METGASCO LTD
AND THE ENTITY IT CONTROLLED
ACN 088 196 383

CONSOLIDATED FINANCIAL REPORT
HALF YEAR ENDED
31 DECEMBER 2023

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 2023.

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

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 2023.

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 0.13 petajoules comprised of:

- sales gas and ethane: 129.5 terajoules
- liquefied petroleum gas: 13.5 tonnes, and
- condensate: 315 barrels.

Oil and gas generated sales revenue of $1.25 million received during the period. There was no production in the previous corresponding period.

Cooper/Eromanga: PRL211

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

Asset overview

PRL 211 lies in the South Australian Cooper Basin, with the licence's eastern boundary near the state border of South Australia and Queensland. The licence is in close proximity to the South Australian Cooper Basin Joint Venture's gas production infrastructure at the Beckler, Bow and Dullingari fields. (see Figure 1)

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 the Queensland permit ATP 2021, which has identical joint venture composition to PRL 211.

The field has one connected well, Odin-1, which has been completed to produce from the Epsilon and Toolachee formations. Odin-1 is subject to a long-term production appraisal program with gas produced from the field being supplied to Pelican Point Power (a joint venture of ENGIE and Mitsui Australia) under a contract extending to December 2026.

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

Activity

Odin-1 commenced production on 14 September. The well was online for 75 days during the period with all but 3 days of the period offline since that date being attributable to third party downstream outages. Odin-1 has maintained gas flows reliably, with low associated fluid production and proven capacity to restart from shutdown without assistance.

Cooper/Eromanga: ATP2021

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

Asset overview

ATP 2021 is located in Queensland, adjacent to the Queensland-South Australia border.(see Figure 1)

ATP 2021 contains the Vali gas field, discovered by Vali-1 ST1 in January 2020 and successfully appraised by Vali-2 and Vali-3. Reserves at Vali have been independently certified and Metgasco's share of Proved and Probable Reserves was most recently reported in the 2023 Annual Report as comprising total gas and gas liquids of 4.35 MMboe. Sales gas and ethane account for 24.35 PJ , (approximately 4 MMboe)of the Group's 2P reserves at Vali.

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 with gas produced being supplied to AGL Energy under a supply agreement extending to December 2026. Vali-1 commenced production in February 2023, producing from the Patchawarra Formation. Sustained, significant gas production from Vali-2 and Val-3 is yet to be established.

Activity

Activity during the period consisted of ongoing appraisal gas production operations at Vali-1 and efforts to establish significant stable gas production from Vali-2 and Vali-3.

Vali-1 was producing for 160 days during the period, with all but 1 of the 24 days offline being due to 3rd party downstream outages. The well and associated facilities recorded high reliability, being available 99.4% of the days in which production was possible outside of downstream outages.

Operations at Vali-2 and Vali-3 have been directed to understanding and managing fluid issues which prevented establishment of sustained production. At Vali-2, where fluid production was excessive, downhole remedial action was undertaken to isolate the major fluid-producing zones in the lower Patchawarra Formation. The resumption of production

from the well in November saw fluid flow reduced by more than 50%. However, the gas-to-fluid ratio is low, with gas flows of 0.2 MMscfd in comparison to fluid production of approximately 60 barrels per day at the end of the quarter. The operational plan is to continue to flow Vali-2 with the objective of dewatering and facilitating improved gas flow rates. At this stage, there is insufficient information to project a likely timeline for this process.

At Vali-3, which came online in March 2023, fluid accumulated in the well bore following a downstream outage and prevented resumption of gas flow. Operations were not able to remove sufficient fluid for the well to be brought online and logging operations to identify the fluid source could not be conducted. Vali-3 has been shut-in pending joint venture decision on future remedial operations.

