

Vintage Energy Limited

(ABN 56 609 200 580)

Financial Report

For the Half Year ended 31 December 2020



VINTAGE ENERGY

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Directors' Report

The Directors of Vintage Energy Limited present their Report together with the financial statements for the half-year ended 31 December 2020.

The directors of the Company in office during or since the end of the period are:

Mr. Reg Nelson (Chairman)

Mr. Neil Gibbins (Managing Director)

Mr. Ian Howarth (Non-executive Director)

Mr. Nick Smart (Non-executive Director)

Mr. Ian Northcott resigned as the alternate Director to Mr. Ian Howarth on 11 August 2020.

All directors held office during and since the end of the period, unless otherwise stated.

Principal activities

The principal activities of the Company include securing exploration projects, undertaking exploration, appraisal and evaluation for oil and gas resources, and seeking to realise value from oil and gas exploration interests.

Results for the period

The Company reported a loss for the half-year ended 31 December 2020 of \$1,039,236 (31 December 2019 \$1,155,045).

The Company has continued to execute its exploration program as detailed in the Company's IPO prospectus and described in the review of operations detailed below. Movements in the Statement of Financial Position are a reflection of the program's execution.

Corporate

Escrow Shares

On 11 September 2020, 45,363,232 unlisted Founders' shares that were held in escrow for 24 months following the Company's initial public offering in 2018 were released from restriction and converted to unrestricted ordinary shares in the Company.

Capital raising

On 17 September 2020, Vintage announced a capital raise via share placement to institutional and sophisticated/professional investors and an entitlement offer to existing shareholders at an issue price of \$0.06 per share. The Company received gross proceeds of \$15.2 million from the capital raise by December 2020.

Subsequent events

On 1 March 2021, the Class B performance rights issued to executives pursuant to the Company's Employee Share Plan and rights issued to Managing Director Mr. Neil Gibbins, approved at the 17 December 2018 Annual General Meeting, were converted to ordinary shares in the Company, based on performance conditions being met. On 1 March 2021, the Class C performance rights issued to executives pursuant to the Company's Employee Share Plan and rights issued to Managing Director Mr. Neil Gibbins, approved at the 17 December 2018 Annual General Meeting, lapsed due to performance conditions not being met. Refer note 15(c) for conditions relating to these rights.

Review of Operations

Cooper/Eromanga Basins, Queensland

ATP 2021 (VINTAGE 50% AND OPERATOR, METGASCO LTD 25%, BRIDGEPORT (COOPER BASIN) PTY LTD 25%)

The highly successful flow test program for Vali-1 ST1 delivered a stabilised gas flow rate of 4.3 MMscfd through a 36/64" choke at a flowing well-head pressure ("FWHP") of 942 psi over a two-day period. Transient tests were also undertaken with rates recorded between 3.7 MMscfd (through a 24/64" choke at 1,676 psi FWHP) and 7.5 MMscfd (through a 32/64" choke at 1,593 psi FWHP). The program was carried out safely and as planned.

Strong rates were achieved during all flow periods and quick pressure build-ups were observed during all shut-in periods, with pressure levels quickly approaching around 3,000 psi. All flow rates were restricted through varying choke sizes to ensure proppant was not returned from the formation into the well bore, therefore avoiding any reduction in the effectiveness of the stimulation process.

During the flow testing of the well, the following activities were undertaken:

- Production Logging Tool run, which determined that gas was being contributed by each of the stimulated zones
- Shut-ins, which observed the pressure response of the reservoir, with pressure readings reaching 2,932 psi at the end of the recording period and continuing to build
- Flow testing, with transient tests undertaken under various choke sizes of 24/64", 32/64" and 40/64" over three equal periods of six hours
- Gas samples taken, with the composition in line with typical Cooper Basin Patchawarra wells

A development concept for the Vali Field has been completed and estimates a field life of around 20 years, with up to nine fracture stimulated vertical wells to target production from reservoirs in the Patchawarra Formation and the Tirrawarra Sandstone.

A type of well production profile has been developed based on the flow test 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). Surface facilities at Vali will be kept to a minimum through the construction of a main manifold that will gather gas from producing wells and deliver it into existing pipelines, with a separator and metering system to also be installed.

Some of the development concept work has been carried out by GPA Engineering ("GPA"). GPA has consulted with Santos, as operator of the SACB JV infrastructure, and confirmed 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.

The capital cost associated with the pipeline connection is based on Front End Engineering Design ("FEED") work carried out by GPA. FEED for Vali-1 ST1 connection to the Beckler Field (which is connected to the Dullingari facilities and ultimately Moomba) was completed by GPA. The main objective of FEED was to complete the necessary engineering to identify long lead items and refine the cost estimate for a final investment decision, which will then initiate the procurement stage. Operating costs are expected to be low, with the facilities to be as simple and intervention free as possible.

To maximise value from the Vali gas field, through increased production and resultant cash flow, further wells are planned. To this end, potential locations for further drilling in the field have been identified, with an amended FY21 budget including Vali-2 and long lead items for Vali-3 now approved by the joint venture.

