



ASX / MEDIA RELEASE

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Vali-3 net gas pay results exceed expectations

- **Vali-3 delivers the largest net pay results of three wells drilled**
- **178m of net pay identified in Patchawarra and Tirrawarra formations, with work ongoing to assess potential further pay in the Epsilon and Toolachee formations**
- **Vali Field Reserves review and certification process to commence soon**

The board of Metgasco Ltd (ASX:MEL) (**Metgasco** or **the Company**) is pleased to provide the following update on the **Vali-3 well** (Cooper Basin – ATP 2021 (Vintage Energy Ltd 50% and Operator, Metgasco Ltd (ASX: MEL) 25%, Bridgeport Cooper Basin Pty Ltd 25%).

The Vali-3 well reached total depth at 3,186 metres on 28 June 2021, achieving its main objective of intersecting the Patchawarra Formation at a depth consistent with the pre-drill interpretation of the Vali structure. During drilling, gas shows were observed in the lower Nappamerri Group, Toolachee, Epsilon and Patchawarra formations, and the Tirrawarra Sandstone.

Oil shows were observed through the late Cretaceous, Jurassic and Triassic sediments, as well as the uppermost Permian aged Toolachee Formation. Similar shows were encountered in both the Vali-1 ST1 and Vali-2 wells and Metgasco considers these shows supportive of oil migration and hence potential oil accumulations within the ATP 2021 permit, where more than 12 oil leads have been identified.

The wireline logging data has been analysed, with the operator estimating a total of 165 metres of conventional and low permeability net gas pay within the Patchawarra Formation, which comprises 101 metres of conventional net gas pay (porosity equal to or greater than 8%) and 64 metres of unconventional net gas pay (porosities ranging from 6% to 8%). 13 metres of net gas pay was also identified in the deeper Tirrawarra Sandstone. Gas trapped in the unconventional sandstones will likely be accessed via well stimulation.

For comparison, the Patchawarra Formation in Vali-2 also has 101 metres of net gas pay in conventional sandstones, but only 16 metres of unconventional net gas pay. The Epsilon and Toolachee formations within Vali-3 have been interpreted to contain potential gas pay, but further technical work is necessary before this can be quantified.

The Joint Venture now has three cased wells in the Vali Field available for future production. Once the joint venture has reviewed the data from the successful Vali wells it will be sent to ERC Equipose Pte Ltd, who will update the Reserve certification for the Vali Field as a whole. These results are expected prior to the end of September 2021.

Metgasco Managing Director Ken Aitken commented:

"The fact that both Vali-3 and Odin-1 net pay results have greatly exceeded expectations strengthens Metgasco's view that we have a significantly higher volume of gas than previously estimated within the Odin/Vali fields and that, following an updated Reserve review, Joint Venture approval to commercialise the Vali/Odin gas production hub later this year is highly likely. The joint venture is well advanced in progressing both gas pre-sales and infrastructure financing to this objective."

The ERCE independently certified reserves for the Vali gas field (*prior to the drilling of Vali-2 and Vali-3*) 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 and Vali-3, 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.

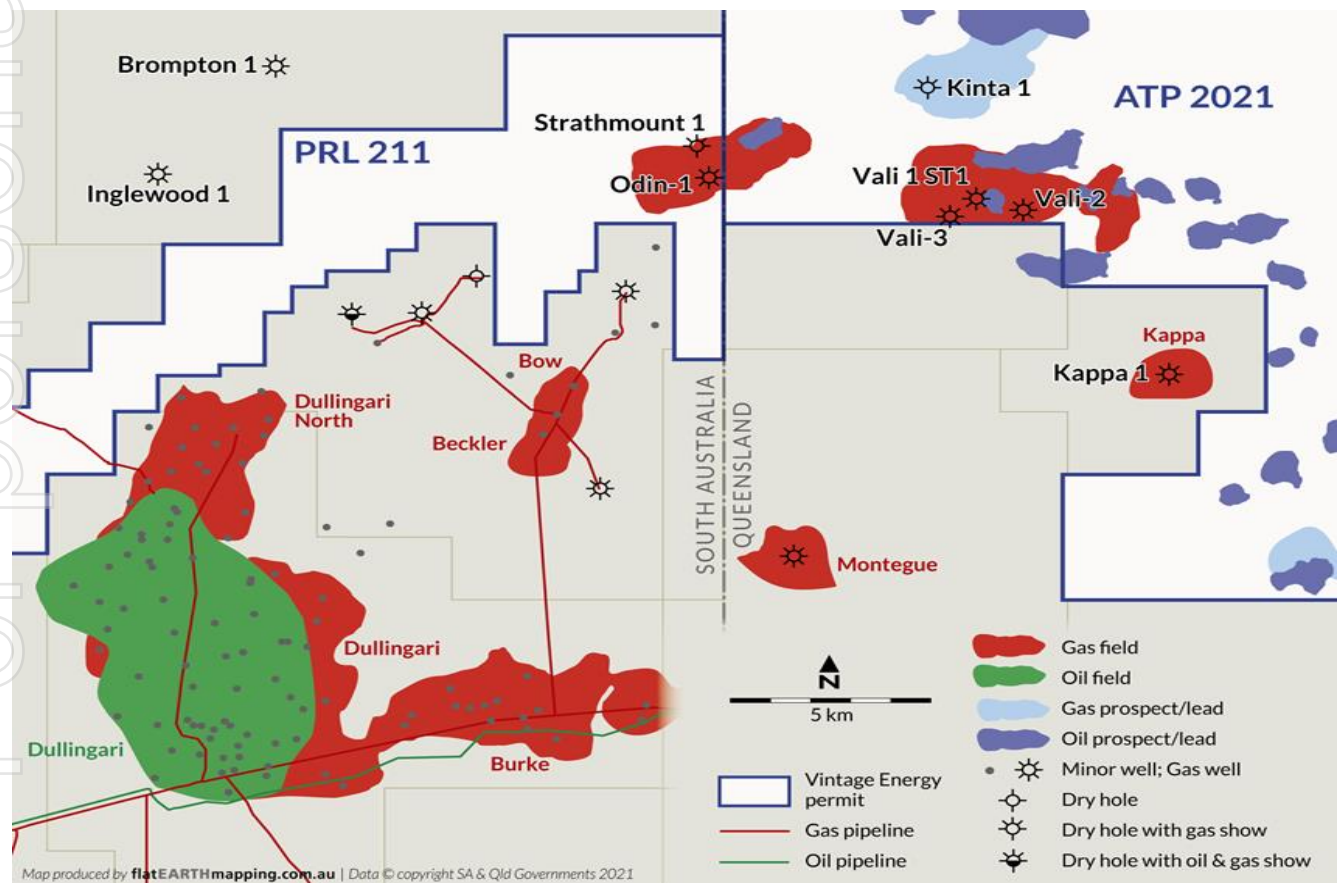


Figure 1: Cooper Basin permits PRL 211 and ATP 2021 including well locations Odin-1, Vali-1 ST1, Vali-2 and Vali-3 Source: Vintage

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

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