



## ASX / MEDIA RELEASE

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### Vali-2 well successful and cased for future production

- **Vali-2 logging data confirms gas in the Toolachee and Patchawarra formations**
- **Toolachee formation reserve booking anticipated**
- **Patchawarra formation potential confirmed**
- **Vali gas field now has two cased and suspended wells ready for production**
- **SLR184 rig being mobilised to the Odin-1 location to drill high priority prospect within PRL 211**

The board of Metgasco Ltd (ASX:MEL) (**Metgasco** or **the Company**) is pleased to provide an update on the Vali-2 appraisal well and the Odin-1 exploration well in the Cooper Basin.

Metgasco's Cooper Basin portfolio includes Cooper/Eromanga Basin assets ATP 2021 (Vintage 50% and operator, Metgasco Ltd 25%, Bridgeport Cooper Basin Pty Ltd 25%) and PRL 211 (Vintage, Metgasco and Bridgeport earning in a proportionate 85% via Odin-1, with Impress (Cooper Basin) Pty Ltd 15%).

The wireline logging program data at Vali-2 confirmed the presence of gas in the Toolachee and Patchawarra formations. One of the main objectives of Vali-2 was to assess the potential for gas in the Toolachee Formation four-way dip closure, which was not tested in Vali-1 ST1. A wireline gas sample was successfully recovered to surface from the Toolachee Formation, it is expected that there will be an increase to the certified Vali Field Reserves, which currently only reflects gas in the Patchawarra Formation.

Vali-2 was similar to Vali-1 ST1 in many ways, such as the appearance of stacked gas pay in the Toolachee and Patchawarra formations. The Toolachee Formation in Vali-2 is 6 metres up-dip of Vali-1 ST1, with the Patchawarra Formation intersected seven metres high to prognosis. Based on the log response, the Patchawarra Formation appears to have a greater amount of sand throughout.

#### **Ken Aitken, Metgasco Chief Executive Officer, commented:**

*"The confirmation of gas in both primary reservoir objectives of Vali-2 is an excellent outcome for the ATP2021 JV and provides further confidence of a potential multi-well field development at Vali. The recovery of a gas sample from a wireline conveyed testing tool in the Toolachee formation indicates conventional production upside potential within the Vali field. The joint venture anticipates booking gas reserves in the Toolachee formation, to add to Patchawarra reserves booked last year. Metgasco would like to thank the Vintage operations team and contractors for efficiently drilling, casing and suspending the well safely and ahead of schedule. The Vali-2 result is a great start to the Cooper Basin drilling campaign this year and we look forward to the drilling of the Odin-1 exploration well, which is expected to spud around the middle of May, testing the highly prospective Odin structure within PRL 211.*

*Metgasco has taken its Cooper/Eromanga Basin assets from origination at government gazettal in 2017, through farm-out, and has now participated in drilling two successful gas wells, with further drilling to come this year and the likelihood a substantial gas production hub can be developed."*

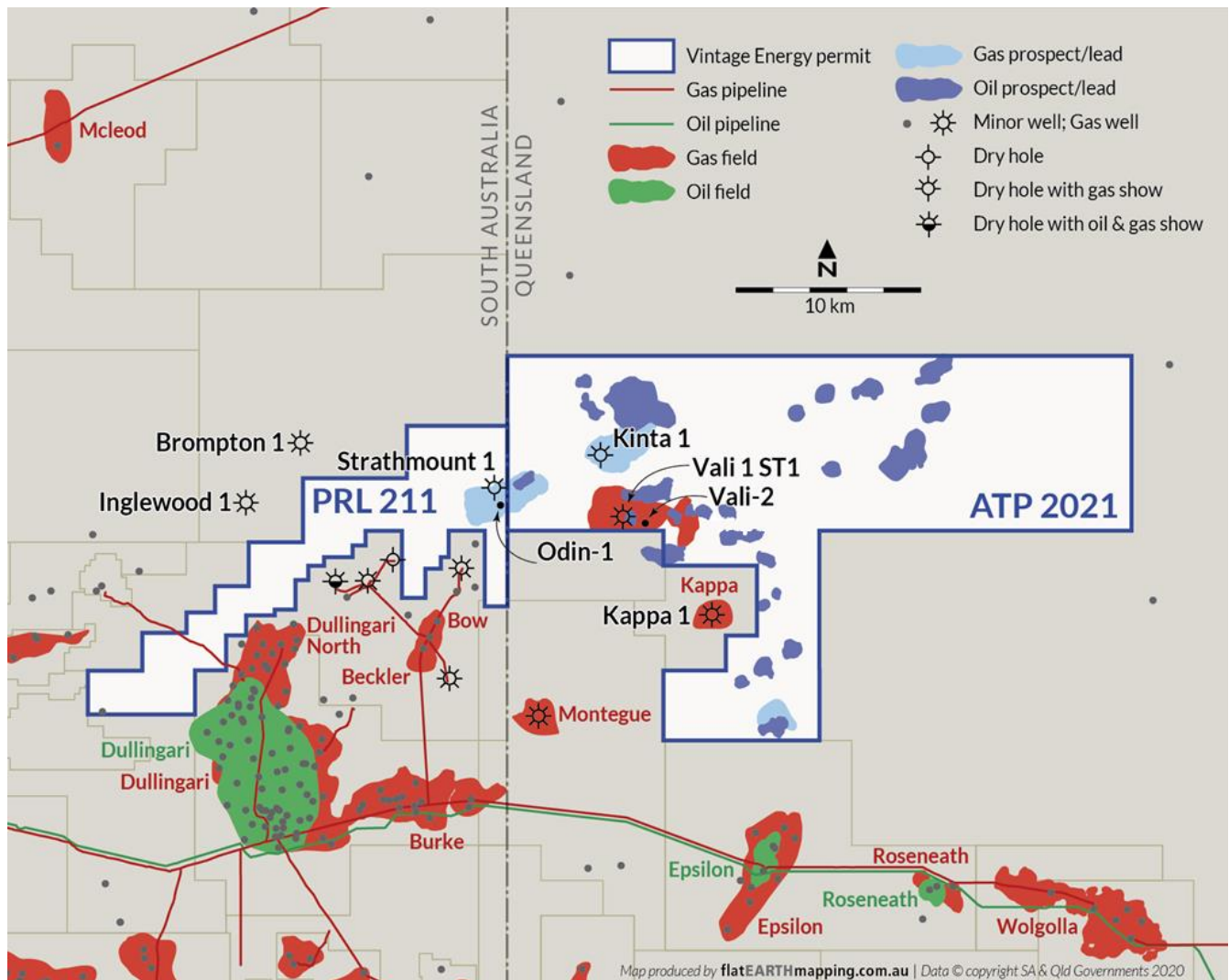
The ERCE independently certified reserves for the Vali gas field (prior to the drilling of Vali-2) are shown in Table 1 below:

