



ASX / MEDIA RELEASE

ASX Code: MEL

13 April 2018

ADJOURNED GENERAL MEETING: INFORMATION FOR SHAREHOLDERS

Metgasco Ltd (**Metgasco** or the **Company**) advises that further to the Company's announcement on Wednesday announcing that the General Meeting of Shareholders (**Meeting**) has been adjourned to 4:00pm on Monday, 16 April 2018 at Level 17, 383 Kent Street, Sydney NSW 2000 (**Adjourned Meeting**), the Board would like to provide shareholders with further information regarding the Adjourned Meeting and details as to why the Meeting was adjourned.

Voting and Proxies for Adjourned Meeting

1. The Board is thankful for the overwhelming response of shareholders as evidenced by the votes submitted prior to the Meeting. All shareholder proxies and votes submitted for the Meeting remain valid and no action need be taken by shareholders who have voted, for their valid voting and proxy instructions to be effected at the Adjourned Meeting. There is no change to the Record Date for the entitlement to vote at the Adjourned Meeting, being 9 April 2018
2. The Corporations Act 2001 (Cth) (**Act**) permits any shareholder to change their proxy at any time up to 48 hours prior to a meeting or, as applies for an adjourned meeting, up to 48 hours prior to the resumption of the meeting. The Act also permits a company's constitution to reduce the period of 48 hours, which Metgasco's Constitution does to 24 hours (see Rule 90 of the Company's Constitution).
3. Accordingly, it is open to any shareholder of the Company as at 7:00pm on Monday, 9 April 2018, to change their proxy or vote on each resolution, up to 24 hours prior to the Adjourned Meeting, namely, **4:00pm AEST on Sunday, 15 April 2018**.
4. Voting and proxy instructions in relation to the Meeting (as adjourned) by any shareholder of the Company set out in the register of shareholders after close of trading on Monday, 9 April 2018, may be lodged in accordance with the instructions contained in the Notice of Meeting dated 8 March 2018 and must be received at least 24 hours prior to the Meeting (as adjourned) (i.e. by no later than **4:00pm AEST on Sunday, 15 April 2018**). Any proxy form received after this deadline, including at the Adjourned Meeting, will be invalid.
5. The online voting facility has been reopened and shareholders may lodge their appointment of a proxy online at Registry Direct's website, www.registrydirect.com.au. To use this facility, you will need to be registered for the Investor Centre at the Company's share registrar, Registry Direct. To register, log-on to the Investor Centre using the following link following link <https://www.registrydirect.com.au/shareholders> and you will need your holder identification number (**HIN**) or security holder reference number (**SRN**).
6. **The Recommending Directors repeat their recommendation to vote FOR Resolution one (the removal of Mr. Purcell as a director) and AGAINST resolutions two, three and four.**
7. **If shareholders have any questions about the voting process for the Adjourned Meeting, they may contact the Company by email at info@metgasco.com.au or by phone on (02) 9923 9100.**

Why was the meeting adjourned?

8. In accordance with Rule 83.4 of the Company's Constitution, "*The chair must adjourn a meeting of the Company's members if the members present with a majority of votes at the meeting agree or direct that the chair must do so.*"
9. At Wednesday's duly convened Meeting and subsequent to the Chairman declaring the meeting open and announcing the procedures for the meeting, Mr Vijay Cugati, of Allens Linklaters Lawyers, interrupted the Chairman and announced that he was a duly appointed authorised representative of M&A Advisory Pty Ltd (**M&A Advisory**)¹, who demanded that:
 - a) the Meeting be adjourned;
 - b) a resolution be put to the Meeting that the Meeting not be reconvened before 14 May 2018;
 - c) the resolution be determined by way of a Poll; and
 - d) no proxyholders be allowed to vote on the resolution to adjourn the Meeting (collectively, the **Adjournment Request**)
10. The Chairman queried the grounds for the Adjournment Request and Mr Cugati advised the basis for seeking an adjournment to the Meeting was that the Friday, 6 April 2018 ASX announcement by the Company, which included a letter sent by Mr. Purcell, for M&A Advisory Pty Ltd, to some (but not all) shareholders of the Company (the **M&A Letter**)² has created a number of further discussions with shareholders as the M&A Letter was not received by all shareholders, and the Company's response thereto³.
11. The Chairman agreed to put the following resolution to the Meeting:

That the meeting be adjourned to a date and time to be determined by the Board.

