METGASCO LTD
AND ITS CONTROLLED ENTITY
ACN 088 196 383

CONSOLIDATED FINANCIAL REPORT HALF YEAR ENDED 31 DECEMBER 2024

CONTENTS

DIRECTORS' REPORT

Your Directors present their report together with the consolidated financial statements of Metgasco Ltd ("Metgasco" or "Company") and its controlled entity (collectively referred to as "the Group") for the half year ended 31 December 2024.

Directors

The names of persons who were Directors of Metgasco at any time during the half year and up to the date of this report are as follows:

Mr Michael Glennon – Non-Executive Chairman
Mr Ken Aitken – Managing Director
Mr Robbert Willink – Non-Executive Director
Philip Amery- Non-Executive Chairman (Resigned 19 August 2024)
Peter Lansom- Non- Executive Director (Resigned 19 August 2024)

Principal Activities

Metgasco's principal activity is investment in the exploration, appraisal, development and commercialisation of oil and gas assets. The Group is also seeking additional investment opportunities.

Review of Operations

The following is an overview of the Group's activities during the half year ended 31 December 2024.

Sales and production

The Group 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 the period was 0.09 petajoules comprised of:

- sales gas and ethane: 88.1 terajoules
- liquefied petroleum gas: 16.5 tonnes, and
- condensate: 184.9 barrels.

Oil and gas generated sales revenue of $1.02 million received during the period. The oil and gas generated sales revenue received during the previous corresponding period was $1.25 million.

Odin Gas Field

PRL 211 & ATP2021 (Metgasco Ltd 25%, Vintage Energy Ltd 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%)

Asset overview

The Odin gas field straddles the South Australian – Queensland border, falling within PRL 211 in South Australia and ATP 2021 in Queensland (see Figure 1). ATP 2021 have an identical joint venture composition to PRL 211.

Odin is located in close proximity to the South Australian Cooper Basin Joint Venture's gas production infrastructure at Beckler, Bow and Dullingari. The field was discovered by the PRL 211 joint venture in 2021 and commenced appraisal production from Odin-1 in September 2023. Odin-1 initially was completed to produce from the Epsilon and Toolachee formations. In September 2024 perforations were added in the deeper Patchawarra formation to enable appraisal of unstimulated gas flows from this formation.

A second well, Odin-2, successfully appraised the north-eastern section of the field in ATP 2021 in June 2024. Odin-2 was completed and connected in October 2024.

The Odin-1 and 2 wells are supplying gas to Pelican Point Power (a joint venture of ENGIE and Mitsui Australia) under contract to December 2026.

Gas Reserves in the Odin field have been independently assessed and were reported in the 30 June 2024 Annual Report (lodged with ASX on 17 October 2024).

Activity

Production optimisation operations conducted during the September FY25 quarter investigated, confirmed and remediated scale accumulation inside the Odin-1 well completion packer, which had been impeding well flow. This is not uncommon in the Cooper Basin and now identified, will be managed in the normal course of operations. The Toolachee and Epsilon formations intervals were re-perforated.

Perforations were also added in the deeper Patchawarra formation to enable appraisal of unstimulated gas flows from this formation. Patchawarra formation reservoirs are typically tight, requiring stimulation for significant gas flow.

Resumption of production on completion of these procedures occurred on 28 September 2024 and brought a substantial lift in gas production. Odin-1 came online at an initial rate of 4.1 MMscfd and maintained an average rate of 3.3 MMscfd for the remainder of the September FY25 quarter. Odin-1 was producing at 1.4 MMscfd prior to being shut-in for the procedures.

Production logging conducted during the December FY25 quarter confirmed the perforated intervals within the Patchawarra were contributing to Odin-1 gas flows.

The accumulation of scale from deposition of mineralised reservoir fluids was found to be impeding flow and production rates from Odin-1.

Odin-1 is estimated to averaged raw gas production of 3.1 MMscfd during the December FY25 quarter whilst online following the September quarter optimisation procedures.

