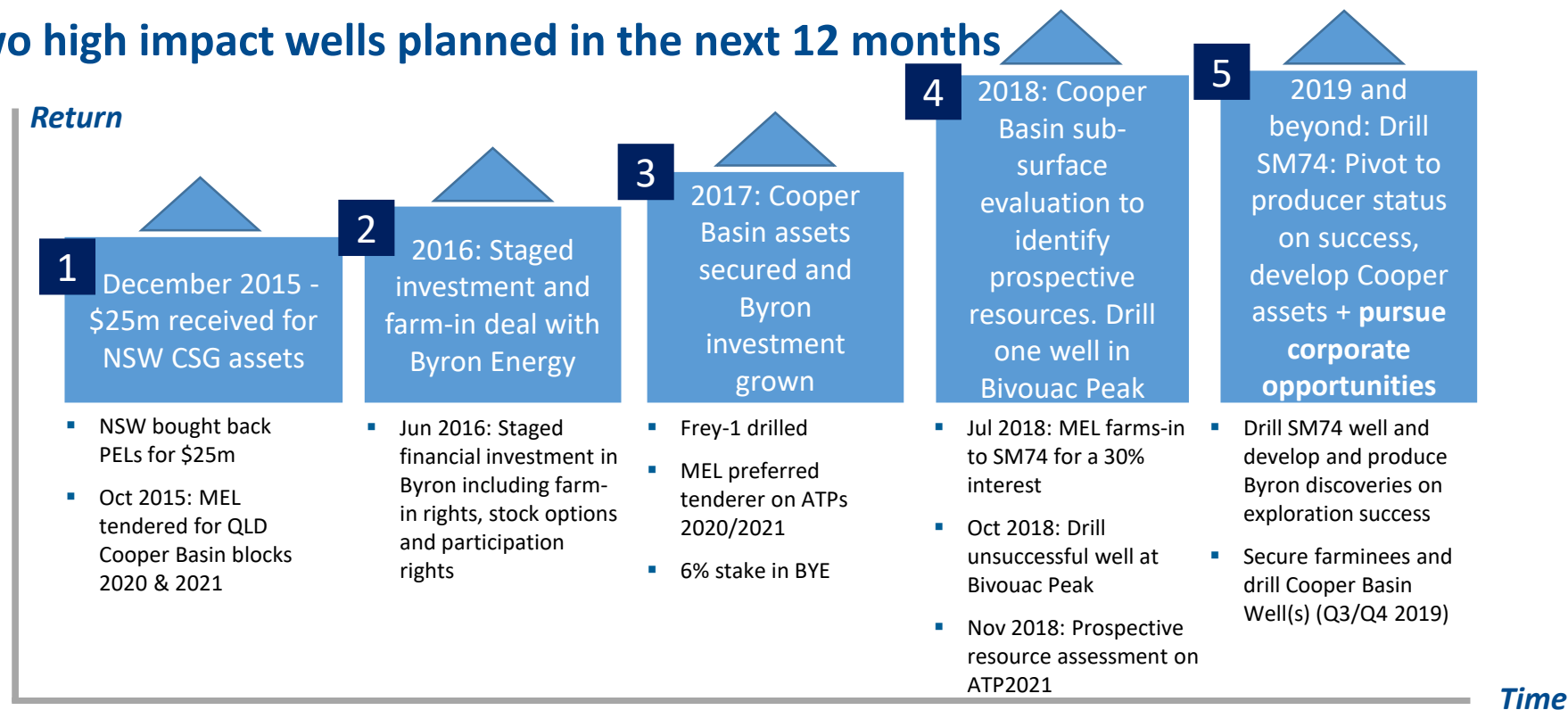


Graph takes into account MEL's 2.5c per share, \$9.96m capital return to shareholders in November 2016

# Metgasco Business Transformation

Since 2016 the company has transformed, via financial and new asset deals, to deliver a total shareholder return of >25%\*

Two high impact wells planned in the next 12 months



## 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 (September 30, 2018)

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

**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”

# Byron Energy Financial Investment Summary

## Strong returns and a 30% interest in the highly prospective SM74 well drilling in Q1 2019. Well designed for early production potential on success

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)**. On 11 October 2018 the Weiss Adler at al 1 well drilling was completed and deemed non commercial following a log evaluation. Well plugged and abandoned.

