



ASX / MEDIA RELEASE

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Vali-2 net pay results exceed expectations

- **Vali-2 delivers greater net gas pay than Vali-1 ST1, exceeding pre-drill expectations.**
- **150m of net pay primarily in the Toolachee and Patchawarra formations (80 metres of net gas pay interpreted in Vali-1 ST1)**
- **Field reserves to be reviewed in late July following Vali-3.**
- **SLR184 rig has been mobilised to the Vali-3 with spud expected over the coming days.**

The board of Metgasco Ltd (ASX:MEL) (**Metgasco** or **the Company**) is pleased to provide an update on interpreted gas pay in the recently completed Vali-2 well (Vintage 50% and operator, Metgasco Ltd 25%, Bridgeport Cooper Basin Pty Ltd 25%).

The Vali-2 well was drilled to total depth of 3,240 metres and cased for production. Wireline logging confirmed the presence of gas in both the Toolachee and Patchawarra formations, as well as the Tirrawarra Sandstone, with a gas sample recovered via MDT from the Toolachee.

It is expected that the discovery of gas in the Toolachee Formation will add to reserves estimates in the Vali Field, with an independent reserve assessment by ERCE planned once the Vali-3 appraisal well has been drilled. It is expected Vali-3 drilling will start over the coming days and take circa 21 days.

Vali-2 has 24 metres of stacked net gas pay in the Toolachee Formation, with an 8% porosity cut-off, which is distributed between three thick sandstone packages and five thinner ones. A gas gradient was established through MDT pressure measurements and a gas sample recovered. Analysis of the sample indicates the Toolachee gas has a higher percentage of hydrocarbons at 82% (75% methane, 4% ethane, 3% other hydrocarbons) and 18% inert gases, compared with the Patchawarra gas in Vali-1 ST1, which has around 76% hydrocarbons and 24% inert gases.

The wireline logging and MDT results indicate that the Toolachee reservoir may flow without the need for well stimulation.

The Patchawarra Formation is estimated to have 117 metres of conventional and low permeability net gas pay, with a 6% porosity cut off (80 metres in Vali-1ST1 with a 6% porosity cut off), that is distributed over 18 sandstone packages, with the Tirrawarra Sandstone having nine metres of conventional and low permeability net gas pay (two metres in Vali-1 ST1), both of which had a 6% porosity cut off. Production from these formations is expected to be optimised by future well stimulation.

This very encouraging result, following the successful Odin-1 well drilled in May, further increases Metgasco's confidence in the viability of a substantial Cooper Basin gas production hub being commercialised in H1 2022. Technical appraisal of the Odin-1 well is continuing with net pay data and gas samples under evaluation, with a market announcement expected to be made within the next 2-3 weeks.

Ken Aitken, Metgasco Chief Executive Officer, commented:

"The better than anticipated Vali-2 net-pay results indicate reserve upside potential for the Vali field, which will be independently assessed following the drilling of Vali-3. Metgasco looks forward to the imminent spud of the Vali-3 appraisal well and a safe and successful conclusion to the 2021 Cooper Eromanga basin drilling program."

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.

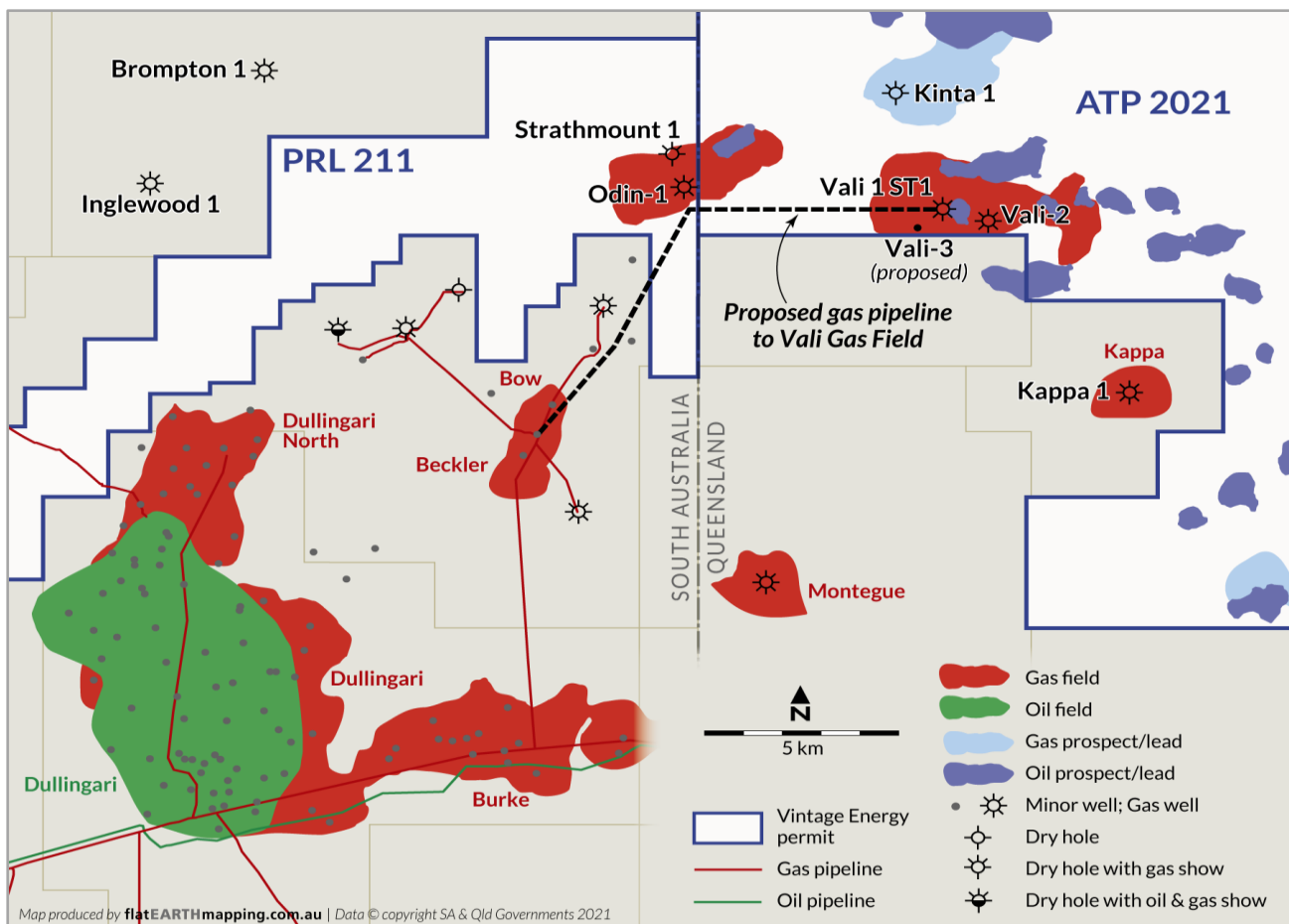


Figure 1: Cooper Basin permits PRL 211 and ATP 211 including well locations Odin-1, Vali-1 ST1, Vali-2 and Vali-3 Source: Vintage

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

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