

23 January 2017

Byron Subscription Notice Received

The Board of Metgasco Limited (**Metgasco** or the **Company**) is pleased to advise that in accordance with the terms of the Convertible Note Deed (**Deed**) between Byron Energy Limited (ASX:BYE) (**Byron**) and Metgasco dated 22 July 2016, Metgasco has subscribed to and Byron has issued to Metgasco an A\$8.0m Convertible Note (**Note**) on 20 January 2017. The Convertible Note will be repayable over the remainder of the term of the agreement to 21 July 2019.

The relevant details of the Subscription Notice are:

- a) the subscription date is 20 January 2017;
- b) the face value of each Note is A\$1; and
- c) the number of issued Notes is 8,000,000.

The Note is secured by a General Deed of Security and Priority (over Byron's assets), a Negative Pledge from Byron and a registered interest over Byron's share of SM 70/71 leases. For further details of the terms of the Deed please refer to Metgasco's ASX release dated 22 July 2016. For an update on the development of the SM 71 project please refer to Byron's announcement dated 23 January 2017.

Commenting on the receipt of the Note, Metgasco's Executive Chairman, Alexander Lang said: "On behalf of the Board, we are very pleased that Byron has elected to fully draw down on the A\$8.0m Funding Facility to be primarily used for the development of production assets at SM 71 and associated purposes. The drawdown has further strengthened our relationship with Byron and we look forward to working closely with Byron with respect to the Bivouac Peak project and the opportunity to farm into future Byron projects."

ENDS.

About Metgasco:

www.metgasco.com.au

Metgasco is presently pursuing new opportunities in the Oil & Gas sector. It holds an interest, via a secured production development funding facility, 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 Littoral Louisiana hydrocarbon project with an initial H1 2017 well testing a Gross prospective resource of 32,270 Mboe. The Company has been recently awarded PLR 2015-16 and PLR 2015-19 in the QLD Cooper/Eromanga Basins by competitive tender. Metgasco also holds a portfolio of cash, fixed income and managed credit assets valued at approx. A\$18m following a Return of Capital of 2.5c/share to shareholders paid in November 2016.

For further information contact:

Alexander Lang
Executive Chairman
info@metgasco.com.au

Metgasco Limited ACN 088 196 383
Level 3, 2 Elizabeth Plaza, North Sydney NSW 2060
Tel: +61 2 9923 9100 Fax: +61 2 9959 5387
Web: www.metgasco.com.au
