



ASX / MEDIA RELEASE

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METGASCO ELECTS TO PARTICIPATE IN BYRON ENERGY EQUITY ISSUANCE

1. In relation to the current capital raising undertaken by Byron Energy ("Byron"), the Board of Metgasco advises that, pursuant to its convertible note deed with Byron (see Metgasco announcement 9th June, 2016 "Staged Financial Investment into Byron Energy"), it has elected to exercise its priority right, taking up a 10% participation.

Metgasco's subscription of A\$2,652,790 for 37,897,000 Byron securities, at an issue price of \$0.07, is considered as an attractive exposure to the near term, high-impact development pathway at Byron's South Marsh Island 71 (SM71) project and Byron's other projects in the Gulf of Mexico. It will see Metgasco become a substantial shareholder of Byron, holding a 5.77% interest. Metgasco remains secured creditor to Byron in relation to the SM71 project with amortization of its development funding facility commencing in the next quarter.

2. Byron and Metgasco have also agreed an additional option for Metgasco to farm into one of the new opportunities Byron recently acquired in the Gulf of Mexico.

All other aspects of the convertible note deed remain on foot and in good standing. Metgasco congratulates Byron on its successful capital raising and looks forward to the delivery of SM71 production outcomes.

Metgasco's Chairman Alexander Lang said: "We are very pleased to take up our full entitlement in Byron's equity raising. Following the provision of the \$8,000,000 Convertible Note facility subscribing to new equity to become a substantial shareholder in Byron is the next step in increasing our exposure to the exciting opportunities in Byron."

With regards to the new farm-in option Mr. Lang said: "The company is very excited to have agreed the right to farm into another Byron block in the Gulf of Mexico. Following our farm-in into Bivouac Peal last year we are looking forward to being directly involved in yet another promising opportunity the Byron team has identified in the Gulf."

"We congratulate Byron on its successful capital raising and look forward to working with them as a financial partner, shareholder and farm-in partner." Mr. Lang added.

Contact and further information:

Metgasco invites all interested shareholders to make contact at any time via the contact details below.

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About Metgasco:

www.metgasco.com.au

Metgasco is presently pursuing new opportunities in the Oil & Gas sector. It holds an interest, via a secured production development funding facility, equity options and participation rights, in U.S Gulf of Mexico company Byron Energy Limited (ASX:BYE). Metgasco holds a 10% (non-operating) farmed-in interest in Byron's Bivouac Peak Littoral Louisiana hydrocarbon project with a planned initial well testing a Gross prospective resource of 32,270 Mboe in addition to farm-in rights in relation to Byron's Gulf of Mexico (GOM) portfolio. Aside from its \$8m secured receivable noted above, Metgasco holds cash and cash equivalent investments of approximately A\$10.2m.

For further information contact:

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