(Adjournment Resolution)
12. The Chairman advised that only *undirected (open)* proxies would be entitled to vote on the Adjournment Resolution. The motion was carried on a poll. The Board have determined to reconvene the adjourned Meeting at 4:00pm on Monday, 16 April 2018 at Level 17, 383 Kent Street, Sydney NSW 2000.
13. The Board finds the proposition put forward on behalf of M&A Advisory quite extraordinary, given that it was M&A Advisory itself that chose to send the M&A Letter to a subset of the Company's shareholders only (rather than to have the Company send Mr. Purcell's response to all shareholders as entitled under s203D of the Act) and to not provide a copy of that letter to the Company until last Tuesday, 3 April 2018.
14. Metgasco had no obligation to lodge the M&A Letter to the ASX. It was not disclosable under Listing Rule 3.1. Mr. Purcell did not request the company provide it to shareholders as he was entitled to do under s203D. There is therefore no question of the company "sitting" on the letter, as purportedly claimed by Mr Purcell and M&A Advisory. It was released by the Company to the ASX only for the context of the response the Board wished to make to the comments made by Mr Purcell, in order to properly inform shareholders and the broader market.
- 15. In the opinion of the majority of the Board and as stated at the meeting by the Chairman, the adjournment request appears to evidence a continuing pattern of disregard by Mr. Purcell for the interests of the Company, its costs, and the interests of shareholders as a whole.**

¹ M&A Advisory is a 19.2% shareholder of which Mr Andrew Purcell is the sole director and secretary and 50% shareholder with the remaining 50% held by his wife, Amanda Purcell. M&A Advisory sought to appoint Mr Vijay Cugati, and Mr George Blades both of Allens, as its corporate representative at the Meeting. Only Mr Cugati was registered as a voting proxyholder.

² Mr Purcell sent the M&A Letter on 28 March 2018 to an undisclosed number of shareholders and did not provide a copy to the Company until Tuesday, 3 April 2018.

³ The Company determined that the M&A Letter was not disclosable under LR3.1. However, the Company did issue a Letter to Shareholders responding to a number of misleading statements therein (and attaching a copy of the M&A Letter) on Friday, 6 April 2018.

Contact with shareholders, Twinkle Capital and Mr. Purcell's claims

The Company is aware and would also like to advise that:

