METGASCO

2024 Annual Report

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

On behalf of the Board of Directors I am pleased to present Metgasco's 2024 Annual Report.

The key focus in the first quarter of the year was for the PRL211 Joint Venture to bring the Odin gas field into production on 14 September 2023.

First gas from the Odin-1 well was delivered, only ten months from project commitment, our second revenue stream through the Vali production hub facilities and was the result of many years of work by Metgasco and the PRL211/ATP2021 JV, including MEL mapping the prospect, farm-in deal to secure ownership in PRL211 prior to drilling, testing the discovery, purchasing a further gross 15% interest, and finally securing two GSA's to rapidly commercialise Odin via the Vali hub and spoke model

On 5 October 2023 a second Gas Sales Agreement ("GSA") was signed between the PRL211 Joint Venture parties and Pelican Point Power Limited, a joint venture between ENGIE Australia and New Zealand (72%) and Mitsui & Co Ltd (28%), to supply gas from the Odin field from 1 January 2025 to 31 December 2026.This 2nd contract follows the contract signed on the 5 May 2023 with Pelican Point Power Limited to supply Odin gas from field start-up to 31 December 2024. As producers supplying less than 100 PJ exclusively to the domestic market Metgasco and its joint venture parties are exempt from the federal government gas price cap.

The promising appraisal production performance of Odin-1 combined with a competitive gas contract negotiated two years after the Vali contract made the board decision compelling to invest in the Odin-2 appraisal well to build production and revenue. In June 2024 the Odin-2 appraisal well, drilled to appraise the eastern flank of the Odin gas field, encountered gas pay in the Toolachee, Epsilon and Patchawarra Formations, the primary targets in the well. Completion and perforating work to tie-in Odin-2 was unfortunately delayed by significant unseasonable rainfall in the Cooper basin. I am pleased to report that Odin-2 commenced production in mid-Oct and is anticipated to significantly boost gas production and associated production revenues.

The company is disappointed the Vali field did not achieve its FY24 performance targets. Plans to appraise the Toolache zones at Vali-2 and Vali-1 are planned in the first half of the financial year and re-mediation of Vali-3 is under consideration.

A statement of the company's Reserves and Resources is included in this report commencing on page 5. The statement includes the most recent independent estimates for the company's Vali and Odin fields in the Cooper Basin. Metgasco has concluded the year having increased its proved and probable 2P reserves by 45% mainly due to the conversion of the Odin field contingent resources to reserves. On 30 June 2024 Metgasco has circa 35.5PJ of Proved and Probable(2P) reserves of sales gas and ethane in Vali and Odin. The majority of this gas is uncontracted in a gas market which is predicted to have significant gas shortfalls.

On April 11 CY24 Metgasco discharged the Keybridge capital loan by securing $1M short term funding support from two Metgasco shareholders and paying the balance of the $1.44M funds from production revenue. In early May 2024 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 Company subsequently offered existing shareholders the opportunity to participate in a Share Purchase Plan ("SPP") at the same issue price and raised a further $743,500. A further placement subsequent to the end of the financial year raised a further $250,000.

Proceeds from the Share Placements and SPP, along with existing funds, were used to progress appraisal development of the Odin gas field via the drilling, completion and tie-in of the Odin-2 well, and for general working capital.

In August and September 2024, to improve financial liquidity of the company, I provided a further $2.88k via a convertible loan agreement which allows the interest to be capitalised with re-payment only to be made as revenue is earned creating flexibility for the company to manage any unforeseen issues with production. I have taken the role as interim chair after long standing chair Philip Amery resigned. I would like to thank Philip and non-executive director Peter Lansom (who also resigned) for their service on Metgasco's board.

Metgasco goal is to sustainably deliver a substantial and growing central Australian gas production to a market that needs the gas. The ATP2021 permit also has a 3D defined oil prospect called Thaldra which is assessed as drill ready and economically justifiable. The ATP2021 joint venture will be assessing this opportunity and the funding options for the exploration drilling.

As fellow shareholders in Metgasco, the board is acutely aware of the disappointment accompanying the share price performance of the Company’s securities on the ASX over the last year. The Company believes that the gas production increase from the recently commissioned Odin-2 well and positive results from the current production optimisation program at Odin-1, underpinned by the 45% increase in net 2P reserves, will increase revenue and demonstrate the strategic value of Metgasco’s growing gas production profile.

Sincerely,

Michael Glennon
Interim Chairman

TABLE OF CONTENTS

DIRECTORS REPORT

The Directors present their report together with the consolidated financial statements of the Group comprising of Metgasco Ltd ("Metgasco" or the "Company") and its controlled entities ("Group" or "Consolidated Entity") for the year ended 30 June 2024 and the auditor's report thereon.

Principal Activities

The principal activities of the Company during the financial year were oil and gas exploration, appraisal, development, production and investment in and development of associated energy infrastructure.

Company Information

Metgasco is a company limited by shares, which is incorporated and domiciled in Australia. Metgasco was incorporated on 22 June 1999 and converted to a public company on 28 June 2002. On 23 December 2004 Metgasco became a publicly traded company on the Australian Securities Exchange.

Review of Operations

Sales and production
Metgasco generates sales revenue from gas and gas liquids produced from the Appraisal Production program in progress at its Cooper Basin operations. The details, status and activities during the period for these operations is reported below in the discussion of individual licences.

Metgasco's share of production from its permits during FY24 comprised of:

- sales gas and ethane: 229 terajoules
- liquefied petroleum gas: 28 tonnes, and
- condensate: 590 barrels.

Oil and gas generated sales revenue of $2.37 million received during the period.

Cooper/Eromanga: ATP2021
ATP 2021(Metgasco 25%, Vintage 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%)

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 in January 2020 and successfully appraised by Vali-2 and Vali-3. 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. Vali-1 produced gas reliably through the financial year suppling gas to AGL Energy under a gas sales agreement extending to December 2026. Vali-1 has produced total raw gas of approximately 864 MMscf in the 305 days the field was online from start-up in February 2023 to 30 June 2024. Facility performance has been good, with availability of 93% days in this period.

The Vali-2 and Vali-3 wells were the subject of ongoing technical analysis, having yet to establish gas flows of significance and recording higher than anticipated fluid production. In the first half of the year a through tubing wireline plug to isolate water production in the Patchawarra did not deliver a sustainable gas rate. Both wells were shut-in at year end. A remedial work program for Vali-2 to access the Toolachee reservoir was resolved by the joint venture for execution in the first quarter of FY25. The joint venture is continuing to assess potential remediation options for Vali-3.

In summary, whilst Vali-1 and its facilities performed steadily, the delay to Vali-2 and Vali-3 production has meant the Vali program has, to date, produced less gas, generated less cash and is less advanced than originally expected.

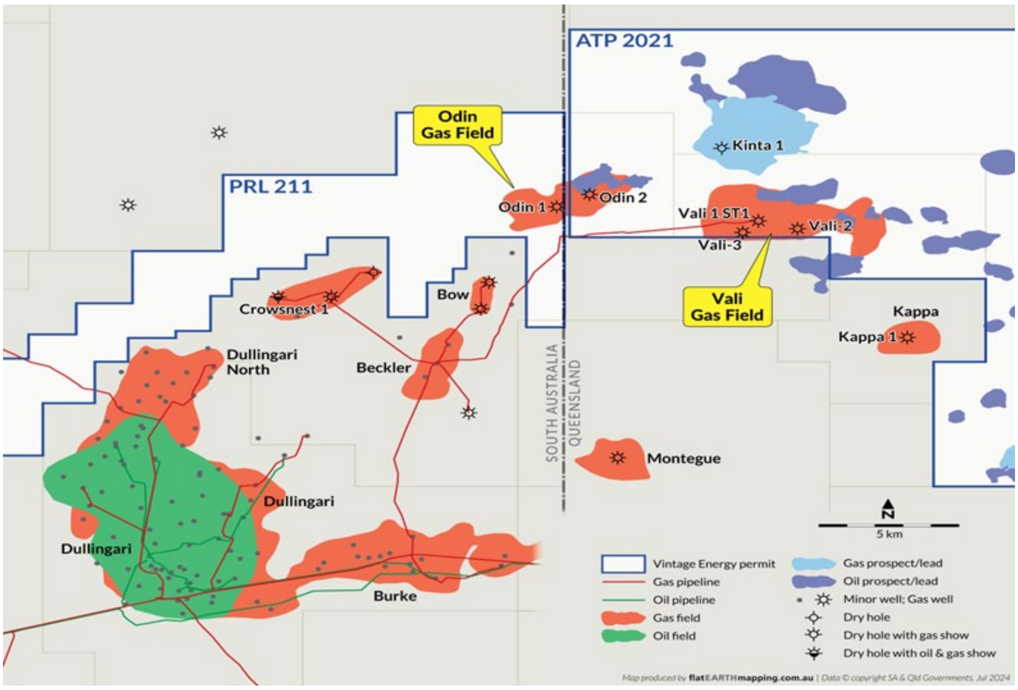

Figure 1: Cooper Basin permits PRL 211 and ATP 2021 including well locations Odin-1,Odin-2, Vali-1 ST1, Vali-2 and Vali-3 Source: Vintage

Odin-2 Appraisal Well

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.In May 2024, Odin-2 successfully appraised the eastern flank of the Odin gas field, with gas pay confirmed in each of the target formations. The well is to be completed to produce from sandstones in the Epsilon, Toolachee and Patchawarra formations. Connection of the well for the commencement of appraisal production is expected to be completed in the first half of FY25.

Cooper/Eromanga: PRL 211

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

PRL 211 lies in the South Australian Cooper Basin, with the licence's eastern boundary adjacent to the ATP 2021 western boundary (see Figure 1 above). The licence is in close proximity to the South Australian CooperBasin'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 currently has one connected well, Odin-1, which has been completed to produce from the Epsilon and Toolachee formations.

The Odin gas sales coverage was extended through the signing of an additional gas sales agreement under the master gas supply agreement for the Odin gas field with Pelican Point Power Pty Limited(a joint venture between ENGIE Australia and New Zealand(72%) and Mitsui & Co Ltd(28%)). The additional agreement provides for the supply of gas from the field from 1 January 2025 to 31 December 2026. Current gas production from the Odin gas field is being supplied to Pelican Point Power under a contract extending from field start-up to December 2024.

Civil construction field work commenced in late July 2023 on the Odin-1 accelerated connection project. which comprised utilising temporary rental equipment and the installation of a 1.4 kilometre pipeline connection to the midline riser of the Vali pipeline.Odin-1 final commissioning was safely and successfully completed allowing first gas to be sold on 14 September 2023 .Odin-1 gas rates were initially circa 6 MMscf/d , from the Toolachee and Patchawarra zones .The Odin field has been online for approximately 12 months as at the date of this report and averaged an online raw gas production rate of 3.3 MMscf/d in 219 days to 30 June.

The production performance of Odin-1 and the features of the field's gas contract (negotiated approximately 2 years after the Vali gas contract), make expansion of its operations highly attractive. The PRL211 JV therefore initiated planning to expedite drilling and the appraisal of the field via Odin-2.

