



ASX / MEDIA RELEASE

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SOUTH MARSH ISLAND 74 D-14 Progress Report

- **Byron operated SM74 D14 Bypass No. 1 exploration well kicked off at 13,153 MD and is currently drilling ahead at 13,988 MD.**
- **Revised Drilling operations are progressing within expectations in the bypass wellbore.**

The Board of Metgasco Ltd (**ASX:MEL**) (**Metgasco**, or, the **Company**) advises that the Byron operated SM74 D14 Bypass No.1 ("D14 BP1") well was successfully kicked off on 28 June, 2019 at a depth of 13,153 feet Measured Depth ("MD") and as of 1 July 2019, US Central Daylight Time, is currently drilling ahead at a depth of 13,988 MD.

The D14 BP1 wellbore is currently drilling ahead in the upper portion of the 13,000 Sand with similar results through the same depth as the SM74 D14 Original Hole ("D14 OH"). The SM74 D14 BP1 well has not yet reached the zone of interest that was indicated by the Gamma Ray and Resistivity tools seen in the lower 13,000 Sand in the original hole (refer to Metgasco's ASX release of 25 June 2019 for details).

The bypass well is on depth with, and approximately 70 feet away from, the D14 OH wellbore. Drilling procedures have been modified and bottom hole assemblies have been revised to include the addition of rotary steerable directional tools. These changes were made in order to attempt to alleviate the hole conditions experienced in the original hole which led to the stuck drill pipe and the subsequent drilling of the bypass wellbore.

As previously announced on the 16 May 2019, 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 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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