Completion of the Vali-1 ST1 well is necessary ahead of connecting the well into the Moomba gathering system. Production tubing was run into the Vali-1 ST1 hole with isolation packers successfully set on two occasions, however, pressure testing via the production tubing in the well bore indicated a leaking seal assembly on the completion. A black viscous substance was noted as a film on the first packer assembly after its retrieval from the borehole. The substance may be precipitating on the casing and causing the packer leaks under pressure testing. Samples have now been sent for analysis to determine chemical composition and a plan will be developed to remove the material on returning to site to finalise the completion. Although frustrating, deferral of the completion is not critical to the timeline for first production.

Cultural heritage and environmental surveys were recently completed in ATP 2021 for the surface facility, flowline and possible future well locations. The process was completed in a timely manner with the Wongkumara People, Erias and GPA/FYFE and we appreciate and thank all parties for their effort to complete this work in a timely manner.

First reserves for the Vali Field were certified by ERC Equipoise Pte Ltd (“ERCE”), which completed a rigorous and independent review of the Vali gas discovery and subsequent flow results. The Vali-1 ST1 well discovered stacked gas pay in the Nappamerri, Toolachee, Patchawarra and Tirrawarra Formations, however, the scope of the ERCE reserves certification was for the Patchawarra Formation reservoir only. The reserves booking is the first for Vintage and supports commercialisation of the Vali gas field with its planned connection into the Moomba gathering system.

In its report, ERCE estimated gross 1P reserves for the Patchawarra Formation of 12.3 billion standard cubic feet (“Bcf”), 2P of 30.3 Bcf and 3P of 78.9 Bcf which equates to 1P of 13.4 petajoules (“PJ”), 2P of 33.2 PJ and 3P of 86.6 PJ.

Vintage is hopeful that gas produced from the Vali Field will be much greater than the 2P figure estimated by ERCE, with upside to potentially come from stacked reservoirs, including the shallower Nappamerri Group and Toolachee Formation. Vintage has brought this project from farm-in, to discovery, to successful testing and now to reserves booking in just over one year, which is an outstanding achievement for a company at such an early stage since listing.

The total reserves gross and net reserves bookings are detailed below.

Gross ATP 2021 Vali Gas Field Patchawarra Formation (1 December 2020)			
	1P	2P	3P
Reserves (Bcf)	12.3	30.3	78.9
Reserves (PJ)	13.4	33.2	86.6

Net ATP 2021 Vali Gas Field Patchawarra Formation (1 December 2020)			
	1P	2P	3P
Reserves (Bcf)	6.1	15.1	39.4
Reserves (PJ)	6.7	16.6	43.3

Notes to the table above:

1. Reserves estimates reported here are ERCE estimates, effective 1 December 2020.
2. Vintage is not aware of any new data or information that materially affects the Reserves above and considers that all material assumptions and technical parameters continue to apply and have not materially changed.
3. Reserves estimates have been made and classified in accordance with the Society of Petroleum Engineers (“SPE”) Petroleum Resources Management System (“PRMS”).
4. Net Reserves attributable to Vintage represent the fraction of Gross Reserves allocated to Vintage, based on its 50% interest in ATP 2021.
5. Allowance for Fuel and Flare has been made.
6. Conversion of Bcf to PJ has been estimated based on gas sampled and measured from Vali-1 ST1.
7. ERCE Reserves presented in the tables are the totals for all 20 Patchawarra reservoir intervals.

Resource Evaluator

ERCE is an independent consultancy specialising in petroleum reservoir evaluation. Except for the provision of professional services on a fee basis, ERCE has no commercial arrangement with any other person or company involved in the interests that are the subject of this Contingent Resources evaluation.

The work has been supervised by Mr Adam Becis, Principal Reservoir Engineer of ERCE’s Asia Pacific office who has over 14 years of experience. He is a member of the Society of Petroleum Engineers and a member of the Society of Petroleum Evaluation Engineers.