The Odin-2 appraisal well(see Figure 2 below) drilled in May successfully appraised the north-eastern extent of the field and is expected to add gas production when it comes online in the first half of the 2025 financial year.(see ATP2021 for more information as Odin-2 located in ATP2021 permit) A planned third well, Odin-3, was deferred pending joint venture approval. Production appraisal is to enter a new phase in the first half of FY25 with the opening of the Patchawarra Formation in both Odin-1 and Odin-2 to appraise unstimulated productivity of the formation

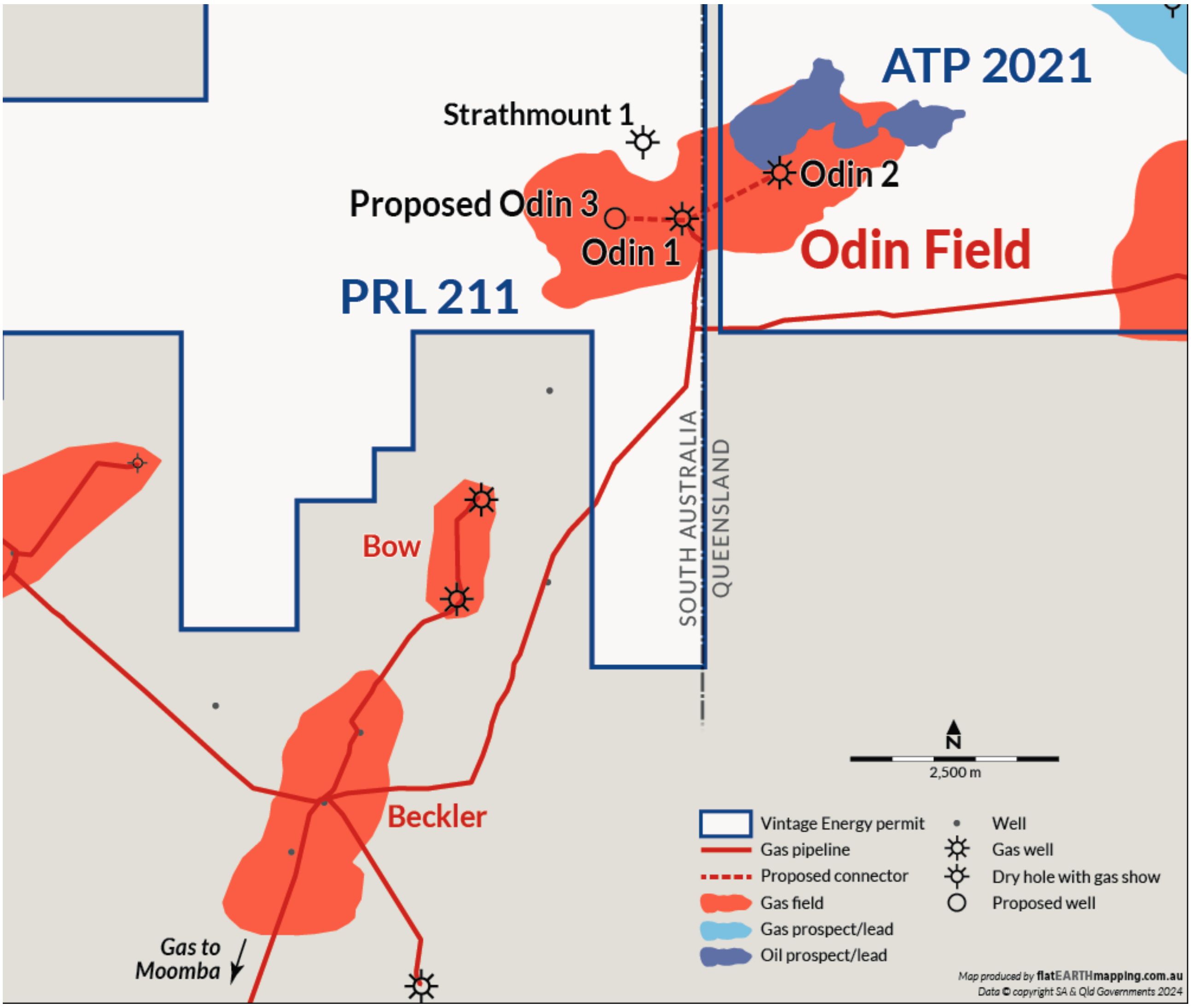

Figure 2: Illustration of Odin field including new appraisal well Odin-2

Cooper Basin: PRL237

Metgasco has 20% working interest in the PRL237 licence. 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.

Perth Basin: L14

Cervantes-1 Rehabilitation (as per environmental management plan) of the wellpad and access track progressed to plan during the financial year.

Reserves at 30 June 2024

Net Proved (1P) Reserves MMboe

Movement from FY23 TO FY24; FY24 Reserves by development status

Area	FY23	Production	Contingent Resources to Reserves	Revisions	FY24 (MMboe)	FY24 Developed (MMboe)	FY24 Undeveloped (MMboe)
Cooper Basin	2.03	-0.04	0.85	0.33	3.2	0.2	3.0
Total	2.03	-0.04	0.85	0.33	3.2	0.2	3.0

Net Proved and Probable (2P) Reserves MMboe

Movement from FY23 TO FY24; FY24 Reserves by development status

Area	FY23 (MMboe)	Production	Contingent Resources to Reserves	Revisions	FY24 (MMboe)	FY24 Developed (MMboe)	FY24 Undeveloped (MMboe)
Cooper Basin	4.33	-0.04	1.65	0.35	6.3	0.2	6.1
Total	4.33	-0.04	1.65	0.35	6.3	0.2	6.1

2P Reserves Net to Metgasco by product at 30 June 2024

Area	FY24 Total (MMboe)	Sales gas (PJ)	Ethane (PJ)	LPG (kTonne)	Condensate (MMbbl)
Cooper Basin	6.3	34.1	1.4	6.6	0.15
Total	6.3	34.1	1,4	6.6	0.15

Notes to the Cooper Basin 1P and 2P Reserve assessment:

1. Net Reserves estimates reported here are CDRI estimates, effective 30 June 2024.
2. CDRI is not aware of any new data or information that materially affects the reserves above and considers that all material assumptions and technical parameters continue to apply and have not materially changed.
3. Reserves estimates have been made and classified in accordance with the Society of Petroleum Engineers ("SPE") Petroleum Resources Management System ("PRMS") 2018.
4. Probabilistic methods have been used for individual reservoir intervals and totals for each reservoir interval have been summed probabilistically.

5. Net Reserves attributable to Metgasco constitute 25% of the Gross Reserves, in accordance with the licensing terms governing the field. No deductions have been made for state or native title royalties in the reporting of Net Reserves, as these royalties are paid in cash. No overriding royalties apply to the Vali and Odin fields. Net Reserves incorporate deductions from the various product streams for which Metgasco receives payment, namely methane, ethane, LPG, and condensate, and deductions related to downstream fuel, flare, and venting.
6. The undeveloped resource is defined as Reserves in the sub-class "Justified for Development" on the basis that Metgasco has advised CDRI that it intends to fully exploit these Reserves. Under the Joint Operating Agreement, Metgasco is entitled to drill wells with or without the participation of all members of the Joint Venture.
7. Ethane has been reported separately from Sales Gas as it is sold separately in the case of both the Vali and Odin Fields.
8. All quantities are subject to rounding to two decimal places for clarity purposes.
9. Conversion factors. Barrels of oil equivalent conversion factors applied are: sales gas and ethane 1 PJ=171.94 Kboe; LPG 1 Ktonne =8.458 Kboe; 1barrel (bbl) condensate = 0.935 boe

Contingent Resources at 30 June 2024

2C Contingent Resources Net to Metgasco (PJ)

Movement from FY23 TO FY24; FY24 Gas Share of FY24 2C Contingent Resources

Area	FY23 (PJ)	Acquisitions & Divestments	Contingent Resources to Reserves	Revisions	FY24 (PJ)	Gas (PJ)
Cooper Basin	**9.55**	**0**	**9.55**	**0**	**0**	**0**
Total	**9.55**	**0**	**9.55**	**0**	**0**	**0**

Notes on Cooper Basin Contingent Resources assessment:

1. All Contingent Resources stated at end FY23 for ATP 2021 and PRL 211 previously announced to the ASX on 15 September 2021 have been converted to Reserves by CDRI effective June 30 2024.
2. This conversion of Contingent Resources to Reserves were first disclosed in a release to the ASX on 17 October 2024.

Qualified Petroleum Reserves and Resources Evaluator

CDRI – Vali and Odin Reserves

CDRI is a specialist independent company that provides evaluation, estimating, auditing, consultancy services and due diligence services for upstream oil and gas. CDRI is an affiliate of Chris Dykes International Ltd ("CDIL") which has provided independent energy services since 2002.

The staff members who prepared this report possess the appropriate professional and educational qualifications and have the requisite experience and expertise for the work performed. The work has been supervised and reviewed by Mr. Brian Rhodes. Mr. Brian Rhodes is a geologist with over 50 years' experience in the upstream oil and gas industry, including more than 10 years as a Reserves Estimator and Auditor. He has a global knowledge of the oil and gas basins of the world and has worked both in oil and gas companies and as a consultant. He is a member of the Society of Petroleum Engineers (SPE), a member of the Energy Institute and a member of the Geoscience Energy Society of Great Britain.

Significant Changes in the State of Affairs

During the year ended 30 June 2024 there was no significant change in the state of affairs of the Group other than as referred to in the financial statements or notes thereto.

Likely Developments and Expected Results

Metgasco continues to pursue transformative transaction, acquisition and partnership opportunities. Potential transaction opportunities remain focused on assets capable of generating reliable income streams via exposure to operating production and with a preference for opportunities within Australia.

Disclosure of further information regarding the likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Operating Results for the Year

The consolidated net loss after tax of the Group for the year ended 30 June 2024, amounted to $13,195,120 (2023: loss of $1,529,171).

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

Environmental Regulation and Performance

Exploration and development activities are subject to State and Federal laws, principally the Petroleum (Onshore) Act and Environmental Protection Act and associated regulations in QLD, WA & SA. Metgasco has a policy of complying with its environmental performance obligations.

Directors

The following persons were Directors of Metgasco during the whole of the financial year (except where otherwise noted) and up to the date of this financial report:

Michael Glennon	Non-Executive Chairman (appointed 19 August 2024)
Ken Aitken	Managing Director
Robbert Willink	Non-Executive Director
Philip Amery	Non-Executive Chairman (resigned 19 August 2024)
John Patton	Non-Executive Director (resigned 22 November 2023)
Peter Lansom	Non-Executive Director (resigned 19 August 2024)

Company Secretary

Henko Vos	Company Secretary (appointed 3 September 2024)
Flynn Blackburn	Company Secretary (appointed 3 September 2024)
Sonu Cheema	Company Secretary (appointed 29 June 2023; resigned 3 September 2024)

Michael Glennon
Independent Non-Executive Chairman
Appointed: 19 August 2024

Michael Glennon founded Glennon Capital in 2008 to offer investors the opportunity to co-invest along with the principals of the firm for long-term capital appreciation and income. Michael is an awarded Equities Investment Analyst with 28 years of experience with ASX companies known and respected for managing investments for high profile institutional, corporate and private Investors within Australia. Michael is currently chair of Benjamin Hornigold, Glennon Small Companies and Metgasco along with several unlisted companies.

Special responsibilities: Member of the Audit and Risk Management Committee

Other directorships of listed companies: Glennon Small Companies Limited (GC1) and Benjamin Hornigold Limited (BHD)

Ken Aitken
Managing Director
Appointed: 23 July 2021

Mr Aitken has been Chief Executive Officer of Metgasco since November 2018 and then became managing director 23 July 2021. His strategic contribution and operational leadership has been pivotal in progressing the Company’s Cooper Basin portfolio and the Cervantes-1 L14 drilling in the Perth Basin.

Mr Aitken brings over 35 years worldwide experience in large and small independent operating oil and gas companies. He has a successful track record in Asset / Sub-Surface/Production leadership and operational roles across companies such as Origin Energy, Mitsui, Amerada Hess, Enterprise Oil and Apache. Prior to his role at Metgasco, as Western Australian Asset Manager for Origin, where his team led the Redback, Beharra Springs and Jingemia projects, and as senior (non-director) executive at Empire Oil & Gas, he developed a strong working knowledge of Perth Basin onshore exploration and development operations.

Mr. Aitken holds a BSc in Mechanical Engineering from Heriot-Watt University, Scotland, and is a Graduate Member of the Australian Institute of Company Directors.

Other directorships in listed companies: None

Robbert Willink
Independent Non-Executive Director
Appointed: 5 February 2018

Dr. Willink has 40 years of experience in the Oil & Gas industry. Following graduation with a first-class honours degree and the completion of his PhD in Geology, Dr. Willink embarked on a career in exploration that led through various overseas assignments to executive appointments in leading Australian Oil & Gas companies. Dr. Willink has worked for companies such as Shell, Sagasco Resources, Origin Energy and Central Petroleum. Among other executive roles, Dr. Willink held the position of Executive General Manager, Geoscience & Exploration New Ventures with Origin Energy from 2005 to 2011.

Dr. Willink has held executive and non-executive director positions of other ASX listed companies in the past and was previously an Exploration Advisor of the privately-owned company Timor Resources. Since retirement from fulltime work, Dr. Willink has returned to advisory and consulting work.

Special responsibilities: Member of the Audit and Risk Management Committee and a member of the New Business and Investment Committee.