Scale accumulation was found to be present in the field's surface piping and metering equipment. This scale was found to have interfered with the operation of the meter, resulting in potential under-reporting of Odin gas production rates which is believed to have commenced during October 2024. Consultation with the downstream operator is ongoing to understand the quantum of Odin production which was potentially under-reported by scale affected metering. Cleaning and recalibration of the metering equipment during late-October, November and December 2024 is believed to have yielded brief periods of accurate metering before interference from the reoccurrence of scale accumulation. Scale accumulation does not appear to have impacted metering to the same extent since cleaning on 21 December 2024.

Scale inhibitor chemical injection equipment was installed during December 2024 to mitigate further accumulation at the meter. Chemical injection commenced in February 2025 following receipt of approval for commencement from the downstream operator in late January 2025.

The successful Odin-2 appraisal well (drilled in ATP2021) was completed for gas production from the Epsilon, Toolachee and Patchawarra formations. Connection of the well to commence gas supply commenced during the September FY25 quarter and the well was brought online on 13 October 2024 and produced raw gas at an average rate of 3.00 MMscfd over its initial 20-hour period, flowing at an average flowing wellhead pressure of 430 psi through a 68/64" choke. Production rates declined over the December FY25 quarter, averaging 1.04 MMscfd in the period to 31 December 2025. At 1 January, the well's production rate had declined to approximately 0.5 MMscfd. This decline is substantially greater than forecast, and greater than predicted from modelling using post-drill Odin-2 and regional well data. Initial analysis following a December 2024 pressure build-up survey indicates the decline in production has arisen from reduced permeability in the near-wellbore region, which could be caused by scale such as seen in Odin-1, in addition to reservoir pressure depletion.

A near-term low-cost investigation and production optimisation program is being designed for the Odin-1 and Odin-2 wells. The program is under consideration for long term management of scale accumulation.

Vali Gas Field

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

Asset overview

The Vali gas field is located in Queensland, adjacent to the Queensland-South Australia border(see Figure 1).

Vali was discovered by Vali-1 ST1 in January 2020 and successfully appraised by Vali-2 and Vali-3. Reserves at Vali have been independently certified and reported in October 2024 as detailed in the separate section below.

The field has three wells completed and connected to the Moomba gas gathering network for supply to the eastern Australian domestic energy market. Vali-1 is the only well currently producing, Vali-2 and Vali-3 having been shut-in pending resolution of fluid-production issues. Vali is currently subject to a long-term production appraisal program with gas produced being supplied to AGL Energy under a supply agreement to December 2026.

Activity

In the September FY25 quarter the Vali gas field averaged raw gas production of 1.25 MMscfd compared with 1.50 MMscfd in the prior quarter. Availability improved, with the field online for 80.7 days compared with 77.5 days in the prior quarter.

Work was conducted at Vali-2 during the September quarter, which has been shut-in since March 2024 pending joint venture consideration of remedial options to improve gas flow from the well. In September 2024, the well's sliding sleeve was actuated to enable production from the Toolache formation. Flow from the well since its return online has continued to be predominantly fluid, accompanied by raw gas flows of up to 0.1 MMscfd. Monitoring and analysis of flow rates will continue.

In the December FY25 quarter the Vali gas field averaged raw gas production of 1.01 MMscfd compared with 1.25 MMscfd in the prior quarter. Availability improved, with the field online for 91.7 days compared with 80.7 days in the prior quarter. The 0.3 days downtime was attributable to a downstream production outage.

Production was almost entirely from Vali-1. Vali-2 was open for production for 8.8 days during the December 2024 quarter and shut-in for the majority of the last quarter due to ongoing fluid production.

