

## QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30 June 2024

### Successful Odin-2 Drilling to increase cash flow generation

#### Odin:

- Odin-2 wireline logging confirmed gas pay in all primary target formations
- Odin-2 well cased and suspended for future gas production now anticipated in September 2024
- Odin-1 gas production average online gross raw gas production of 1.89 MMscfd during the quarter.
- The well completion and pipeline tie-in of Odin-2 and production optimisation work planned for Odin-1 are now expected to commence in August due to heavy rainfall preventing road access.

#### Vali:

- Vali-1 average online gross raw gas production was 1.50 MMscfd during the quarter.
- Field Operation to re-start gas flow on Vali-2 via wireline opening of the Toolachee zone deferred to August due to rain-fall preventing site road access.

#### Revenue and Sales:

- Sales revenue of circa \$540,000
- Production of 0.045 PJe equivalent.
- FY24 sales revenue of circa \$2.57 million

#### Corporate(June Quarter Activities and Subsequent events):

- In early May Metgasco completed a share placement (Placement) to raise \$925k(before costs) to eligible and sophisticated shareholders and institutional investors. This excludes monies to be raised subject to shareholder approval as per the Notice of General Meeting lodged with ASX on 30 July 2024.
- A share purchase plan (SPP) was open to registered shareholders from 9 May to 21 June 2024 and raised \$743,500(before costs). The Placement and SPP capital will assist funding the Odin-2 project.

#### Metgasco MD Ken Aitken commented:

*“During a busy quarter of activity, the highlight was the successful result at the Odin-2 appraisal well which confirmed gas pay in all three target reservoirs. This successful drilling result at Odin-2 will enable the joint venture to progress with plans to tie-in the well by September 2024, although delayed by a month due to continued bad weather in the basin. Production optimisation on Odin-1 and Vali-2 planned next month. Thanks to our existing shareholders and new investors who supported our capital raising.”*

Key figures (Net MEL)	June Q4 FY24	March Q3 FY24	Qtr on Qtr Change %	FY2024
<b>Sales revenue \$'000</b>	544.05	669.6	-19	2576.25
<b>Sales gas &amp; ethane PJ</b>	0.045	0.05	-18	0.23
<b>Production PJe<sup>1</sup></b>	0.045	0.05	-18	0.235

<sup>1</sup> Petajoule equivalent: comprises sales gas and gas liquids.

The Quarter's activities and subsequent events are detailed below

## Sales

	3 months to 30 June 24	Prior Qtr Mar '24	Qtr on qtr change %	FY24	FY23	Year to date % change
<b>Sales revenue \$'000</b>	<b>544.05</b>	<b>669.65</b>	-19	<b>2576.25</b>	<b>472.65</b>	445%
<b>Sales volume</b>						
<b>TJ</b>	<b>45.25</b>	<b>55.3</b>	-18	<b>229.65</b>	<b>59.75</b>	284%
<b>LPG tonne</b>	<b>0</b>	<b>16.2</b>	-100	<b>23.2</b>	-	n/m
<b>Condensate bbls</b>	<b>154.5</b>	<b>139</b>	11	<b>438.2</b>	-	n/m

Sales revenue of circa \$544k was recorded for the quarter, 19% lower than the revenue of circa \$670k in the prior quarter.

The movement in quarterly revenue is attributable to lower gas production and the timing of LPG liftings during the period. Discussion of factors contributing to the quarter's production is provided under the heading 'Operations'.

As previously advised, sales revenue reported in respect of supply from the Vali gas field comprises sales attracting cash payment and sales for which cash payment has been prepaid. Production and sales figures include gas produced under contractual agreement towards consideration for processing and transportation. The financial value of this gas is accounted as non-cash generating sales revenue.