Other directorships of listed companies: None

Previous directorships of listed companies during the last three years: Nil

Philip Amery
Independent Non-Executive Chairman
Appointed: 23 December 2015
Resigned: 19 August 2024

Mr Amery is an experienced capital markets advisor and private banker. He holds BA and LLB degrees (Adelaide) and is a graduate of the Financial Asset Management and Engineering Program of the Swiss Finance Institute.

Special responsibilities: Member of the Audit and Risk Management Committee and a member of the New Business and Investment Committee.

Other directorships of listed companies: Nil.

Previous directorships of listed companies during the last three years: Austar Gold Limited

John Patton
Non-Executive Director
Appointed: 19 September 2016
Resigned: 22 November 2023

Mr Patton is a senior executive with extensive finance experience in the corporate and professional services sectors. John was previously a partner with Ernst & Young in the Transactions Advisory Services division. With over 25 years of professional services and industry experience, John has extensive corporate finance credentials, having been involved in over 150 corporate transactions, including mergers & acquisitions (lead advisory), structuring, debt and equity raisings, IPOs, management buy-outs, valuations (including Independent Expert Reports), due diligence, financial modelling, restructuring and corporate advisory.

In addition, John has held the positions of CFO, acting CEO and alternate director of Epic Energy Company, a major infrastructure owner of high-pressure gas transmission pipelines in Australia. This business was the core asset within the ASX-listed Hastings Diversified Utilities Fund. As a result, John has solid hands-on operational experience with, and a strong appreciation of regulatory, commercial, financial, capital structure and external stakeholder management issues and requirements associated with major assets within an ASX-listed environment in Australia.

Special responsibilities: Chairman of the Audit and Risk Management Committee.

Other directorships in listed companies: Yowie Group Ltd and Keybridge Capital Limited

Previous directorships of listed companies during the last three years: Keybridge Capital Limited

Peter Lansom
Independent Non-Executive Director
Appointed: 4 August 2021
Resigned: 19 August 2024

Peter Lansom is a highly experienced, senior executive and director, with proven skills and knowledge across the upstream energy sector.

Along with a strong technical engineering background in subsurface oil and gas, in both conventional and unconventional reservoirs (including the onshore Cooper and Perth Basins), Peter has substantial board and management experience within the listed energy sector, most significantly as Managing Director of Galilee Energy Limited (GLL) (2013 - 2021) and as Executive Director and Chief Operating Officer of Eastern Star Gas (ESG) (from 2008 through to ESG's $900m acquisition by Santos).

Prior to his board and corporate leadership career, Peter held various senior roles with Origin Energy from 1997 - 2007, culminating as Manager E&P Petroleum Engineering and Chief Petroleum Engineer, and with Santos Limited, as Reservoir Engineer and Senior Petroleum Engineer. Peter holds a Bachelor of Petroleum Engineering (Honours) from the University of New South Wales.

Special responsibilities: Member of the New Business and Investment Committee.

Other directorships of listed companies: Bengal Energy

Previous directorships of listed companies during the last three years: Galilee Energy Limited, Jade Gas Holdings

Henko Vos

Corporate Secretary
Appointed: 3 September 2024

Mr Vos is a member of the Australian Institute of Company Directors (AICD), the Governance Institute of Australia (GIA), and the Chartered Accountants in Australia and New Zealand (CAANZ) with more than 20 years' experience working within public practice, specifically within the area of corporate services and audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. He is a Director at Nexia Perth, a mid-tier corporate advisory and accounting practice.

Flynn Blackburn
Corporate Secretary
Appointed: 3 September 2024

Mr Blackburn holds a Bachelor of Commerce, majoring in Finance, and is currently an Associate Corporate Advisor at Nexia Perth, a mid-tier corporate advisory and accounting practice. He specialises in providing Corporate Advisory and Company Secretarial services to publicly listed companies and currently serves as Company Secretary for various clients in the resource sector.

Sonu Cheema
Corporate Secretary
Appointed: 29 June 2023
Resigned: 3 September 2024

Sonu Cheema is a director of the accounting firm Nexia Perth. He holds a Bachelor of Commerce and is a member of Certified Public Accountant (Australia). Sonu is a Director and Company Secretary of listed, unlisted, and private companies across a broad range of industries. His focus is on financial reporting, management accounting and corporate services where he has gained over 12 years' experience.

Indemnification of Directors and Officers

Throughout the reporting period, the Company has maintained Directors' and Officers' insurance for the purpose of covering any loss which Directors and Officers may become legally obligated to pay on account of any claim first made against him/her during the policy period and for a wrongful act committed before or during the period of insurance. The amount paid by way of premium is unable to be disclosed due to confidentiality provisions in the insurance contract.

Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Director's Meetings		**Meetings of committees**
	Number of meetings held while a director	Number of meetings attended while a director	Audit & Risk Management
P. Amery	15	15	1
K. Aitken	15	15	1
R. Willink	15	15	1
P. Lansom	15	15	1
J. Patton	4	3	

No Nomination & Remuneration Committee nor New Business Investment Committee meetings were held during the year.

Committee membership
As at the date of this report, the Company had an Audit & Risk Management committee, of the board of directors. Members acting on the committee of the board during the year were:

Audit & Risk Management
J. Patton
P. Amery
R. Willink

Interests in the shares, options, and performance rights of the Company and related bodies corporate
All Directors have acted as Directors of the Company for the entire financial year unless otherwise disclosed.

At the date of this report, the direct and indirect interests of the Directors and officers in the securities of Metgasco are as follows:

	Options	Ordinary Shares
M Glennon	70,718,179	216,478,208
R Willink	2,500,000	13,090,629
K Aitken	12,500,000	8,226,470

Unissued shares under option
The Company has the following options on issue:

a) 33,875,000 issued on 10 December 2021
  - One option may be exercised and converted into one fully paid ordinary share in the Company;
  - An exercise price to of $0.045 per option with expiry date of 10 December 2024.

b) 64,102,543 issued on 5 May 2022
  - One option may be exercised and converted into one fully paid ordinary share in the Company;
  - An exercise price to of $0.045 per option with expiry date of 10 December 2024.

c) 2,000,000 issued on 6 May 2022
  - One option may be exercised and converted into one fully paid ordinary share in the Company;
  - An exercise price to of $0.045 per option with expiry date of 10 December 2024.

d) 2,000,000 issued 8 December 2022
  - One option may be exercised and converted into one fully paid ordinary share in the Company;
  - An exercise price to of $0.036 per option with expiry date of 07 December 2025.

e) 64,000,000 issued on 22 March 2023 / 29 November 2023
  - One option may be exercised and converted into one fully paid ordinary share in the Company;
  - An exercise price to of $0.025 per option with expiry date of 22 March 2026.

f) 8,000,000 issued on 19 April 2024
  - One option may be exercised and converted into one fully paid ordinary share in the Company;
  - An exercise price to of $0.025 per option with expiry date of 19 Apr 2026.

g) 2,000,000 issued on 4 Jun 2024
  - One option may be exercised and converted into one fully paid ordinary share in the Company;
  - An exercise price to of $0.01 per option with expiry date of 04 Jun 2027.

Shares issued during or since the end of the year as a result of exercise
No options were exercised during the year ended 30 June 2024 or up to the date of this report.

Remuneration Report (Audited)

Policy
Metgasco has a structured remuneration framework which provides a competitive base pay coupled with short and long term incentives to reward employees for above average performance and to create incentive over time to build value in the Company.

Use of Remuneration Consultants
Metgasco has neither sought nor received any recommendations from remuneration consultants during the year.

Non-Executive Directors
Remuneration for non-executive directors is normally determined at market rates by conducting an annual benchmarking exercise against a pool of comparable companies.

The structure of remuneration for Non-Executive Directors comprises a Base Fee inclusive of superannuation plus, where applicable, Committee Fees for participation as a member of a Board Committee. Fees to Non-Executive Directors are approved by the Board and set in aggregate within the maximum amount approved by shareholders. The maximum amount of fees approved to be paid to Non-Executive Directors by shareholders on 16 November 2010 was $500,000.

Executive Team
Remuneration for the executive team is determined at market rates by conducting an annual benchmarking exercise against a pool of comparable companies. All employees are classified into a job band and the mix of remuneration between base pay, short term incentives and long term incentives is applied within the framework of the job band. The combination of these is considered to be the Total Remuneration for each executive team member.

Given the stage of development of the Company, financial performance conditions, which would encompass KPI measures such as revenue, profit or EBITDA are not considered to be appropriate for assessing performance. Instead, an assessment of each individual's performance against individual and team objectives is undertaken.

Base Pay
Base pay is structured as the total cost of employment to the Company and comprises a fixed base pay amount paid in cash, superannuation, and certain non-cash benefits in particular cases.

Benefits
Benefits may include Income Protection Insurance, car parking or motor vehicle leasing and running expense payments.

Short Term Performance Incentives (STIs)
The Company has a current STI plan linked to the fulfilment of key performance indicators (KPIs). The KPIs are designed to promote shareholder value creation and include financial and non-financial measures. The financial and non-financial KPIs include base and stretch targets related to, but not limited to health and safety results, exploration outcomes and share price appreciation. All STI bonuses are subject to Board approval.

Long Term Incentives (LTIs)
The Company has a current LTI program linked to share price appreciation, with the purpose to align the interests of employees with shareholders and to reward, over the medium term, employees for delivering value to shareholders through share price appreciation.

REMUNERATION REPORT (CONTINUED)

In the case of options, once they are granted, the conditions required to ensure vesting are a service condition and a volume weighted share price condition. Future performance of an individual is therefore not a condition affecting the vesting of options granted in past periods.

The current LTI program is based on the issuance of Performance Rights, which may be converted into fully paid ordinary shares on a one for one basis. Each Performance Right contains a vesting hurdle which must be overcome before the Performance Right can be exercised. The vesting hurdle is linked to a certain share price of a value higher than the current share price and has a time limit to expiry.

Key Management Personnel
The Directors and key management personnel of the Company during the reporting period are as follows:

- Philip Amery Non-Executive Chairman
- Ken Aitken Managing Director
- John Patton Non-Executive Director (resigned 22 November 2023)
- Robbert Willink Non-Executive Director
- Peter Lansom Non-Executive Director

Elements of Remuneration related to Performance
The Corporations Act requires disclosure of the Company's remuneration policy to contain a discussion of the Company's earnings and performance and the effect of the Company's performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five-year financial summary to 30 June 2024.

12 months ended	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
Net Profit / (Loss) After Tax ($million)	(13.20)	(1.53)	(6.11)	(1.18)	(7.46)
EPS (loss) (cents) Basic	(1.21)	(0.16)	(0.80)	(0.23)	(1.91)
EPS (loss) (cents) Diluted	(1.21)	(0.16)	(0.80)	(0.23)	(1.91)
Share Price ($) - start of the year	0.015	0.023	0.028	0.029	0.047
Share Price ($) - end of the year	0.005	0.015	0.024	0.028	0.029
Share on Issue (million)	1,397.6	1,063.9	930.0	549.7	390.60
Market Capitalisation ($million)	6.99	15.96	22.32	15.39	11.33

For the reporting period, the Board determined a set of Company KPIs, reflecting the Company's strategies, business plan and budget. The KPIs and the performance set against them are set out below.

Performance against key strategic objectives set for the year
This measure is concerned with the Company's strategic and qualitative objectives, which are subjective to measure. Some of the key objectives include:

- developing the Company's assets through a competitive farm-out process and attracting suitable joint venture partners.
- acquiring additional assets which are in line with the Company's core strategies and future growth plans.

Performance against financial targets
Under this measure, the Board set specific financial management targets for the year which included cost reductions throughout the organisation including minimising overall corporate costs and ensuring appropriate funding is in place to enable the Company strategy to be delivered.

REMUNERATION REPORT (CONTINUED)

Remuneration 2024

Name	Cash Salary & fees	Other benefits	Termination Payments	Post-Employment Benefits Superannuation	Option expense for year	Total	% of remuneration that is performance related based
Directors	**$**	**$**	**$**	**$**	**$**	**$**	
P Amery	54,054	-	-	5,946	-	60,000	-
J Patton*	19,722	-	-	-	-	19,722	-
R Willink	54,054	-	-	5,946	-	60,000	-
K Aitken	236,757	-	-	26,043	-	262,800	-
P Lansom	45,249	-	-	4,977	-	50,226	-
Total	**409,836**	**-**	**-**	**42,912**	**-**	**452,748**	**-**

* J Patton resigned 22 November 2023

Details of Director Shares Options issued during the reporting period ending 30 June 2024

No options issued to Directors during the year.