4

In August 2017, Metgasco took up its participation right in Byron's \$26m 7c capital raise, becoming a 5.77% shareholder

5

In July 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 **5.2 mmbbl oil / 13 Bcf gas** prospective resource, drilling is expected to start mid Q1 2019

6

In September 2018, Metgasco elected to convert AUD 1m of convertible notes into BYE shares becoming a 6.05% shareholder

7

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

8

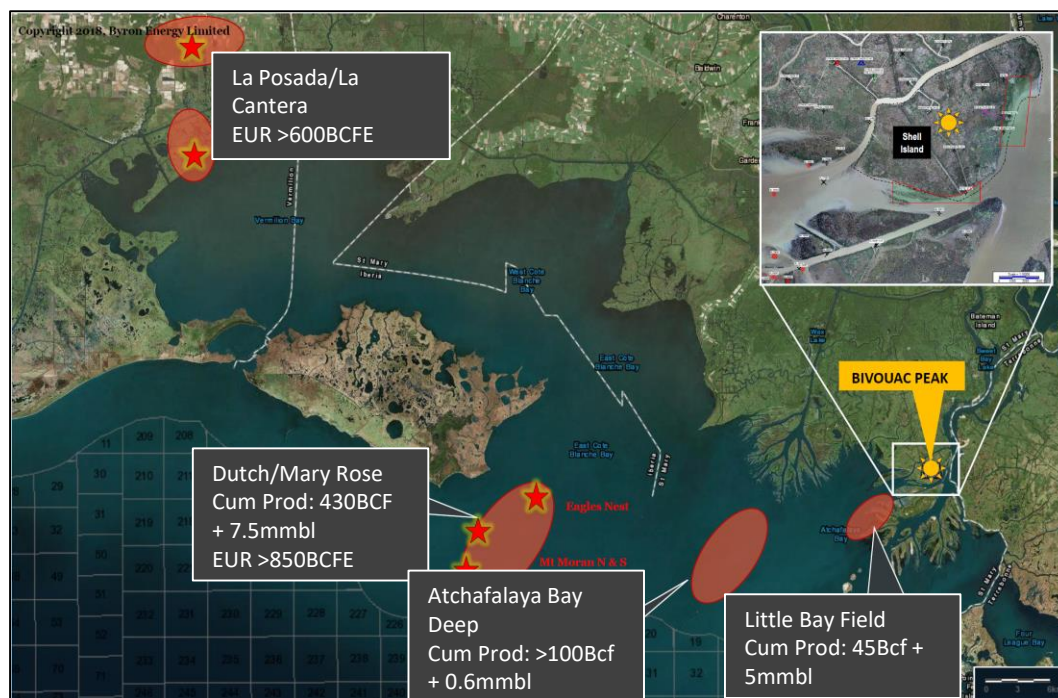
Byron provides a good example of how Metgasco's team, by thinking laterally, has provided shareholders with leverage into an **attractive portfolio of opportunities** while optimising the use of company capital



# Shallow GOM: Bivouac Peak - Byron Energy Farm In

As announced on 11 October, Weiss Adler et al-1 well was deemed uncommercial after log evaluation. The well was efficiently drilled under-budget by operator Byron and was plugged and abandoned

Exploration Key Data	
Country	USA
Basin	GOM Marshlands
Licence	Bivouac Peak
Well	Weiss Adler et al-1
Licence Entry	Farm in for 10% for funding 13.33% of first well
Licence Owners	Byron Energy 43%(operator), Otto Energy 40%, Metgasco 10%, Nola 7%
Target Information	TD: 18,234ft MD. Primary Targets: 17,125ft and 17,445ft
Gross Prospective Resource	125.6 Bcf and 11.3mmbbl
Estimated Drilling Time	Spud 25/8/2018 Reached TD 11 Oct 2018
Proximity to Infrastructure	~5km to Little Bay Field