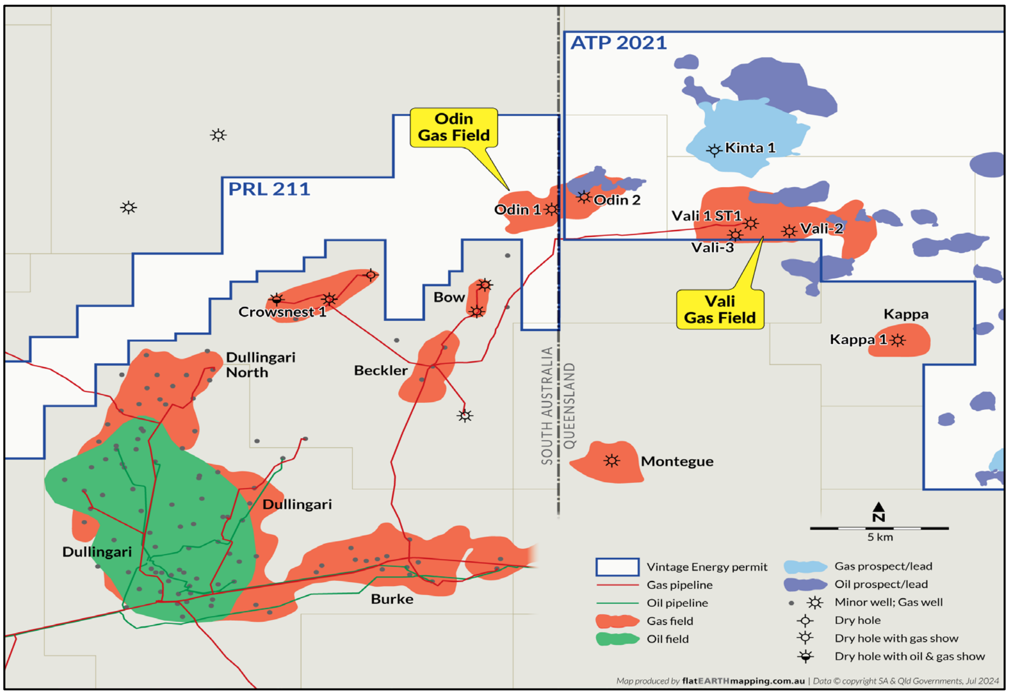

Figure 1: Cooper Basin permits PRL 211 and ATP 2021 including well locations Odin-1, Odin-2, Vali-1 ST1, Vali-2 and Vali-3. Source: *Vintage Energy Ltd*

Independent Assessment of Reserves - Vali & Odin

The Company released its annual statement of reserves on 17 October 2024 (refer ASX release for full details). This statement incorporated an independent assessment of its reserves in the Cooper Basin Odin and Vali gas fields completed by Chris Dykes Reserves International Limited ("CDRI") as at 30 June 2024. CDRI is a specialist independent company that provides evaluation, estimation, auditing, consultancy and due diligence services for upstream oil and gas.

The key features of the Company's Net Reserves at 30 June 2024 are:

- inaugural classification of Proved & Proved and Probable Reserves for the Odin gas field. Metgasco's Net 2P Reserves at Odin are estimated to be 2.0 million barrels of oil equivalent (MMboe) including 11.2 PJ of sales gas and ethane.
- Net Proved Reserves of 3.15 MMboe, up 55%, chiefly through the conversion of Contingent Resources to Reserves attributable to Odin;
- Net Proved and Probable Reserves of 6.3 MMboe up 45% from 4.35 MMboe, chiefly through the conversion of Contingent Resources to Reserves attributable to Odin;
- sales gas and ethane account for 6.1 MMboe of Metgasco's total 6.3 MMboe.

2P Reserves by field

Net Metgasco Share (25%)

Area	Total	Sales gas	Ethane	LPG	Condensate	Total
	MMboe	PJ	PJ	kTonne	Mbbl	PJe
Vali	**4.3**	**23.35**	**0.9**	**4.4**	**107**	**25.0**
Odin	**2.0**	**10.7**	**0.5**	**2.2**	**42**	**11.55**

Gross 100% Joint Venture Reserves

Area	Total	Sales gas	Ethane	LPG	Condensate	Total
	MMboe	PJ	PJ	kTonne	Mbbl	PJe
Vali	**17.2**	**93.2**	**3.6**	**17.6**	**428**	**100.0**
Odin	**8.0**	**43.0**	**1.8**	**8.8**	**168**	**46.1**
Total	**25.2**	**136.2**	**5.4**	**26.4**	**596**	**146.1**

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 Vintage receives payment, namely methane, ethane, LPG, and condensate, and deductions related to downstream fuel, flare, and venting.

