



ASX / MEDIA RELEASE

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SOUTH MARSH ISLAND 74 D-14 Progress Report

- **Byron operated SM74 D-14 exploration well has been drilled to a depth of 12726 feet MD**
- **The 9 5/8" inch casing string has been run and is currently being cemented in place at a depth of 12,726 feet MD**

The Board of Metgasco Ltd (ASX:MEL) (Metgasco, or, the **Company**) is pleased to advise that the Byron Energy Limited (ASX:BYE) operated SM74 D-14 well, the first test well on the South Marsh Island 74 block, was drilled to a depth of 12,726 feet Measured Depth ("MD") / 12,149 feet True Vertical Depth ("TVD") and the 9 5/8" inch intermediate casing was then run and cemented as of 5pm US Central Daylight Time on 18th June 2019, cementing operations are in progress such that a Formation Integrity Test ("FIT") can be obtained prior to drilling ahead through the target section to proceed to total depth.

As previously announced to the ASX on 16 May 2019, the SM74 D-14 well is designed to test multiple amplitude supported target sands, prognosed to be intersected at a depth below 13,800 feet (MD), and is expected to be drilled to a planned total depth of 16,747 feet MD/ (14,726 feet TVD) and logged. If the well is productive, a 7-inch liner will be run and cemented followed by a well completion.

In July 2018, Metgasco farmed-in for a 30% working interest ("WI") in SM74 block (24.37% net revenue interest) via funding 40% of the approx. US\$11 million dry hole cost of the Initial Test Well (SM74 D-14) to casing point. Byron Energy Limited will pay the remaining 60%. Both companies will then bear their respective working interest costs after the SM74 D-14 is drilled to total depth.

The SM74 D-14 well is being drilled from the SM73 D platform. As previously announced on 19 September 2018, Byron signed an agreement with Ankor Energy LLC, the offset operator of SM73, to drill from and, in the success case, produce through the SM73 D platform. This arrangement reduces the threshold of economic reserves by eliminating the need to build a new platform and offers significant capital savings in infrastructure as well as reducing the cycle time to first production if hydrocarbons are discovered.

Metgasco will issue its next progress reports on the SM74 D-14 well once the FIT is successfully obtained and the well is drilling ahead.

Contact and further information:

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

ENDS

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