MCF Energy: Drilling Permit Secured for Large Welchau Gas Prospect in Austria

21.08.2023 | CNW

VANCOUVER, Aug. 21, 2023 - MCF Energy Ltd. (TSXV: MCF) (FRA: DC6) (OTCPK: MCFNF) ("MCF Energy" or the "Company") is pleased to provide an update on its Austrian operations, specifically regarding well permitting and planned spudding at the large Welchau anticline, anticipated in Q4 2023.

Highlights:

- Drilling permit for the Welchau-1 well has been granted by the Mining Authority, acting on behalf of Austria's Ministry of Finance (BMF), after thorough documentation, expert evaluations, and a smooth public hearing at the proposed drill site.
- The permit allows drilling, testing, and potential extended production testing of Welchau-1.
- Environmental clearance marks the final permitting step, backed by an expert's report and stakeholder consultation.
- Well-site construction is anticipated to commence during the 4th quarter of 2023, immediately followed by drilling operations.
- The Welchau prospect is mapped as covering over 100 square km in size and could contain significant reserves of gas and condensate.
- MCF Energy identified the Welchau prospect area as a high-priority opportunity for Europe's energy security in its review of large-scale natural gas exploration prospects. In alignment with an energy investment agreement forged between MCF Energy and ADX Energy Ltd. ("ADX"), the operator of the ADX-AT-II licence in Upper Austria, the Company has committed to financing 50% of the expenses tied to the Welchau-1 well in exchange for a 20% economic interest in the Welchau Investment Area, strategically positioned within the southern section of the ADX-AT-II licence.

A drilling permit ("Drilling Permit") for the Welchau-1 well has been issued by the Mining Authority on behalf of the Ministry of Finance of the Republic of Austria to ADX. The Drilling Permit was issued after evaluating detailed technical, legal, and environmental documents, along with expert input. A public hearing on June 28, 2023, yielded no significant objections.

The Drilling Permit allows ADX to drill and test the Welchau-1 well and undertake a longer-term production test if required. The Drilling Permit is associated with two designated rig types: a drilling rig and a workover rig. These rigs are supplied by RED Drilling & Services GmbH (RED), as provided by ADX's existing rig services contract.

The final step in the permitting process involves obtaining an environmental clearance ("Environmental Clearance").This clearance will enable the drilling and testing of the Welchau-1 well in accordance with the Drilling Permit. The process for Environmental Clearance is based on evaluating a report by a government-appointed expert, which has been completed and submitted to the local authorities in Upper Austria. Similar to the drilling permit process, this phase will involve a stakeholder hearing period. Looking ahead, MCF Energy and ADX anticipate commencing well site construction in the fourth quarter of 2023, immediately followed by drilling operations. The success case drilling program is expected to take approximately 39 days.

Operational Readiness

All essential items for drilling the Welchau-1 well have been procured. The drilling will take place within a pre-existing rig services contract with RED. The drilling and related services will mainly involve skilled local personnel from Upper Austria. ADX has made a concerted effort to prioritise local involvement, particularly in areas with a strong history of safety, environmental care, and dependable project completion.

James Hill, CEO of MCF Energy, stated, "We are pleased that the Drilling Permit has been issued to ADX, and we are on track to drill in Q4 2023.

"The prospect is located up-dip from a 1989 gas discovery (Molln-1 well), which had a gas column of at least 400 metres and tested condensate-rich, pipeline quality gas at a maximum flow rate of 3.5 MMCFD A successful outcome at Welchau could be a significant catalyst for MCF Energy given the size of the Welchau anticline."

About MCF Energy

MCF Energy was established in 2022 by leading energy executives to strengthen Europe's energy security through responsible exploration and development of natural gas resources within the region. The Company has secured interests in several significant natural gas exploration projects in Austria and Germany with additional concession applications pending. MCF Energy is also evaluating additional opportunities throughout Europe. The Company's leaders have extensive experience in the European energy sector and are working to develop a cleaner, cheaper, and more secure natural gas industry as a transition to renewable energy sources. MCF Energy is a publicly traded company (TSX.V: MCF; FRA: DC6; OTCPK: MCFNF) and headquartered in Vancouver, British Columbia. For further information, please visit: www.mcfenergy.com.

Additional information on the Company is available at www.sedar.com under the Company's profile.

Cautionary Statements:

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Forward-Looking Information

Except for the statements of historical fact, this news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. The information in this news release about the completion of the proposed transaction and financing described herein, and other forward-looking information includes but is not limited to information concerning the intentions, plans and future actions of the parties to the transactions described herein and the terms of such transaction. Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks related to the Company's inability to perform the proposed transactions.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company's ability to complete the planned transaction and activities. The Company has also assumed that no significant events will occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

Oil and Gas Advisories

The term "boe" means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. "Boe/d" and boepd" mean barrel of oil equivalent per day. Bbl means barrel of oil and "bopd" means barrels of oil per day. NGLs means natural gas liquids.

This press release contains certain oil and gas metrics and defined terms which do not have standardized meanings:

BCFE = Billions of cubic feet equivalent
MMBOE = Millions of barrels of oil equivalent
MMCFD = Millions cubic feet per day

SOURCE MCF Energy Ltd.

Contact
Investor Relations, Jim Hill, CEO, Tel: (604) 609-6110, Email: gkeep@fiorecorporation.com; Public Relations, Sarah Mawji, Email: sarah@finaleditpr.com