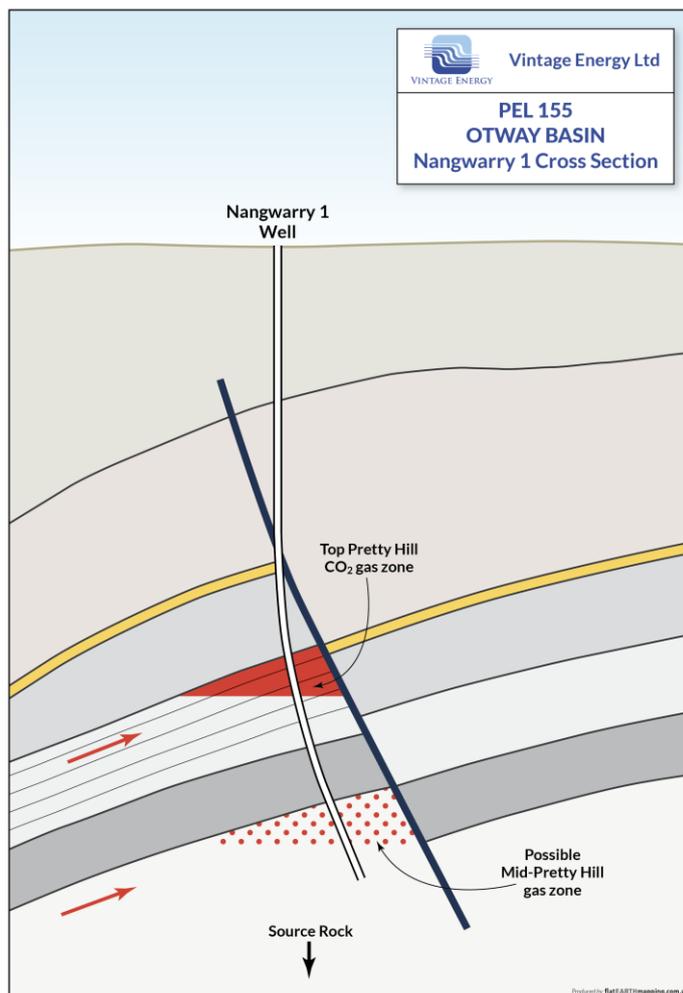
Otway Basin, South Australia/Victoria

PEL 155 (VINTAGE 50%, OTWAY ENERGY PTY LTD 50%)

The joint venture signed a non-binding Memorandum of Understanding (“MOU”) with Supagas Pty Ltd (“Supagas”), an Australian based distributor of gases for domestic, industrial, medical and other applications.

Under the MOU, Supagas will fund work associated with the preliminary design and costing of facilities for processing Nangwarry carbon dioxide (“CO₂”), which will allow for the production and delivery of food grade CO₂. In return, the joint venture will provide Supagas the opportunity to submit a formal proposal to develop and/or purchase gas from the

Nangwarry reservoir. The MOU signed with Supagas supports the development, production and purchase of Nangwarry CO₂, and is a reflection of the confidence the joint venture has in the Nangwarry discovery.



The first Otway Basin recoverable CO₂ booking for the Nangwarry-1 discovery was estimated by employing a method consistent with the June 2018 Society of Engineers Petroleum Resources Management System (“PRMS”) methodology. Under PRMS, volumes of non-hydrocarbon by-products cannot be included in any Reserves or Resources classification. ERC Equipoise Pte Ltd (“ERCE”) has assessed the sales gas volumes attributable to the Nangwarry-1 discovery using a methodology consistent with that prescribed by the PRMS. ERCE independently assessed a Best Case of 25.1 Bcf gross recoverable CO₂ in the top Pretty Hill Sandstone of the Nangwarry CO₂ discovery (12.6 Bcf net to Vintage). This compares extremely well with other commercial Otway Basin CO₂ fields such as Caroline (~15 Bcf), which was in production for approximately 50 years, and Boggy Creek (~14 Bcf).

The Nangwarry-1 well has a high-quality CO₂ gas column of approximately 90 metres, based on sampling and pressure data, with a further 45 metres subject to confirmation by testing. Laboratory analyses indicate that around 90% of the gas content is CO₂, with the residual being methane. This is an excellent outcome as the methane can be separated from the CO₂ and used to power the facility that would process the gas to food grade quality CO₂.

Gross PEL 155 Nangwarry Field Pretty Hill Sandstone (31 August 2020)					
CO ₂ Sales Gas (Bcf)			Unrisked hydrocarbon Contingent Resources (Bcf)		
Low	Best	High	1C	2C	3C
7.8	25.1	82.1	0.8	2.6	8.8

Net PEL 155 Nangwarry CO ₂ Field Pretty Hill Sandstone (31 August 2020)					
CO ₂ Sales Gas (Bcf)			Unrisked hydrocarbon Contingent Resources (Bcf)		
Low	Best	High	1C	2C	3C
3.9	12.6	41.1	0.4	1.3	4.4

Notes to the table above:

1. Recoverable CO₂ and Contingent Resource estimates reported here are ERCE estimates.
2. Gross Contingent Resources represent a 100% total of estimated recoverable hydrocarbon volumes.
3. Resource estimates have been made and classified in accordance with the PRMS guidelines and methodology.
4. Recoverable CO₂ estimates have been made and classified using a method consistent with the PRMS guidelines and methodology.
5. Net recoverable CO₂ attributable to Vintage represents the fraction of gross recoverable CO₂ allocated to Vintage, based on its 50% interest in PEL 155.
6. Volumes reported here are “unrisked” in the sense that no adjustment has been made for the risk that the project may not be developed in the form envisaged or may not go ahead at all (i.e., no Chance of Development factor has been applied).
7. Chance of Development for the recoverable CO₂ has been estimated to be 75% by Vintage and agreed by ERCE. This is based on the ability to establish a skid mounted processing facility at the well-head, adequate road access for trucks to transport the CO₂ to market, similar reservoirs developed nearby such as Caroline-1, and high downstream demand for food grade CO₂.
8. Hydrocarbon Contingent Resources have been sub-classified as “Development Unclassified” under the PRMS by ERCE and are assigned as Consumed in Operations, that is used as fuel for the CO₂ plant. The key contingencies are a final investment decision on development, committing to a CO₂ sales agreement, any other necessary commercial arrangements, and obtaining the usual regulatory approvals for production.
9. Recoverable CO₂ volumes shown have had shrinkage applied to account for methane and include only CO₂ gas.
10. Recoverable CO₂ and Contingent Resources presented in the tables are the probabilistic totals for the Pretty Hill Sandstone reservoir interval.
11. Probabilistic totals have been estimated using the Monte Carlo method.

