



ASX / MEDIA RELEASE

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RISC Independent Report Increases Cervantes Prospective Resources

- Risc calculates Mid/P50 prospective resources on Cervantes prospect of gross 17.4 mmbo representing a 14% Increase on Metgasco's estimates;
- Metgasco considers RISC's independent report confirms the significant prospectivity of the Cervantes oil prospect;
- RISC assessed value of the L14 farm-in is in the range of \$4.4-\$5.8 million;
- Expected Monetary Value (EMV) for Cervantes is \$28.4 million (net to Metgasco) confirming excellent prospectivity.

Metgasco Ltd (ASX:MEL) ("**Metgasco**" or the "**Company**") on 9 September 2019 executed a binding farm-in agreement into the North Perth Basin L14 licence area with Jade Energy Holdings Pte Ltd subsidiary RCMA Australia Pty Ltd ("**Jade**") (refer announcement of 9 September 2019). Metgasco has agreed to pay 100% of the Cervantes exploration (and upon election, a second) well in L14 (one in the Western Flank and one in remaining uncommitted areas of the licence area, from April 2020) and in return will earn a 60% interest in any commercial discovery from those wells. On 10 September 2019 Metgasco announced the prospective resources related to the Cervantes and Western Brush prospects.

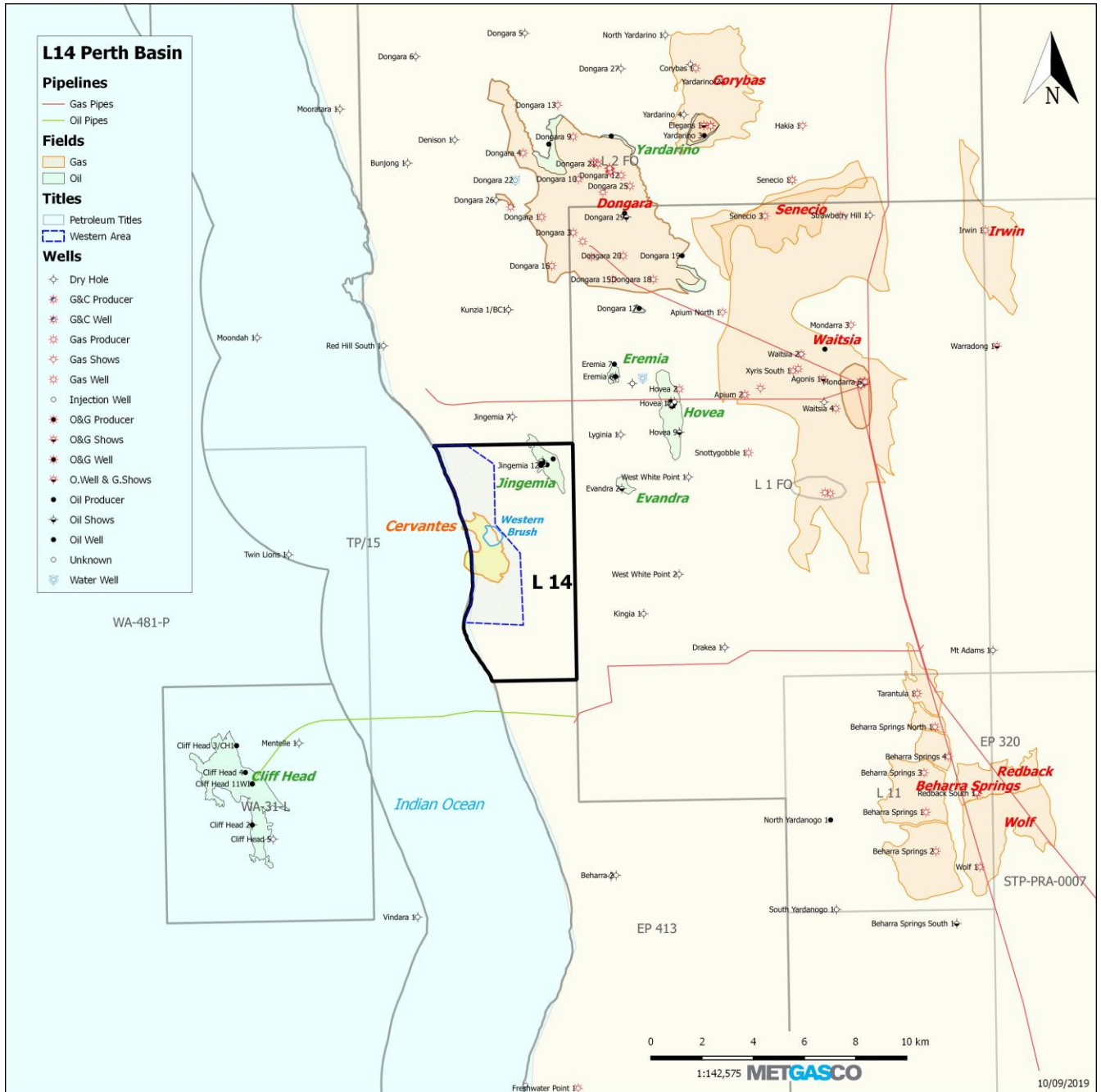
Metgasco engaged RISC Pty Ltd ("**RISC**") to provide an independent report on the value of Metgasco's interest in the L14 production licence, based on the value of the farm-in promotion factors. Metgasco provided RISC with relevant sub-surface information and RISC provided the prospective resource estimates on the basis of auditing existing interpretations and making necessary adjustments based on their technical opinion.

