

Vali gas field development concept completed

- **First production and cash flow expected in Q3 FY21**
- **Vali Field life estimated at around 20 years**
- **Potential for nine wells, to produce raw gas of ~5 Bcf each**
- **Preferred connection point at Santos operated Beckler Field**
- **Reserve assessment underway**
- **Independently certified gross 2C Contingent Resource of 37.7 Bcf (18.8 Bcf Net)¹**

The ATP 2021 joint venture (Vintage Energy Ltd (ASX: VEN, “Vintage”) 50% and operator, Metgasco Ltd 25% and Bridgeport (Cooper Basin) Pty Ltd 25%) advises that a development concept for the Vali Field has been completed and estimates a field life of around 20 years. The data used for the development concept was generated from the highly successful flow test of Vali-1 ST1, which delivered a stabilised gas rate over a two-day period of 4.3 MMscfd through a 36/64”choke at 942 psi (flowing well-head pressure). The completion of Vali-1 ST1 is due to take place in October 2020.



Figure 1: Vali-1 ST1 flare

The development concept estimates there will be in the order of nine fracture stimulated vertical wells that will target production from reservoirs in the Patchawarra Formation and the Tirrawarra Sandstone. The first two wells in the program are planned to be drilled in first half of 2021, subject to regulatory and joint venture approvals and rig availability, and will also appraise upside potential in sands within the Toolachee Formation and Nappamerri Group. All wells would be connected to a central manifold, with gas planned for transportation via multiple composite pipelines to the Santos operated Beckler Field and then into the Moomba gathering system.

1. Refer ASX release dated 29 April 2020

Neil Gibbins, Vintage Managing Director, said “The Vali Field development concept work has highlighted the potential of the Vali Field to produce gas over the longer term. With a field life estimated at around 20 years and multiple leads and prospects within proximity of Vali, we are confident in delivering a multi-field production project over time. We will be initially targeting approximately 4 PJ per annum of gross gas production, and I am of the belief this could be increased substantially with appraisal and exploration success in the area.”

A type well production profile has been developed based on the well tests at Vali-1 ST1, and with reference to the decline characteristics of nearby fields. The current base case development concept for the Vali Field is for initial raw gas production of approximately 5 MMscfd (gross) per well for total production of around 5 Bcf per well (on an average well outcome basis). The process of converting the Vali Field 2C Contingent Resources to 2P Reserves is currently underway.

Surface facilities at Vali will be kept to a minimum. It is anticipated that a main manifold will gather gas from producing wells and deliver it into pipelines to Beckler, and a separator might be installed depending on the metering system utilised.

Some of the detailed development concept work has been carried out by GPA Engineering (“GPA”). GPA has consulted with Santos, as operator of the SACB JV infrastructure, and believe the preferred connection point for a Vali Field pipeline is the Santos operated Beckler Field. Gas will then be transported through the existing pipeline system for processing at Moomba once infrastructure access and gas sales agreements are executed. It is envisaged that connection from Vali would be via multiple composite pipelines, the number and size of which will be defined in the detailed engineering phase of work, but scoping work suggests two 4-inch lines would be optimal. This would provide flexibility and continuity of production when new wells are connected into the system.

It is envisaged that the engineering, contracting, procurement, construction and commissioning will be managed by an engineering firm.

The capital cost associated with the pipeline connection is based on concept select work carried out by GPA. Well costs are based on a standalone well, however, it is considered that optimisation of these costs may be possible by drilling a campaign of wells and applying lessons learned from Vali-1ST1. The estimated Vali Field capital costs, from a gross perspective, include: \$7.0 million for engineering and pipeline construction and connection (including separator); \$5.0 million per well to drill, case and complete; \$3.0 million per well to fracture stimulate; \$0.5 million per well to connect to the Vali manifold; and \$1.0 million for geological, geophysical and engineering (“GG&E”) studies in the first twelve months.

Operating costs are expected to be low, with well integrity and facility integrity testing part of variable operating expenditure and adjusted based on the number of wells. Inspection and testing are required to maintain compliance with Vintage’s Well Integrity Management System (“WIMS”) and Government Regulations.

Over the coming months, a joint venture approved detailed initial development plan will be completed and submitted to the regulator. Once a production licence is issued and the Vali Field pipeline is tied-in, further wells will be drilled as a means of increasing production. These wells will be subject to sales gas transactions that support the level of gas production.

This release has been authorised on behalf of the Vintage Energy Limited Board by Mr Neil Gibbins, Managing Director.

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Shareholder information

During the recent capital raising, it was evident that a number of Vintage shareholders have not provided up to date information to the manager of our share registry, Automic. If you have not done this, we encourage you to contact Automic to ensure your information is correct and up to date.

The Automic Investor Portal offers a simple experience for managing your holdings online, by visiting <https://investor.automic.com.au>

- Fast and simple: update details in real-time, including address, Tax File Number/Australian Business Number, banking details and communication preferences;
- Consolidated holdings: manage all holdings in the one place;
- Secure and convenient: print all available Shareholder communications and statements; and
- View your activity: view holding balances, transactions and payment history.

Alternatively, you can contact the company's Share Registry at:

Postal Address: Automic Pty Limited
GPO Box 5193
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Live Webchat: www.automicgroup.com.au

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