

QUARTERLY REPORT

For period ended 30 June 2020

31 July 2020



HIGHLIGHTS

Cooper/Eromanga Basins

- ATP 2021
 - Site preparations completed in preparation for fracture stimulation of Vali-1 ST1
 - Condor Energy Services engaged to undertake fracture stimulation work
 - Gas flow testing to follow fracture stimulation
 - GPA Engineering engaged for concept design work on potential pipeline connection
 - Discussions initiated with Santos regarding access to gas infrastructure
 - Independently certified gross 2C Contingent Resource of 37.7 Bcf (18.8 Bcf Net)¹
- Block CO2019-E (PELA 679)
 - Successful gazettal bid
 - Located in SW Cooper Basin, South Australia
 - Initial five-year term, with option to renew for a further two five-year terms

Capital raising

- Oversubscribed \$2.25 million placement and \$0.75 million share purchase plan ("SPP")



Figure 1: Fracture stimulation of Vali-1 ST1

SUBSEQUENT EVENTS

Operations for stimulation and flow testing of the Vali-1 ST1 Tirrawarra and Patchawarra pay sands commenced on-site on Sunday 12 July. The fracture stimulation portion of the program was safely completed on Friday 24 July. Six stages were fracture stimulated, with one in the Tirrawarra Sandstone and five in the Patchawarra Formation. Timing between fracture stimulation stages allowed brief flowbacks to be undertaken from the two deepest zones. These both flowed fracture stimulation fluid and gas to surface with rates sufficient to flow through a separator and the gas was flared. It is important to note that this flowback was not a flow test as it was done over a short timeframe, not suitable for measurement of rates. Timing between other fracture stimulation stages did not permit flowback of any further zones.

Isolation plugs between fracture stimulation stages have now been milled out, with flow back of stimulation fluid commencing on 26 July.

OPERATIONS

Cooper/Eromanga Basins, Queensland and South Australia

ATP 2021 (Vintage 50% and operatorship, Metgasco Ltd (“Metgasco”) 25% and Bridgeport (Cooper Basin) Pty Ltd 25%)

The successful Vali-1 ST1 gas exploration well, drilled on the Queensland side of the Cooper/Eromanga Basins, reached a total depth (“TD”) of 3,217 metres measured depth, in basement, on 10 January 2020. The planning work for the fracture stimulation of the Vali-1 ST1 well was primarily completed during the quarter.

The fracture stimulation work was undertaken by Condor Energy Services Pty Ltd (“Condor”), with six stimulation stages planned, five in the Patchawarra Formation and one in the deeper Tirrawarra Sandstone / Basal Patchawarra Formation.

Post drill volumetric assessments for the discovery have been completed, with ERCE independently certifying 37.7 Bcf (100% JV) of gross 2C Gas Contingent Resources in the Patchawarra Formation of the Vali gas field.

Vali Gas Field Patchawarra Formation (100%)					
Gas in Place (Bcf)			Contingent Resource (Bcf)		
Low	Mid	High	1C	2C	3C
34.0	84.2	216.0	15.2	37.7	97.0

Vali Gas Field Patchawarra Formation (50%, Net to Vintage)					
Gas in Place (Bcf)			Contingent Resource (Bcf)		
Low	Mid	High	1C	2C	3C
17.0	42.1	108.0	7.6	18.8	48.5

Notes to the tables above:

1. Contingent Resource volumes have shrinkage applied to account for CO₂ and include only hydrocarbon gas. No allowance for Fuel and Flare has been made.
2. ERCE GIIP volumes and Contingent Resources presented in the tables are the probabilistic totals for all 19 Patchawarra reservoir intervals.
3. Probabilistic totals have been estimated using the Monte Carlo method.

4. Estimates for contingent resources have not been adjusted for development risk.
5. The resources have been classified and estimated in accordance with the PRMS.
6. These resource estimates are as of 2 March 2020.
7. These resources were first disclosed in an ASX release by Vintage Energy Ltd dated 3 March 2020.

The results of the fracture stimulation and flow testing of Vali-1 ST1 will be used to update the above tables.

Block CO2019-E (PELA 679) (Vintage 100%)

Vintage was successful in bidding for Block CO2019-E (PELA 679) (“Block E”) in the south west of the Cooper Basin in South Australia. Block E forms one of five hydrocarbon exploration licence blocks released for competitive bidding by the South Australian Department of Energy and Mining in 2019. Once an appropriate land access agreement is in place with the Dieri Aboriginal Corporation RNTBC and the State Government, Vintage will have a 100% interest in the permit which will provide options relating to the financing of the firm work program through the potential introduction of a joint venture partner/s.

Block E has both Permian and Jurassic oil potential, with cumulative oil production of 4.5 MMbbl from two nearby fields, one of which is the Worrior Field immediately to the north east. The permit covers a total area of 393 km² and has primarily been targeted for oil exploration. Seismic data is limited with the majority being poor quality 2D, the exception being a small area of overflow 3D seismic over the Worrior oil field and Korea gas field.

