



ASX / MEDIA RELEASE

ASX Code: MEL

2 July 2019

Farm-Out Agreement Executed on ATP 2021

The Board of Metgasco Ltd (ASX:MEL) (Metgasco, or the Company) is pleased to announce that it has executed the Farm-Out Agreement including a Joint Operating Agreement (“JOA”) with ASX-listed Vintage Energy Ltd (Vintage, ASX: VEN) in respect of its Cooper-Eromanga Basin asset ATP 2021.

- The Farm-Out Agreement has been executed as per the terms in the binding Heads of Agreement signed on 22 May and provides for Vintage to earn a 50% interest (and operatorship) in Metgasco’s Cooper-Eromanga Basin licence ATP 2021. The Farm-Out Agreement terms provide for Vintage to:
 - i. Fund 65% of the first exploration well drilled, up to a maximum gross cost of \$5.3 million (with Vintage’s share being up to \$3.445 million);
 - ii. Reimbursement of 65% of past licence exploration costs (\$527,800) or carry Metgasco for the first \$527,800 of exploration costs; and
 - iii. Fund up to \$70,000 of 2D/3D seismic re-processing currently scheduled to better identify expected shallow oil targets on the block (see ASX announcement “*Technical Activities update*” 25 February 2019).
- The Farm-Out Agreement is binding, and the transfer of the 50% interest in ATP 2021 is conditional on ministerial approval and license registration, which is anticipated later this month. Vintage has initiated drilling planning on the Vali exploration prospect with a best endeavours plan to drill in Q4 of CY 2019.

The joint venture partnership entered into with Vintage provides the following key benefits to Metgasco shareholders:

- Vintage’s team is well regarded by the Metgasco Board and has significant Cooper Basin technical and operational experience;
 - The signing of the Farm-Out Agreement secures additional project funding to deliver drilling of one exploration well in CY 2019; and
 - Metgasco and Vintage have agreed to consider other potential areas of mutual interest.
- ATP 2021 (Figure 1) is a 370km² permit located on the Queensland side of the Cooper- Eromanga Basin and is highly prospective with drill ready prospects identified by 3D seismic. Within 20km of the permit boundary are oil and gas fields with associated pipelines and facilities, that have produced over 600BCF of gas and 11MMbbl of oil.

Figure 1 Location of ATP 2021 and surrounding oil and gas fields and pipelines



Ken Aitken Metgasco Chief Executive Officer commented:

“Metgasco is pleased to have finalised the ATP 2021 Farm-out Agreement with Vintage Energy Ltd and we look forward to working closely with their highly experienced team to rapidly progress drilling plans on the Vali gas exploration prospect”

Contact and further information:

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

ENDS

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