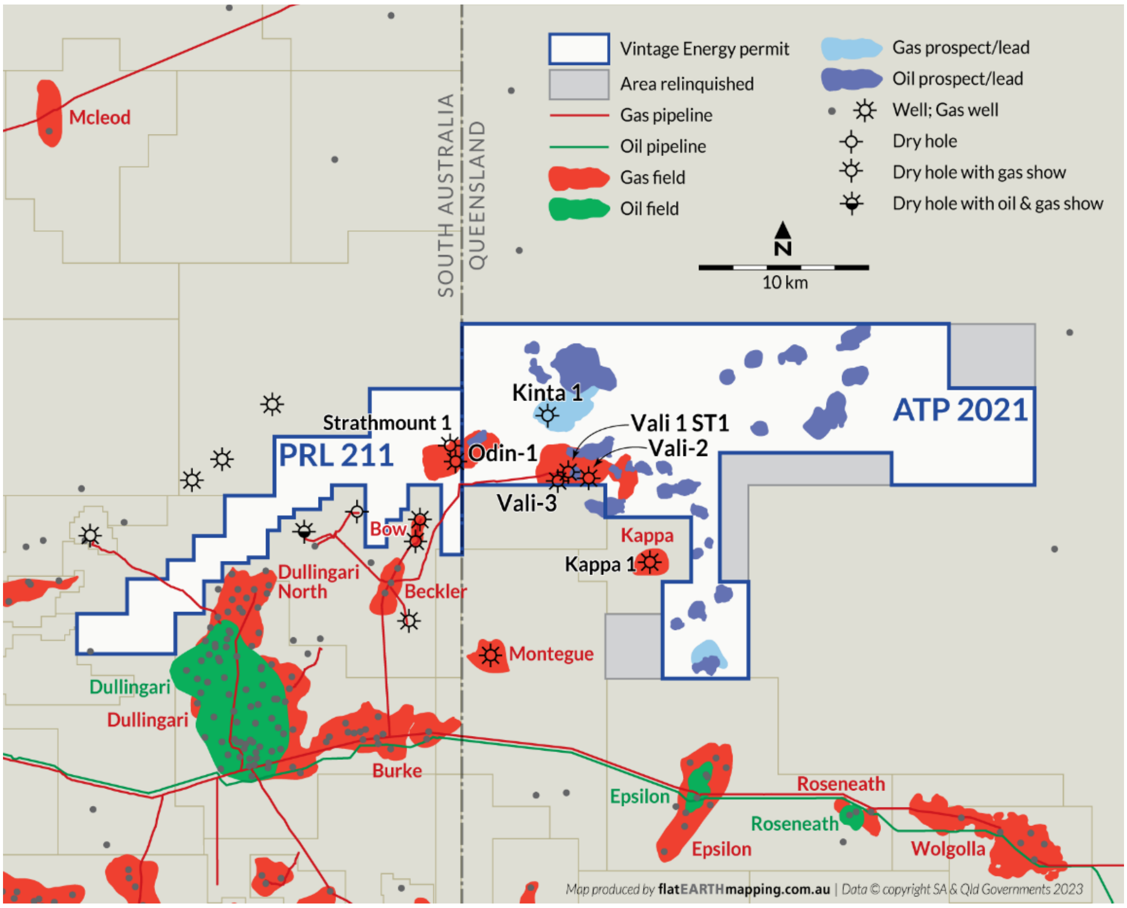

Figure 1: Cooper Basin permits PRL 211 and ATP 2021 including well locations Odin-1, Vali-1 ST1, Vali-2 and Vali-3. *Source: Vintage*

Cooper Basin: PRL237

PRL237 (Metgasco Ltd 20% ,BassOil 80% and operator)

In early CY23 the JV received a 12 month suspension of the Petroleum Retention Licence(PRL) from the SA government ,therefore there was no activity and minimal financial expenditure during the period.

Corporate Activities

During the first half of FY24 Metgasco continued to review a number of new business development opportunities, as well as potential areas of business consistent with the Group’s strategic objectives and the evolving energy sector backdrop.

Financial Results

The Group reported a profit for the half year ended 31 December 2023 of $269,900 (31 December 2022: Loss of $665,359).

The Group ended the period with a cash balance of $838,957 and $2.35M of debt. The cash balances were held as cash at bank. Other financial assets of the Group are detailed in the Consolidated Statement of Financial Position and the accompanying notes.