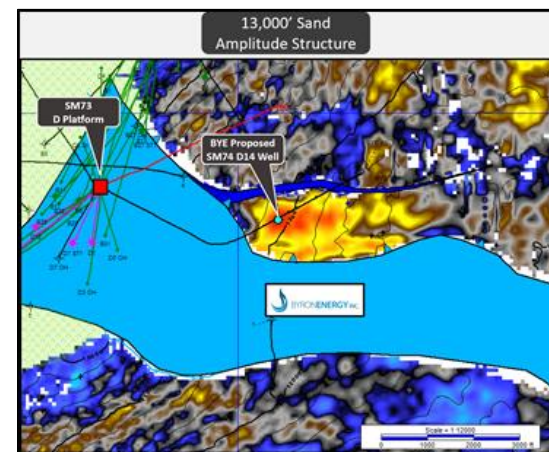


# Shallow GOM: SM74 – Byron Energy Farm In

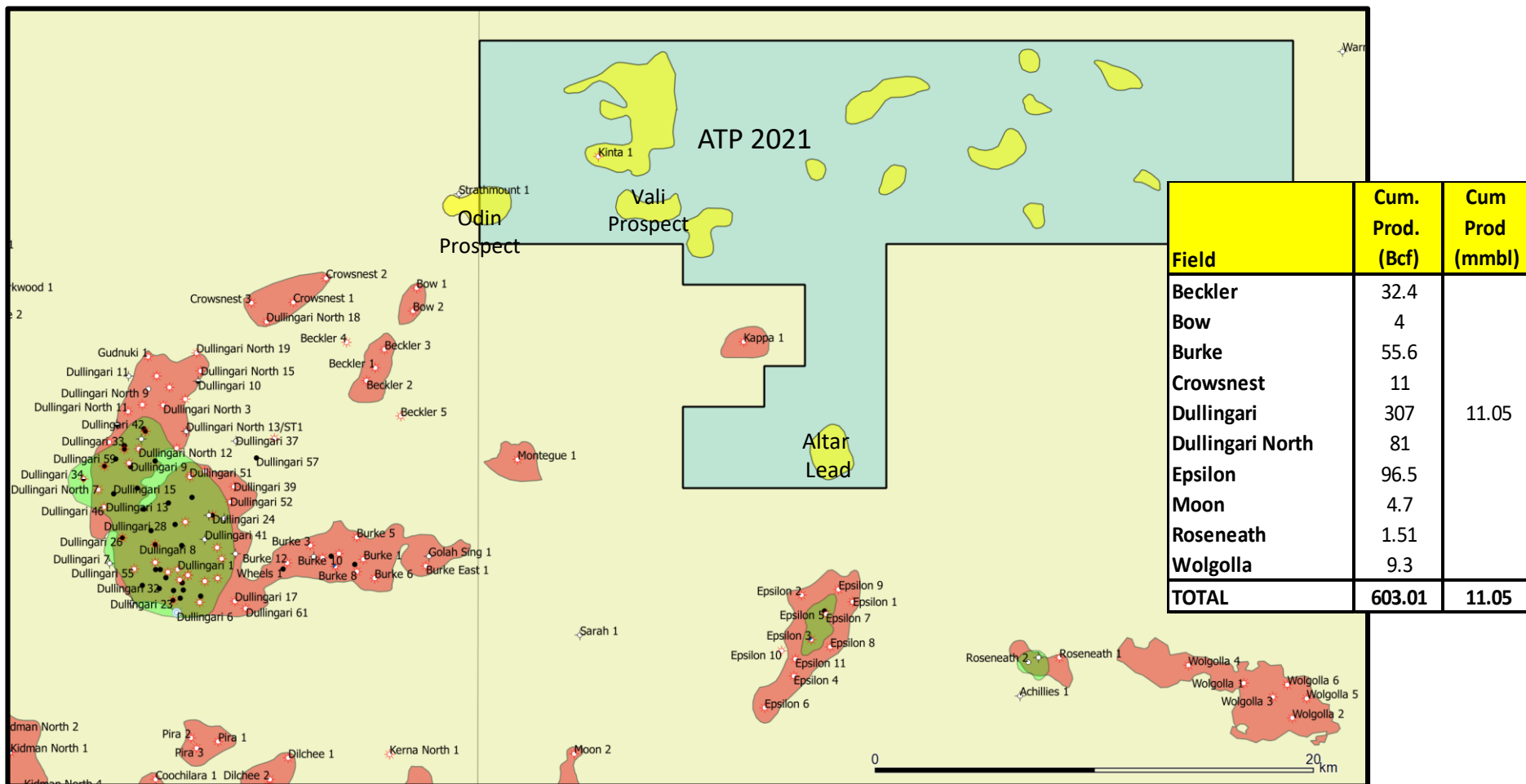
Metgasco farmed in for a WI of 30% of Byron Energy operated SM74 block