	Gross ATP 2021 Vali Gas Field Patchawarra Formation (1 December 2020)		
	1P	2P	3P
Reserves (Bscf)	12.3	30.3	78.9
Reserves (PJ)	13.4	33.2	86.6
	Net ATP 2021 Vali Gas Field Patchawarra Formation (1 December 2020)		
	1P	2P	3P
Reserves (Bscf)	3.1	7.6	19.7
Reserves (PJ)	3.4	8.3	21.6

**Table 1 – Vali Field Gross and Net Reserves**

**Notes**

1. Reserves estimates reported here are ERCE estimates, effective 1 December 2020.
2. The Reserves above may change based on data gathered from the drilling of Vali-2, the analysis of which is not yet complete
3. Reserves estimates have been made and classified in accordance with the Society of Petroleum Engineers (“SPE”) Petroleum Resources Management System (“PRMS”).
4. Net Reserves attributable to Metgasco represent the fraction of Gross Reserves allocated to Metgasco, based on its 25% interest in ATP 2021.
5. Allowance for Fuel and Flare has been made.
6. Conversion of Bscf to PJ has been estimated based on gas sampled and measured from Vali-1 ST1.
7. ERCE Reserves presented in the tables are the totals for all 20 Patchawarra reservoir intervals.



**Figure 1: Vali-2/Odin-1 Locations** Source: Vintage Energy

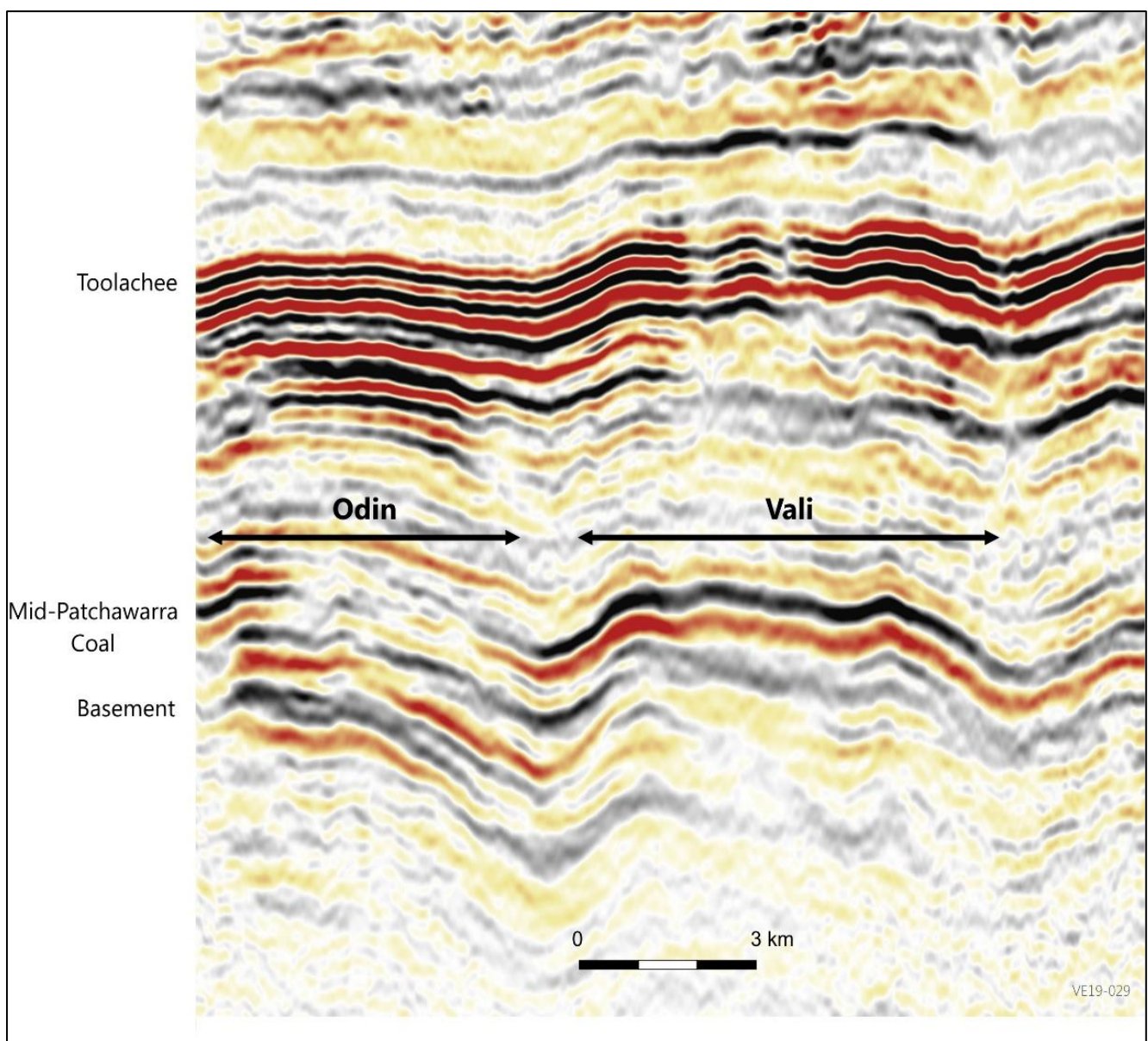
**PRL 211** (Vintage 42.5% and operator, Metgasco Ltd 21.25%, Bridgeport Cooper basin Pty Ltd 21.25%, Impress (Cooper Basin) Pty Ltd 15%):

The SLR184 rig is currently being mobilised to the Odin-1 location to drill an exploration well (refer Figure 1 & 2), which is expected to spud mid- May 2021.

Odin-1 is being drilled to address a large fault bounded Patchawarra Formation closure, up dip of Strathmount-1, a well drilled in 1987 and plugged and abandoned after discovering a non-commercial hydrocarbon accumulation. Strathmount-1 is interpreted to have conventional gas pay in the Toolachee Formation and both conventional and low permeability gas pay in the Patchawarra Formation.

Stratigraphically trapped gas outside of mapped closure may provide gas resource upside. The Odin structure has been de-risked by the success at Vali-1 ST1 and Vali-2 and has the potential for gas in the Toolachee Formation (~8 metres of structural relief over nearly 5.2 km<sup>2</sup>), with a 40% chance of success ("COS") and high chance of development, and the Patchawarra Formation (~15 metres of structural relief over nearly 2.5 km<sup>2</sup>), with a COS of 32% and high chance of development.