REMUNERATION REPORT (CONTINUED)

Remuneration 2023

	Post-Employment Benefits						
Name	Cash Salary & fees	Other benefits	Termination Payments	Superannuation	Option expense for year	Total	% of remuneration that is performance related based
Directors	**$**	**$**	**$**	**$**	**$**	**$**	
P Amery	87,986	-	-	5,701	-	93,688	0%
J Patton*	50,000	-	-	-	-	50,000	0%
R Willink	54,229	-	-	5,701	-	60,000	0%
K Aitken	245,045	-	-	25,730	-	270,775	0%
P Lansom	45,249	-	-	4,751	-	50,000	0%
Total	**482,579**	**-**	**-**	**41,884**	**-**	**524,462**	**0%**

* J Patton resigned 22 November 2023

REMUNERATION REPORT (CONTINUED)

Key Management Personnel Remuneration

There were no payments received or receivable by key management personnel of the Company or related parties of the Company other than those which are disclosed in the remuneration section of the Directors' Report and in Notes 23 and 24 of the Financial Statements.

At 30 June 2024, the direct and indirect interests of the Key Management Personnel in the ordinary shares of Metgasco are as follows:

Shares 2024	Opening Balance	Granted as Compensation	Received on Exercise of Options	Long term incentives forfeited	Shares Acquired	Closing Balance
P Amery	13,416,969	-	-	-	1,617,510	15,034,479
J Patton*	2.488.369	-	-	-		2,488,369
R Willink	8,090,629	-	-	-	5,000,000	13,090,629
K Aitken	3,226,470	-	-	-	5,000,000	8,226,470
P Lansom	2,211,500	-	-	-		2,211,500

* J Patton resigned 22 November 2023. Closing balance represents the balance at the date of resignation.

All holdings of shares disclosed this year and prior year are held either directly or indirectly by Key Management Personnel or related parties rather than nominally.

At 30 June 2024, the direct and indirect interests of the Key Management Personnel in the share options and performance rights of Metgasco are as follows:

Options 2024	Opening Balance	Granted as Compensation	Exercised	Lapsed	Closing Balance	Exercisable at balance date
P Amery	4,500,000	-	-	-	4,500,000	4,500,000
J Patton*	2,500,000	-	-	-	2,500,000	2,500,000
R Willink	2,500,000	-	-	-	2,500,000	2,500,000
K Aitken	12,500,000	-	-	-	12,500,000	12,500,000
P Lansom	2,500,000	-	-	-	2,500,000	2,500,000

* J Patton resigned 22 November 2023. Closing balance represents the balance at the date of resignation.

Other key remuneration disclosures

During the year there were no transactions of any kind between the Company and Directors, Key Management Personnel or parties related to these Companies other than what has been disclosed in this remuneration report. This includes loans, dividends, and consulting services. Any shares issued to Directors or other Key Management Personnel throughout the year were issued as a component of disclosed remuneration, through a rights issue, on-market transactions or through the exercise of options.

There were no payments received or receivable by Key Management Personnel of the Company or related parties of the Company other than as disclosed in this remuneration section of the Directors' Report.

Details of Employment Agreements

It is the Board's policy that all Key Management Personnel and employees enter into Employment Agreements.

Key terms of employment for Mr. Ken Aitken are as follows:

Title:	Managing Director
Total fixed remuneration:	$300,000 plus statutory superannuation contributions.
Termination period:	Three-month period.

REMUNERATION REPORT (CONTINUED)

Options Exercised by Directors or other Key Management Personnel during the year
During the year no options were exercised by Directors or other Key Management Personnel.

Note that no shares or options have been resolved to be issued by way of short term and long-term incentives to Directors.

End of Audited Remuneration Report (Audited)

Significant Events after End of Reporting Period

On 5 July 2024 the Company issued 50,000,000 fully paid ordinary shares and agreed to issue a further 5,000,000 free attaching options, with an exercise price of $0.01 each and an expiry date of 4 July 2027, with the issue of the attaching options subject to shareholder approval. Shareholders approved the issue at a General Meeting held on 29 August 2024 and the options was subsequently issued on 27 September 2024.

On 19 August 2024 the Company announced the appointment of Mr Michael Glennon as director to the Board and the resignations of Messrs Philip Amery and Peter Lansom as directors of the Company.

On the same date the Company also advised that Glennon Small Companies, an entity associated with Mr Glennon, has provided an additional $880,000 in debt to the Company via a funding loan (debt facility loan). The loan carries interest at 20 percent per annum, matures on 31 December 2025 and requires repayment only to be made as revenue is earned. Subject to shareholder approval, the loan may convert to equity in the event of a takeover at the lower of a 50% discount to an offer price in the event of a takeover or similar event, or 50% of the closing price prior to the announcement of a takeover or similar event, or a 50% discount to the price of any capital raise done in the preceding 6 months prior to any offer. The Company also entered a royalty agreement with Glennon Small Companies to pay 12.5% of revenue earned, following repayment of the loan.

On 27 September 2024 the Company advised that it increased the debt consideration under the Glennan Small Companies debt facility loan by $2,000,000. This brings the total debt being provided by Glennon Small Companies to Metgasco to $4.88m (inclusive of the $2m debt agreed in March 2023 and $880,000 in August 2024), with the blended interest rate on the combined Glennon loan facilities being 15.9%, with the vast bulk of the debt being unsecured. Significant rain in the Cooper basin limited road access and has delayed the start of the Odin-2 completion and tie-in project, Odin-1 perforating project and wireline operations on Vali-2 until September 2024.
On 27 September 2024 the Company issued 5,000,000 fully paid ordinary shares each to Messrs Aitken and Willink following shareholder approval received on 29 August 2024. The shares were issued at $0.005 per share, being the same price as those afforded to other participants in the July 2024 placement.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out after the Directors' Report, and forms part of this report.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. During the current financial year, the auditor, Grant Thornton Audit Pty Ltd, did not provide any non-audit services to the Company.

All non-audit services would be reviewed by the Audit and Risk Management Committee to ensure that they do not impact the impartiality and objectivity of the auditor and that none of the services would undermine the general principles relating to auditor independence as set out in Accounting Professional and Ethical Standards (APES) 110 Code of Ethics for Professional Accountants.

The Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors.

Michael Glennon
Interim Chairman
30 September 2024

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of Metgasco Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Metgasco Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 30 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		$	$
Revenue	5	2,374,148	475,836
Production Cost		(1,232,917)	(761,665)
		1,141,231	**(285,829)**
Finance income	6(a)	18	260
Other Income	6(b)	883,855	475,937
		883,873	**476,197**
Expenses			
Finance costs	7(c)	(1,409,975)	(191,144)
Depreciation	7 (a)	(1,057)	(1,264)
Exploration costs expensed		-	(68,479)
Impairment of oil and gas properties	12	(12,719,734)	-
Employee costs	7 (d)	(250,003)	(492,746)
Directors fees		(184,845)	(253,688)
Consulting fees		(104,500)	(234,703)
Accounting, compliance, legal & professional costs		(306,251)	(163,080)
Investor relations		(86,103)	(96,621)
Occupancy	7 (b)	(16,924)	(37,883)
Other administrative		(140,832)	(179,931)
		(15,220,224)	**(1,719,539)**
(Loss) for the year		**(13,195,120)**	**(1,529,171)**
Income tax expense	8	-	-
Net (Loss) for the year		**(13,195,120)**	**(1,529,171)**
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
		-	-
Total comprehensive (Loss) for the year		**(13,195,120)**	**(1,529,171)**
Earnings per share from continuing operations			
Basic (loss) per share (cents)	26	(1.21)	(0.16)
Diluted (loss) per share (cents)	26	(1.21)	(0.16)

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024	2023
		$	$
ASSETS			
Current			
Cash and cash equivalents	*9*	880,613	642,161
Trade and other receivables	*10*	277,303	269,309
Current assets		**1,157,916**	**911,470**
Non-current			
Exploration and evaluation expenditure	*11*	5,158,862	2,626,750
Oil and gas properties in development and production	*12*	2,799,002	14,497,929
Plant and equipment		450	1,507
Trade and other receivables	*10*	40,217	12,316
Non-current assets		**7,998,531**	**17,138,502**
TOTAL ASSETS		**9,156,447**	**18,049,972**
LIABILITIES			
Current			
Trade and other payables	*16*	1,830,802	578,527
Contract Liabilities	*17*	167,000	833,333
Borrowings	*14(b)*	1,000,000	-
Provisions	*18*	93,313	112,781
Current liabilities		**3,091,115**	**1,524,641**
Non-current			
Derivative financial instrument	*15*	89,600	973,455
Contract Liabilities	*17*	3,322,540	2,817,837
Borrowings	*14(a)*	1,661,829	771,411
Provisions	*18*	1,283,156	691,401
Total non-current liabilities		**6,357,125**	**5,254,104**
TOTAL LIABILITIES		**9,448,240**	**6,778,745**
NET ASSETS (LIABILITIES)		**(291,793)**	**11,271,227**
EQUITY (DEFICIT)			
Share capital	*19*	124,783,023	123,171,123
Share option reserve	*20*	549,876	529,676
Accumulated losses		(125,624,692)	(112,429,572)
TOTAL EQUITY (DEFICIT)		**(291,793)**	**11,271,227**

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	*Share Option Reserve*	*Accumulated losses*	*Total equity (deficit)*
	$	**$**	**$**	**$**
At 30 June 2022	**120,675,302**	**524,380**	**(110,900,401)**	**10,299,281**
Loss for the year	-	-	**(1,529,171)**	**(1,529,171)**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(1,529,171)**	**(1,529,171)**
Transactions with owners in their capacity as owners				
Issue of new share capital net of issue costs	2,495,821	**-**	**-**	**2,495,821**
Issue of broker options	-	**16,889**	**-**	**16,889**
Issue of directors and employee options	-	**(11,593)**	**-**	**(11,593)**
Cancellation of employee performance rights	-	**-**	**-**	**-**
At 30 June 2023	**123,171,123**	**529,676**	**(112,429,572)**	**11,271,227**
Loss for the year	-	-	(13,195,120)	(13,195,120)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(13,195,120)**	**(13,195,120)**
Transactions with owners in their capacity as owners				
Issue of new share capital net of issue costs	1,618,500	**-**	**-**	**1,618,500**
Shares issued as a result of the exercise of options	-	**-**	**-**	**-**
Issue of broker options	(6,600)	**6,600**	**-**	**-**
Issue of debt facility options	-	**13,600**	**-**	**13,600**
At 30 June 2024	**124,783,023**	**549,876**	**(125,624,692)**	**(291,793)**

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		$	$
Operating activities			
Receipts from customers		2,385,109	329,203
Payments to suppliers and employees (inclusive of goods and service taxes)		(2,383,497)	(1,690,306)
Interest received		18	260
Interest paid		(284,367)	(8,977)
Net cash flow provided by / (used in) operating activities	29	**(282,738)**	**(1,369,820)**
Investing activities			
Expenditure on exploration and evaluation		(1,744,518)	(407,317)
Expenditure on oil and gas development assets		(302,197)	(5,778,176)
Purchase of property, plant and equipment		-	(1,488)
Net cash flow used in investing activities		**(2,046,716)**	**(6,186,981)**
Financing activities			
Proceeds from the issuance of share capital		1,718,500	2,495,821
Transaction costs from the issuance of share capital		(18,150)	(19,549)
Proceeds from borrowings		911,492	2,100,020
Transaction cost of borrowings		(43,936)	(12,600)
Net cash flow provided by financing activities		**2,567,905**	**4,563,692**
Net change in cash and cash equivalents held		**238,451**	**(2,993,109)**
Cash and cash equivalents at the beginning of year		**642,161**	**3,635,270**
Cash and cash equivalents, end of year	9	**880,612**	**642,161**

This statement should be read in conjunction with the notes to the financial statements.