RISC's summary of prospective resources for Cervantes is shown below in Table 1-1 and its location in the Perth Basin map below. The mid case prospective resource estimate (table 1-1) is 17.4 MMbbls or 10.4 MMbbls net to Metgasco. These updated resource estimates represent a 14% improvement in Metgasco's resource estimates announced on 10 September 2019.

Table 1-1: Prospective resource estimates for the Cervantes prospect (100%)

Reservoir	POS	Low MMbbls	Mid MMbbls	High MMbbls
Dongara	14%	5.4	12.1	23.2
Kingia	20%	1.2	3.4	9.1
HCSS	20%	0.5	1.9	5.9
Arithmetic total		7.1	17.4	38.3

The prospective resource estimates in the above table have an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation will be required to determine the existence of potentially moveable hydrocarbons.



RISC has assessed the value of Metgasco’s farm-in agreement on L14 by valuing on the basis of farm-in promotion factors, see Table 2-2 below. RISC has also provided an expected net monetary value (EMV) for context. The nominal value of the farm-in opportunity is when Metgasco has taken up its right to drill the Cervantes well on 15 November 2019. The premium value represents the future amount Metgasco will fund in the event the company exercises the right to drill both exploration wells in return for the acquisition of the interest in the farm-in opportunity. The EMV is the risked NPV of the project less the cost of a Cervantes dry hole. Note that the calculated EMV includes the Dongara and Kingia formations but not the High Cliff formation.

Table2-2: Value of Metgasco interest in L14

Asset	Well cost (\$million)	Nominal value (\$million)	Premium value (\$million)	EMV (\$million)
1 st well (Cervantes)	5.0 – 7.0	5.0 – 7.0*	2.0 - 2.8*	28.4
2 nd well	6.0 – 7.5	6.0 – 7.5*	2.4 – 3.0*	
Total	11.0 – 14.5	11.0 – 14.5	4.4 – 5.8	

*Value will only be realised when Metgasco has committed to drill the wells

Ken Aitken Metgasco Chief Executive Officer commented:

“I believe RISC’s independent assessment confirms the significant prospectivity of the Cervantes oil prospect and has received strong interest from potential farm-in partners since opening the data room last month”

Contact and further information:

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

ENDS

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