Cooper Basin: PRL237

PRL237 (Metgasco Ltd 20%, Bass Oil Limited 80% and operator)

An exploration prospectivity review was conducted by the joint venture over PRL 237 and it was determined that insufficient prospective targets exist within PRL 237 to warrant further drilling within the permit.

The Board of Metgasco approved the joint venture operator to apply to the South Australian Government to surrender the permit effective from 17 January 2025. PRL 237 was granted on 19 January 2018 and is due to expire on 17 January 2026.

Strategic Review

During the September FY25 quarter PAC Partners, an independent specialist corporate advisory firm were appointed to assist with a strategic review of financing options and review of potential merger and acquisition opportunities.

Financial Results

The Group reported a loss for the half year ended 31 December 2024 of $778,309 (31 December 2023: Profit of $269,900).

The Group ended the period with a cash balance of $417,783 and $2.78M of debt. Other financial assets of the Group are detailed in the Consolidated Statement of Financial Position and the accompanying notes.

Finance Facility:

In early July 2024 the Company raised $250k via issuing 500 million shares to two investors. The investors were each offered 2.5 million options which were approved at a general meeting held on 29 August 2024.

On 19 August 2024, the Company secured an $880,000 debt funding agreement (Loan Agreement) with Glennon Small Companies. (Glennon) (Refer MEL ASX release 19 August 2024). The Loan Agreement contemplated the ability to increase the facility amount on the same debt terms. On 27 September 2024, the Loan Agreement was increased by $2,000,000 (received 4 October 2024) to a total of $2,880,000.

On 27 November 2024, the debt consideration under the Loan Agreement was increased by a further $300,000, to a total of $3,180,000. The total debt being provided by Glennon to Metgasco is $5.18m (inclusive of the $2m debt agreed in March 2023), with the blended interest rate on the combined Glennon loan facilities being 16.1%, with the vast bulk of the debt being unsecured. The additional funds made available were used to repay the two $0.5m short-term shareholder loans in early October 2024, for Odin field costs and for general working capital purposes. In line with the Loan Agreement, the additional funding will have interest capitalised, with repayment only to be made as revenue is earned, creating flexibility for the Company to manage any unforeseen issues with production.

As at December 2024, the total outstanding debt related to $3,180,000 Glennon loan including capitalised interest is $3,345,629. Metgasco has also entered a royalty agreement with Glennon Small Companies Ltd to pay 12.5% of revenue earned, following repayment of the loan.

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under Section 307C is included on page 9 to this Half Year Report.

Signed in accordance with a resolution of the Directors.

Dated at Perth on 13 March 2025.

Michael Glennon
Chairman

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial report of Metgasco Limited and its subsidiaries for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Hall Chadwick

Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682

NS

Nikki Shen
Director

Dated 13 March 2025
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Consolidated Entity Half Year 31 December 2024 $	31 December 2023 $
Revenue		1,022,875	1,254,698
Cost of sales		(613,862)	(629,950)
		409,013	**624,748**
Interest income		24	9
Other income	3 (a)	347,567	557,455
Finance costs	3 (b)	(1,100,684)	(397,739)
Depreciation		(227)	(590)
Professional fees		(98,788)	(127,760)
Advertising and marketing fees		(1,000)	(14,540)
Exploration expenditure expensed		-	-
Directors' fees		(73,118)	(104,835)
Employee costs		(131,591)	(131,400)
Other administrative		(129,505)	(135,448)
(Loss)/Profit before income tax expense		**(778,309)**	**269,900**
Income tax expense		-	-
(Loss)/Profit after tax from continuing operations		**(778,309)**	**269,900**
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the half year		**(778,309)**	**269,900**
Earnings per share attributable to ordinary equity holders of Metgasco Ltd			
		$	$
Basic (loss)/profit per share (cents)	12	(0.09)	0.03
Diluted (loss)/profit per share (cents)	12	(0.09)	0.03