1. Corporate Information

a) Nature of operations

The principal activities of Metgasco Ltd ("Metgasco") and its controlled entity (the "Company") were oil and gas exploration, appraisal, development, and investment in and development of associated energy infrastructure.

b) General information and statement of compliance

The consolidated general purpose financial statements of Metgasco Ltd (Metgasco or the Company) and its controlled entities (the Consolidated Entity or Group) have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards ensures that the financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Metgasco is a for-profit entity for the purpose of preparing the financial statements. The Company is the ultimate parent entity of the Group, and is a public company incorporated and domiciled in Australia. The registered office and principal place of business of the Company is located at Level 3, 88 William Street, Perth WA 6000.

The consolidated financial statements for the year ended 30 June 2024 were approved and authorised for issue by the board of directors.

2. Summary of Material Accounting Policies

a) Material accounting estimates and judgments

The preparation of a financial report requires the Company to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods. Judgments made by the Company in the application of accounting standards that have a significant impact on the Financial Statements and estimates with a significant risk of material adjustment in the next year are highlighted in the accounting policies detailed below.

Exploration assets

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the areas of interest. If, ultimately, the areas of interest are abandoned or are not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would need to be written down to its recoverable amount.

Development assets

The Company has determined that certain tenements have entered the commercial development phase and has started to incur expenditure on planning and design, construction and installation of infrastructure necessary to bring the oil or gas field into production. When a decision is made to develop an oil or gas field, all prior cost associated with exploration and evaluation of related tenements are transferred and reclassified as development assets.

Impairment of oil and gas properties

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows. For oil and gas properties, expected future cash flow estimation is based on reserves, future production profiles, commodity prices and costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of the oil & gas properties.

Provision for site restoration

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and that the obligation can be measured reliably.

2. Summary of Material Accounting Policies (continued)

The Company estimates the future restoration costs of wells and associated infrastructure at the time of a development installation. In most instances removal of these assets occurs many years into the future once the asset has ceased providing economic benefits to the Company. The calculation of this provision requires management to make assumptions regarding removal date, application of environmental legislation, the extent of restoration activities required and available technologies.

b) Principles of consolidation

The consolidated financial statements of Metgasco Ltd ("the Company" or "Parent Entity") and its controlled entities ("the Group" or "Consolidated Entity") have been prepared in accordance with the Australian Accounting Standards and ASX requirements, as at and for the year ended 30 June 2024.

Subsidiaries are all entities over which the Company has control. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances, and unrealised gains or losses on transactions between entities within the Group are eliminated. Where necessary, the accounting policies of subsidiaries are adjusted to ensure consistency with those adopted by the Group.

The financial statements of subsidiary companies are prepared for the same reporting period as the Parent Entity, using uniform accounting policies. Non-controlling interests in the results and equity of subsidiaries are separately identified and presented in the consolidated statement of profit or loss, other comprehensive income, and equity.

Losses within a subsidiary are attributed to the non-controlling interest, even if this results in a deficit balance for the non-controlling interest.

c) Going Concern

The 30 June 2024 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2024 the Group incurred a net loss of $13,195,120 (2023 net loss of $1,529,171) and incurred net cash outflows from operating and investment activities of $2,329,454 (2023: cash outflow of $7,556,801). At 30 June 2024 the Group had a net liability position of $291,793 (2023: net asset position of $11,271,227) and a working capital deficit of $1,933,199 (2023: net working capital deficit of $613,171), with a cash balance at reporting date of $880,613. The Company has financial commitments towards its exploration tenements and agreements with the Operator of the Joint Venture due in September and October 2024 of approximately $1,050,000.

The Directors, based on their review of cash flow forecasts and management's assessment, confirm that the going concern basis of accounting remains appropriate and recognise that additional funding is required to ensure that it can continue to fund its operations and meet its short-term commitments for the twelve month period from the date of this financial report.

The Company in conjunction with its Joint Venture partners are currently finalising the completion of an Odin gas well. The Directors believe this well will provide sufficient cash flows to the Company by mid to late November 2024 to fund its short term financial liabilities.

To meet the Company's short term funding requirements, the Directors have arranged for the following financial commitments:

- Glennon Small Companies Limited (GSC), a current debt provider to the Company and an entity associated with Director Michael Glennon, has provided $880,000 of cash to the Company since 30 June 2024. In addition, GSC has provided a debt facility increase of $2,000,000 (for a total of $2,880,000). The loans are due and payable on 31 December 2025, which is subsequent to when production from the Odin gas field is enhanced. The Company will use part of the cash balance to settle $1,000,000 of short term loans due and payable in October 2024.

- The Directors have engaged PAC Partners to seek new equity investments, including considerations as to the re-finance of the Company's debt facilities.

Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in raising additional funds through the issue of new equity, additional loan funding or should any of the aforementioned commitments not materialise, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

2. Summary of Material Accounting Policies (continued)

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

d) Income tax

Income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items based on the notional income tax rates for each jurisdiction. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or liability is settled. Deferred tax is debited or credited

to profit or loss except where it relates to items that are debited or credited directly to equity or other comprehensive income, in which case the deferred tax is adjusted directly against equity or items of other comprehensive income. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The amount of benefits brought to account, or which may be realised in the future is based on the assumption that no adverse changes will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law. The Company has not formed a tax consolidated group.

e) Revenue

Revenue from contracts with customers is recognised based on volumes sold under contracts with customers, at the point in time where performance obligations are considered met. Generally, regarding the sale of hydrocarbon products, the performance obligation will be met when the product is delivered to the specified measurement point (gas) or point of loading/unloading (liquids).

The Group identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the performance obligations in the contract and recognises revenue when each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

A contract liability for deferred revenue is recorded for obligations under sales contracts to deliver natural gas in future periods for which payment has already been received.

f) Operating segments

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

g) Earnings per share

Basic earnings (loss) per share is determined by dividing the operating profit / (loss) after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings (loss) per share adjusts the basic earnings used in determining earnings per share by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares noted is adjusted by the weighted average number of shares assumed to have been issued for no consideration. At the end of the reporting period, options over unissued shares are not considered to be dilutive and have not been used to calculate diluted loss per share.

h) Exploration expenditure and petroleum tenement leases

In accordance with AASB 6, exploration expenditure is carried forward as an asset provided that the rights to the area of interest are current and such expenditure was expected to be recouped by:

- Successful development of the area of interest; or
- By sale of the area of interest.

2. Summary of Material Accounting Policies (continued)

Exploration and evaluation activities had not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the interests are continuing.

Exploration expenditure which fails to meet at least one of the conditions outlined above is written off. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated expenditure applicable to such area of interest is written off to the profit or loss account in the year in which such decision is made. Qualifying

Research and Development tax offsets received from the Australian Taxation Office are offset against the deferred exploration expenditure. Other Government grants which may be received from time to time are also offset against deferred exploration expenditure.

Amortisation is not charged on costs carried forward in respect of areas of interest on the basis that the Company is not able to assess with certainty the chances of the recoupment of expenditure through successful development or the rate at which the yet to be determined resources would be depleted. A regular review is undertaken of each area of interest to determine the appropriateness of carrying forward costs in relation to the area of interest. Charges for depreciation of equipment used in exploration and evaluation activities are included as indirect costs of exploration and evaluation.

i) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Summary of Material Accounting Policies (continued)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose

contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets at fair value through other comprehensive income
The Group recognises 12 months expected credit losses for financial assets at FVOCI. As most of these instruments have a high credit rating, the likelihood of default is deemed small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

2. Summary of Material Accounting Policies (continued)

In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

j) Oil and gas properties

Assets in development

When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated and approval of commercial development occurs, the field enters its development phase from the exploration and evaluation phase. Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines, and the drilling of development wells, as well as exploration and evaluation costs, are capitalised as tangible assets within oil and gas assets.

When commercial operation commences, the accumulated costs are transferred to oil and gas producing assets

Assets in production

Expenditure carried within each field is amortised from the commencement of production on a unit of production basis, over the estimated useful life of the field determined by reference to probable reserves, on a field by field basis. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively. Amortisation is charged to profit or loss.

k) Property, plant and equipment

Each class of property, plant and equipment is carried at historic cost less accumulated depreciation and impairment losses, where applicable. Plant and equipment is measured on the historic cost basis less depreciation and impairment losses.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of assets constructed within the Company includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the carrying value of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

The carried value of an asset is written down immediately to its recoverable amount if the asset's carried value is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing proceeds with the carried value. These gains and losses are included in the profit or loss.

l) Depreciation

All fixed assets are depreciated on a straight line basis over their useful lives to the Company. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Plant and equipment are depreciated at rates from 4% to 40%. The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of the reporting period. Depreciation charged on assets which are employed exclusively in the Company's exploration activities is capitalised. This is consistent with the treatment of other exploration related expenses.

2. Summary of Material Accounting Policies (continued)

m) Impairment of assets

Assets that are not subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which

the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

n) Restoration and rehabilitation

Estimates of the cost of restoration and rehabilitation represent the anticipated cost to decommission the Company's existing wells. Site restoration costs include: the dismantling and removal of infrastructure, removal of residual materials and remediation of disturbed areas. Such costs are determined using estimates of future costs, current legal requirements and technology and updated for present value.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company, prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

p) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured as the amounts expected to be paid when the liability is settled, plus related on-costs and booked as an accrual. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits and booked as a provision.

(i) Long service leave
The non-current liability for long service leave is recognised in the provision for employee benefits and estimated as future cash outflows to be made by Metgasco resulting from employees' services provided up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(ii) Share based payments
Share based compensation benefits are provided to employees via an employee and officer's equity plan.

- The fair value of options and share rights granted under an employee and officer's equity plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options and share rights.

- The fair value at grant date is determined by using a Black-Scholes option or Monte Carlo pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk free rate, vesting and performance criteria, the impact of dilution and the fact that the options and share rights are not tradable.

(iii) Superannuation
The Company contributes to the personal superannuation funds of employees in accordance with the prevailing Federal legislation. Contributions of superannuation are recognised as expenses when they become payable. The cost of superannuation for employees employed exclusively in exploration and evaluation activities are carried forward in the statement of financial position.

2. Summary of Material Accounting Policies (continued)

q) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that such an outflow can be reliably measured.

r) Cash and cash equivalents

Cash and cash equivalents include: cash on hand and short, fixed term deposits with banks. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

s) Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the Financial Assets at FVOCI reserve, which comprises gains and losses from the revaluation of exchange traded bonds.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

t) Comparative financial information

Comparative financial information is reclassified where applicable to aid comparability with the current year, and more appropriately reflect the nature of the items concerned. None of the adjustments affect the loss before or after tax or net assets.

u) New accounting standards and interpretations

Adoption of new and revised standards

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

v) Adoption of Australian Accounting Standards and Australian Accounting Standards Board (AASB) interpretations not yet adopted by the Group are not expected to have a material impact to the Group.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue but not yet mandatory for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations issued but not yet mandatory, therefore no change is necessary to Group accounting policies.

3. Financial Risk Management

Activities undertaken by Metgasco, and its subsidiary may expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Group's risk management policies and objectives are designed to recognise and minimise the potential impacts of these risks, where such impacts may be material. At the present stage, the Group has exposure to market, credit risk and liquidity risk.

The carrying amount of financial instruments by categories is as follows:

		Consolidated	
	Note	2024 $	2023 $
Cash and cash equivalents	9	880,613	642,161
Receivables	10	277,303	269,309
Other receivables	10	40,217	12,316
Borrowings	14	(2,661,829)	(771,411)
Derivative financial liability	15	(89,600)	(973,455)
Trade and other payables	16	(1,830,802)	(578,527)

a) Market risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

i) Foreign exchange risk

In prior years, small components of the Group's purchases of well materials were denominated in US dollars ("USD"). At 30 June 2024, the amount of trade payables denominated in USD was nil. Subsequent variations in the USD/AUD exchange rate therefore would have no impact on the future results of the Company. No foreign currency hedging was undertaken, however any material changes to the value of our commitments to be settled in foreign currency are communicated to senior management and budgeted for.

ii) Interest rate risk and equity securities or other financial securities price risk.

The Group has no exposure to interest rate risk other than reductions/increases in interest earned should the rates decrease/increase respectively. As an indication of possible sensitivity to changes in interest rates a 1% movement in interest rates, assuming a mean cash balance of $880,613 would increase/decrease the annual amount of interest received by $8,806. The nature of the loan facility is that it is a fixed interest and not subject interest rate risk.