## Production

Production data	3 months to 30 Jun 24	Prior Qtr Mar '24	Qtr on qtr change %	FY24	FY23	Year to date % change
<b>Total production PJe</b>	<b>0.045</b>	<b>0.055</b>	-18	<b>0.23</b>	<b>0.06</b>	292
Sales gas & ethane TJ	45.25	55.55	-19	229.05	59.75	283
LPG tonne	6.6	7.95	-17	28.05	9.15	207
Condensate bbls	67.3	207.85	-68	589.9	190.6	209

Metgasco share of production for the December quarter was 0.045 PJe, 18% lower than the 0.055 PJe produced in the March quarter. The movement in quarterly production is attributable to natural decline in appraisal production rates from Odin-1 and Vali-1, partially offset by improved availability. Downtime (due to producing fields being offline) for the quarter was 14% compared with approximately 25% downtime in the March quarter.

Further discussion of the performance of the Vali and Odin gas fields is provided under the heading 'Activity' following.

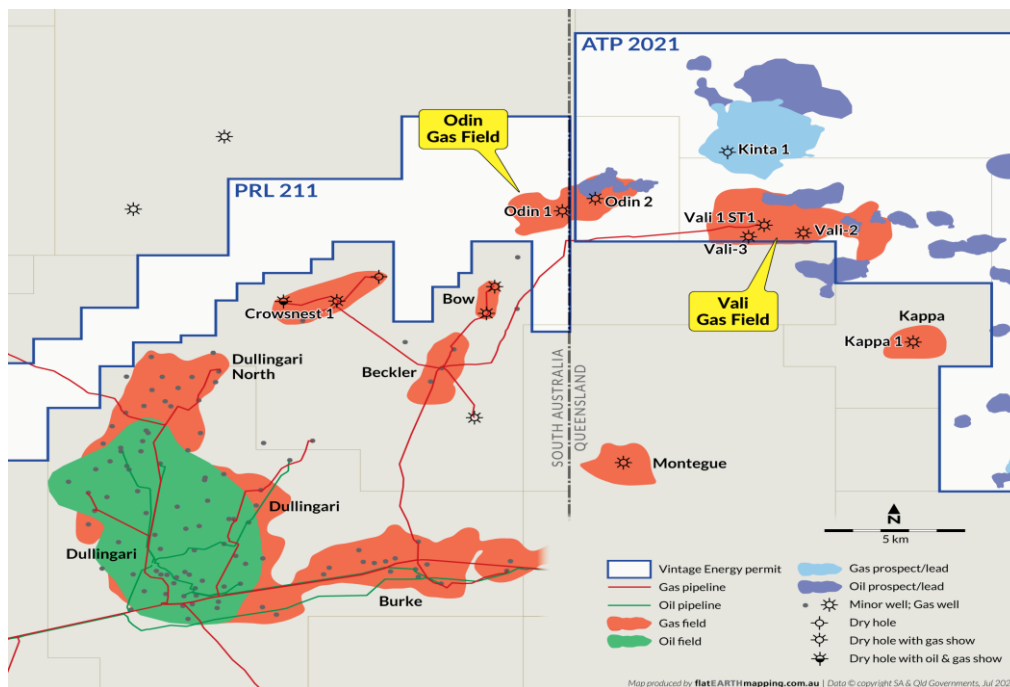
**Cooper/Eromanga Basin Exploration Licence - PRL211:**

PRL 211 (Metgasco 25%, Vintage 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%)

**Asset Overview**

PRL 211 lies in the South Australian Cooper Basin, with the licence’s eastern boundary near to the ATP 2021 western boundary. (see Figure 1) The licence is in close proximity to the South Australian Cooper Basin’s Joint Venture’s gas production infrastructure at Beckler, Bow and Dullingari.

The licence holds the western portion of the Odin gas field, discovered by the PRL 211 joint venture in 2021. The eastern portion of the field is mapped to extend into ATP 2021, which has identical joint venture composition to PRL 211. The field has one connected well, Odin-1, which has been completed to produce from the Epsilon and Toolachee formations. Odin is currently subject to a long-term production appraisal program with gas produced from the field being supplied to Pelican Point Power (a joint venture of ENGIE and Mitsui Australia) under a contract extending to December 2026.



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

A second well, Odin-2, was drilled during the quarter to appraise the eastern flank of the field in the nearby permit ATP 2021 and is discussed in the commentary on ATP 2021 following. ATP 2021 has identical joint venture composition to PRL 211.