The testing of the Nangwarry-1 well is expected to take place around mid-March 2021 (barring any COVID-19 restrictions), with all long lead items ordered and contractors confirmed for that time. The testing will use a rig from Superior Energy in Victoria and testing equipment from Firetail that was brought into the Otway Basin for a recent testing program in Victoria. The testing operations are planned to be conducted over a three-to-four-week period.

The testing program will include a short flow test of the mid-Pretty Hill Sandstone, which will be followed by the shallower zone and flow test of individual sands in the interpreted CO₂ column at the top of the Pretty Hill Sandstone. The test will be completed once a desired stabilised flow rate and volumetric estimate of the recoverable CO₂ is obtained.

Perth Basin, Western Australia

CERVANTES STRUCTURE (WITHIN L14) (VINTAGE EARNING 30%, METGASCO EARNING 30% AND RCMA AUSTRALIA PTY LTD 40%)

Preparations for the drilling of Cervantes-1 continued through the period. A further survey was recommended by environmental authorities and completed in September 2020 and EPA approval is expected in H1 2021. The Cervantes Joint Venture signed a non-binding Letter of Intent (“LOI”) with Refine Energy Pty Ltd (“Refine”) to use Refine Rig-2 for the drilling of the Cervantes exploration prospect, planned for the first half of 2021.

On 22 October 2020, RCMA entered into a two-well farm-out and tolling agreement with Refine. Under the arrangement Refine will drill two wells in Q1 2021 in the L14 Licence area utilising Refine Rig-2 approximately 3 km from the proposed Cervantes-1 surface location.

Under the terms of the Cervantes Joint Venture LOI with Refine, the Mob/Demob is minimal due to the rig proximity to Cervantes, reducing the overall estimated drilling cost. Subject to EPA and regulatory approvals and acceptable performance of Refine Rig 2 during the RCMA/Refine two-well drilling program, the Cervantes prospect is planned to be drilled as soon as possible following this program, allowing optimal rig and crew efficiency. A full rig contract agreement with Refine is being finalised.

Galilee Basin, Queensland

ATPS 743, 744 AND 1015 “DEEPS” (VINTAGE 30%, COMET RIDGE LTD 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.

Subsequent events

COOPER/EROMANGA BASINS - ATP 2021

The Joint Venture has elected to prioritise work to assess the resource upside of the Vali gas field and surrounding area, which will include the drilling of Vali-2 (and Odin-1) ahead of the purchase of flowline infrastructure. Vali-2 will address the interpreted Toolachee Formation gas accumulation in the Vali structure, which, if successful, would provide additional reserves to those recently certified in the Patchawarra Formation. As well as this, desktop studies will address further prospectivity and potential upside in the region. The benefits behind this timing are fourfold. It is expected to deliver an appropriately sized flowline over the long-term, allow for the potential development of a production hub, provide gas marketing advantages, and give greater exposure to a rising gas price. The planned timing for drilling Vali-2 will be around April/May 2021, pending rig availability and other approvals. A rig contract has been signed with Schlumberger to use SLR Rig-184 for the drilling of Vali-2 and Odin-1, with an option to drill a further ATP 2021 well. It is expected that the above approach will be favourable from a value perspective, however, it will likely result in the deferral of first gas production to late this year or possibly early next year.

However, by focusing on assessing the resource upside ahead of first gas, there is the potential to optimise the value of these assets, with the following benefits expected to be realised:

1. Appropriately sized flowline – by better defining field volumes through drilling, the flowline will be developed with adequate capacity for future production over the long-term.
2. Development of a production hub – further technical and operational work will better define resource upside in the area surrounding the Vali Field. This could add significant value to the Vali Field as a potential production hub for the area.
3. Gas marketing advantages – the Joint Venture will be in a stronger position to market larger volumes of gas, with the potential for improved terms and pricing.
4. Exposure to rising gas prices – gas prices are increasing, with forecasters and market commentators expecting this trend to continue.

Although the procurement of flowline equipment will now follow the prioritised evaluation program, other non-equipment related activities, such as Moomba access agreements, route surveying, environmental approvals, and government approvals, are continuing as planned to ensure an efficient installation of the flowline once equipment selection has been approved.

As previously advised, during the completion works at Vali-1 ST1 the packer seal failed to hold pressure against the casing during completion, with the likely cause being the presence of a black grease-like substance in the bottom third of the wellbore. Chemical analysis of the substance showed that it is consistent with a lubricant used at surface and not a product of the reservoir. This is a positive finding and is supported by the fact that all downhole equipment previously used in flowback and well testing operations were retrieved in clean condition.