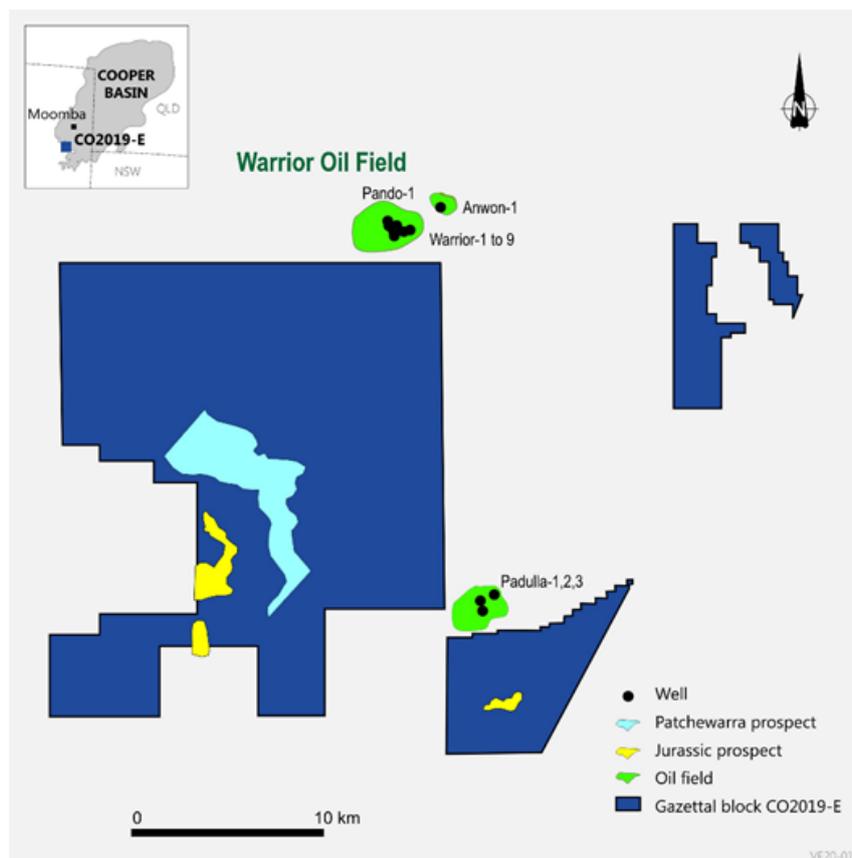


Figure 2: Block CO2019-E permits

The first exploration well in the region was Pando-1 which was drilled in 1966 and tested for oil and gas within a large four-way closure. Despite suppressed Jurassic oil shows, the well was plugged and abandoned, with Stuart Petroleum Ltd drilling the Worrior-1 wildcat 37 years later, 750 metres to the south east of Pando-1. 50 km² of 3D seismic and ten development wells have resulted in production in excess of 4 MMbbl of oil to date from the Worrior oil field (Senex Energy 70%, Cooper Energy 30%), primarily from the McKinlay Member, Birkhead Formation and Hutton Sandstone.

The work program currently stands at Geological and Geophysical work, including basin modelling, petrophysics and a rock physics trending study, 100 km² of 3D seismic and a two-well commitment to be undertaken over the initial five year licence term.

Vintage has identified three Jurassic four-way closures and one Permian Patchawarra Formation stratigraphic play from the sparse 2D seismic it has accessed to date. The “morphology” of Basement-influenced Jurassic structures located updip and along trend of Permian stratigraphic hydrocarbons, is exactly analogous to Beach Energy Ltd’s prolific Western Flank play, where the Pennington Oil Field and ultimately the Bauer Field are updip of Permian stratigraphically trapped gas of the Udacha and Middleton Fields.

Otway Basin, South Australia/Victoria

PEL 155 (Vintage 50%, Otway Energy Pty Ltd 50% and operator)

Assessment of the potential to market food grade CO₂ from the Nangwarry-1 CO₂ discovery continues. The initial assessment of the market has been very encouraging and supports taking the next steps toward commercialisation. This would include testing the discovery to measure a stabilised CO₂ rate and down-hole reservoir pressures.

Galilee Basin, Queensland

Deeps (Vintage 30%, Comet Ridge Ltd (“Comet”) 70% and operator)

Onsite operations at the Albany gas field have been suspended by the operator. Further updates will be made on the Deeps joint venture when available.

Perth Basin, Western Australia

Cervantes Structure (L 14) (Vintage earning 30%, Metgasco earning 30% and RCMA Australia Pty Ltd (“Jade”), 40%)

One further survey has been recommended by the environmental authorities, which will be conducted in September 2020. Final project environmental approvals are anticipated by the end of the 2020. Drilling planning is aiming at a spud date in Q1 2021.