Drilling rig contracted and first exploration well planned for February 2019

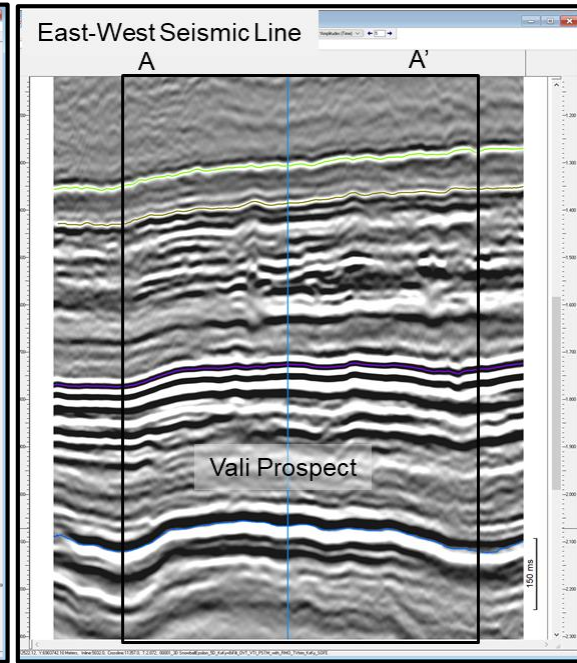
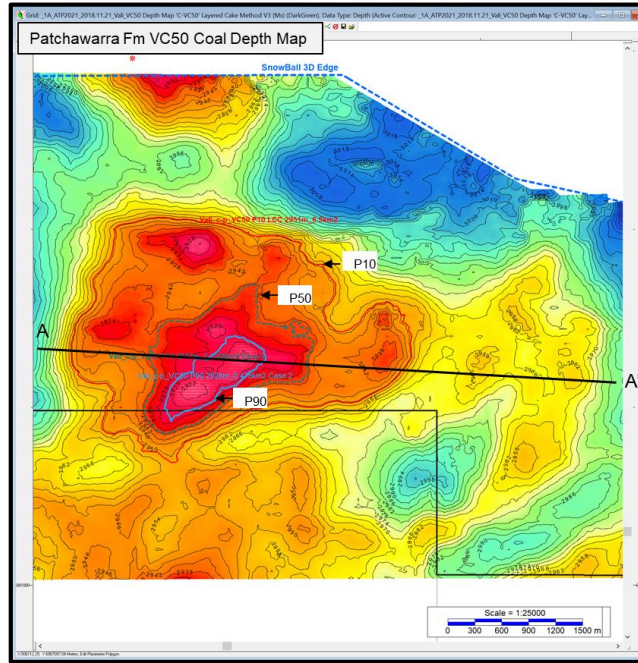
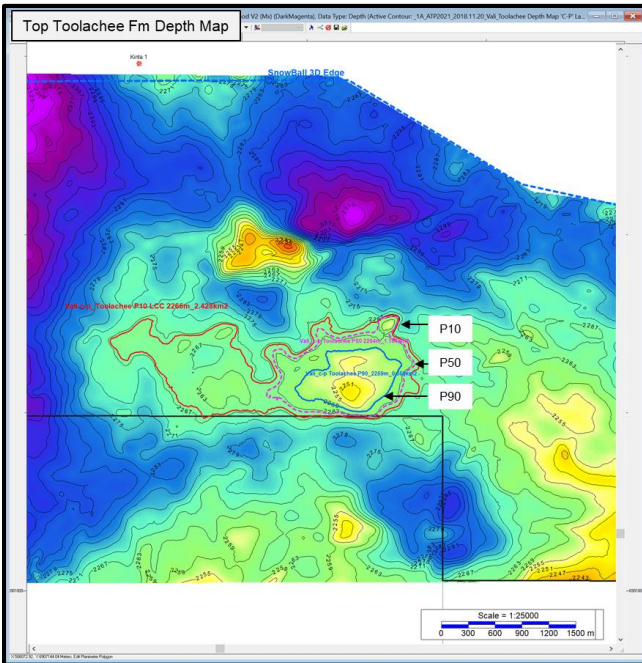
Exploration Key Data	
Country	USA
Basin	GOM
Licence	SM74
Well	SM74 D-14
Licence Entry	Farm in for 30% for funding 40% of first well
Licence Owners	Byron Energy 70%(operator), Metgasco 30%
Target Information	TD: 16,486ft MD. Primary Targets:~13,000ft, 13,600ft
Gross Prospective Resource	13 Bcf and 5.2 mmbbl
Estimated Drilling Time	A drilling rig has been contracted allowing the well to spud in circa Feb 2019
Proximity to Infrastructure	Drilled from SM73 platform ~4000ft west of well



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



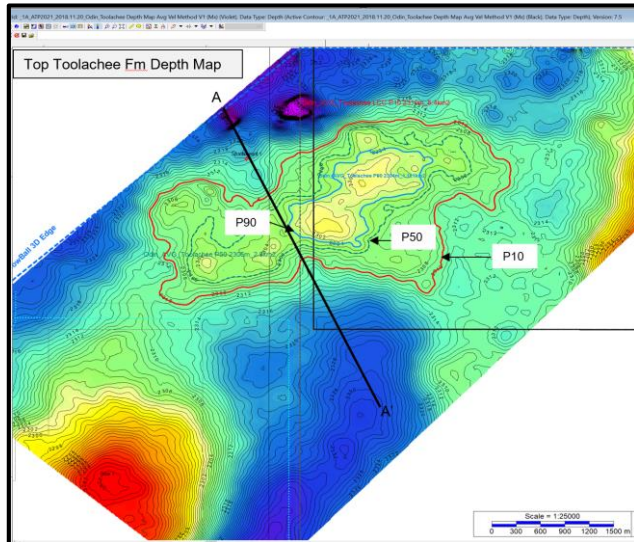
# ATP 2021 Vali Prospect Depth Maps: E-W Seismic Line



- Vali is a robust anticline with dual primary targets of the Toolachee and Patchawarra Formations
- The structure has been mapped on recently acquired 2016 3D Seismic
- The prospect is adjacent to the principal hydrocarbon source kitchen, the Nappamerri Trough
- The closest well Kinta-1, ~3km to the north, intersected gas charged sands in both the Patchawarra and Toolachee intervals.
- The Toolachee Formation has independent closure with an estimated depth to target of ~2249m.
- Vali is close to existing gas and oil infrastructure and pipelines.