Apart from hindering the sealing mechanism, the deposit is of no concern for production operations. The plan moving forward will be to mechanically scrape the casing over the intervals in which the packers will be set against the casing, which is a relatively common operation in the industry.

The ACCC recently granted interim authorisation for the Joint Venture to enter into joint marketing arrangements. The interim authorisation allows the parties to begin jointly negotiating and entering into conditional long-term gas agreements with customers for the supply of gas from the Vali field.

COOPER/EROMANGA BASINS - PRL 211 (VINTAGE 42.5% AND OPERATORSHIP, METGASCO LTD 21.25%, BRIDGEPORT (COOPER BASIN) PTY LTD 21.25% AND STUART PETROLEUM PTY LTD (WHOLLY OWNED BY SENEX ENERGY LTD) 15%)

The Joint Venture has accelerated the drilling of the Odin prospect, with the Odin-1 well expected to be drilled around May/June 2021 (following Vali-2), pending rig availability and other approvals. The Odin structure is up-dip of Strathmount-1, which intersected interpreted Permian gas pay, and is a Permian four-way dip closure that plunges to the north-east into the Nappamerri Trough.

The Odin structure has been de-risked by the success at Vali-1 ST1 and has the potential for gas in the Toolachee Formation (~8 metres of structural relief over nearly 5.2 km²), with a 40% chance of success (“COS”) and high chance of development, and the Patchawarra Formation (~15 metres of structural relief over nearly 2.5 km²), with a COS of 32% and high chance of development. The Odin Structure has a Gross Prospective Resource of: 1U low estimate of 3.6 Bcf (1.6 Bcf net), 2U best estimate of 12.6 Bcf (5.7 Bcf net), 3U high estimate of 42.6 Bcf (19.0 Bcf net) (refer ASX release dated 22 November 2019).

OTWAY BASIN (PEL 155)

The procurement of long lead items has been completed, with the Superior Energy rig expected at site on 10 March 2021.

The testing program will include a short test of the mid-Pretty Hill Sandstone to verify upside potential we believe exists in this section of the column, which will be followed by a move into the shallower zone and a flow test of individual sands in the interpreted CO₂ column at the top of the Pretty Hill Sandstone.

The successful completion of the production test will be a key milestone on the path to first production of food grade CO₂. If successful, the test will confirm volumes of saleable CO₂ and allow the Joint Venture to consider appropriate infrastructure/debt funding options for the infrastructure required to deliver food grade CO₂, with the co-produced methane used to run the production plant. Supagas has already commissioned preliminary design work for a skid mounted CO₂ plant, in line with the MOU signed in 2020.

Vintage Energy Limited financial statements
For the 6 months ended 31 December 2020

A copy of the external Auditor's Independence Declaration for the financial half-year, as required under Section 307C of the Corporations Act 2001, is included on page 11.

Signed in accordance with a resolution of the directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Reg Nelson', written in a cursive style.

Reg Nelson
Chairman

Dated 4th March 2021

Auditor's Independence Declaration

To the Directors of Vintage Energy Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Vintage Energy Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 04 March 2021

Statement of Profit or Loss and Other Comprehensive Income

For half year ended 31 December 2020

	Notes	Half year ended December 2020 \$	Half year ended December 2019 \$
Interest received		894	83,435
Joint venture cost recovery		730,903	319,159
COVID19 cash boost receipts		100,000	-
Corporate recoveries - income		39,440	-
Other		-	2,653
		871,237	405,247
Corporate recoveries – at cost		(39,440)	-
Consulting expense		(15,000)	(121,759)
Depreciation		(101,870)	(95,180)
Exploration expense		(6,761)	(34,385)
Administrative expenses		(492,420)	(368,624)
Employee benefits expense	7	(1,195,174)	(784,260)
Employee on costs		(41,752)	(24,023)
Travel and accommodation		(808)	(48,865)
Corporate legal fees		(14,612)	(81,960)
Interest expense – lease liability		(2,636)	(1,236)
(Loss) before income tax		(1,039,236)	(1,155,045)
Income tax expense		-	-
(Loss) for the period		(1,039,236)	(1,155,045)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(1,039,236)	(1,155,045)
Earnings per share			
Basic (loss) per share from continuing operations (cents)	16	(0.0023)	(0.0043)
Diluted (loss) per share from continuing operations (cents)		(0.0023)	(0.0043)

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As of 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
Current Assets			
Cash and cash equivalents	8	13,748,532	3,443,239
Trade and other receivables	9	566,006	378,307
Total current assets		<u>14,314,538</u>	<u>3,821,546</u>
Non-current Assets			
Property plant and equipment	10	539,154	169,539
Exploration and evaluation assets	11	32,120,520	28,942,270
Total non-current assets		<u>32,659,674</u>	<u>29,111,809</u>
Total Assets		<u>46,974,212</u>	<u>32,933,355</u>
Current Liabilities			
Trade and other payables	12	195,410	163,332
Provisions	13	274,586	198,539
Other financial liabilities	14	194,975	320,380
Total current liabilities		<u>664,971</u>	<u>682,251</u>
Non-Current Liabilities			
Provisions	13	925,000	925,000
Other financial liabilities	14	283,199	-
Total non-current liabilities		<u>1,208,199</u>	<u>925,000</u>
Total liabilities		<u>1,873,170</u>	<u>1,607,251</u>
Net Assets		<u>45,101,042</u>	<u>31,326,104</u>
Equity			
Issued capital	15	51,591,523	36,891,576
Reserves		981,408	867,181
Accumulated (losses)		(7,471,889)	(6,432,653)
Total Equity		<u>45,101,042</u>	<u>31,326,104</u>

