

Farm-in agreement executed for PRL 211

- **Farming-in for 42.5% with operatorship**
- **Equity interest earned through paying 50% of new well**
- **Targeted to spud in Q4 FY20**
- **Odin structure similar to the recent Vali gas discovery**

Vintage Energy Ltd (“Vintage”, ASX: VEN) is pleased to announce that it has executed the farm-in agreement for PRL 211 on the South Australian side of the Cooper/Eromanga Basins. This binding farm-in agreement replaces the non-binding term sheet that was initially in place (refer ASX release dated 22 November 2019). Under the joint venture Vintage will become the operator with 42.5%, Bridgeport will have 21.25%, Metgasco Ltd (“Metgasco”, ASX: MEL) 21.25% and a subsidiary of Senex Energy Ltd (“Senex”) 15%, with Senex to be free carried through the drilling of the first well.

PRL 211 is a 98.49 km² retention licence that is close to infrastructure and has an initial five-year term expiring in October 2022, with an option to renew the permit for a further five years. The licence is located immediately adjacent to ATP 2021 (Vintage 50% and operator), with the main target being the Odin structure. Odin, which is fully covered by recent 3D seismic, straddles the border between PRL 211 and ATP 2021 and is located on the southern flank of the Nappamerri Trough near the producing reservoirs at the Bow, Beckler and Dulligari gas fields. Odin has gas potential in the Patchawarra and Toolachee formations, which is similar to the Vali prospect that was recently drilled and cased as a new field gas discovery (refer ASX release dated 16 January 2020).

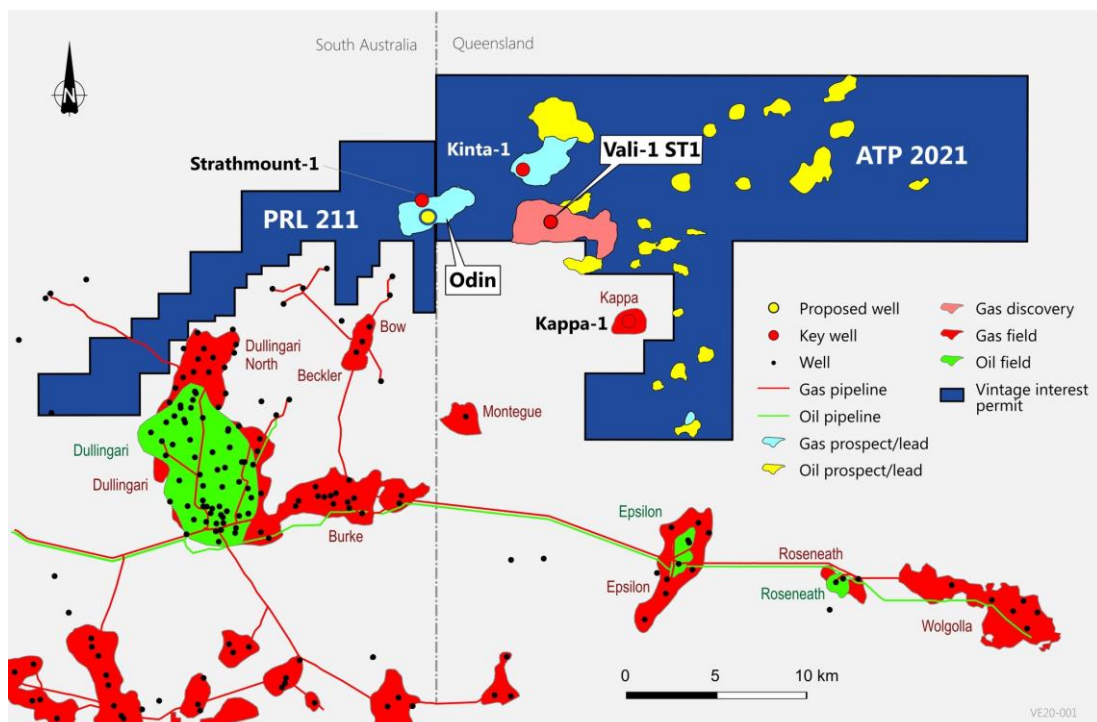


Figure 1: Location map

Under the terms of the farm-in, Vintage, Bridgeport and Metgasco will drill a well into the Odin structure (with Vintage paying 50% of the estimated cost of the well – approximately \$2.0 million contribution by Vintage for 42.5% equity). All further work, including potential stimulation and flow testing, will revert to the equity share of the joint venture. Drilling is targeted to take place in Q4 FY20.

The farm-in is subject to a number of conditions, including:

- Ministerial approvals, including the reassignment of a well work commitment to PRL 211 from PEL 516;
- The farm-in parties demonstrating that between them there are sufficient funds available to drill the well; and
- other customary conditions for a transaction of this nature.

It is expected that the conditions will be satisfied, and completion of the transaction will occur, by 31 March 2020.

Neil Gibbins, Vintage Managing Director, is pleased that the farm-in agreement has been executed, especially in light of the recent Vali gas discovery. “The team at Vintage look forward to operating the program to drill the Odin structure. We have clearly shown our capability as operator, proceeding from permit acquisition to the safe drilling of the Vali-1 gas discovery well in less than eight months. The fact that gas was discovered at Vali is a real positive considering the similarities of the Odin and Vali structures. Our experienced technical team will work diligently to have the well safely drilled this financial year.”

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About Vintage

The natural gas supply crisis currently afflicting the eastern part of Australia and the energy market more widely have been the catalysts for the creation and ASX listing of Vintage, with Reg Nelson (former Managing Director of Beach Energy Ltd) the Chairman and Neil Gibbins (former Chief Operating Officer of Beach Energy Ltd) the Managing Director. The company has acquired high quality gas exploration and appraisal assets close to infrastructure with the potential for rapid development and the promise of early cash flow. Vintage will continue to identify and seek to acquire further high-quality gas exploration and production assets with a focus on those that offer the potential for accelerated pathways to commercialisation.

Oil potential in prominent onshore basins is also a key focus, particularly given the experience of Vintage team members in discovering and developing oil fields on the Western Flank of the Cooper/Eromanga Basins in South Australia.