



## ASX / MEDIA RELEASE

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### Cooper Basin Operations Update

- **Odin-1 spudded 15 May and is currently drilling ahead at 1,658m**
- **The Vali-3 well will be drilled immediately following Odin-1**
- **Cooper Basin project further de-risked by success at Vali-2**
- **ACCC approval received for joint marketing of Vali gas**

Metgasco Ltd (ASX:MEL) (**Metgasco** or **the Company**) is pleased to provide an update on continuing operations in its flagship Cooper Basin and Perth Basin projects:

#### **Odin-1 exploration well:**

Cooper Basin – 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 Odin-1 exploration well was spudded on 15 May by the Schlumberger SLR184 rig and is currently drilling ahead at 1,658 metres. The well is expected to reach the Toolachee Formation, the first of the key target zones, this weekend.

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

The Odin structure has been further de-risked by success at the Vali-1 Field and has the potential for gas in the Toolachee Formation (~8 metres of structural relief over nearly 5.2 km<sup>2</sup>), which, prior to the drilling of Vali-2, was assessed to have 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.

The Odin Structure has a Gross Prospective Resource of: 1U low estimate of 3.6 Bcf (0.8 Bcf net), 2U best estimate of 12.6 Bcf (2.8 Bcf net), 3U high estimate of 42.6 Bcf (9.5 Bcf net) (refer ASX release dated 22 November 2019).

#### **Vali-3 appraisal well:**

Cooper Basin – ATP 2021 (Vintage 50% and operator, Metgasco Ltd 25%, Bridgeport (Cooper Basin) Pty Ltd 25%)

The Joint Venture has met and approved drilling of the (previously optional) Vali-3 gas appraisal well (location shown in figure 1).

The Vali Field already has Vali-1 ST1, and Vali-2 cased for future production, with Vali-3 also targeting gas in the Patchawarra Formation inside structural closure. It is anticipated that Vali-3 will be drilled around early June, immediately after the Odin-1 drilling is completed.

