

METGASCO

ASX / MEDIA RELEASE

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SHAREHOLDER UPDATE RE: BID

Metgasco Limited (ASX: MEL) refers to the Second Supplementary Bidder's Statement issued by Melbana Energy on the 16th of October 2019.

The Directors of Metgasco continue to **unanimously recommend** that shareholders **reject the offer and take no action**. Metgasco is currently reviewing the Second Supplementary Bidder's Statement and is preparing a Supplementary Target's Statement for release early next week.

We note that Melbana has also extended the acceptance date under its bid to the 1st of November 2019.

Observant readers will note that this is the **last possible day** prior to the *already extended* expiry date for the two holders of Melbana's Beehive farm-in options to confirm whether or not they intend to exercise their options.

Melbana's bid acceptance extension date to the 1st of November does not allow Metgasco shareholders the opportunity to properly consider the bid knowing the farm-in outcome at Beehive. Melbana's intention appears to be to encourage Metgasco shareholders to accept Melbana's undervalued bid on *mere speculation* of such an outcome.

As advised in our Target's Statement, the Metgasco board has difficulty ascribing value to Melbana's Beehive asset in any event. Notwithstanding, Metgasco has written to Melbana seeking clarification of the above.

Melbana has not responded.

It would be irresponsible for Metgasco directors to make an updated recommendation to its shareholders on Melbana's offer without absolute certainty with respect to the Beehive farm-in option being exercised, a farm-in outcome being progressed in Cuba, and, for that matter, *a formal written confirmation* being received from the appropriate Cuban authorities that PSC 9 remains in good standing and that the Santa Cruz Enhanced Oil Recovery PSC has *actually been issued*.

Your Metgasco Directors continue to unanimously recommend that you

REJECT THE OFFER

Melbana's conditional offer significantly undervalues your shares

TO REJECT MELBANA'S OFFER

DO NOTHING

Contact and further information:

Metgasco welcomes shareholder communication and invites all interested shareholders to make contact at any time. It is being advised by Burnvoir Corporate Finance, whose details are also below.

For further information contact:

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