# ATP 2021 Odin Prospect Depth Maps: NW-SE



- Strathmount -1 Well not adequately evaluated due to wellbore issues, massive washouts leading to failed tests
  - 21m of interpreted gas in Permian sands
  - Sub-standard water based drilling mud resulted in an enlarged hole
  - Enlarged hole led to unreliable logs
  - Enlarged hole led to inability to perform 60% of the open hole tests on gas shows
  - Two open-hole tests flowed gas to surface at a rate too small to measure (RTSTM) and the well was abandoned
  
- Kinta -1 A low permeability gas discovery which did not flow gas to surface due to poor logging, completion and testing practices
  - 37m of interpreted gas in Permian sands
  - Very high temperatures in the Patchawarra Formation resulted in electric logging mechanical problems and compromised logging data
  - The case hole well test was poorly designed and executed which resulted in gas not flowing to surface
  
- Metgasco considers that the application of modern drilling, completion and testing practices planned for our 2019 wells will considerably improve the chances of gas discovery.

# ATP 2021 Prospective Resources - Raw Gas

Vali Prospect*	Low (P90)	Best (P50)	High (P10)
Net OGIP (Raw) Bcf	<b>6.6</b>	<b>26.3</b>	<b>101.2</b>
Net Recoverable Gas (Raw) Bcf	<b>4.8</b>	<b>19.0</b>	<b>72.9</b>

Odin Prospect*	Low (P90)	Best (P50)	High (P10)
Net OGIP (Raw) Bcf	<b>3.8</b>	<b>12.0</b>	<b>37.8</b>
Net Recoverable Gas (Raw) Bcf	<b>2.7</b>	<b>8.7</b>	<b>27.2</b>

\* The Prospective Resources estimates are probabilistic in nature, and are recoverable raw gas attributable to Metgasco's 100% interest in ATP 2021 as at 26 November 2018. Raw gas includes the content of inert gases such as carbon dioxide which is known to be variable in the region. Prospective Resources as per Metgasco's ASX release of 26 November 2018