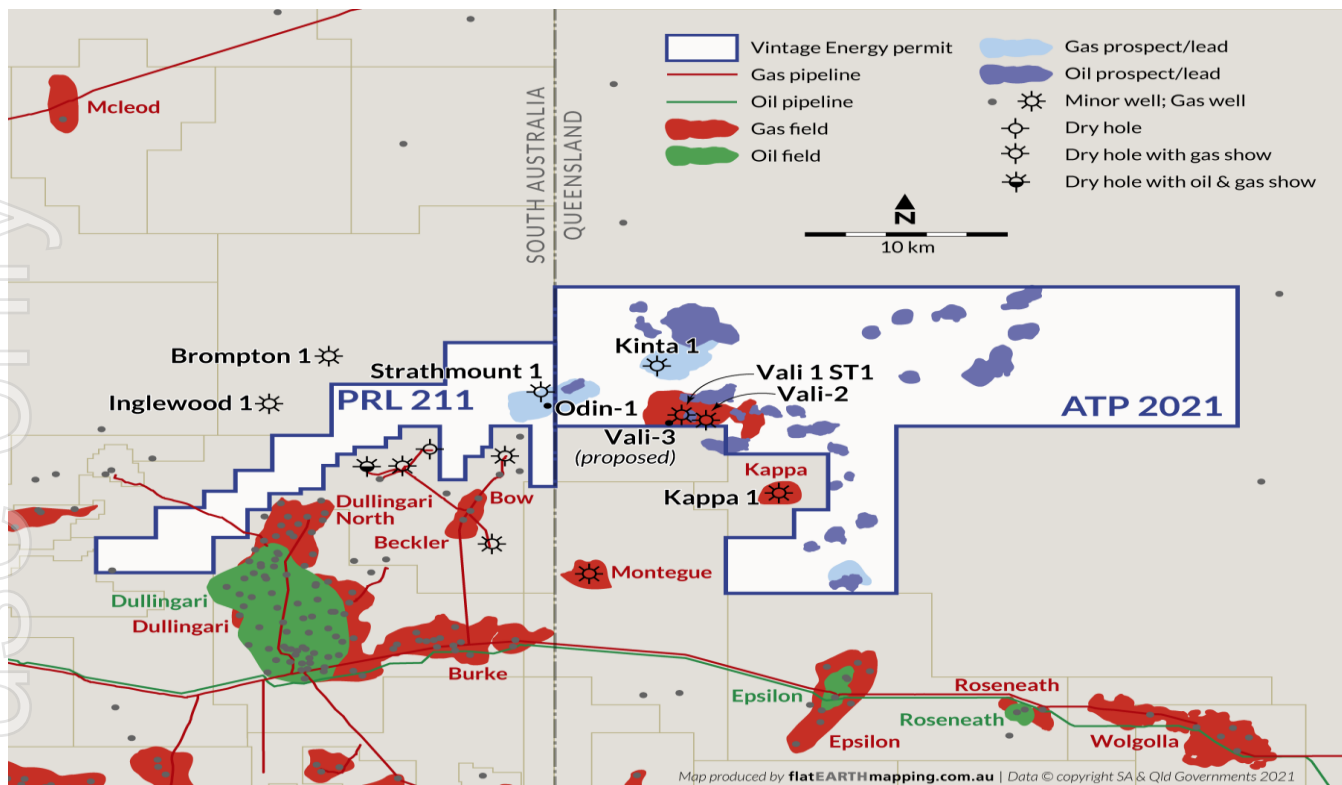


Figure 1: Vali-3 location Source: Vintage Energy

### Joint Gas Marketing Program receives ACCC approval:

On 13 May 2021, the ACCC granted authorisation for Vintage, Metgasco Ltd (ASX: MEL) and Bridgeport (Cooper Basin) Pty Ltd to enter into joint gas marketing arrangements in relation to gas from the Vali Field.

This authorisation is for a period of five years and, within this period, the Joint Venture may enter into gas supply agreements with customers on common terms and conditions (including price) for terms of up to 15 years.

The Gas Marketing program is proceeding satisfactorily and is expected to be supported by ongoing potential resource upsizing.

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

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

## **Cervantes-1 exploration prospect:**

Metgasco paying 50% for 30% working interest, Vintage Ltd paying 50% for 30% working interest, RCMA Australia Pty Ltd 40%

The Company announced on 16 December 2020 that the Cervantes Joint Venture (CJV) partners Metgasco, Vintage Energy Ltd (ASX: VEN, "Vintage") and RCMA Australia Pty Ltd ("RCMA") had signed a letter of intent (LOI) with Refine Energy Pty Ltd ("Refine") to use Refine Rig-2 for the drilling of the Cervantes exploration prospect. The LOI with Refine has now lapsed due to Refine Energy Pty Ltd entering liquidation.

The CJV will now commence a process to qualify a suitable drilling rig to be used for the drilling of the Cervantes exploration prospect. The Company notes the current high level of drilling activities in Western Australia is expected to have bearing on the timing of availability of a suitable rig. The Company will provide further updates to the timetable to drill the Cervantes exploration prospect – which remains a key and compelling asset of the business - when it has completed this process.

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

*"The commencement of drilling on Odin-1, and encouraging drilling progress to date, continues the exciting period of operational activity for Metgasco shareholders. A potential gas discovery on the Odin-1 prospect will add further gas reserves to the growing gas production hub at the Vali field.*

*Confirmation of gas in both primary reservoir objectives of Vali-2 was an excellent outcome for the ATP2021 joint venture and has given the JV confidence to trigger the additional well option on the SLR184 rig contract and approve Vali-3. In the event of gas discoveries on Odin-1 and Vali-3 we could have four gas discoveries behind pipe to allow a rapid commercialisation of this gas hub across two licences."*

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

## **Contact and further information:**

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

ENDS

## **For further information contact:**

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