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the half year ended 31 December 2020

	Notes	Issued capital	Accumulated losses	Share based payments reserve	Total equity
		\$	\$	\$	\$
Balance at 1 July 2019		34,392,805	(4,226,805)	574,330	30,740,330
(Loss) for the period		-	(1,155,045)	-	(1,155,045)
Total comprehensive (loss) for the period		-	(1,155,045)	-	(1,155,045)
<i>Transactions with owners</i>					
Share based payments - performance rights		-	-	179,775	179,775
Issue of share options		-	-	31,615	31,615
Conversion of performance rights		2,334	-	(2,334)	-
Balance at 31 December 2019	15	34,395,139	(5,381,850)	783,386	29,796,675
Balance at 1 July 2020		36,891,576	(6,432,653)	867,181	31,326,104
(Loss) for the period		-	(1,039,236)	-	(1,039,236)
Total comprehensive (loss) for the period		-	(1,039,236)	-	(1,039,236)
<i>Transactions with owners</i>					
Issue of ordinary shares at \$0.036		385,000	-	-	385,000
Issue of ordinary shares at \$0.060		15,170,167	-	-	15,170,167
Transaction costs		(877,270)	-	-	(877,270)
Conversion of performance rights		22,050	-	(22,050)	-
Share based payments - performance rights		-	-	136,277	136,277
Balance at 31 December 2020	15	\$51,591,523	(7,471,889)	981,408	45,101,042

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the half year ended 31 December 2020

	Notes	Half year ended 31 December 2020 \$	Half year ended 31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,662,152)	(2,090,067)
Payments for exploration and evaluation expensed		-	(34,384)
Interest received		894	83,436
Government grants and tax incentives		100,000	-
Other income – recoveries		19,720	-
Net cash from (used in) operating activities		(1,541,538)	(2,041,015)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(8,190)	(3,449)
Payments for exploration and evaluation assets		(2,509,661)	(8,710,478)
Payments for office lease principal		(75,215)	(62,250)
Net cash from (used in) investing activities		(2,593,066)	(8,776,177)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		15,317,167	-
Share issue costs		(877,270)	-
Net cash from (used in) financing activities		14,439,897	-
Net change in cash and cash equivalents		10,305,293	(10,817,192)
Cash and cash equivalents at the beginning of period		3,443,239	22,296,212
Cash and cash equivalents at end of period	8	13,748,532	11,479,020

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1 Nature of operations

Vintage Energy Limited's principal activities include the exploration for oil and gas within its permits located in Australia. The Company listed on the Australian Securities Exchange on 17 September 2018.

2 General information and basis of preparation

The condensed half year financial statements of the Company are for the six months ended 31 December 2020. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2020 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The financial statements for the half year ended 31 December 2020 were approved and authorised for issue by the Board of Directors on 4 March 2021.

3 Changes in accounting policies

There are no new or revised Accounting Standards issued, or issued but not yet effective, which are expected to have a material impact on the financial statements.

4 Operating segments

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded at this time there are no separately identifiable segments.

5 Going Concern

The Company's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the 6 months ended 31 December 2020, the Company recognised a loss of \$1,039,236, had net cash outflows from operating activities of \$1,541,538 and had accumulated losses of \$7,471,889 for the half year ended 31 December 2020. The continuation of the Company as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of exploration and other expenditure within available cash resources. The Directors consider that the going concern basis of accounting is appropriate, as the Company has the following options:

- The ability to issue share capital under the Corporations Act 2001, by a share purchase plan, share placement or rights issue;
- The option of farming out all or part of its assets;
- The option of selling interests in the Company's assets; and
- The option of relinquishing or disposing of rights and interests in certain assets.

If the Company is unsuccessful in implementing one or more of the funding options listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

6 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2020. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

7 Loss for the period

Loss for the period from continuing operations includes the following expenses:

	Half year to 31 December 2020 \$	Half year to 31 December 2019 \$
Employees benefit expense		
Short-term employee benefits – salaries and fees	(944,594)	(888,875)
Recharge of salaries to exploration	51,435	429,688
Post-employment benefits	(95,077)	(84,412)
Increase in employee benefit provisions	(70,663)	(29,271)
Share based payments	(136,275)	(211,390)
	<u>(1,195,174)</u>	<u>(784,260)</u>

8 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31 December 2020 \$	30 June 2020 \$
Cash on hand	9	9
Cash at bank (i)	13,748,523	3,443,230
	<u>13,748,532</u>	<u>3,443,239</u>

(i) Included in cash at bank are amounts pledged as security for bank guarantees and credit facilities amounting to \$137,865.