# 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  
Online: 2015

**Sheoak 1:**  
Flowed gas on test

**Vernon:**  
Flowed gas on test

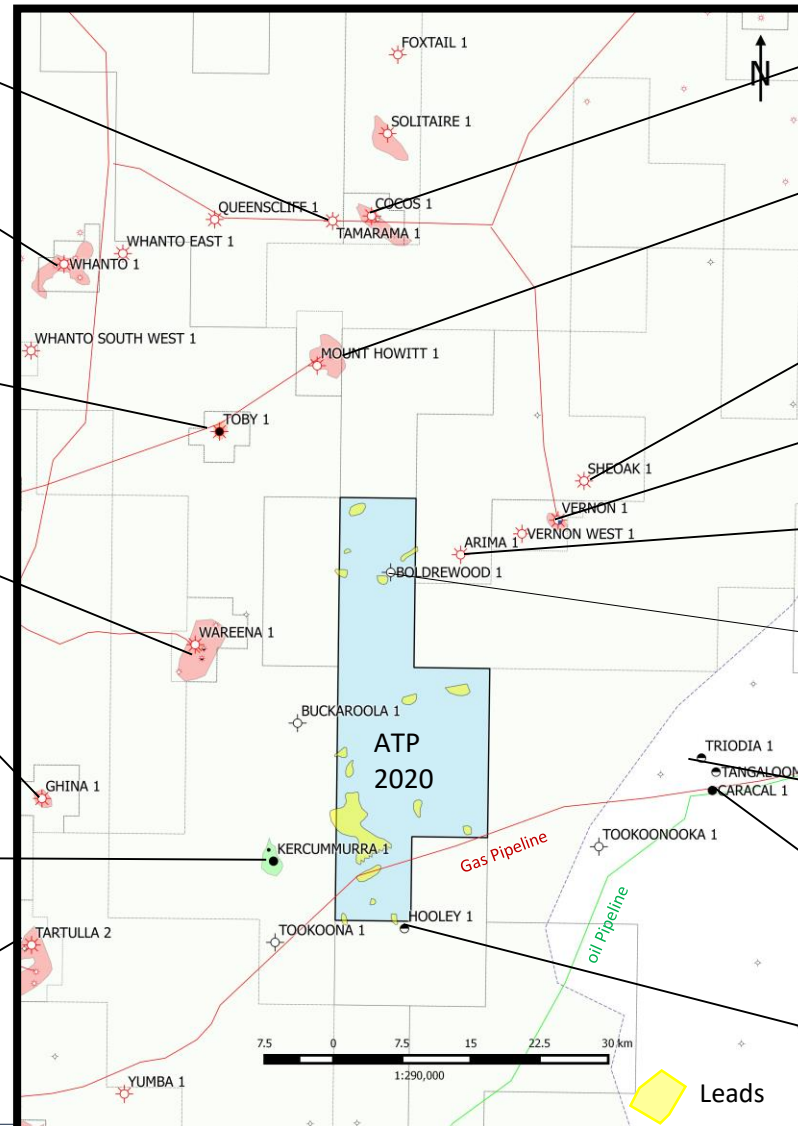
**Arima 1:**  
Gas shows

**Boldrewood 1:**  
Oil shows

**Triodia 1:**  
Oil shows

**Caracal 1:**  
Oil recovered on test

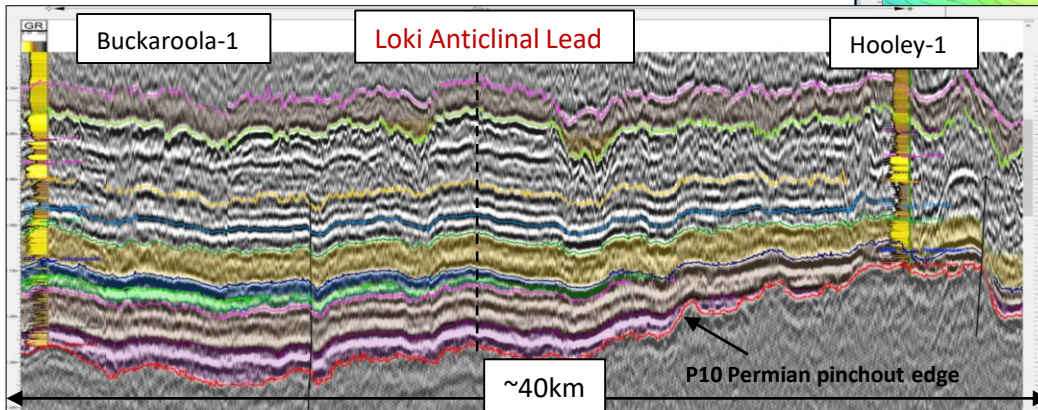
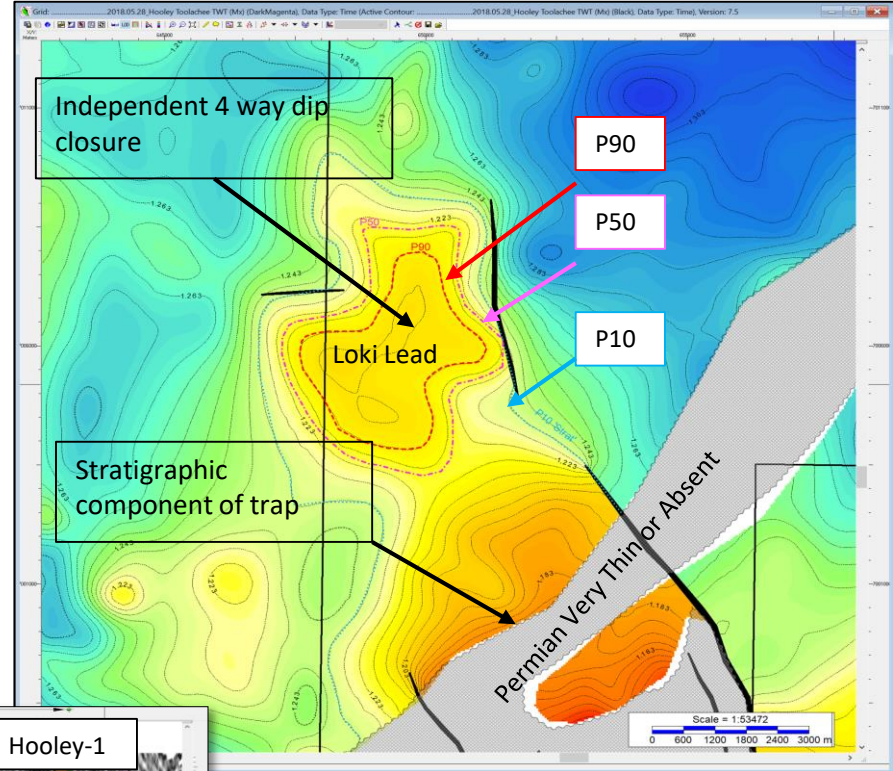
**Hooley 1:**  
Multiple oil shows