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Consolidated Entity	
	Note	31 December 2024 $	30 June 2024 $
Assets			
Current assets			
Cash and cash equivalents		417,783	880,613
Trade and other receivables		357,053	277,303
Total current assets		**774,836**	**1,157,916**
Non-current assets			
Exploration and evaluation expenditure	4	3,798,277	5,158,862
Oil and gas properties in development	5	5,427,726	2,799,002
Plant and equipment		222	450
Other receivables		39,900	40,217
Total non-current assets		**9,266,125**	**7,998,531**
Total assets		**10,040,961**	**9,156,447**
Liabilities			
Current liabilities			
Trade and other payables	8	397,432	1,830,802
Contract Liabilities	9	167,000	167,000
Borrowings		-	1,000,000
Provisions	10	93,313	93,313
Total current liabilities		**657,745**	**3,091,115**
Non-current liabilities			
Trade and other payables	8	125,000	-
Derivative financial instrument	7	3,231,072	89,600
Contract Liabilities	9	2,765,493	3,322,540
Borrowings	6	2,780,990	1,661,829
Provisions	10	1,283,156	1,283,156
Total non-current liabilities		**10,185,711**	**6,357,125**
Total liabilities		**10,843,456**	9,448,240
Net assets		**(802,495)**	**(291,793)**
Equity			
Contributed equity	11	125,064,515	124,783,023
Share option reserve		6,315	549,876
Accumulated losses		(125,873,325)	(125,624,692)
Total equity		**(802,495)**	**(291,793)**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Contributed Equity	***Share Option Reserve***	***Accumulated Losses***	***Total Equity***
	$	***$***	***$***	***$***
At 1 July 2023	**123,171,123**	**529,676**	**(112,429,572)**	**11,271,227**
Loss for the period	-	-	269,900	269,900
Other Comprehensive Income	-	-	-	-
Sub-total	-	-	269,900	269,900
Issue of new share capital net of issue costs	-	-	-	-
Shares issued of a result of exercised options	-	-	-	-
Issue of broker share options	-	-	-	-
Lapse of broker share options	-	-	-	-
Lapse of debt facility option				
At 31 December 2023	**123,171,123**	**529,676**	**(112,159,672)**	**11,541,127**
At 1 July 2024	**124,783,023**	**549,876**	**(125,624,692)**	**(291,793)**
Loss for the period	-	-	(778,309)	(778,309)
Other Comprehensive Income	-	-	-	-
Sub-total			(778,309)	(778,309)
Issue of new share capital net of issue costs	281,492	-	-	281,492
Share-based payment expense	-	(13,885)	-	(13,885)
Lapse of Expired Employee Options	-	(529,676)	529,676	-
At 31 December 2024	**125,064,515**	**6,315**	**(125,873,325)**	**(802,495)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Consolidated Entity Half Year 31 December 2024 $	31 December 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	992,128	1,077,738
Payments to suppliers and employees	(1,451,955)	(1,172,785)
Interest received	24	9
Interest paid	(254,847)	(103,600)
Net cash outflow from operating activities	**(714,650)**	**(198,638)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on exploration, evaluation and decommissioning	(1,966,379)	(931,184)
Expenditure on development assets	(79,801)	-
Net cash outflow from investing activities	**(2,046,180)**	**(931,184)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of new share capital, net of issue costs	250,000	-
Proceeds from borrowings	3,180,000	1,340,000
Repayment of borrowings	(1,000,000)	-
Transaction costs of borrowings	(132,000)	(13,382)
Net cash inflow from financing activities	**2,298,000**	**1,326,618**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS HELD	**(462,830)**	**196,796**
Net cash at beginning of period	880,613	642,161
NET CASH AT END OF PERIOD	**417,783**	**838,957**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

Note 1. Summary of Significant Accounting Policies

These interim financial statements of Metgasco Ltd ("Metgasco" or "Company") and its controlled entity (collectively referred to as "the Group") for the half year reporting period ended 31 December 2024 have been prepared in accordance with AASB134 "Interim Financial Reporting" and the Corporations Act 2001. They are presented in Australian Dollars ($) which is the functional currency of the parent group. The historical cost basis has been used.

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2024 and any public announcements made by Metgasco during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these half year financial statements as those employed in the Group's annual financial statements for the year ended 30 June 2024.

The interim Financial Statements have been approved and authorised by the Board of Directors on 13 March 2025.