Finance Facility:

In the March quarter of 2023, Metgasco Ltd successfully negotiated a $5 million debt facility agreement through a Loan Note Deed with two of its longstanding shareholders, Keybridge Capital and Glennon Small Companies. This financial arrangement was meticulously structured, with Keybridge Capital committing to a contribution of $3 million and Glennon Small Companies providing the remaining $2 million. This 36-month term facility was established with the strategic intent of funding the remaining capital requirements for the development of the Vali field and to advance the Odin gas field project.

The terms of the agreement, designed to align with Metgasco's funding needs for these projects, include specifics on the interest rates, repayment schedule, and conditions that dictate the use of the funds to ensure the efficient progression of the Vali and Odin developments. Despite these arrangements, it was later identified that Keybridge Capital had not fulfilled their financial commitment of $1.56 million under the agreed terms. This development prompted Metgasco to actively seek alternative funding solutions to mitigate any potential impact on the project timelines.

The Group remains funded for near term activities due to being in receipt of regular production revenues from Vali and Odin operations. Metgasco is in advanced discussions to secure alternative funding arrangements.

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under Section 307C is included on page 10 to this Half Year Report.

Signed in accordance with a resolution of the Directors.

Dated at Perth on 15 March 2024.

Philip Amery
Chairman

Grant Thornton Audit Pty Ltd
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Perth WA 6000
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Auditor's Independence Declaration

To the Directors of Metgasco Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Metgasco Limited for the half-year ended 31 December 2023, 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 review; and

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 15 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated Entity Half Year 31 December 2023 $	31 December 2022 $
Revenue		1,254,698	-
Cost of sales		(629,950)	-
		624,748	**-**
Interest income		9	252
Other income	6	557,455	-
Finance costs		(397,739)	(4,418)
Depreciation		(590)	(518)
Professional fees		(127,760)	(109,158)
Advertising and marketing fees		(14,540)	(10,700)
Exploration expenditure expensed		-	(28,603)
Directors' fees		(236,235)	(262,825)
Employee costs		-	(101,641)
Other administrative		(135,448)	(147,748)
Profit (Loss) before income tax expense		**269,900**	**(665,359)**
Income tax expense		-	-
Profit (Loss) after tax from continuing operations		**269,900**	**(665,359)**
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the half year		**269,900**	**(665,359)**
Earnings per share attributable to ordinary equity holders of Metgasco Ltd			
		$	**$**
Basic loss per share (cents)	11	0.03	(0.07)
Diluted loss per share (cents)	11	0.03	(0.07)

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 2023

		Consolidated Entity	
	Note	**31 December 2023 $**	**30 June 2023 $**
Assets			
Current assets			
Cash and cash equivalents		838,957	642,161
Trade and other receivables		331,883	269,309
Total current assets		**1,170,840**	**911,470**
Non-current assets			
Exploration and evaluation expenditure	3	3,215,155	2,626,750
Oil and gas properties in development	4	15,270,816	14,497,929
Plant and equipment		917	1,507
Other receivables		12,000	12,316
Total non-current assets		**18,498,888**	**17,138,502**
Total assets		**19,669,728**	**18,049,972**
Liabilities			
Current liabilities			
Trade and other payables	7	383,196	578,527
Contract Liabilities	8	833,333	833,333
Provisions	9	102,881	112,781
Total current liabilities		**1,433,850**	**1,524,641**
Non-current liabilities			
Trade and other payables	7	114,440	-
Derivative financial instrument	6	417,669	973,455
Contract Liabilities	8	2,717,619	2,817,837
Borrowings	5	2,351,307	771,411
Provisions	9	1,208,156	691,401
Total non-current liabilities		**6,694,751**	**5,254,104**
Total liabilities		**8,128,601**	**6,778,745**
Net assets		**11,541,127**	**11,271,227**
Equity			
Contributed equity	10	123,171,123	123,171,123
Share option reserve		529,676	529,676
Accumulated losses		(112,159,672)	(112,429,572)
Total equity		**11,541,127**	**11,271,227**

