

## Albany-2 spudded

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- **Albany-2 spudded on 30 July**
- **Seeking to appraise the potential of the 61km<sup>2</sup> Albany Field**
- **Core to be recovered to better understand reservoir and seal properties**

Vintage Energy Ltd (“Vintage”, ASX: VEN) is pleased to advise that the Albany-2 well, located in the Galilee Basin, spudded on Tuesday 30 July at 7.00am AEST. The planned total depth (TD) of the well is 2752 metres with drilling, coring and logging operations expected to take approximately 31 days. The target zone is the Lake Galilee Sandstone, which is estimated to be 280 metres thick and at a depth of 2,430 metres. A key focus of Albany-2 will be the coring of a number of representative sections of the target reservoir sands and intervening shales. This will provide a better understanding of the reservoir and seal properties and optimise future drilling parameters and the stimulation approach to maximise gas flows from the Albany Field.



Figure 1: Ensign Rig 932 on location at Albany-2

Albany-2, located approximately seven kilometres from Albany-1, will appraise the scale of the gas potential of the conventional Albany Field over a large 61km<sup>2</sup> area. It is targeting the same Lake Galilee Sandstone section of more than 100 metres that was encountered in Albany-1 and Carmichael-1. After Albany-2 has been completed, the rig will move to Albany-1, where a side-track will drill through the 130 metre target reservoir. Albany-1 successfully flowed gas, without stimulation, at 230,000 scfd from the top 10% of the target reservoir.

It is planned that both Albany-2 and Albany-1/ST1 will be stimulated later in 2019, after which production testing will take place. Planning preparations for the stimulation program are well underway, with Condor Energy Services Ltd (“Condor”) selected as the preferred provider. Condor, which has been in operation since 2014, is a specialised service provider that focuses on reservoir stimulation in Australia and New Zealand.

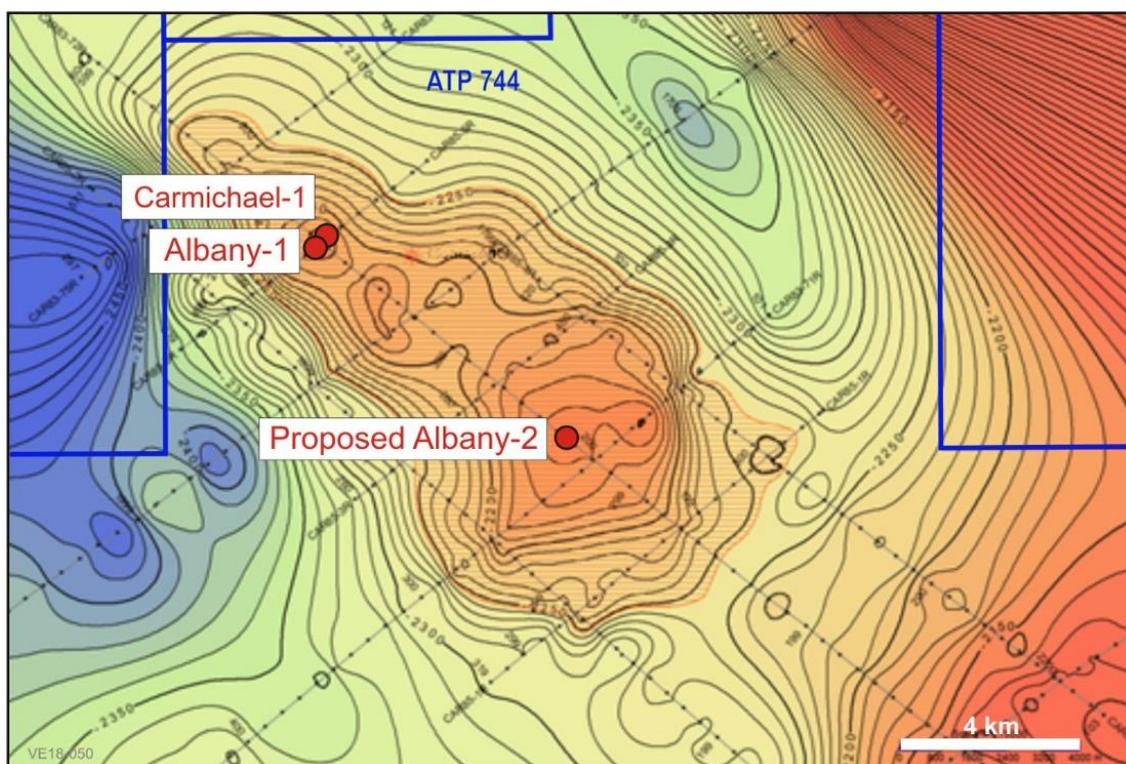


Figure 2: Structure map of the Albany field

Vintage has 15% of the Galilee Basin Deeps Joint Venture (Comet Ridge Ltd 85%). This equity level will increase to 30% upon the completion of the Stage 2 farm-in funding obligations relating to the completed Koburra 2D seismic program and the drilling of Albany-2 and Albany-1/ST1. Vintage has booked a net 2C resource of 23 PJ relating to the initial 15% interest, with the results from Albany-2 and Albany-1/ST1 assisting with the appraisal of the gross 2C resource of 153 PJ. The stimulation and flow testing of the wells later in the year will move the Galilee Basin Deeps Joint Venture a step closer to converting these resources to reserves.

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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.

## **Explanatory Notes**

During 2015, SRK Consulting (Australia) Pty Ltd, ('SRK'), conducted a technical analysis of the available Carmichael Field seismic and well data for Comet Ridge. Estimates are in accordance with the Petroleum Resources Management System (SPE, 2007) and Guidelines for Application of the PRMS (SPE, 2011). No Reserves were estimated. Probabilistic methods were used. Sales gas recovery and shrinkage have been applied to the Contingent Resource estimation. The losses include those from the field use, as well as fuel and flare gas. SRK has also been provided with the well data from Albany-1 and is of the view the well results are consistent with their estimates of contingent resources. Refer explanatory notes for detail.

### **SRK Consulting (Australasia) Pty Ltd – Carmichael (Albany) Structure Contingent Resource Assessment**

SRK is an independent, international group providing specialised consultancy services, with expertise in petroleum studies and petroleum related projects. In Australia SRK have offices in Brisbane, Melbourne, Newcastle, Perth and Sydney and globally in over 40 countries. SRK has completed petroleum reserve and resource assessments for many clients in Australia and internationally. The Contingent Resource for the Carmichael Structure referred to in this report is derived from an independent report by Dr Bruce McConachie, an Associate Principal Consultant with SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company. He has disclosed to Vintage, the full nature of the relationship between himself and SRK, including any issues that could be perceived by investors as a conflict of interest.

Dr McConachie is a geologist with extensive experience in economic resource evaluation and exploration. He is a member of the American Association of Petroleum Geologists, Society of Petroleum Engineers and Australasian Institute of Mining and Metallurgy. His career spans over 30 years and includes production, development and exploration experience in petroleum, coal, bauxite and various industrial minerals, covering petroleum exploration programs, joint venture management, farm-in and farm-out deals, onshore and offshore operations, field evaluation and development, oil and gas production and economic assessment, with relevant experience assessing petroleum resource under PRMS code (2007).

The Contingent Resources information for the Carmichael Structure in this report has been issued with the prior written consent of Dr McConachie in the form and context in which it appears. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.