Metgasco will own net 21.25% of PRL211 licence via paying 25% net of the Odin well cost.



**Figure 2: Odin/Vali Snowball 3D Seismic section** Source: Vintage Energy

As per Metgasco's ASX release on 22 November 2019, the 2U Best Estimate Unrisked Prospective Resources in Odin have been calculated to be gross 12.6 Bcf or 2.8Bcf net to Metgasco (21.25% interest). See prospective resource table-1 below:

Note that the volumes are net to Metgasco, and risking values stated are as calculated by Vintage Energy and agreed by the joint venture:

<b>Odin Prospect Prospective Resources<sup>1</sup></b>	<b>1U Low Estimate</b>	<b>2U Best Estimate</b>	<b>3U High Estimate</b>
Toolachee Bcf	1.2	4.1	13.5
Patchawarra Bcf	2.4	8.5	29.1
<b>Total Gross Recoverable Gas (Raw) Bcf</b>	<b>3.6</b>	<b>12.6</b>	<b>42.6</b>
<b>Net To Metgasco (Raw) Bcf</b>	<b>0.8</b>	<b>2.8</b>	<b>9.5</b>

**Table 2 - Odin gross and net prospective resources**

<sup>1</sup>Refer MEL ASX release on 22 Nov 2019

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 have both an associated risk of discovery and a risk of development.

These prospective resources are estimated as of November 22, 2019. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The resources have been classified and estimated in accordance with the Petroleum Resource Management System (PRMS). The prospective resources have been estimated based on the interpretation of 3D seismic integrated with offset well data. Probabilistic methods have been used to estimate the prospective resource in individual reservoirs and the reservoirs have been summed arithmetically. Resource estimates are net of shrinkage.

The Odin-1 prospect will be drilled in Q2 FY21 and no further material exploration activities, including studies, further data acquisition and evaluation work are to be undertaken prior to that activity.

**This ASX announcement was approved and authorised for release by the Board.**

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