16. Subsequent to the Company issuing the Notice of Meeting, Mr Purcell requested (in his capacity as a director of the Company who is entitled to inspect the books and records of the Company), and was provided with, a full copy of the Company's Share Register (**Register**) containing each shareholder's registered name and address, the number of shares held, and in a significant number of instances, their contact phone and/or email address.
17. In making the request for the Register, Mr Purcell confirmed a presumed proper purpose for obtaining the Register.
18. Subsequent to receiving the Register, Mr Purcell and his advisers or representatives or advisers and representatives of M& A Advisory, have made contact with a significant number of shareholders.
19. Mr Purcell has advised that "I have contacted approximately 800 shareholders representing about half of MEL shares".
20. A number of very concerned shareholders (**Concerned Shareholders**) have subsequently verbally contacted the Company and directors, advising that that they have been contacted by either Mr Purcell directly or by a person or persons purporting to represent M&A Advisory (**Callers**).
21. During such contact, the Concerned Shareholders have verbally advised the Company that statements had been made by the Callers about, amongst other things:
 - a) a number of directors of the Company;
 - b) the performance of the company (and in particular, disparagement of the sound shareholder returns achieved by the Company), and
 - c) the operating expenses of the Company,
 which in the view of the Company, could be construed to be misleading and deceptive statements.
22. The Concerned Shareholders have also verbally advised the Company that the Callers could not substantively answer questions concerning the matters of substance regarding Mr. Purcell and M&A Advisory's conduct and alleged associations, these being the subject matter of the Company's Notice of Meeting and recent media coverage.
23. The Company has also become aware that Mr. Purcell has, as of Thursday, 12 April 2018, already taken advantage of the adjournment to bombard shareholders with yet further email communication, claiming, amongst other things, that he 'does not know, has never spoken with and has no association with' Malaysian businessman Admond Loo or Yen Loo Loo.
25. The Company cannot verify the accuracy of Mr Purcell's claim, however it is known:
 - a) Yen Loo Loo is a director of Twinkle Capital Pty Ltd (**Twinkle Capital**);
 - b) That Mr. Purcell through M&A Advisory has purported to have borrowed \$1,806,440 from Twinkle Capital, for the specific purpose of funding M&A's purchase of Metgasco shares;⁴
 - c) That Twinkle Capital has stated that its loan to M&A Advisory is unsecured and has an interest rate "which may be nil";
 - d) That at the time the loan was entered into, the directors of Twinkle Investments Pty Ltd, the 100% owner of Twinkle Capital, were Yen Loo Loo, her husband Sy Choon Yen and Hamish Champion de Crespigny (who was also Company Secretary of Twinkle Capital but who has resigned and denies knowledge of Mr. Purcell);

⁴ See ASX announcement dated 3 April 2017

- e) That in the Takeovers Panel's *Reasons for Decision* in relation to the affairs of Moreton Resources Limited, where Mr. Purcell abruptly left the board, the Panel found that "...it was clear that there was some relationship between Twinkle Woods and one of the Moreton directors...":

http://www.takeovers.gov.au/content/DisplayDoc.aspx?doc=reasons_for_decisions/2013/014.htm

- f) Yen Loo Loo is a former shareholder and director of Twinkle Woods Limited, according to the Panama Papers database; and
- g) That, despite Twinkle Capital denying any association with Mr. Purcell and M&A Advisory (and vice versa), Twinkle Capital has:
- i. purchased a further 8 million Metgasco shares in its own name, and
 - ii. appointed Mr. Purcell proxy for those shares in relation to the present matters of the Meeting.

26. Importantly, in the opinion of the majority of the Board, Mr. Purcell has never satisfactorily answered the Board's questions regarding, amongst other things:

- a) potential associations between himself and Twinkle Capital;
- b) the seemingly uncommercial nature of the purported arrangements between Twinkle Capital and M&A Advisory;
- c) why Twinkle Capital, having denied any association with Mr. Purcell and M&A Advisory, or any interest in Metgasco, has subsequently bought 8 million shares in the Company, or
- d) what the ultimate intentions of Twinkle Capital (or for that matter, M&A Advisory) in relation to Metgasco might be.

27. In the opinion of the majority of the Board, it is disingenuous of Mr. Purcell to say that he is "concerned about possible related party transactions and undeclared associations" when he has:

- a) sought personal benefits from potential company transactions which would not have been available to other shareholders and which would not have been in the best interests of other shareholders; and
- b) asserted positions on a number of potential transactions being considered by the Board while being, in the opinion of the majority of the Board, influenced by factors other than what is in the best interests of the Company.

No transaction or proposed transaction the Company has entered into has involved any related party interest. The internal rate of return to Metgasco from its investment in Byron Energy Limited has been in excess of 500%. Why Mr. Purcell has continued to oppose investments made by the Company is unclear to the Board.

28. Claims and insinuations by Mr. Purcell and/or his advisors suggesting any alignment on the part of Independent Directors of the Company to certain shareholders are untrue.

Mr. Amery is independent and was appointed as such by a Board then comprising Len Gill, Greg Short and Peter Henderson.

Mr. Lang's introduction to the Company came at a request for candidates made by the then Chairman Greg Short, at the time of Mr. Short's unfortunate and unexpectedly urgent resignation. Mr. Lang's appointment to the Board and then to the role of independent Chairman was unanimous, after group interview, by a board comprising Peter Henderson, Greg Short and Len Gill alongside Mr. Amery.

