

03 August 2018

Onshore Bonaparte Basin, EP 126 – Sale and Purchase Agreement signed

- **Sale and Purchase Agreement signed with Beach Energy to acquire 100% of EP 126**
- **Onshore Bonaparte Basin Permit with multiple play types**

Vintage Energy is pleased to announce, after entering into a Heads of Agreement with subsidiaries of Beach Energy Ltd in June 2018 to acquire exploration license EP 126 in the onshore Bonaparte Basin, that it has now executed a Sale and Purchase Agreement with Beach Energy Ltd to acquire a 100% working interest in EP 126. Consideration for the acquisition will be the assumption by Vintage Energy of all obligations associated with the permit, including abandonment of the Cullen-1 exploration well, drilled in 2014. Completion is subject to Vintage being granted approval to list on the Australian Securities Exchange and Ministerial consent being obtained.

The Bonaparte Basin is a proven petroleum province in the north of the Northern Territory. Several large gas fields have been discovered offshore (undeveloped Contingent (2C) Resources of 2.7 Tcf in Petrel, Tern and Frigate) and the producing Black Tip field (2P 933 Bcf) supplies gas to Darwin. The extent of the onshore Bonaparte Basin and location of EP 126 are shown in Figure 1.

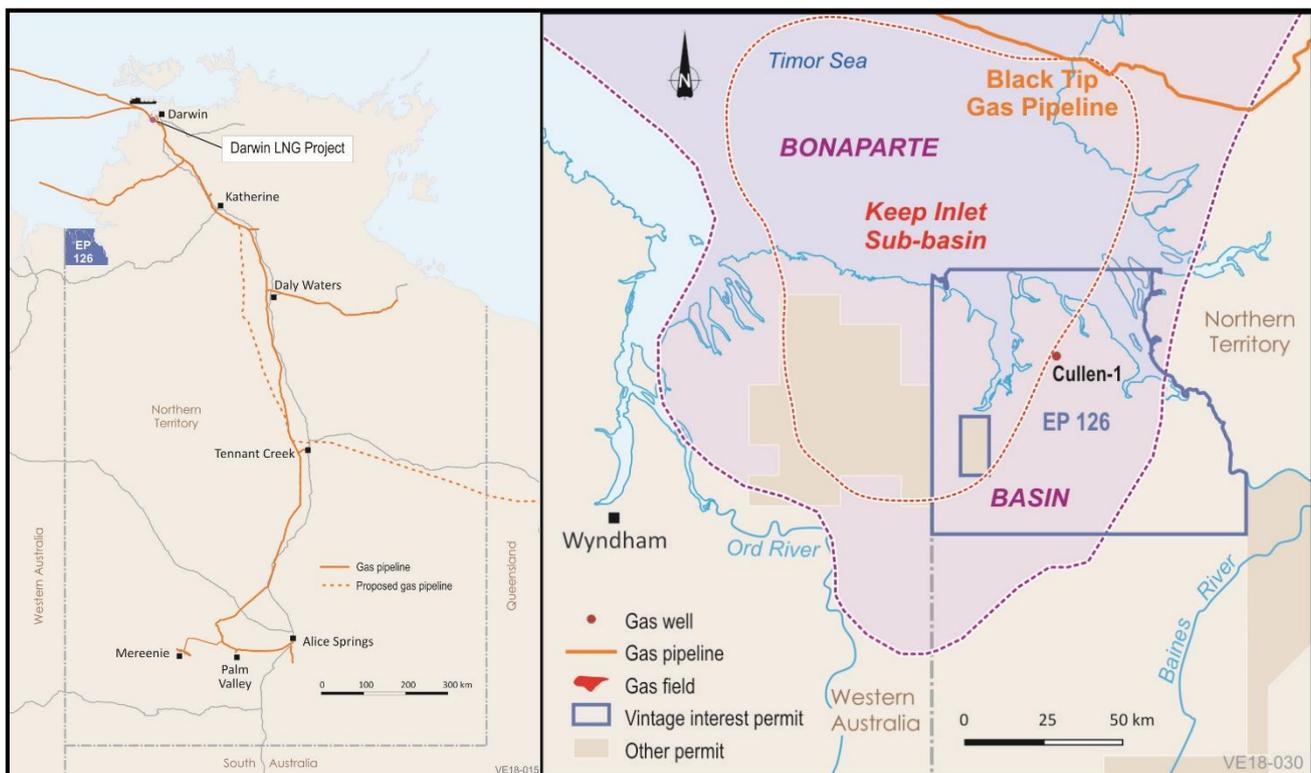


Figure 1: Location of EP 126, onshore Bonaparte basin, North Territory

Vintage considers the onshore Bonaparte Basin to be an under-explored frontier area, but with a proven petroleum system. Since 1959, only 26 petroleum wells have been drilled in the onshore Bonaparte Basin. Numerous hydrocarbon shows were encountered and gas was flowed to surface from many of these wells. However, as yet, no commercial oil or gas development has been undertaken. EP 126 is a large permit with an area of 6,716 km² and represents a project with exposure to potentially high reward/high exploration risk opportunities and complements the Vintage portfolio. There are multiple play types, with potential for large volumes of gas and oil.

Cullen-1 was drilled by Beach Energy in 2014, encountering good gas shows in a massive, naturally fractured, carbonate sequence in the Ningbing Group and oil shows within tight sands in the shallower Weaber Group. The well was cased and suspended but remains untested. Vintage will investigate the opportunity to flow test the fractured carbonate section in Cullen-1 to assess the potential for an updip wrench-fault trap, analogous to large oil fields such as Albion-Scipio (over 125 million barrels) and Stony Point (20 million barrels) in the Michigan Basin, USA.

There are also basin margin plays for hydrocarbons reservoired in algal build-ups within the Ningbing Limestone and oil reservoired in the younger, shallower clastics of the Weaber Group. These play concepts will require the acquisition of a seismic survey to define potential structural traps suitable for drilling.

Vintage Energy managing director, Neil Gibbins, said “It is pleasing to have moved quickly to complete the Sales and Purchase Agreement with Beach Energy. EP 126 represents a low-cost entry to a frontier area with a proven petroleum system and multiple play types. Initial work will focus on investigating the opportunity to flow test the fractured carbonates in Cullen-1 and evaluating the high upside potential of the permit. Post completion, Vintage looks forward to working with the Government and local stakeholders to progress this exciting opportunity”.

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About Vintage Energy Ltd

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 of Vintage Energy Ltd, with Reg Nelson (former Managing Director of Beach Energy) as Chairman and Neil Gibbins (former Chief Operating Officer of Beach Energy) as Managing Director. The company aims to acquire high quality gas exploration and production assets, close to infrastructure with the potential for rapid development and the promise of early cash flow.

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