9 Trade and other receivables

	31 December 2020	30 June 2020
	\$	\$
Prepayments	109,853	30,263
Joint Venture receivables	306,592	261,098
GST receivables	89,010	46,298
Other receivables	60,551	40,648
	<u>566,006</u>	<u>378,307</u>

10 Property, Plant and Equipment

	31 December 2020	30 June 2020
	\$	\$
Furniture and fittings / Plant and equipment – at cost		
Opening balance	201,369	197,919
Additions for the period	8,190	3,450
Closing balance	<u>209,559</u>	<u>201,369</u>
Right of use asset – office lease		
Opening balance	206,353	-
Additions for the period ⁽ⁱ⁾	463,295	206,353
Closing balance	<u>669,648</u>	<u>206,353</u>
Accumulated depreciation and impairment		
Opening balance	238,183	47,535
Depreciation expense	101,870	190,648
Closing balance	<u>340,053</u>	<u>238,183</u>
Net Book Value	<u>539,154</u>	<u>169,539</u>

- (i) Additions relate to new lease contracts for office premises, recognised under AASB 16 Leases, with the lease liability recognised as other financial liabilities, refer Note 14.

11 Exploration and evaluation

	31 December 2020 \$	30 June 2020 \$
Exploration and evaluation expenditure		
Opening balance	28,942,270	12,149,492
Additions for the period ⁽ⁱ⁾	3,178,250	19,267,778
PACE grant brought to account	-	(2,475,000)
	32,120,520	28,942,270

(i) Additions for the period includes expenditure on;

	Additions (Operated) \$	Additions (Non-operated) \$	Total additions \$	Closing balance \$
Galilee Deeps Joint Venture	-	7,502	7,502	14,005,135
ATP2021 Joint Venture	3,023,655	-	3,023,655	8,545,410
PEL155 Joint Venture	-	16,056	16,056	6,352,670
EP126, Bonaparte Basin	29,281	-	29,281	2,357,109
Cervantes Joint Venture	-	21,530	21,530	566,982
PEP171 Joint Venture	-	-	-	201,290
PRL211 Joint Venture	69,373	-	69,373	69,373
Other	10,853	-	10,853	22,551
Total additions	3,133,162	45,088	3,178,250	32,120,520

12 Trade and other payables

Trade and other payables consist of the following:

	31 December 2020 \$	30 June 2020 \$
Trade payables	64,580	62,233
Accrued expenses	23,427	51,458
PAYG withholding payables	100,123	49,641
Other	7,280	-
	195,410	163,332

13 Provisions

	31 December 2020 \$	30 June 2020 \$
<i>Current</i>		
Employee benefits	274,586	198,539
	274,586	198,539
<i>Non-Current</i>		
Restoration provisions ⁽ⁱ⁾	925,000	925,000
	925,000	925,000

(i) The non-current restoration provision represents obligations for future rehabilitation of EP126 which were assumed on acquisition.

14 Other financial liabilities

	31 December 2020	30 June 2020
	\$	\$
<i>Current</i>		
Lease liability ⁽ⁱ⁾	194,975	82,380
Other financial liability ⁽ⁱⁱ⁾	-	238,000
	<u>194,975</u>	<u>320,380</u>
<i>Non-Current</i>		
Lease liability ⁽ⁱ⁾	283,199	-
	<u>283,199</u>	<u>-</u>

(i) Movement in lease liability:

Opening balance – office premises	82,380	-
Lease liability recognised during period – office premises	463,295	206,353
Rent payments made during the year	(70,137)	(126,445)
Interest expense on lease liability recognised during the year	2,636	2,472
	<u>478,174</u>	<u>82,380</u>

(ii) An Extraordinary General Meeting held on 29 June 2020 approved the participation of the Company's Directors in the FY20 capital raise. The \$238,000 received in contribution from Directors at year end was held as a liability until the resulting shares were issued on 7 July 2020, at which time the proceeds were converted from liabilities to equity.

15 Issued capital

(a) Ordinary shares

	31 December 2020	30 June 2020
	\$	\$
	51,591,523	36,891,576
	<u>51,591,523</u>	<u>36,891,576</u>

	31 December 2020	31 December 2020	30 June 2020	30 June 2020
	Number	\$	Number	\$
Shares issued and fully paid:				
Beginning of the period	339,956,294	36,891,576	266,575,739	34,392,805
Shares allotted during the period ⁽ⁱ⁾	263,530,553	15,555,167	72,638,889	2,615,000
Conversion of performance rights	157,500	22,050	725,000	87,000
Issued under share-based payments	-	-	16,666	2,334
Share issue costs	-	(877,270)	-	(205,563)
Total contributed equity at period end	<u>603,644,347</u>	<u>51,591,523</u>	<u>339,956,294</u>	<u>36,891,576</u>

Vintage Energy Limited financial statements
For the 6 months ended 31 December 2020

(i) The following shares were issued during the period:

- 10,694,445 ordinary shares via a capital placement at \$0.036 per share
- 51,621,234 ordinary shares via a capital placement at \$0.06 per share
- 201,214,874 ordinary shares via a capital entitlement offer at \$0.06 per share
- 157,500 ordinary shares on conversion of performance rights

(b) Options

No options were issued or vested during the period.