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 2023

	Contributed Equity	*Share Option Reserve*	*Accumulated Losses*	*Total Equity*
	$	*$*	*$*	*$*
At 1 July 2022	**120,675,302**	**524,380**	**(110,900,401)**	**10,299,281**
Loss for the period	-	-	(665,359)	(665,359)
Other Comprehensive Income	-	-	-	-
Sub-total	-	-	(665,359)	(665,359)
Issue of new share capital net of issue costs	2,483,959	-	-	2,483,959
Shares issued of a result of exercised options	207	-	-	207
Issue of broker share options	-	16,889	-	16,889
Lapse of broker share options	-	(11,593)	11,593	-
At 31 December 2022	**123,159,468**	**529,676**	**(111,554,167)**	**12,134,977**
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
At 31 December 2023	**123,171,123**	**529,676**	**(112,159,672)**	**11,541,127**

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 2023

	Consolidated Entity Half Year	
	31 December 2023 $	**31 December 2022 $**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,077,738	-
Payments to suppliers and employees	(1,172,785)	(1,083,504)
Interest received	9	252
Interest paid	(103,600)	(4,418)
Net cash outflow from operating activities	**(198,638)**	**(1,087,670)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on exploration, evaluation and decommissioning	(931,184)	(195,189)
Expenditure on development assets	-	(3,932,000)
Advances to other external entities	-	(100,000)
Purchase of property, plant and equipment	-	(1,352)
Net cash outflow from investing activities	**(931,184)**	**(4,228,541)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,340,000	-
Transaction costs of borrowings	(13,382)	-
Issue of new share capital	-	2,501,055
Net cash inflow from financing activities	**1,326,618**	**2,501,055**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS HELD	**196,796**	**(2,815,156)**
Net cash at beginning of period	642,161	3,635,270
NET CASH AT END OF PERIOD	**838,957**	**820,114**

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 2023

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 2023 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 2023 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 2023.

The interim Financial Statements have been approved and authorised by the Board of Directors on 15 March 2024.

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 2023 the Group recognised a profit of $269,900 (31 December 2022: Loss of $665,359), had net cash outflows from operating and investing activities of $1,129,822 (31 December 2022: $1,699,562).

The Directors review of cash flow forecasts, confirm that the going concern basis of accounting remains appropriate but acknowledges that additional funding and or cash inflows from gas sales is required to enable the Group to fund its operations and meet its short term commitments for 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:

(i) generating a cash inflow through the sale and/or pre-sale of gas;
(ii) a debt facility
(iii) option to sell an interest in certain group assets;
(iii) raising capital initiatives; or
(iv) a combination of the above.

In the event the Group is unable to achieve some of the matters above, this would create a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and accordingly to realise its assets and extinguish its liabilities in the ordinary course of the operations and at amounts to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amounts or to the amounts and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

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 2023	30 June 2023	31 December 2023	30 June 2023
	$	$	$	$
Oil and gas properties	15,270,816	14,497,929	4,584,142	4,437,606
Exploration	3,332,154	2,743,750	392,287	319,686
Unallocated	1,066,758	2,137,003	3,152,172	3,350,162
	19,669,728	**19,378,682**	**8,128,601**	**8,107,454**

Segment Results

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

	Segment (Profit) / Loss	
	31 December 2023	31 December 2022
	$	$
Oil and gas properties	(624,748)	-
Exploration	-	28,603
Unallocated	354,848	636,756
	(269,900)	**665,359**

Note 3. Exploration and Evaluation Expenditure

	31 December 2023	30 June 2023
	$	$
Expenditure for the entity's operations		
Movement during the financial period:		
Opening balance	2,626,750	2,030,734
Additions	588,405	596,016
Carrying amount at end of half year	**3,215,155**	**2,626,750**

Note 4. Oil and Gas Properties

	31 December 2023 $	30 June 2023 $
Expenditure for the entity's operations Assets in development		
Movement during the financial period:		
Opening balance	14,497,929	11,099,790
Additions	772,887	3,398,139
Carrying amount at end of half year	**15,270,816**	**14,497,929**