Gas resources at Odin have been independently certified and were most recently reported in the company’s 2023 Annual Report as comprising 39.7 PJ of gross 2C Contingent Resources (Metgasco share 9.55 PJ) in the Toolachee, Epsilon, Patchawarra and Tirrawarra formations of the field.

**Activity**

The Odin gas field contributed production for 78.7 days during the quarter, averaging raw gas production of 1.89 MMscf/d compared with 3.11 MMscf/d in the prior quarter. The field was offline for 12.3 days during the quarter.

The joint venture agreed a production optimisation program for Odin-1 to be conducted contemporaneously with Odin-2 completion operations in the September quarter. Work to be conducted includes production logging and perforation of the Patchawarra formation for gas production. Commencement of the program, originally scheduled for July, has been delayed after rainfall in the opening fortnight of the month prevented road access to site. Work is now expected to commence in August, subject to weather conditions.

## Cooper/Eromanga Basin Exploration Licence - ATP2021:

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

### Asset Overview

ATP2021 is located in Queensland, adjacent to the Queensland-South Australian border. (See Figure 1)

ATP 2021 contains the Vali gas field, discovered by Vali-1 ST1 in January 2020 and successfully appraised by Vali-2 and Vali-3. Reserves at Vali have been independently certified and most recently reported in the 2023 Annual Report as comprising gross Proved and Probable reserves equivalent to 101 PJe (Metgasco share 25.2 PJe)<sup>2</sup> of gas and gas liquids. Sales gas and ethane account for 97 PJ (Metgasco share: 24.25 PJ) of the 2P reserves.

The field has three cased wells, which have been completed and connected to the Moomba gas gathering network for supply to the eastern Australia domestic energy market. Vali is currently subject to a long-term production appraisal program. Gas produced from the field is supplied to AGL Energy under a supply agreement extending to December 2026.

### Activity

The Vali gas field averaged raw gas production of 1.50 MMscf/day compared with 1.84 MMscf/day in the prior quarter. Availability improved, with the field online for 77.5 days compared with 68.0 days in the prior quarter.

Vali-2 was shut-in for the duration of the quarter, having been shut-in in March pending joint venture consideration of remedial options to improve gas flow from the well. It was agreed Vali-2 would be re-opened in the September quarter following actuation of the well's sliding sleeve to enable gas production from the shallower Toolachee Formation. Works at Vali-2 are to be incorporated in the field work program outlined in discussion of PRL 211 Operations discussed earlier in this report.

Vali-3 remains shut-in as the joint venture assesses the performance and potential remediation options to improve performance of the producing zone in the Toolachee Formation. Future options for the well include production from other gas bearing zones such as the Patchawarra Formation.

### Odin-2 appraisal

Odin-2 successfully appraised the eastern flank of the Odin gas field during the quarter, with gas pay confirmed in each of the target formations. The well identified conventional (porosity greater than or equal to 8%) net gas pay totalling 16 metres in the Toolachee Formation, 2.3 metres in the Epsilon Formation and 33.5 metres in the Patchawarra Formation. In addition, unconventional net gas pay (porosity greater than or equal to 6% and less than 8%) in the Patchawarra Formation is calculated to be 46.5 metres.