Directors consider that there is no significant credit risk in respect of cash balances as those balances are all held with major Australian banks.

b) Credit risk

Credit risk arises from the potential failure of a counterparty to meet its contractual obligations, leading to financial loss for the Group. Previously, the Group was primarily in the exploration and appraisal stage and not exposed to significant counterparty credit risk due to the absence of sales contracts.

However, during the prior reporting period, the Company entered into a Gas Supply Agreement (GSA) with AGL Wholesale Gas Limited for its interest in the Vali Gas Field. Under the GSA:

- An advance of A$15 million (A$3.75 million attributable to Metgasco) was provided to fund production costs prior to first gas delivery.
- The agreement allows for the delivery of 9PJ of gas through to 31 December 2026, with delivery commencing in February 2023.
- The Company has recognised a contract liability for deferred revenue, which will unwind as the gas is delivered, fulfilling the performance obligations.

The Group is exposed to credit risk under the GSA to the extent of non-performance by AGL in making timely payments or adhering to the contract terms.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group’s ability to raise equity funding in the market is paramount in this regard.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Refer to note 2c Going Concern with respect to current liquidity risk.

The financial liabilities of the Group include trade and other payables as disclosed in the statement of financial position.

- Contractual Maturities
  The following are the contractual maturities of financial liabilities of the Group:

	Within 1 year		Greater Than 1 Year		Total	
	2024 $	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**
Financial liabilities due for payment						
Trade and other payables	1,830,802	578,527	-	-	1,830,802	578,527
Borrowings	1,000,000	-	1,661,829	771,411	2,661,829	771,411
Total contractual outflows	**2,830,802**	**578,527**	**1,661,829**	**771,411**	**4,492,631**	**1,349,938**
Financial assets						
Cash and cash equivalents	880,613	642,161	-	-	880,613	642,161
Trade and other receivables	277,303	269,309	40,217	12,316	317,520	281,625
Total anticipated inflows	**1,157,916**	**911,469**	**40,217**	**12,316**	**1,198,133**	**923,786**
Net (outflow)/inflow on financial instruments	**(1,672,886)**	**332,942**	**(1,621,612)**	**(759,095)**	**(3,294,498)**	**(426,152)**

4. Segment Information

Management determined that the Group has one operating segment being related to the activities in oil and gas exploration operations.

5. Revenue

	Consolidated	
	2024	**2023**
Point in time	**$**	**$**
Oil and gas sales	2,374,148	475,836

During the year, the Group has gas sales to AGL Whole Gas Limited and Pelican Point Power Limited (refer to note 17).

6. Finance Income and Other Income

		Note	Consolidated 2024 $	2023 $
(a)	**Finance income**			
	Interest on cash at bank		18	260
	Total finance income		18	260
(b)	**Other income**			
	Fair value adjustments – Derivative financial liability		883,855	475,937
	Total other income		883,873	476,197

7. Expenses

Profit/(Loss) before income tax includes the following specific expenses:

		Note	Consolidated 2024 $	2023 $
(a)	**Depreciation**			
	Plant and equipment		1,057	1,264
	Total depreciation		1,057	1,264
(b)	**Occupancy**			
	Occupancy expenses		16,924	37,883
	Total Occupancy		16,924	37,883
(c)	**Finance cost - external**			
	Bank charges		980	411
	Debt Establishment fees		23,382	21,000
	Share based payments	21	13,600	-
	Interest		381,595	48,950
	Unwinding transaction cost		990,418	120,783
	Total Finance Cost		1,409,975	191,144
(d)	**Employee costs**			
	Superannuation		26,043	45,707
	Wages and salaries		222,808	440,457
	Insurance		1,152	5,209
	Fringe Benefits Tax		-	1,373
	Total employee costs		250,003	492,746

8. Income Tax

Major components of income tax expense for the Years ended 30 June 2024 and 30 June 2023 are:	Consolidated 2024	2023
	$	$
Accounting profit (loss) before tax from continuing operations	(13,195,120)	(1,529,171)
Accounting profit (loss) before income tax	(13,195,120)	(1,529,171)
At the statutory income tax rate of 25% (2023: 25%)	(3,298,780)	(382,293)
Add:		
Non-deductible expenses	137,537	131,243
Temporary differences now brought to account	1,454,933	(85,346)
Tax loss not brought to account as a deferred tax asset	1,762,885	382,966
Tax amortisation of capital raising costs	(56,575)	(46,570)
At effective income tax rate of 0% (2022: 0%)	-	-
Income tax expense reported in income statement	-	-

Unrecognised deferred tax assets/(liabilities	Consolidated 2024	2023
	$	$
Deferred tax assets/(liabilities) have not been recognised in respect of the following items		
Liabilities		
Prepayments	(40,704)	(19,781)
Property, plant & equipment	(112)	(377)
Capitalised exploration expenditure	(1,289,716)	(656,688)
Oil & Gas Properties in Development	485,930	(1,584,829)
	(844,602)	(2,261,675)
Assets:		
Trade and other payables	6,632	-
Employee benefit	10,386	10,386
Investment in listed securities	30,196	30,196
Rehabilitation Provision	344,117	201,046
Borrowing Costs	31,151	46,060
Business related costs	115,039	130,686
Capital Losses	168,931	168,931
Tax Losses	28,257,025	26,131,651
	28,963,477	26,718,956
	28,118,875	24,457,281

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

9. Cash and Cash Equivalents

	Consolidated	
	2024	2023
	$	$
Cash at bank and on hand	880,613	642,161
Total	880,613	642,161

a) Cash at bank and on hand

Amounts held in the Company's cheque account attract variable interest rates commensurate with a business cheque account.

10. Trade and Other Receivables

	Consolidated	
	2024	2023
Current	$	$
Trade receivables	1,470	1,601
Accrued Income	127,752	83,584
Prepayments	35,061	79,124
Security Bonds	77,100	105,000
Cash call contribution	35,920	-
Total	277,303	269,309
Non-Current		
Security Bonds	40,217	12,316
Total	40,217	12,316

No receivables are past due or impaired. Security bonds are held in favour of the Queensland Department of Natural Resources and Mines.

11. Exploration and Evaluation Expenditure

	Consolidated	
	2024	2023
	$	$
Expenditure for the entity's operations		
Movement during the financial period (at cost):		
Opening balance		
PRL 237	11,228	11,228
PRL 211	2,615,522	2,019,506
Total	2,626,750	2,030,734
Additions		
ATP 2021	1,651,490	-
PRL 211	880,622	596,016
Total	2,532,112	596,016
Carrying amount at end of year		
PRL 237	11,228	11,228
ATP 2021	1,651,490	-
PRL 211	3,496,144	2,615,522
Total	5,158,862	2,626,750

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

In accordance with the Company's accounting policy for the evaluation of mineral resources, a review of the carrying amounts of exploration and evaluation assets was conducted as of 30 June 2024 for any indicators of impairment. Based on this review, no impairment losses were recognized during the year.

12. Oil and Gas Properties in Development and Production

	Consolidated	
	2024	2023
	$	$
Expenditure for the entity's operations		
Movement during the financial period (at cost):		
Opening balance	14,497,929	11,099,790
Additions	1,043,025	3,398,139
Less: Depreciation	(22,218)	-
Less: Impairment loss on oil and gas properties	(12,719,734)	-
Carrying amount at end of year	2,799,002	14,497,929

During the year ended 30 June 2024, the Company recognized amortization of $22,218 on its oil and gas properties in the Vali gas field, reflecting the cost allocation of the asset over its useful life based on production levels. This amortization was calculated using the units-of-production method, which amortizes the cost proportionally to the actual production during the period relative to the estimated total recoverable reserves.

The Company recognized an impairment of $12,719,734 on its oil and gas properties in the Vali gas field. The reasons for the impairment include:

- Production issues encountered at the Vali-2 and Vali-3 wells.
- Lower-than-expected economic performance of the field.
- Increased discount rates due to rising market interest rates.

The impairment was calculated based on the Net Present Value (NPV) of expected future cash flows, incorporating revised production forecasts and current market conditions. The key assumptions used in the impairment assessment included:

- Updated production profiles detailing the expected production volumes.
- Commodity price forecasts based on contracted gas prices, reflecting the actual contractual terms and agreements in place.
- Operating costs itemizing significant expected costs involved in the operation.
- A discount rate of 12.78% was applied, reflecting higher market interest rates and the risk profile of the project.
- The sales revenue is based on contracted gas prices, which provides a fixed basis for future revenue projections, and estimated future production volumes.

All development assets as of 30 June 2024 are located within the Vali field, situated in the ATP2021 permit area. The recognized amortization and impairment are reflected in the consolidated statement of profit or loss and other comprehensive income.

13. Interest in Subsidiary

The consolidated financial statements include the financial statements of Metgasco Ltd and the subsidiary listed in the following table.

Name of entity	Country of incorporation	Class of Shares	Equity holding			
			2024	2023	**2024**	2023
			%	%	**$**	$
Richmond Valley Power Pty Ltd	Australia	Ordinary	100	100	100	100

14. Borrowings

(a) Borrowings – Glennon Small Companies Limited

	Consolidated	
	2024	**2023**
	$	**$**
Loan	2,000,020	2,100,020
Less: Transaction cost	(1,328,609)	(1,449,392)
Add: Unwinding of transaction cost	990,418	120,783
	(338,191)	(1,328,609)
Closing balance	1,661,829	771,411

On 9 November 2023, Keybridge Capital Limited ("Keybridge") failed to meet its obligations under the loan note deed by not making the agreed drawdown funds available to Metgasco Ltd. In response, Metgasco issued a termination notice on 23 November 2023, cancelling all remaining loan notes and options held by Keybridge.

The Company secured A$1 million in short-term financial support from external investors and met the balance of the funding from gas production revenues to settle the outstanding loan note liability. Metgasco has fully discharged the remaining loan note liability to Keybridge.

Funding arrangements with Glennon Capital from FY2023 remains in place, with Glennon expressing its continued support for the Company's ongoing development of its central Australian energy assets.

Term	Description
Amount	Glennon Small Companies Limited ("GSC"): $2,000,020
Term Duration	3 years
Use of Proceeds	Vali and Odin Gas Field projects, working capital, and general corporate purposes
Interest Rate	10% p.a.
Establishment Fee	1% (on drawn funds only)
Security	General security deed (GSD) over all present property of the Company
Options Issued	64 million
Option Exercise Price	2.5c per share
Option Tenor	Same as the debt facility term
Early Repayment Fee	5% of the face value of the notes (if redeemed early)

The transaction costs were incurred in relation to the raising of funds under the Secured Loan Deed. These costs are offsets against the convertible note liability and amortised over the term of the convertible note and are treated as finance costs in profit or loss.

Metgasco has fully discharged its obligations under the loan note agreement with Keybridge and has secured continued financial backing from Glennon Capital and two other external investors for the ongoing development of its energy projects.

(b) Borrowings – Vaughn & Nagy

	Consolidated	
	2024	**2023**
	$	**$**
Loan	1,000,000	-

Term	Description
Amount	$1 million
Term Duration	6 months
Use of Proceeds	Vali and Odin Gas Field projects, working capital, and general corporate purposes
Interest Rate	12% p.a.

15. Financial Liability

On 13 March 2023, the Company entered into a Secured Loan Deed (Note 14) with Keybridge Capital Limited ("Keybridge") and Glennon Small Companies Limited ("Glennon"). In accordance with AASB 9 Financial Instruments, the Group accounts for convertible security financing on a fair value basis. The conversion feature represents the Company's obligation to issue shares at a fixed price should the noteholders exercise their conversion option.

The conversion feature was deemed to be an embedded derivative liability. On initial recognition, the fair value of the conversion rights granted was included in the transaction costs, as detailed in Note 14. The conversion rights will be recognized as equity on extinguishment of the convertible note if shares are issued, or they will be derecognized in profit or loss if not converted.

The derivative liability is measured at fair value, with changes in fair value recognized in profit or loss. Due to the material decline in the share price of the Company at 30 June 2024 the fair value of the derivative liability has declined and $883,855 recognised as other income in the profit and loss.

