



## ASX / MEDIA RELEASE

ASX Code: MEL

22 May 2019

### Metgasco Farm-Out Agreement over ATP 2021

**The Board of Metgasco Ltd (Metgasco, or, the Company) is pleased to announce that it has executed a Heads of Agreement with Vintage Energy Ltd (Vintage) in respect of its Cooper/Eromanga Basin asset ATP 2021 with ASX-listed Vintage Energy Ltd (ASX: VEN).**

- The Agreement provides for Vintage to earn a 50% interest (and operatorship) in Metgasco's Cooper/Eromanga Basin licence ATP 2021 by paying a disproportionate share of future drilling and other costs, including Metgasco development costs to date.
- The Farm-in 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. Contribute a further \$527,800 which reflects 65% of the past licence back-costs/farm-out costs which have been incurred by Metgasco to date; and
  - iii. Fund the full carry of \$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, subject to certain standard formal conditions including ministerial approval and license registration, with Metgasco and Vintage expecting final documentation to be executed by no later than 30 June 2019 and a first well to be drilled on the Vali prospect in the second half of CY 2019. Metgasco have also agreed to hand over project management of drilling planning to the Vintage team to accelerate the drilling program.

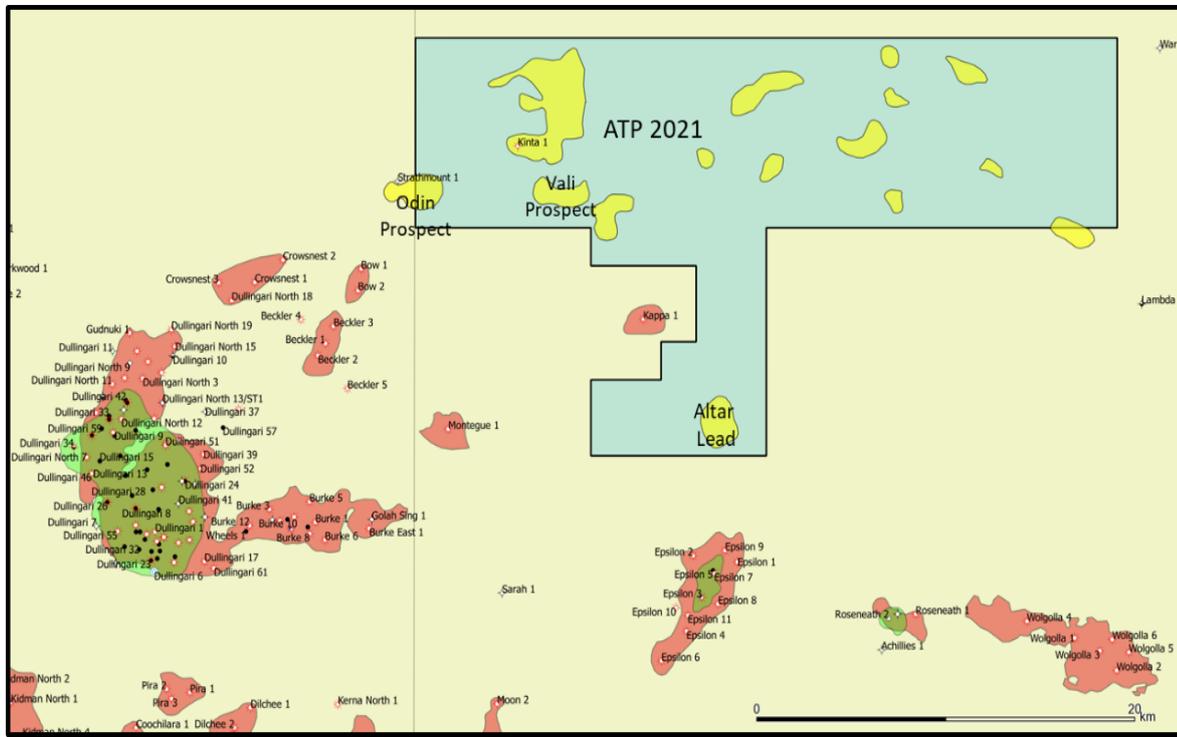
The joint venture partnership entered into with Vintage provides the following key benefits to Metgasco shareholders:

- Vintage's team are well regarded by the Metgasco Board and have significant Cooper/Eromanga Basin technical and operational experience;
- The Farm-Out agreement reached secures additional project funding to deliver drilling of at least one exploration well in CY 2019; and
- Metgasco and Vintage have agreed to consider other potential areas of mutual interest.

The probabilistic **prospective resources estimates** for the Vali prospect are shown in the table below and were announced on the 26<sup>th</sup> November 2018. The resources are recoverable raw gas attributable to a 100% gross interest. Raw gas does not include the potential effects of inert gases such as Co<sub>2</sub> which can be variable in the area. (see ASX announcement "*ATP 2021 Prospective Resources*" 26 November 2018):

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

\*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 are un-risked and have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of potentially significant moveable hydrocarbons.



Ken Aitken Metgasco Chief Executive Officer commented:

*“Metgasco is pleased to have a company of the calibre of Vintage farm-in to the ATP 2021 License and welcome them as a partner. Vintage’s team is well regarded by the Metgasco board, is highly experienced in exploration and production in the Cooper/Eromanga Basin and have a record of commercial success in this region.*

*This farm-in endorses Metgasco’s view that ATP 2021 has high exploration prospectivity and the potential to support material hydrocarbon discoveries. I wish to thank the Metgasco team including Trudy Bretherton, Max Milz and lead technical director Dr. Robbert Willink for their high quality work in maturing the asset. We look forward to rapidly progressing plans to drill the Vali prospect.”*

### Contact and further information:

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

ENDS

**For further information contact:**

Philip Amery

Chairman

+ 61 402 091180

[philip.amery@metgasco.com.au](mailto:philip.amery@metgasco.com.au)

Ken Aitken

Chief Executive Officer

+61 418 736 705

[ken.aitken@metgasco.com.au](mailto:ken.aitken@metgasco.com.au)

**Metgasco Ltd** ACN 088 196 383

Level 12, 680 George Street, Sydney NSW 2060

Tel: +61 2 9923 9100 Fax: +61 2 9959 5387

[info@metgasco.com.au](mailto:info@metgasco.com.au)

[www.metgasco.com.au](http://www.metgasco.com.au)

---