Note 5. Borrowings

	31 December 2023 **$**	30 June 2023 **$**
Opening funds drawn down	2,100,020	-
Add: Drawdown	1,340,000	2,100,020
Total funds drawn down	**3,440,020**	**2,100,020**
Opening transaction costs	1,449,392	-
Add: Transaction Costs	1,669	1,449,392
Less: Unwinding of transaction costs	(362,348)	(120,783)
Total transaction costs	**1,088,713**	**1,328,609**
Net Closing balance after costs	**2,351,307**	**771,411**

On 13th March 2023, Metgasco Ltd secured a debt facility amounting to $5 million with substantial long-term shareholders, Glennon Small Companies Limited ('Glennon') and Keybridge Capital Limited ('Keybridge'), with Glennon and Keybridge subscribing to a $2 million and $3 million financing facility, respectively. This facility is aimed at supporting and funding the Vali and Odin Gas field projects.

The debt has been secured to finance the remaining capital requirements for the Vali field and the delivery of the Odin Gas Field project. The terms of the debt facility are as below:

Term	Description
Amount	$5 million
Availability Period	13th March 2023 – 13th March 2024 (12 months)
Term Duration	13th March 2023 – 13th March 2026 (3 years)
Use of Proceeds	Vali and Odin Gas Field projects, working capital, and general corporate purposes
Interest Rate	10% p.a. (payable quarterly in arrears)
Establishment Fee	1% (on drawn funds only)
Security	General security deed (GSD) over all present property of the group
Options Issued	160 million options (Keybridge: 96 million, Glennon: 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)

Loan Agreement with Keybridge Capital:
Subsequent to the agreement, a breach occurred involving Keybridge Capital's commitment under the loan agreement. Specifically, Keybridge Capital did not fulfil their financial obligation to provide further funding of $1.56 million, which constitutes a breach of the terms outlined in the Loan Note Deed. This breach has necessitated Metgasco Ltd to re-evaluate its financing strategy and engage in discussions to secure alternative funding sources to ensure the continuity and success of the Vali and Odin Gas Field projects.

The Group is actively addressing the implications of this breach and has initiated steps to mitigate any potential financial impact. The details of the breach, including any renegotiated terms or financial adjustments, are being handled with the utmost consideration for the Group's financial stability and strategic project timelines.

Financial Implications:
The breach has prompted a review of the financial arrangement's terms and an assessment of potential impacts on Metgasco's project financing and liquidity. The Group is committed to transparently communicating any developments and adjustments arising from this situation to its shareholders and stakeholders.

The transaction costs associated with the raising of funds under the Secured Loan Deed, and the amortization of these costs as finance costs in profit or loss, remain in line with the Group's accounting policies. The Group continues to secure its financial position and project funding through diligent financial management and strategic planning.

Note 6. Financial Liability

On 13th March 2023, the Group has entered into a Secured Loan Deed (Note 5). On application of AASB 9 Financial Instruments the Group accounts for convertible security financing options on a fair value basis. The conversion feature represents the Group's obligation to issue Group shares at a fixed price should 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 5. The conversion rights will be recognised as equity on extinguishment of the convertible note for shares if exercised, otherwise they will be recouped in profit or loss if not converted.

The derivative liability is recorded at fair value with changes in fair value recognised in interest income (expense). At 31 December 2023, interest income of $ 557,455 was recorded.

	31 December 2023	30 June 2023
	$	**$**
Opening balance	973,455	-
Transaction cost	1,669	1,449,392
Fair value adjustment	(557,455)	(475,397)
Closing balance	417,669	973,455

Note 7. Trade and Other payables

	31 December 2023	30 June 2023
	$	$
Current		
Trade payables	184,944	157,897
Accrued charges and expenses	156,708	62,498
Employee benefits	41,544	56,192
Contingent consideration (a)	-	301,940
	383,196	**578,527**

Non-current

Contingent consideration (a)	114,440	-
	114,440	**-**
Total	**497,636**	**578,527**

(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 8. Contract Liabilities

	31 December 2023	30 June 2023
	$	$
Current		
Deferred revenue	833,333	833,333
	833,333	**833,333**
Non-current		
Deferred revenue	2,717,619	2,817,837
	2,717,619	**2,817,837**
Total	**3,550,952**	**3,651,170**