	Consolidated	
	2024	**2023**
	$	**$**
Opening balance	973,455	-
Transaction cost	-	1,449,392
Fair value adjustment	(883,855)	(475,397)
Closing balance	89,600	973,455

16. Trade and Other payables

	Consolidated	
	2024	**2023**
	$	**$**
Current		
Trade payables	1,231,863	157,897
Accrued charges and expenses	346,934	62,498
Employee benefits (a)	127,005	56,192
Contingent consideration (b)	125,000	301,940
	1,830,802	578,527

(a) Amounts classified above as employee benefits are all expected to be settled within 12 months of the end of the reporting period.

(b) During FY2023, an additional stake in PRL211 asset was acquired. The consideration terms for this acquisition included a contingent consideration based on the achievement of the following milestones:

- Payment of $187,500 upon 15 Business Days following First Production from the Odin Field.
- Payment of $125,000 upon 15 Business Days following production of 1.06 Petajoules of sales gas or equivalent from the Odin Field.

The Company settled the $187,500 contingent consideration during the current financial year and expects to reach and settle the remaining milestone in FY2025. Management have fair valued the contingent consideration on the basis of probability of meeting these milestones.

17. Contract Liabilities

	Consolidated	
	2024	**2023**
	$	**$**
Current		
Deferred revenue	167,000	833,333
	167,000	833,333
Non-current		
Deferred revenue	3,322,540	2,817,837
	3,322,540	2,817,837
Total	**3,489,540**	**3,651,170**

During the prior reporting period the Company executed a Gas Supply Agreement (GSA) for its interest in the Vali Gas Field with AGL Whole Gas Limited. The GSA provided that an amount of $15M ($3.75M - Metgasco share) would be advanced to Metgasco and its partners prior of first gas productions to assist with the costs to bring the Vali Gas Field into Production.

The GSA allows for the delivery of 9PJ of gas up to 31 December 2026. Delivery commenced in February 2023 after initially scheduled to commence in FY2022 for 1PJ and 2PJ per year from 2023-2026. Any amounts not delivered within the production year are rolled forward into the next calendar year.

The Company has recognised a contract liability for the deferred revenue (in accordance with accounting policy as stated on note 2(e) under the GSA to deliver natural gas in future periods for which payment has already been received. Deferred revenue liabilities unwind as revenue from contracts, upon satisfaction of the performance obligation.

18. Provisions

	Consolidated	
	2024	2023
	$	$
Current		
Restoration obligations	93,313	112,781
	93,313	112,781
Non-current		
Restoration obligations	1,283,156	691,401
	1,283,156	691,401
Total	1,376,469	804,182
Restoration Obligations		
Carrying amount at beginning of financial year	804,182	804,182
Increases	572,287	-
Decreases	-	-
Carrying amount at end of financial year	1,376,469	804,182

As disclosed under notes 2(a) & 2(n), the Company is obliged to complete restoration activities where site areas have been disturbed. Estimates have been calculated and provisions made for the activities on the Vali, Odin, and Cervantes projects.

The increase in restoration obligations is due to updated cost estimates for the ATP2021 JV and PRL211 JV.

19. Contributed Equity

	No of Shares		Value ($)	
Ordinary Shares	**2024**	**2023**	**2024**	**2023**
Opening balance	1,063,886,745	930,002,677	123,171,123	120,675,302
Issue of new share capital net of issue costs	333,700,000	133,875,402	1,611,900	2,483,959
Shares issued as a result of exercise of options	-	8,666	-	11,862
Closing balance	1,397,586,745	1,063,886,745	124,783,023	123,171,123

	No of Options	No of Options
Options (quoted on ASX)	**2024**	**2023**
Opening balance	66,102,543	124,498,055
Options issued	-	-
Options exercised	-	(8,666)
Options lapsed	-	(58,386,846)
Closing balance	**66,102,543**	**66,102,543**

	No of Options	No of Options
Options (not quoted on ASX)	**2024**	**2023**
Opening balance	195.457.712	35.375.000
Options issued	10,417,288	161,582,712
Options exercised	-	-
Options lapsed	-	(1,500,000)
Options cancelled	(96,000,000)	-
Closing balance	109,875,000	195,457,712

Ordinary shares have the right to participate in dividends, include a voting entitlement, and include a right to proceeds on the winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The Company issued shares during the year as follows:

- 15 May 2024 issued 169,000,000 shares as part of an entitlement offer at 0.05 cents per share.
- 23 May 2024 issued 16,000,000 shares as part of an entitlement offer at 0.05 cents per share.
- 25 Jun 2024 issued 148,700,000 shares as part of an entitlement offer at 0.05 cents per share.

Capital risk management

The Company considers its capital to comprise its ordinary shares. In managing its capital, the Company's primary objective is to effectively utilise its capital resources to deliver on its operational objectives and deliver returns to shareholders. The issue of new shares is one of the Company's means of achieving its long term operational and strategic objectives. As the Company is involved in exploration and has no debt, the use of various gearing ratios is not employed.

The Company has the following options on issue:

a) 33,875,000 issued on 10 December 2021
   a. One option may be exercised and converted into one fully paid ordinary share in the Company;
   b. An exercise price to of $0.045 per option;
   c. Expiry date of 10 December 2024.
b) 64,102,543 issued on 5 May 2022
   a. One option may be exercised and converted into one fully paid ordinary share in the Company;
   b. An exercise price to of $0.045 per option;
   c. Expiry date of 10 December 2024.
c) 2,000,000 issued on 6 May 2022
   a. One option may be exercised and converted into one fully paid ordinary share in the Company;
   b. An exercise price to of $0.045 per option;
   c. Expiry date of 10 December 2024.
d) 2,000,000 issued 8 December 2022
   a. One option may be exercised and converted into one fully paid ordinary share in the Company;
   b. An exercise price to of $0.036 per option
   c. Expiry date of 07 December 2025.
e) 64,000,000 issued on 22 March 2023 / 29 November 2023
   a. One option may be exercised and converted into one fully paid ordinary share in the Company;
   b. An exercise price to of $0.025 per option
   c. Expiry date of 22 March 2026.
f) 8,000,000 issued on 19 Jun 2024
   a. One option may be exercised and converted into one fully paid ordinary share in the Company;
   b. An exercise price to of $0.025 per option
   c. Expiry date of 19 Apr 2026.
g) 2,000,000 issued on 4 Jun 2024
   a. One option may be exercised and converted into one fully paid ordinary share in the Company;
   b. An exercise price to of $0.01 per option
   c. Expiry date of 04 Jun 2027.

20. Share Based Payments

During the reporting period, the Company issued 2,000,000 Broker Options and 8,000,000 Loan Options, each entitling the holder to exchange one option for one ordinary share in the Company. The options were issued in relation to the Placement Offer (announced on 25 June 2024) and a loan facility agreement, respectively.

On 13 March 2023, Metgasco Ltd also secured a $2 million debt facility with Glennon Small Companies Limited and Keybridge Capital Limited, which included:

- 96,000,000 options issued to Keybridge Capital Limited, and
- 64,000,000 options issued to Glennon Small Companies Limited.

96,000,000 options were cancelled as of 11 April 2024, following the termination of the debt facility agreement.

The options have been valued using the Hoadley binomial option pricing model, applying the following inputs:

	Glennon Options	Broker Options	Loan Options
Share price on issue	$0.0050	$0.0060	$0.0060
Issue date	22 March 2023	1 May 2024	9 April 2024
Exercise price	$0.025	$0.010	$0.025
Life (years)	3	3	2
Volatility	82%	102%	111%
Risk free rate	4.18%	4.03%	3.27%
Valuation per option	$0.0014	$0.0033	$0.0017
Total options issued	64,000,000	2,000,000	8,000,000
Total Value	**$89,600**	**$6,600**	**$13,600**

Cancellation of Keybridge Options:
The 96,000,000 Keybridge options were cancelled on 11 April 2024 due to a breach of the debt agreement by Keybridge Capital. These options have been removed from the financial statements and are not included in the valuations presented.

Remaining Glennon Options:
The 64,000,000 options granted to Glennon Small Companies Limited remain in place as of 30 June 2024 and have been valued at $89,600. These options are exercisable at $0.025 per share, with an expiry date of 22 March 2026.

21. Key Management Personnel

	Consolidated	
	2024	**2023**
	$	**$**
Short-term employee benefits	409,836	482,579
Post-employment employee benefits	42,912	41,883
Share based payments	-	-
Total compensation	452,748	524,462

22. Auditor's Remuneration

Total amounts provided for remuneration for assurance services provided to the Company by the auditor are:

	Consolidated	
	2024	**2023**
	$	**$**
During the year, fees paid/payable to the Company's auditors were:		
For audit and review – Grant Thornton Audit Pty Ltd	93,953	105,184

23. Related Party Disclosures

Directors and Directors' related entities share and option holdings at the end of the reporting period are disclosed in the remuneration report. As such, apart from remuneration with key management personnel (refer to note 21 above), there are no further related party transactions to disclose.

24. Contingent Liabilities and Assets

	Consolidated	
	2024	**2023**
	$	**$**
Security Bonds to State governments	**117,000**	**117,000**

Should the Company fail to satisfactorily rehabilitate well sites after their abandonment, amounts secured by securities lodged with the Queensland Department of Natural Resources and Mines, and Western Australia Environmental Protection Authority.

No other contingent liabilities as at 30 June 2024 and 30 June 2023.

25. Commitments

The current estimated expenditure for approved commitments and minimum work program commitments on ATP2021, PRL211 and PRL237 are as follows.

	Consolidated	
	2024	**2023**
	$	**$**
Minimum expenditure for exploration & evaluation, and development assets		
Within one year	75,870	1,200,000
Year 2 to Year 4	919,000	-
Over 5 years	69,090	-
Total	1,063,960	1,200,000
Office Rent		
Within one year	-	12,919
Later than one year but not later than five years	-	-
Total	-	12,919

Metgasco's strategy in meeting the above Exploration & Evaluation, and Development expenditures involves:

I. generating a cash inflow through the sale of gas; or
II. raising capital.

The Company may also consider farming out, divestment or relinquishment of certain assets if appropriate and acceptable to stakeholders.

26. Earnings Per Share

	Consolidated	
	2024	**2023**
	$	**$**
Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
Loss attributable to owners of Metgasco Ltd used to calculate basic earnings per share	(13,195,120)	(1,529,171)
Diluted earnings per share		
Loss attributable to owners of Metgasco Ltd used to calculate diluted earnings per share	(13,195,120)	(1,529,171)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	1,088,888,115	1,063,886,745
Earning/(Loss) per share (cents)	(1.21)	(0.16)

The Company's potential ordinary shares, being 175,977,543 options granted, are not considered dilutive as the options strike price was significantly above the closing share price of the Company at 30 June 2024 and the Company is also in a loss position as at 30 June 2024.

27. Fair value measurement

Fair value measurement of financial instruments

Financial assets measured at fair value in the statement of financial position are grouped into three (3) levels of fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 30 June 2024 and 30 June 2023:

30 June 2024	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial liabilities				
Derivative financial liability	89,600	-	-	89,600
Borrowings	-	2,661,829	-	2,661,829
Contingent consideration	-	125,000	-	125,000
Total liabilities	**89,600**	**2,786,829**	**-**	**2,876,429**
Net fair value	**89,600**	**2,786,829**	**-**	**2,876,429**

30 June 2023	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial liabilities				
Derivative financial liability	973,455	-	-	973,455
Borrowings	-	771,441	-	771,411
Contingent consideration	-	1,106,122	-	1,106,122
Total liabilities	**973,455**	**1,877,533**	**-**	**2,850,988**
Net fair value	**973,455**	**1,877,533**	**-**	**2,850,988**

28. Parent Entity Disclosures

	2024 $	**2023 $**
Current assets	1,157,916	911,470
Non-current assets	7,998,531	17,138,502
Total assets	9,156,447	18,049,972
Current liabilities	3,091,115	1,222,701
Non-current liabilities	6,357,125	5,556,044
Total liabilities	9,448,240	6,778,745
Contributed equity	124,783,023	123,171,123
Share options reserve	549,876	529,676
Accumulated losses	(125,624,692)	(112,429,572)
Total equity (deficit)	(291,793)	11,271,227

Profit/(Loss) for the year	(13,195,120)	(1,529,171)
Total comprehensive profit/(loss) for the year	(13,195,120)	(1,529,171)

Contingent Liabilities	**2024**	**2023**
	$	**$**
Security deposits to state governments	117,000	117,000

Should the parent entity fail to satisfactorily rehabilitate well sites after their abandonment, amounts lodged with the Queensland Department of Natural Resources and Mines, and Western Australia Environmental Protection Authority could be forfeited.

