

18 December 2017  
For immediate release

**Vintage Energy/Rawson Oil and Gas Joint Venture awarded almost \$5 million for conventional gas exploration in the onshore Otway Basin under South Australian Government PACE gas scheme**

Vintage Energy Ltd and its joint venture partner, Rawson Oil and Gas Ltd have been awarded \$4.95 million under the South Australian Government's PACE Gas Grant Program. The grant will assist the joint venture in drilling the Nangwarry-1 gas exploration well in Petroleum Exploration Licence (PEL) 155 in the onshore Otway Basin in 2018.

The South Australian Plan for Accelerating Exploration (PACE) gas grant scheme aims to discover and bring new gas to the South Australian market within three years.

Vintage and Rawson have begun planning the conventional gas exploration well and expect drilling to start before the end of 2018.

Gas from PEL 155 can be delivered expeditiously into the South Australian market, utilising existing infrastructure and on prevailing market terms. This additional gas supply is expected to increase competition in the gas market and support the South Australian Government's Energy Plan objective of lowering electricity generation costs.

The Nangwarry-1 gas exploration well will target a 33 Bcf<sup>1</sup> conventional gas and liquids prospect in a three-way dip, fault dependent trap in the proven top Pretty Hills Formation. It is considered analogous to the nearby Katnook, Haselgrove and Ladbroke Grove fields which have produced approximately 70 Bcf of raw gas since discovery. The estimated potential size of a discovery in the Nangwarry prospect is therefore approximately half as much again as the combined historical production of gas in the region over the last 25 years and could offer a material reduction to energy costs.

The Katnook and other fields in the region were discovered and developed during the period 1987 to 2011 and contributed to the growth and value of the South East, particularly for agribusiness and employment in the region. The fields produced free-flowing gas from the Pretty Hill Formation without the need for stimulation (Katnook initial flows on testing were up to 16 MMscfd).

The well will be located approximately 10 kilometres southeast of the Katnook Gas processing facility.

Adjacent to PEL 155, Beach Energy announced earlier this month that encouraging gas shows were encountered in the target Pretty Hill and Sawpit sandstone zones of Haselgrove-3 ST1 (Beach 100%). The well is now being prepared for further evaluation and lies approximately 8 km north of the proposed location for the Nangwarry-1 gas exploration well.

<sup>1</sup>Best unrisked estimate of prospective resource using the probabilistic methodology. The Joint Venture assigns a ~23% probability of success. These estimates were prepared in accordance with the requirements of the ASX for reporting petroleum reserves and prospective resources in accordance with the SPE-PRMS guidelines. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Vintage and Rawson have identified further exploration prospects in PEL 155, providing attractive follow-up targets which could bring additional new gas to the market if the Nangwarry-1 well is successful.

Vintage managing director, Neil Gibbins, said, “The successful application for the PACE grant from the South Australian Government is a great boost for Vintage as we develop our portfolio of energy assets and move towards a planned future Initial Public Offering. The support of the SA government for new energy ventures such as Vintage, is crucial for the future development of the industry.

“We are very pleased that the independent and rigorous scrutiny of the process set out by the government, coupled with the encouragement provided by the discovery of gas close to our proposed Nangwarry-1 well, has validated our strong belief that the Penola Trough offers great potential to bring new energy resources into production in South Australia.”

“Vintage believes South Australia continues to have very high prospectivity for new oil and gas discoveries and we aim to bring our experience to bear to help unlock the state’s energy potential.”



**Neil Gibbins**  
**Managing Director**  
**Vintage Energy Ltd**  
[info@vintageenergy.com.au](mailto:info@vintageenergy.com.au)