



## ASX / MEDIA RELEASE

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### METGASCO: UPDATE ON FUNDING POSITION

The Board of Metgasco Ltd (**ASX:MEL**) (Metgasco, or, the **Company**) is pleased to provide shareholders with an update on the Company's funding position, subsequent to recent announcements regarding drilling activity in the Gulf of Mexico and farm-out of interests in the Company's prospective Cooper Basin ATP2021 (See MEL announcements *SM74 D14 Commencement of Drilling* 16 May 2019 and *Metgasco farm-out ATP2021 to Vintage Energy* 22 May 2019).

Metgasco's full budgeted cost for the SM74 D14 well (US \$4,393,590), pursuant to the approved AFE (which included a contingency), has been remitted by the Company to the Operator (see MEL announcement *Funding of SM74 D14 well AFE confirmed* 1 April 2019). Metgasco has no further funding commitments in relation to the SM74 D14 well, excluding (i) completion and production tie in costs on success and (ii) cost overruns outside of budgeted contingency.

Metgasco's current cash on hand is \$1,952,000, held in Australian bank accounts. The Company holds a further \$1,389,000 in ASX listed bonds (XTBs). These instruments are readily convertible to cash, generate a somewhat higher yield than cash and represent interests in senior bonds issued by large Australian corporate issuers. Given they are of reasonably short duration and are fungible to cash via the operation of XTBs market makers, they are accordingly considered a low-risk, liquid asset of the Company.

In addition to the above **~\$3.34m in cash and liquid assets** held by the Metgasco, the Company holds 40,333,383 shares in Byron Energy Limited (ASX:BYE) with a present market value of **\$12,503,348**. In response to an offer from a reputable broker, active in the market in respect of Byron, Metgasco disposed of 6m BYE shares for cash in mid May at a price of 28c/share as part of its general capital management. Metgasco remains very confident in relation to the outlook for its investment in Byron and does not currently intend to dispose of further BYE securities.

The Company presently **does** intend to exercise the 10m options over Byron shares, exercisable at 25c/share, prior to their maturity, subject to market conditions and general capital management considerations. Metgasco has no present need, nor intention, to raise further capital from shareholders in relation to its current operations and projects.

#### Contact and further information:

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

ENDS

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