Going concern

The Group's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the period ended 31 December 2024 the Group recognised a loss of $778,309 (31 December 2023: Profit of $269,900) and had net cash outflows from operating and investing activities of $2,760,830 (31 December 2023: $1,129,822).

The Directors have reviewed the business outlook, cash flow forecasts, and immediate capital requirements of the Group. They conclude that the going concern basis of accounting remains appropriate, as the Group is expected to meet its obligations as they fall due. Additional funding and /or improved cash inflows from gas sales is however required to enable the Group to fund its operations and meet its short-term commitments for at least the twelve-month period from the date of this financial report. The Directors believe that the additional funding may be derived from one or more of the following:

- Generating improved cashflows following planned well optimisation in Q2 CY25.
- Capital raising initiatives and/or expansion of the current debt facility arrangements.
- The Company have engaged PAC partners to actively pursue potential merger, asset sales, or farm-out opportunities to further enhance Metgasco's liquidity. This includes seeking new equity investments, including considerations as to the re-finance of the Company's debt facilities.

The Group's current and non-current contract liabilities of $167,000 and $2,765,493 respectively relate to the delivery and fulfilment of future gas production and sales pursuant to the Vali field AGL gas sales pre-payment agreement. In addition, repayment of the Group's borrowings is only required to be made as revenue is earned, creating flexibility for the Group to manage any unforeseen issues with production. About $3.2m of these borrowings carry equity conversion features.

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Group be unsuccessful in raising additional funds through the issue of new equity, or execute one or more of its other funding strategies, 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.

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.

Note 2. Segment Information

The Group's operating segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the Board. The Group undertook oil and gas development and exploration related activities in Australia during the period.

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Segment Assets		Segment Liabilities	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	$	$	$	$
Oil and gas properties	5,427,726	2,799,002	4,051,243	4,608,290
Exploration	3,931,375	3,624,372	382,719	382,719
Unallocated	681,860	2,733,075	6,409,494	4,457,231
	10,040,961	**9,156,449**	**10,843,456**	**9,448,241**

Segment Results

The following is an analysis of the Group's results by reportable segment for the period:

	Segment (Profit) / Loss	
	31 December 2024	31 December 2023
	$	$
Oil and gas properties	409,013	(624,748)
Exploration	-	-
Unallocated	(1,187,322)	354,848
	(778,309)	**(269,900)**

Note 3. Other income / Finance Costs

	Note	Consolidated	
		31 December 2024	31 December 2023
		$	**$**
(a)	**Other income**		
	Net gain/(loss) on fair value of embedded derivative	**(175,935)**	**557,455**
	Discounting of non-current contract liabilities	**523,502**	**-**
	Total Other Income	**347,567**	**557,455**

Note 3. Other income / Finance Costs Continued

(b) Finance cost - external

Bank charges	1,551	163
Debt Establishment fees	117,726	13,382
Share based payments	(13,885)	-
Loan interest	100,835	178,851
Effective interest of convertible notes and loan	894,457	205,343
Total Finance Cost	1,100,684	397,739

Note 4. Exploration and Evaluation Expenditure

	31 December 2024	30 June 2024
	$	$
Expenditure for the entity's operations		
Movement during the financial period:		
Opening balance	5,158,862	2,626,750
Additions	1,123,878	2,532,112
Transfer to Oil & Gas Properties in Development	(2,484,463)	-
Carrying amount at end of half year	**3,798,277**	**5,158,862**

Note 5. Oil and Gas Properties

	31 December 2024	30 June 2024
	$	$
Expenditure for the entity's operations **Assets in development**		
Movement during the financial period:		
Opening balance	2,799,002	14,497,929
Additions	311,994	1,043,025
Transfer from exploration and evaluation assets	2,484,463	-
Less: Amortisation	(167,733)	(22,218)
Less: Impairment loss on oil and gas properties	-	(12,719,734)
Carrying amount at end of half year	**5,427,726**	**2,799,002**