Metgasco's strategy in meeting the above Exploration and Evaluation expenditures involves:

(i) sale of marketable securities;
(ii) raising capital; or
(iii) some combination of the above.

The Company may also consider relinquishment of certain assets if appropriate and acceptable to stakeholders.

29. Statement of Cash Flows Reconciliation

	Consolidated	
	2024	**2023**
	$	**$**
(a) Reconciliation of net loss after tax to net cash flows from operations		
Net profit/(loss) for the year	(13,195,120)	(1,529,171)
Adjustments for:		
Depreciation	1,057	1,264
Amortization expense	22,218	-
Impairment of oil and gas properties	12,719,734	-
Unwinding of transaction costs	990,418	120,783
Fair value adjustments – Options	(883,855)	(475,937)
(Increase) / Decrease in trade and other receivables	(7,997)	221,702
(Decrease) / Increase in trade and other payables	(392,507)	390,369
(Decrease) / Increase in contract liabilities	(108,973)	(98,830)
Increase in provisions	572,287	-
Net cash flows provided by / (used in) operating activities	(282,738)	(1,369,820)

30. Events After the Reporting Period

On 5 July 2024 the Company issued 50,000,000 fully paid ordinary shares and agreed to issue a further 5,000,000 free attaching options, with an exercise price of $0.01 each and an expiry date of 4 July 2027, with the issue of the attaching options subject to shareholder approval. Shareholders approved the issue at a General Meeting held on 29 August 2024 and the options was subsequently issued on 27 September 2024.

On 19 August 2024 the Company announced the appointment of Mr Michael Glennon as director to the Board and the resignations of Messrs Philip Amery and Peter Lansom as directors of the Company.

On the same date the Company also advised that Glennon Small Companies, an entity associated with Mr Glennon, has provided an additional $880,000 in debt to the Company via a funding loan (debt facility loan). The loan carries interest at 20 percent per annum, matures on 31 December 2025 and requires repayment only to be made as revenue is earned. Subject to shareholder approval, the loan may convert to equity in the event of a takeover at the lower of a 50% discount to an offer price in the event of a takeover or similar event, or 50% of the closing price prior to the announcement of a takeover or similar event, or a 50% discount to the price of any capital raise done in the preceding 6 months prior to any offer. The Company also entered a royalty agreement with Glennon Small Companies to pay 12.5% of revenue earned, following repayment of the loan in perpetuity.

On 27 September 2024 the Company advised that it increased the debt consideration under the Glennan Small Companies debt facility loan by $2,000,000. This brings the total debt being provided by Glennon Small Companies to Metgasco to $4.88m (inclusive of the $2m debt agreed in March 2023 and $880,000 in August 2024), with the blended interest rate on the combined Glennon loan facilities being 15.9%, with the vast bulk of the debt being unsecured.

Significant rain in the Cooper basin limited road access and has delayed the start of the Odin-2 completion and tie-in project, Odin-1 perforating project and wireline operations on Vali-2 until September 2024.

On 27 September 2024 the Company issued 5,000,000 fully paid ordinary shares each to Messrs Aitken and Willink following shareholder approval received on 29 August 2024. The shares were issued at $0.005 per share, being the same price as those afforded to other participants in the July 2024 placement.

Other than these, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of entity	Trustee	% of share capital	Country of Incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Metgasco Limited	Body Corporate	N/A	100	Australia	Australian	N/A
Richmond Valley Power Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 3(A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, each of the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Metgasco Ltd (the "Company "):

   (a) the accompanying financial statements and notes therto are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

      ii) complying with Australian Accounting Standards , the Corporations Regulations 2001 and other mandatory profressional reporting requirements; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The information disclosed in the Consolidated Entity Disclosure Statement on page 46 is true and correct as at 30 June 2024.

This declaration is signed in accordance with a resolution of the Board of Directors:

On behalf of the directors

Michael Glennon
Interim Chairman

30 September 2024

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000

Independent Auditor's Report

To the Members of Metgasco Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Metgasco Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial statements, which indicates that the Group incurred a net loss of $13,195,120 and net cash outflows from operating and investing activities of $2,329,454 during the year ended 30 June 2024, and as of that date, the Group's current liabilities exceeded its current assets by $1,933,199. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Oil and Gas Properties in Development- Note 12	
At 30 June 2024, the carrying value of oil and gas properties in development and production was $15,518,736 prior to impairment. Management as prescribed in AASB 136 *Impairment of Assets* is required to undertake impairment testing if an impairment trigger is identified. Management tested the assets of Vali gas wells for impairment comparing their carrying value against their recoverable amount, determined by modelling the net present value of future cashflows. As a result, an impairment of $12,719,734 was recognised during the year. The value of Oil and Gas Properties in Development was considered a key audit matter due to the size of the asset and level of estimates and judgements used by management in determining a value in use calculation. These assumptions included forecasts of production volumes, gas prices, production costs and application of a discount rate.	Our procedures included, amongst others: • Obtaining managements reconciliation of oil & gas properties in development and testing the accuracy of the carrying amount and comparing to the general ledger; • Enquiring with management to obtain and document an understanding of management's process relating to assessment of impairment, including consideration of valuation techniques applied to determine the recoverable amount; • Evaluating the value in use financial model against the requirements of AASB136 including; - reviewing management's forecasted production schedule - testing the mathematical accuracy of the calculation formulas - evaluating managements ability to perform accurate estimates - evaluating appropriateness of forecasted gas price and discount rates - perform sensitivity analysis on the significant inputs and assumptions applied by management in preparing its calculation. • Assessing the appropriateness of the related disclosures within the financial statements.

Exploration and Evaluation Assets – Note 11	
At 30 June 2024 the carrying value of exploration and evaluation assets was $5,158,862. In accordance with AASB *6 Exploration for and Evaluation of Mineral Resources*, the Company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • Evaluating management's area of interest considerations against AASB 6; • Evaluating management's assessment of trigger events prepared in accordance with AASB 6 including; – tracing projects to statutory registers, exploration licenses and third-party confirmations to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • Evaluating the competence, capabilities and objectivity of management in the evaluation of potential impairment triggers; and • Assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 14 to 19 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Metgasco Ltd, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 30 September 2024

CORPORATE DIRECTORY

Directors	Michael Glennon (Interim Chairman) Ken Aitken (Managing Director) Rob Willink
Company Secretary	Henko Vos Flynn Blackburn
Registered Office and Principal Place of Business	Metgasco Ltd ABN 24 088 196 383 Level 3, 88 William Street Perth WA 6000 Telephone: +61 8 6245 0060 Email: info@metgasco.com.au www.metgasco.com.au
Stock Exchange	Australian Securities Exchange (ASX) 4 Bridge Street Sydney, NSW 2000
ASX Symbol	MEL
Share Registry	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138
Auditor	Grant Thornton Audit Pty Ltd Level 17, 383 Kent Street Sydney, NSW 2000
Solicitors	MARQUE Lawyers Pty Ltd Level 4, 343 George Street Sydney, NSW 2000

Additional information required by the ASX Listing Rules is set out below

Shareholder information

The shareholder information set out below was applicable as of 30 September 2024

Distribution of Equity Securities:

Ordinary fully paid shares:

Number of Shares	Ordinary Shares Held	No. of Shareholders	% of Issued Shares
100,001 and Over	1,411,285,126	777	96.82
10,001 to 100,000	44,275,281	1,091	3.04
5,001 to 10,000	1,777,325	196	0.12
1,001 to 5,000	232,754	84	0.02
1 to 1,000	16,259	105	0.00
Total	**1,457,586,745**	**2,253**	**100.00**

Listed Options

Number of Shares	Ordinary Shares Held	No. of Shareholders	% of Issued Shares
100,001 and Over	65,580,008	52	83.87
10,001 to 100,000	522,535	10	16.13
5,001 to 10,000	0	0	0.00
1,001 to 5,000	0	0	0.00
1 to 1,000	0	0	0.00
Total	**66,102,543**	**62**	**100.00**

Twenty Largest Shareholders

The names of the twenty largest holders of quoted equity securities are listed below:

Fully Paid Ordinary Shares

	Shareholders	Ordinary Shares Held	% of Issued Shares
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	216,541,308	14.86
2	MR GREGORY NORMAN PETERS	63,000,000	4.32
3	BNP PARIBAS NOMS PTY LTD	58,369,438	4.00
4	J & A VAUGHAN SUPER PTY LTD	47,714,993	3.27
5	MR PAUL AINSWORTH	40,468,374	2.78
6	MR BART RENSEN & MRS SUZANNE RENSEN	31,437,840	2.16
7	BNP PARIBAS NOMINEES PTY LTD	29,052,756	1.99
8	MR BERTRAND LALANNE	29,000,000	1.99
9	RICIDEA PTY LTD	24,000,000	1.65
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,289,985	1.60
11	MR KENNETH JOSEPH HALL	23,000,000	1.58
12	MR DAVEN KURL	16,786,559	1.15
13	BEARAY PTY LIMITED	15,033,333	1.03
14	ANDREW DUNCAN MURDOCH	15,002,451	1.03
15	MR ERICH GUSTAV BROSELL	14,230,000	0.98
16	MR JOHN CHARLES RAYNER	13,900,000	0.95
17	MAEANDER HOLDINGS PTY LTD	13,060,794	0.90
18	MRS SUSANNA ELIZABETH ANDERSON	12,596,131	0.86
19	MRS CATHERINE ANNE MARSON & MR JOSEPH MARSON	12,174,712	0.84
20	PW AND VJ COOPER PTY LIMITED	12,105,906	0.83

Listed Options

	Shareholders	Ordinary Shares Held	% of Issued Options
1	MR DOUGLAS KING	19,230,769	29.09
2	KEYBRIDGE CAPITAL LIMITED	10,087,256	15.26
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,718,179	10.16
4	MS ANGELA MARGARET DAY	3,285,083	4.97
5	J & A VAUGHAN SUPER PTY LTD	2,564,102	3.88
6	L39 PTY LTD	2,000,000	3.03
7	KASSA CORPORATION PTY LTD	1,666,666	2.52
8	DAMASCUS CAPITAL PTY LTD	1,344,700	2.03
9	ONMELL PTY LTD	1,333,333	2.02
10	LOLLYWATCH PTY LTD	1,282,051	1.94
11	GAILFORCE MARKETING & PR PTY LIMITED	1,282,051	1.94
12	MR DAVEN KURL	1,000,000	1.51
13	OLDYEAR PTY LTD	666,666	1.01
14	MCKAY SUPER PTY LTD	666,666	1.01
14	BERNADINE HOLDINGS PTY LTD	666,666	1.01
15	MR ANDREW MOFFA & MRS SONIA MOFFA	641,026	0.97
16	PERSHING NOMINEES LIMITED	641,025	0.97
17	MR ANDREW MCCREA COULTER	641,025	0.97
18	MR PHILIP WILLIAM COOPER	641,025	0.97
19	ALR INVESTMENTS PTY LTD	641,025	0.97
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	641,024	0.97

Substantial Holders

The following shareholders are a substantial shareholder of Metgasco:

Shareholders	Ordinary Shares Held	% of Issued Shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	216,541,308	14.96

On Market Buy-Back

There is no current on-market buy back.

Unmarketable Parcels

There is currently 1,560 holders with an unmarketable parcel of fully paid ordinary shares.
There is currently 7 holders with an unmarketable parcel of listed options.

Restricted Securities

There is currently no restricted securities on issue.

Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the year ended 30 June 2024 consistent with its business objective and strategy.

Unquoted Securities

ASX Code	Security Description	Number
MELAG	Option expiring 10-Dec-2024 ex $0.045	33,875,000
MELAH	Option expiring 7-Dec-2024 ex $0.036	2,000,000
MELAI	Option expiring 22-Mar-2026 ex $0.025	64,000,000
MELAJ	Option expiring 19-Apr-2026 ex $0.025	8,000,000
MELAR	Option expiring 4-Jun-2027 ex $0.010	7,000,000

Voting Rights

On a show of hands, at a General Meeting of the Group, every member present in person or by proxy shall have one vote and upon a poll each person present in person or by proxy shall have one vote for each ordinary share held. Option holders have no voting rights.