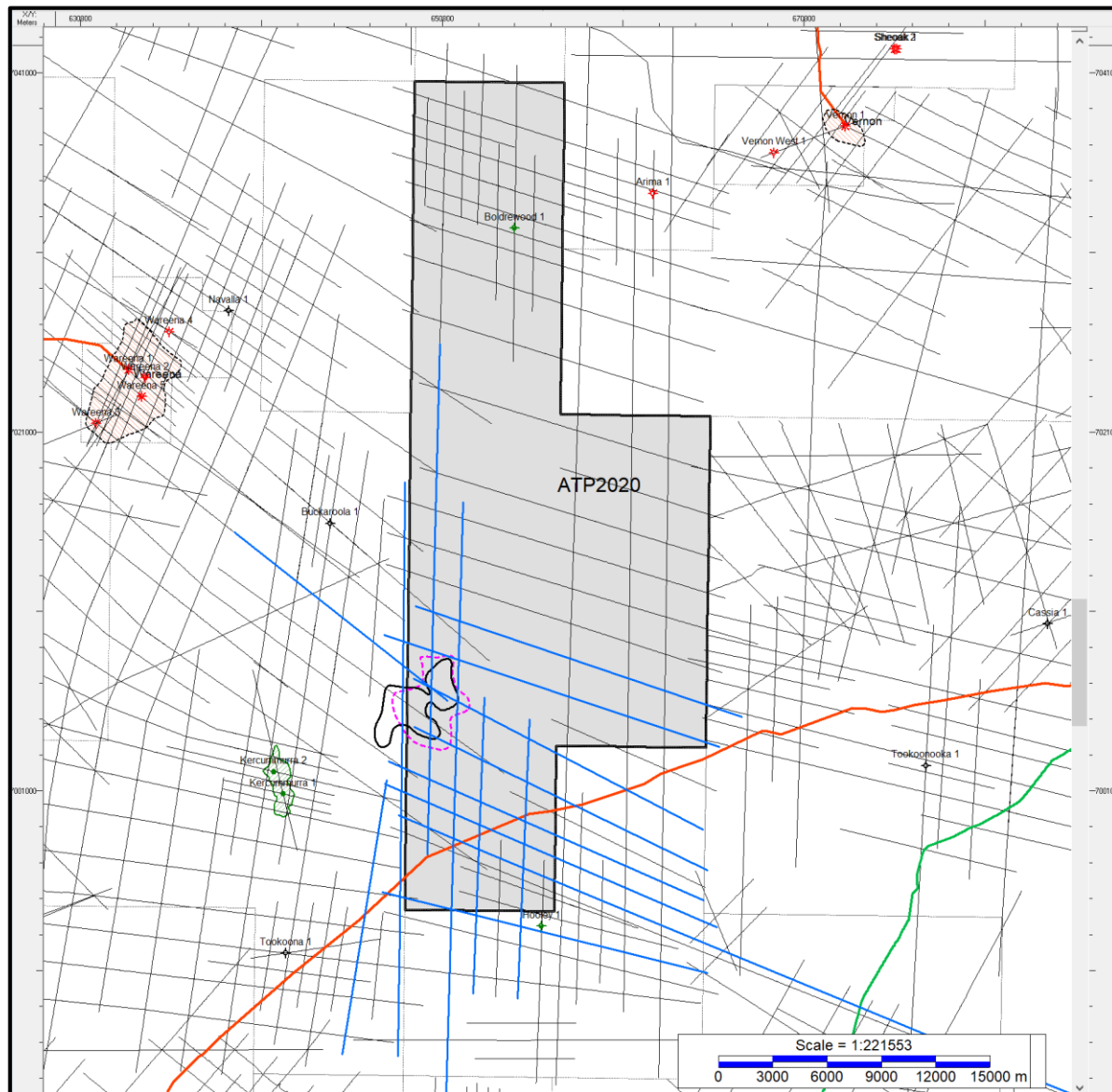




## Multiple exploration targets with oil and gas potential - Close to existing infrastructure

Exploration Key Data	
Country	Australia
Basin	Cooper/Eromanga
Licence	ATP 2020
Well	Loki Lead
Licence Entry	QLD Government Gazettal
Licence Owners	Metgasco 100%
Native Title Agreement	In place
Target Information	TD: ~1750mMD. Primary Targets: Cret - Jurassic sands for oil, Toolachee Formation for gas
Indicative P50 OGIP + OOIP	17Bcf + ~ 13 mmbbls
Estimated Spud date	4Q 2019
Proximity to Infrastructure	Pipeline traverses permit





- Re-processing of 2D seismic over the Loki Lead is currently underway.
- Acquisition of 2D seismic is planned for 2Q 2019.