Note 6. Borrowings

	31 December 2024	30 June 2024
	$	**$**
Opening balance of loan	2,000,020	2,000,020
Less effective interest impact	-	(338,191)
Closing balance of loan	**2,000,020**	**1,661,829**
Opening balance of convertible loan	-	-
Issued during the period	3,180,000	-
Embedded derivative portion	(2,965,537)	-
Effective interest impact on host liability	566,507	-
Closing balance of convertible loan	**780,970**	**-**
Total	**2,780,990**	**1,661,829**

On 19 August 2024 Metgasco Ltd (ASX: MEL) (Metgasco or Company) secured an $880,000 debt funding agreement (Loan Agreement) with Glennon Small Companies (Glennon) (Refer MEL ASX release 19 August 2024). The Loan Agreement contemplated the ability to increase the facility amount on the same debt terms. On 27 September 2024 the Loan Agreement was increased by $2,000,000 (received 4 October 2024) to a total of $2,880,000.

On 27 November 2024 the debt consideration under the 19 August Loan Agreement was increased by a further $300,000, to a total of $3,180,000. The total debt being provided by Glennon to Metgasco is $5.18m (inclusive of the $2m debt agreed in March 2023), with the blended interest rate on the combined Glennon loan facilities being 16.1%, with the vast bulk of the debt being unsecured. The additional funds made available were used to re-pay the two $0.5M short-term shareholder loans in early October 2024, for Odin field costs and for general working capital purposes. In line with the Loan Agreement, the additional funding will have interest capitalised, with repayment only to be made as revenue is earned, creating flexibility for the Company to manage any unforeseen issues with production. As at December 2024 the total outstanding debt related to the $3,180,000 Glennon loan including capitalised interest is $3,345,629. Metgasco has also entered a royalty agreement with Glennon Small Companies Ltd to pay 12.5% of revenue earned, following repayment of the loan.

Note 7. Derivative Financial Instrument

	31 December 2024 $	30 June 2024 $
Opening balance	89,600	973,455
Embedded derivative portion from new convertible loan at	2,965,537	-
Fair value adjustment	175,935	(883,855)
Closing balance	3,231,072	89,600

Note 8. Trade and Other payables

	31 December 2024 $	30 June 2024 $
Current		
Trade payables	241,461	1,231,863
Accrued charges and expenses	108,117	346,934
Employee benefits	47,853	127,005
Contingent consideration (a)	-	125,000
	397,431	**1,830,802**
Non-current		
Contingent consideration (a)	125,000	-
	125,000	**-**
Total	**522,431**	**1,830,802**

(a) On 10th June 2022, the Group acquired an additional stake in the PRL211 asset. The considerations terms for the acquisition included a component that is contingent subject 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.

Management have fair valued the contingent consideration on the basis of probability of meeting these milestones.

Note 9. Contract Liabilities

	31 December 2024	30 June 2024
	$	$
Current		
Deferred revenue	167,000	167,000
	167,000	**167,000**
Non-current		
Deferred revenue	2,765,493	3,322,540
	2,765,493	**3,322,540**
Total	**2,932,493**	**3,489,540**

On 15th March 2022 the Group 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 with the delivery scheduled for 2PJ in 2023, 2.33 PJ per year from 2024-2025 and 2.34PJ in 2026. Any amounts not delivered within the production year are rolled forward into the next calendar year.

The Group has recognised a contract liability for the deferred 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.

Note 10. Provisions

	31 December 2024	30 June 2024
	$	$
Current		
Restoration obligations	93,313	93,313
	93,313	**93,313**
Non-current		
Restoration obligations	1,283,156	1,283,156
	1,283,156	**1,283,156**
Total	**1,376,469**	**1,376,469**
Restoration Obligations		
Carrying amount at beginning of financial year	1,376,469	**804,182**
(Decreases)/Increases	-	572,287
Carrying amount at end of financial year	**1,376,469**	**1,376,469**

The Group 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.