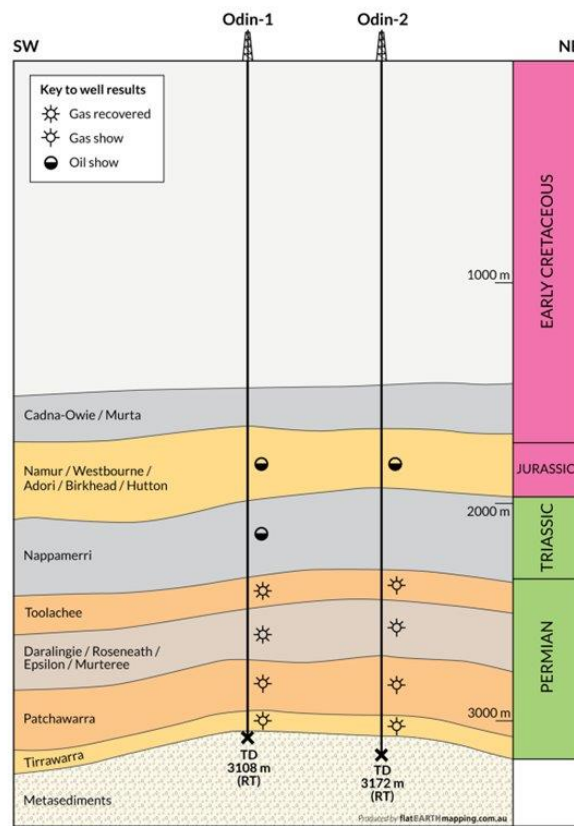
The well is to be completed to produce from sandstones in the Epsilon, Toolachee and Patchawarra formations. (see Schematic cross section of Odin-1 and Odin-2 below). Connection of the well for the commencement of appraisal production is expected to be completed in August, weather and road access permitting.

Odin-2 is located in the Queensland Cooper Basin permit ATP 2021, 1.1 km north-east of the gas producing Odin-1 discovery well.

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<sup>2</sup> As reported in the Metgasco 2023 Annual Report. Metgasco confirms it is not aware of any new information or data that materially affects the information included in the announcement and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply.

Schematic cross-section of Odin-1 and Odin-2



**Cooper Basin Exploration Licence – PRL237:**  
 PRL237(Metgasco 20%, BassOil 80% and operatorship)

In early CY23 the JV applied for and received a 12 month suspension of the Petroleum Retention Licence(PRL) from the SA government, this suspension period ended in January 2024. The operator has agreed a minimum FY budget with Metgasco as there is minimal planned near-term activity planned in FY25.

**Corporate Activities**

**Finance Facility:**

On April 11 CY24(Ref ASX announcement) Metgasco discharged the Keybridge capital loan by securing \$1M short term funding from external investors to enable the discharge of the remaining \$1.165M funds from production revenue.The discharge of the debt funds and cancellation of the share options terminates the Keybridge relationship.

**Capital Raising (Placement and SPP):**

In early May a Share Placement (placement) of \$1 mill (before issue costs) was completed by offering 200 million new shares to institutional and sophisticated investors at an issue price of \$0.005 per share. The placement price of \$0.005 per share represents a discount of 16.7% on the closing price of Metgasco on 5 May 2024 and a discount of 24.8% on the 15-day VWAP to 5 May 2024.

The Company subsequently offered existing shareholders the opportunity to participate in a Share Purchase Plan (“SPP”), targeting up to \$1.5 million, at the same issue price of \$0.005 per share.

The SPP closed on 21 June 2024, with a total of 148,700,000 new fully paid ordinary shares (New Shares), to be issued at an issue price of \$0.005 per New Share, raising a total of \$743,500 (before costs)

under the SPP.

Proceeds from the SPP, along with existing funds, will be used to progress appraisal development of the Odin gas field (ATP2021 & PRL211) via the drilling, completion and tie-in of the Odin-2 well, and for general working capital.

Whilst the Company is pleased with the results of SPP, Metgasco continues to assess additional funding initiatives and capital requirements. The Board remains committed to ensuring the Company has the financial resources required to achieve its strategic and operational objectives and will provide further updates to shareholders as these initiatives progress.

The Company would like to thank all existing shareholders who participated in the SPP and new investors in the placement.

### Subsequent Event

- In early July the company raised a further \$250k via issuing 500 million shares to two investors. The investors were offered share options totalling 5 million which are subject to share holder approval at a general meeting to be held on 29 August. ( Refer to Notice of General Meeting lodged with ASX on 30 July 2024.)

### Cash position:

The Company ended the Quarter with a cash balance of A\$881,000 and is advanced on options to provide the additional funding to complete and connect the Odin-2 successful appraisal well.

The following is a reconciliation of the Company's cash position from 1 April 2024 to 30 June 2024:

	<b>\$A'000</b>
<b>Cash at 1 April 2024</b>	<b>300</b>
Overhead and administrative	(128)
Production (net) *	189
Capital Raising Proceeds	1,701
Discharge of Debt Facility	(194)
Interest payments of debt facility	(106)
Exploration and evaluation expenditure	(881)
<b>Cash at 30 June 2024</b>	<b><u>881</u></b>

\* Gas sales receipts are received the month after production.