# 2018/2019 Indicative Timeline

Q3 2018

Q4 2018

Q1 2019

Q2 2019

Q3 2019

Q4 2019

MEL ATP 2021  
Oil & Gas  
Cooper Basin

Interpret 3D seismic

Farm-out  
process

Land access &  
Govt approvals

Drill & evaluate

If discovery,  
develop &  
produce

Identify prospect

Well planning

MEL ATP 2020  
Oil & Gas  
Cooper Basin

Review leads and  
develop prospects

Farm-out process

Land  
access/  
seismic

Acquire  
seismic

Interpret  
seismic

Govt. approvals  
& well planning


Drill well \*

Seismic  
reprocessing

\* 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>CORPORATE</b>	Two more quarterly \$1m Byron loan re-payments
	<b>SM74 exploration well</b> <i>USA GOM Exploration Well</i>	30% MEL owned – plan to start drilling in Q1 CY 2019. 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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- This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of Metgasco is available on our website, [www.metgasco.com.au](http://www.metgasco.com.au).
- 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.
- Competent Person Statement: The reported Cooper Basin ATP 2021 prospective resource estimates are based on information compiled or reviewed by Dr. R. Willink who holds a PhD and a BSC (Hons) in Geology and is a member of AAPG and PESA. Dr. Willink is a Non-Executive director of Metgasco and is currently an Advisor on Exploration of the privately-owned Timor Resources and has worked in the petroleum industry as a practicing geologist for over 40 years. Dr. Willink has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

Metgasco Ltd

ABN 24 088 196 383

## Notice of 2018 Annual General Meeting

The Notice of Meeting dated 24 October 2018 was circulated to members,  
and will be taken as being read

Before moving on to the resolutions to be considered today, I will now briefly outline the Meeting and Voting procedures for today's Meeting.

- **Voting Attendance Cards:**

- **YELLOW:** indicates a voting shareholder or proxyholder
- **BLUE:** indicates a non-voting shareholder
- **RED:** indicates a visitor

- **Who can speak or ask questions?**

- Only those persons holding a YELLOW or BLUE attendance cards are entitled to speak or ask questions

- **Proxies & Voting Exclusions:**

- Only those proxies received by 10:00am on Tuesday, 27 November 2018 have been accepted
- The Board has adopted the policy that the voting exclusions set out in s250R(4) of the Corporations Act 2001 (Cth) applies to both current and former KMP

- **Voting:**

- As Chairman, I have determined the voting on each of the resolutions will be conducted by a poll, rather than on a show of hands.





## 2018 Annual Report

## Item 2.1: Election of Robbert Willink

- To consider and, if thought fit, pass the following as an ordinary resolution of the Company :

***“That Robbert Willink, a Non-Executive Director appointed by the Directors on 5 February 2018 pursuant to rule 9.1 of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Metgasco Ltd”***

## Item 2.1: Election of Robbert Willink

Proxy Results - Item 2.1		
For	28,397,082	19.80%
Against	76,780,656	53.54%
On Chairman's Discretion	19,507,479	13.60%
On Other's Discretion	18,733,164	13.06%
Abstain	0	N/A

## Item 3: Re-Election of John Patton

- To consider and, if thought fit, pass the following as an ordinary resolution of the Company :

***“That John Patton, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Metgasco Ltd”***

## Item 3: Re-Election of John Patton

Proxy Results - Item 3		
For	28,316,219	19.74%
Against	76,878,519	53.60%
On Chairman's Discretion	19,507,479	13.60%
On Other's Discretion	18,733,164	13.06%
Abstain	0	N/A

## Item 4: Adoption of Remuneration Report

- To consider and, if thought fit, pass the following as an advisory resolution of the Company :

***“That the Remuneration Report for the year ended 30 June 2018  
(set out in the Directors’ Report), is adopted”***

## Item 4: Adoption of Remuneration Report

Proxy Results - Item 4		
For	27,210,525	18.90%
Against	83,089,883	57.70%
On Chairman's Discretion	15,115,531	10.50%
On Other's Discretion	18,583,164	12.91%
Abstain	0	N/A



Ladies and gentlemen, that concludes the voting on the resolutions of the Meeting.

I ask that you please hand your **YELLOW** Poll Cards to Link staff who will come around with the ballot boxes to collect all completed **YELLOW** Poll Cards.

Thank you ladies and gentlemen, that concludes the business as set out in the Notice of Meeting.

I now declare the Meeting closed.