The following options are on issue at 31 December 2020:

- (a) 5,000,000, with an exercise price of \$0.35 per option and an expiry date of 3 years from listing (17 September 2021).
- (b) 1,500,000, with an exercise price of \$0.3 per option and an expiry date of 3 years from listing (17 September 2021)

(c) Employee performance rights

The following share-based performance rights were on issue as of 31 December 2020 and issued pursuant to the Employee Incentive Plan:

Performance Right	Date issued	Number	Converted on performance condition met	Lapsed	Balance	Value on issue \$
Class A	August 2019	157,500	(157,500)	-	-	22,050
Class B	November 2018	724,000	-	-	724,000	119,460
Class B	June 2019	362,500	-	-	362,500	43,500
Class C	November 2018	724,000	-	-	724,000	79,640
Class C	June 2019	362,500	-	-	362,500	34,438

The following share-based performance rights were issued to Mr. Neil Gibbins, Managing Director, pursuant to resolutions passed at the Company's Annual General Meeting on 27 November 2018:

Class of Performance Rights	Maximum Number of Performance Rights	Fair value at date of issue \$	Performance Condition
Class B Performance Rights	937,500	196,875	At any stage prior to 1 March 2021 the Company books a minimum proven and probable (2P) reserve of 1.0 million barrels oil equivalent (MMBOE) and Mr. Gibbins is still engaged as an employee on 1 March 2021.
Class C Performance Rights	937,500	158,812	At any stage prior to 1 March 2021 the Company's share price (30-day volume weighted average price (VWAP)) reaching \$0.50 per share, and Mr. Gibbins is still engaged as an employee on 1 March 2021.
Total	1,875,000	355,687	

Performance rights issued under the Employee Incentive Plan have been issued under the following general performance conditions:

- **Class A performance rights** continued employment with the Company for 12 Months from date of commencement.
- **Class B performance rights** Company books a minimum 2P reserve of 1.0 MMBOE and the executive is still engaged as an employee three years after commencing employment with the Company.
- **Class C performance rights** at any stage prior to the end three years after signing the employment agreement the Company's share price (30-day VWAP) reaching a share price (variable in each issue of rights in this case 40 cents) and still being engaged as an executive at the end of the three years.

The Rights have been valued using either the Black and Scholes valuation method or the Barrier option method at the date of issue.

Performance rights issued to the Managing Director have been issued on similar terms to those of the Employee Incentive Plan, except Class C rights for which the target price is \$0.50.

16 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Company as the numerator. The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	Half year 31 December 2020	Half year 31 December 2019
	Number	Number
Weighted average number of shares used in:		
Basic earnings per share	443,368,475	266,589,628
Dilutive earnings per share	443,368,475	266,589,628

17 Commitments

To maintain rights to tenure of exploration permits, the Company is required to perform minimum work programs specified by various state and national governments. These obligations are subject to renegotiation in certain circumstances such as when application for an extension permit is made and at other times. The minimum work program commitments may be reduced by the Company by entering into sale or farm-out agreements or by relinquishing permit interests. Should the minimum work program not be completed in full or in part in respect of a permit then the Company's interest in that exploration permit could be either reduced or forfeited. In some instances, a financial penalty may result if the minimum work program is not completed. Approved expenditure for permits may be in excess of the minimum expenditure or work commitment. Where the Company has a financial obligation in relation to approved joint operation exploration expenditure that is greater than the minimum permit work program commitments then these amounts are also reported as a commitment.

The current estimated expenditure for approved commitments and minimum work program commitments are as follows:

	31 December 2020	30 June 2020
Exploration and evaluation	\$	\$
No longer than a year	12,393,000	8,119,000
1 to 5 years	2,938,000	7,501,000
	15,331,000	15,620,000

18 Contingent Liabilities

The Company has provided guarantees to support certain environmental rehabilitation obligations amounting to \$107,865.

Apart from these requirements, no contingent liabilities exist as at the date of the financial report.

19 Company details

The principal place of business of the Company is 58 King William Road, Goodwood, SA 5034.

Directors' Declaration

In the opinion of the Directors of Vintage Energy Limited:

- a. The financial statements and notes of Vintage Energy Limited are in accordance with the Corporations Act 2001 including:
 - i. Giving a true and fair view of its financial position as at 31 December 2020 and its performance for the half year ended on that date and
 - ii. Complying with Australian Accounting Standards – AASB 134 Interim Financial Reporting, and
- b. There are reasonable grounds to believe that Vintage Energy Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

R G Nelson



Chairman

Dated the 4th day of March 2021

Independent Auditor's Report

To the Members of Vintage Energy Limited

Report on the review of the half year-financial report

Conclusion

We have reviewed the accompanying half-year financial report of Vintage Energy Limited (the Company), which comprises the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Vintage Energy Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Vintage Energy Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 5 in the financial report, which indicates that the Company recognised a loss of \$1,039,236, had net cash outflows from operating activities of \$1,541,538 for the half year ended 31 December 2020. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 5, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 04 March 2021