### Notes Pertaining to Quarterly Cashflow Report (Appendix 5B):

Item 6.1: The aggregate amount of payments to related parties and their associates of \$58k relates to remuneration payments made to Directors and Officers.

### Shareholder base:

At 30 June 2024, Metgasco had 1,397,586,745 shares on issue and 2275 shareholders. Its top 20 holders held 669,838,522, or 47.93% of the Company's issued capital.

### Certified Resources and Reserves:

On 1 November 2021, the ATP2021 JV announced the reserves upgrade following the drilling of Vali-2&3. Contingent gas resources related to PRL211 were announced on 16 September 2021 and updated on 29th March 2022.

**Glossary:**

MMscfd = Million standard cubic feet per day.  
 FWHP = Flowing wellhead pressure.  
 Bcf= Billion Standard Cubic feet.  
 PJ= Petajoule.  
 PJe=Petajoule equivalent comprises sales gas and gas liquids.

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<b>Tenement Listing</b>				
Tenement Reference	Location	Nature of Interest	Interest at 30 June 2024	Interest at 31 March 2024
<b>Cooper/Eromanga</b>				
ATP2021	QLD	25% working interest in Licence	25%	25%
PRL211	SA/QLD	25% working interest in Licence	25%	25%
PRL237	SA	20% Working Interest in Licence	20%	20%

**Forward Looking Statements:**

This document may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this document require Metgasco and its management to make assumptions that may not materialise or that may not be accurate. Although Metgasco believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Metgasco Ltd

ABN

24 088 196 383

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	559	2,385
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	(369)	(1,401)
(d) staff costs	(58)	(371)
(e) administration and corporate costs	(70)	(553)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(106)	(285)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(44)</b>	<b>(225)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(881)	(2,094)
(e) investments	-	-
(f) oil and gas properties	-	-



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Working capital loan to Patriot Hydrogen Limited	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(881)</b>	<b>(2,094)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,719	1,719
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(18)	(18)
3.5	Proceeds from borrowings	1,011	2,351
3.6	Repayment of borrowings	(1,165)	(1,440)
3.7	Transaction costs related to loans and borrowings	(41)	(54)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,506</b>	<b>2,558</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	300	642
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(44)	(225)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(881)	(2,094)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,506	2,558

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>881</b>	<b>881</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	881	300
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>881</b>	<b>300</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
58
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Amounts included in 6.1 are remuneration payments made to Directors

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	3000	3,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>3,000</b>	<b>3,000</b>

**7.5 Unused financing facilities available at quarter end**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As announced to the market on 13 March 2023, a \$5 million debt facility was agreed upon with Keybridge Capital and Glennon Small Company, which could be drawn down within 12 months from the initial issue date. However, Keybridge was unable to fulfill the agreed provision of \$3 million. The term of the facility is 3 years from the first drawdown, with an interest rate of 10%. An establishment fee of 1% is payable on drawn funds only. The facility is secured by way of a general security deed jointly over all present property of the Company. An early repayment fee equal to 5% applies to the face value of notes redeemed early. As per ASX announcement 11<sup>th</sup> April 2024, the Company secured short term (six month) financial support (interest rate 12%) from external investors in the sum of A\$1m (two lenders providing \$0.5M each) to enable the discharge of the remaining \$1.165M Keybridge facility, with the balance of funding met from gas production revenue. The two new lenders debt facilities are secured by way of a general security deed jointly over all present property of the Company.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(44)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(881)
Capitalised development expenditure for oil & gas properties (Item 2.1(f))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(925)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	881
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	881
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>0.95</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Additional capital raising initiatives are under consideration to meet short term capital requirements along with the lodgement of the Notice of General Meeting on 30 July 2024.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes as a future capital raising will fund Odin-2 connection and Odin-1 perforating will deliver increased gas production and associated revenue

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 July 2024**

Authorised by: **The Board**

Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.