Note 11. Contributed Equity

Ordinary Shares	No. of Shares		$	
	Half Year Ended 31 Dec 2024	**Year Ended 30 June 2024**	**Half Year Ended 31 Dec 2024**	**Year Ended 30 June 2024**
Opening balance	1,397,568,745	1,063,886,745	124,783,023	123,171,123
Issue of new share capital net of issue costs	60,000,000	333,700,000	300,000	1,611,900
Shares issued as a result of exercise of options	-	-	-	-
Closing balance	**1,457,586,745**	**1,397,586,745**	**125,083,023**	**124,783,023**

Options (quoted on ASX)	No. of Options	No. of Options	$	
	Half Year Ended 31 Dec 2024	Year Ended 30 June 2024	Half Year Ended 31 Dec 2024	Year Ended 30 June 2024
Opening balance	66,102,543	66,102,543	2,974,614	2,974,614
Options issued	-	-	-	-
Options exercised	-	-	-	-
Options lapsed	(66,102,543)	-	(2,974,614)	-
Closing balance	**-**	**66,102,543**	-	**2,974,614**

Options (unquoted)	No. of Options	No. of Options
	Half Year Ended 31 Dec 2024	Year Ended 30 June 2024
Opening balance	109,875,000	195,457,712
Options issued	5,000,000	10,417,288
Options exercised	-	-
Options lapsed	(33,875,000)	(96,000,000)
Closing balance	**81,000,000**	**109,875,000**

Note 12. Earnings Per Share

	31 December 2024	31 December 2023
Reconciliation of earnings used in calculating earnings Per share		
Basic earnings per share		
Profit (Loss) attributable to owners of Metgasco Ltd used to calculate basic Loss	**(778,309)**	**269,900**
Diluted earnings per share		
Profit (Loss) attributable to owners of Metgasco Ltd used to calculate diluted earnings per share	**(778,309)**	**269,900**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	**821,663,861**	**1,063,886,745**
Loss per share (cents)	**(0.09)**	**0.03**

The Group's potential ordinary shares, being 81,000,000 options granted, are not considered dilutive as the options strike price was above the closing share price of the Group at 31 December 2024 and the Group is in a loss position as at 31 December 2024.

Note 13. Commitments

These relates to committed expenditure on ATP2021, PRL211 and PRL237.

	31 December 2024	**30 June 2024**
Minimum Exploration & Evaluation Expenditure for Exploration Tenements	**$**	**$**
Within one year	29,000	75,870
Year 2 to Year 4	919,000	919,000
Over 5 years	69,090	69,090
Total	**1,017,090**	**1,063,960**

Note 14. Events after the Reporting Date

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

DECLARATION BY DIRECTORS

In the opinion of the Directors of Metgasco Ltd (the ‘Group):

1. The accompanying financial report and notes are in accordance with the Corporations Act 2001 including:

    1. give a true and fair view of the Group’s financial position as at 31 December 2024 and of its performance for the half year ended on that date.

    2. comply with Australian Accounting Standards AASB 134: Interim Financial Reporting, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements

2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Michael Glennon
Chairman

Perth, 13 March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF METGASCO LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Metgasco Limited (the "Company") and its subsidiaries (the "Consolidated Entity"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metgasco Limited and its subsidiaries does not comply with the Corporations Act 2001 including:

a) Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and

b) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $778,309 during the half year ended 31 December 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

Hall Chadwick Audit (WA) Pty Ltd
ABN 42 163 529 682

Nikki Shen
Director

Dated 13 March 2025
Perth, Western Australia

CORPORATE DIRECTORY

Directors:	Michael Glennon Ken Aitken Robbert Willink	Non-Executive Chairman Managing Director Non-Executive Director
Company Secretary:	Henko Vos Flynn Blackburn	
Home Stock Exchange:	Australian Securities Exchange (ASX) 4 Bridge Street Sydney NSW 2000	
ASX Symbol:	MEL	
Registered Office:	Level 3 88 William Street, Perth WA 6000 Telephone: Website: Email	 +61 8 9463 2463 www.metgasco.com.au info@metgasco.com.au
Share Registry:	Link Market Services Limited Level 12, 680 George Street Sydney, NSW 2000	
Auditors:	Hall Chadwick Level 11 77 St Georges Terrace Perth WA 6000	
Bankers:	National Australia Bank Level 17, 500 Oxford St Bondi Junction NSW 2022	
Australian Company Number:	ACN 088 196 383	
Australian Business Number:	ABN 24 088 196 383	
Date and Place of Incorporation:	22 June 1999, Sydney, Australia	