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 9. Provisions

	31 December 2023	30 June 2023
	$	$
Current		
Restoration obligations	102,881	112,781
	102,881	**112,781**
Non-current		
Restoration obligations	1,208,156	691,401
	1,208,156	**691,401**
Total	**1,3110,037**	**804,182**

Restoration Obligations		
Carrying amount at beginning of financial year	804,182	-
(Decreases)/Increases	506,855	804,182
Carrying amount at end of financial year	**1,311,037**	**804,182**

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 10. Contributed Equity

Ordinary Shares	No. of Shares Half Year Ended 31 Dec 2023	 Year Ended 30 June 2023	$ Half Year Ended 31 Dec 2023	 Year Ended 30 June 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	-	133,875,402	-	2,483,959
Shares issued as a result of exercise of options	-	8,666	-	11,862
Closing balance	**1,063,886,745**	**1,063,886,745**	**123,171,123**	**123,171,123**

Options (quoted on ASX)	No. of Options Half Year Ended 31 Dec 2023	No. of Options Year Ended 30 June 2023
Opening balance	66,102,543	124,498,055
Options issued	-	1,800
Options exercised	-	(8,666)
Options lapsed	-	(58,388,646)
Closing balance	**66,102,543**	**66,102,543**

Options (not quoted on ASX)	No. of Options Half Year Ended 31 Dec 2022	No. of Options Year Ended 30 June 2023
Opening balance	195,457,712	35,375,000
Options issued	417,788	161,582,712
Options exercised	-	-
Options lapsed	-	(1,500,000)
Closing balance	**195,875,500**	**195,457,712**

Note 11. Earnings Per Share

	31 December 2023	31 December 2022
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	**269,900**	**(665,359)**

Diluted earnings per share		
Profit (Loss) attributable to owners of Metgasco Ltd used to calculate diluted earnings per share	**269,900**	**(665,359)**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	**1,063,886,745**	**982,061,298**
Loss per share (cents)	**0.03**	**(0.07)**

The Group's potential ordinary shares, being 261,977,543 options granted, are not considered dilutive as the options strike price was above the closing share price of the Group at 31 December 2023 and the Group is also in a profit position as at 31 December 2023.

Note 12. Commitments

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

	31 December 2023	30 June 2023
Minimum Exploration & Evaluation Expenditure for Exploration Tenements	**$**	**$**
Within one year	1,500,000	1,200,000
Year 2 to Year 4	-	-
Over 5 years	-	-
Total	**1,500,000**	**1,200,000**
Office Rent		
With one year	11,400	12,919
Later than one year but not later than five years	-	-
Total	**11,400**	**12,919**

Note 13. 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 2023 and of its performance for the half year ended on that date.

    2. comply with Australian Accounting Standards 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.

3 The financial report and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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

Philip Amery
Chairman

Perth, 15 March 2024

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Independent Auditor's Review Report

To the Members of Metgasco Ltd

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Metgasco Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and 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 half year ended on that date, a description of accounting policies, 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 accompanying half-year financial report of Metgasco Ltd does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Group's financial position as at 31 December 2023 and of 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 (including Independence Standards)* (the Code) 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group recognised a profit of $269,900 and net cash outflows from operating and investing activities of $1,129,822 during the half year ended 31 December 2023. 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 Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year 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 internal 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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Group's financial position as at 31 December 2023 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 15 March 2024

CORPORATE DIRECTORY

Directors:	Philip Amery	Chairman
	Ken Aitken	Managing Director
	Robbert Willink	Non-Executive Director
	Peter Lansom	Non-Executive Director
Company Secretary:	Sonu Cheema	
Home Stock Exchange:	Australian Securities Exchange (ASX) 4 Bridge Street Sydney NSW 2000	
ASX Symbol:	MEL	
Registered Office:	Level 2, 30 Richardson Street West Perth WA 6005	
	Telephone:	+61 8 6245 0060
	Website:	www.metgasco.com.au
	Email	info@metgasco.com.au
Share Registry:	Link Market Services Limited Level 12, 680 George Street Sydney, NSW 2000	
Auditors:	Grant Thornton Audit Pty Ltd Level 43 Central Park 152-158 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	