CORPORATE

Capital raising

Vintage successfully completed a \$2.25 million share placement and a \$0.75 million SPP, both of which were heavily oversubscribed. In total Vintage raised \$3.0 million which will be primarily used to fracture stimulate and flow test the Vali-1 ST1 gas discovery in Q1 FY21.

A total of 83.3 million shares were issued, with the total Vintage shares on issue now 350.7 million. Included in the placement were 10.7 million shares issued to Directors, the allocation of which was approved at a General Meeting on 29 June 2020.

Related Parties

Payments to related parties, as disclosed at Item 6.1 in the Company’s Cash Flow Report (Appendix 5B) for the 3 months ended 30 June 2020 attached to this report, consists of \$123,001 of remuneration, Directors’ fees and superannuation paid to Directors and \$21,026 paid to associates.

Top 10 Shareholders (21 July 2020)

Position	Holder Name	Holding	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,315,991	8.08%
2	UBS NOMINEES PTY LTD	22,131,663	6.31%
3	BNP PARIBAS NOMS PTY LTD <DRP>	19,910,701	5.68%
4	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	13,393,130	3.82%
5	HOWZAT SERVICES PTY LTD <HOWARTH SUPER FUND A/C>	7,411,176	2.11%
6	MR REGINALD GEORGE NELSON & MRS SUSAN MARGARET NELSON <GROUND HOG A/C>	7,161,176	2.04%
7	MR DOMINIC VIRGARA	6,800,000	1.94%
8	N M GIBBINS	6,483,242	1.85%
9	JH NOMINEES AUSTRALIA PTY LTD <HARRY FAMILY SUPER FUND A/C>	6,450,000	1.84%
10	SMART HOLDINGS PTY LTD	5,944,572	1.70%
	Total	124,001,651	35.36%
	Total issued capital - selected security class(es)	350,650,739	100.00%

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Vintage’s planned operational program and other statements that are not historic facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward looking statements. Although Vintage believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements. Vintage confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VINTAGE ENERGY LIMITED

ABN

56 609 200 580

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A	Year to date (12 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		(54,199)
(b) development		
(c) production		
(d) staff costs	(509,384)	(2,069,394)
(e) administration and corporate costs	(274,442)	(1,592,837)
1.3 Dividends received (see note 3)		
1.4 Interest received	365	105,889
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	24,439	33,326
1.9 Net cash from / (used in) operating activities	(759,022)	(3,577,215)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		(3,449)
(d) exploration & evaluation (if capitalised)	(1,047,970)	(15,623,296)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	(1,047,970)	(15,626,745)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,854,000	2,854,000
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(201,530)	(201,530)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,652,470	2,652,470
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,597,761	19,994,729
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(759,022)	(3,577,215)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,047,970)	(15,626,745)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,652,470	2,652,470

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period*	3,443,239	3,443,239

*The Company has applied ASX Listing Rule guidance which now requires capitalised exploration expenditure to be disclosed under item 2 as cash flows from investing activities. Previously, such expenditure had been disclosed under item 1 as cash flows from operating activities.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	3,305,374	2,459,896
5.2	Call deposits**	30,000	30,000
5.3	Bank overdrafts		
5.4	Other (provide details)**	107,865	107,865
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,443,239	2,597,761

**Amount is restricted

6.	Payments to related parties of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to related parties and their associates included in item 1	156,027
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A
8.1 Net cash from / (used in) operating activities (Item 1.9)	(759,022)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,047,970)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,806,992)
8.4 Cash and cash equivalents at quarter end (Item 4.6) ***	3,305,374
8.5 Unused finance facilities available at quarter end (Item 7.5)	
8.6 Total available funding (Item 8.4 + Item 8.5)	3,305,374
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.8

***Difference to item 4.6 reflects amounts that are restricted

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: During the quarter, the Company completed a Share Placement and Share Purchase Plan. The Company is currently executing its work program which was the basis for the capital raise. On completion of the work program, the Company will review its operational program and its funding requirements. Estimated cash inflow and outflows for the quarter ending 30 September 2020 are detailed below:

Exploration and evaluation	\$1,777,000
Development	
Production	
Staff costs	\$507,000
Administration and corporate costs	\$250,000
Cash inflows – capital raise contributions / other receipts	(\$338,000)
Total estimated net cash outflows	\$2,196,000

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company will assess its current campaign on completion to determine its future capital requirements. These requirements may be satisfied by a number of alternatives including capital raise, sale of assets, farmout or forward sale of gas reserves.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Vintage expects to continue its operations and meet its business objectives of developing its oil and gas projects. Vintage's board and management have proven experience in managing oil and gas portfolio expenditure.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 July 2020.....

Authorised by: ...Simon Gray – Company Secretary.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.