That same board at the same time unanimously appointed Mr. Terry White, who was introduced by Mr. Len Gill and whom Mr. Amery supported.

Claims by Mr. Purcell that any of the independent Directors of Metgasco are either not independent or have acted in any way other than in the best interests of the Company, are wholly false, defamatory and unfair.

Metgasco shareholders enjoy the services of a committed, hardworking, majority independent Board whose efforts have been pivotal in growing the Company and in defending the interests of the Company.

Those challenges, with shareholder support, are now being decisively resolved, partly through the removal of Mr. Purcell via the present Meeting.

29. At 7:33pm on Wednesday, 11 April 2018, Mr Purcell issued a request to the Company for:
- a) In relation to the Adjournment Resolution passed at the Meeting, all information held by the Company (or to which the Company has access) in relation to the breakdown of the voting on the Adjournment Resolution, in particular:
 - i. for each shareholder attending the meeting in person who voted on the resolution - the number of shares held by that shareholder and how the shareholder voted in respect of those shares; and
 - ii. for each undirected proxy who voted on the resolution - the shareholder or shareholders who appointed the proxy, number of shares for which that shareholder or shareholders appointed the proxy to vote, and how the proxy voted in respect of those shares.
 - b) In addition, in relation to the four resolutions contained in the Notice of Meeting which were proposed to be voted on at the Meeting, all the information held by the Company (or to which the Company has access) in relation to the breakdown of online voting and directed proxies, in particular:
 - i. for each of the four proposed resolutions, for each shareholder who voted online - the number of shares held by that shareholder and how the shareholder voted in respect of those shares; and
 - ii. for each of the four proposed resolutions, for each directed proxy form received by the Company - the shareholder or shareholders who appointed the proxy, number of shares for which that shareholder or shareholders appointed the proxy to vote, the identity of the proxy and how the shareholder directed the proxy to vote in respect of those shares.

(collectively, the **Information**)
30. The Company has provided the Information to Mr Purcell and advised him that whilst it accepts his presumption of a proper purpose for requesting the Information, the Company will reserve its rights in taking action against him, or his representatives, or advisors, if it is found that:
- a) there has been any abuse of the confidence reposed in him as a result of his position as a director of the Company; or
 - b) any actions taken by him, or his representatives, or advisors:
 - i. in his capacity as a director of Metgasco; or
 - ii. for and on behalf of M&A Advisory; or
 - iii. him as sole director of M&A Advisory;

to materially injure the Company or any other director of the Company or any other shareholder of the Company, by providing in written or oral form, any false or misleading statements about the Company or any other director of the Company or any other shareholder of the Company.
31. Based on the pattern of voting on the Adjournment Resolution at Wednesday's Meeting, the Company is also very concerned that there appear to be a number of shareholders who are acting in concert with Mr Purcell against the recommendations of the Recommending Directors.
32. Shareholders can be assured however that the Company will do everything in its power to conclude this matter on Monday.

Further information:

Metgasco welcomes questions from shareholders and invites all interested shareholders to make contact with the Company at any time by email at info@metgasco.com.au or by phone on (02) 9923 9100.

ENDS

About Metgasco:

Metgasco is presently pursuing new opportunities in the Oil & Gas sector. It holds an interest, via a secured production development funding facility, equity options and participation rights, in U.S Gulf of Mexico company Byron Energy Limited (ASX:BYE). Metgasco holds a 10% (non-operating) farmed-in interest in Byron's Bivouac Peak Louisiana hydrocarbon project with a planned initial well testing a Gross prospective resource of 32,270 Mboe in addition to farm-in rights in relation to Byron's Gulf of Mexico portfolio. Aside from its \$6.0 million secured receivable noted above, Metgasco holds cash and investment corporate bonds of approximately A\$8.9 million and is a substantial shareholder in BYE holding 5.77% of their issued capital and 10 million options over ordinary shares.

For further information contact:

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