



## ASX / MEDIA RELEASE

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### SOUTH MARSH ISLAND 74 D-14 Progress Report

- **Byron operated SM74 D14 exploration well has been drilled to a depth of 14,423 feet MD and an open-hole plug is being set to facilitate side-track drilling around a stuck drilling assembly before drilling to total depth**
- **Real-time GR/RES LWD logs indicate 50 feet MD (35 feet TVD) of gross resistive sand package with hydrocarbon mud log gas shows and fluorescence within the lower portion of the 13,000 sand**
- **D14 ST1 will kick off at a depth of 13,320 feet MD and be drilled to the original total depth as planned, at which time porosity logs will be acquired to evaluate the entire wellbore**

The Board of Metgasco Ltd (ASX:MEL) (Metgasco, or, the Company) advises that the Byron operated SM74 D14 well was drilled to a depth of 14,423 feet Measured Depth ("MD") / 13,225 feet True Vertical Depth ("TVD") at which point, the drilling assembly became stuck. Operations to disconnect from the drilling assembly were successful and a cement plug will be set to allow side-tracking the well to its final total depth.

To date, the well has tested the first of three targets, the 13,000 Sand. Log While Drilling ("LWD") Gamma Ray and Resistivity tools have indicated a zone of interest in the lower portion of the 13,000 Sand package. The well has intersected a sandy interval of 50 gross feet (35' TVD) with LWD readings and mud log hydrocarbon shows including fluorescence, consistent with potential hydrocarbon bearing sands which lie beneath thicker wet sands. The commercial significance of this interval cannot be determined until final porosity logs are acquired.

The well is on depth with Byron's Reverse Time Migrated (RTM) seismic data and the zone of interest ties to a weak seismic amplitude anomaly. The side-track wellbore will also penetrate two stronger seismic amplitude anomalies in the primary 13,500 and 13,750 Sand targets as originally planned before reaching total depth.

As previously announced, the SM74 D14 well is designed to test multiple targets and is expected to be drilled to a planned total depth of 16,747 feet MD/ (14,726 feet TVD).

In July 2018, Metgasco farmed-in for a 30% working interest ("WI") in SM74 block (24.37% net revenue interest) via funding 40% of the approx. US\$11 million dry hole cost of the Initial Test Well (SM74 D-14) to casing point. Byron Energy Limited will pay the remaining 60%. Both companies will then bear their respective working interests costs after the SM74 D-14 is drilled to total depth.

The SM74 D-14 well is being drilled from the SM73 D platform. As previously announced on 19 September 2018, Byron signed an agreement with Ankor Energy LLC, the offset operator of SM73, to drill from and, in the success case, produce through the SM73 D platform. This arrangement reduces the threshold of economic reserves by eliminating the need to build a new platform and offers significant capital savings in infrastructure as well as reducing the cycle time to first production if hydrocarbons are discovered.

Metgasco will issue its next progress reports on the SM74 D-14 when material developments occur.

## Contact and further information:

Metgasco welcomes shareholder communication and invites all interested shareholders to make contact at any time.

ENDS

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