

7 May 2018

Galilee Basin drilling update – Albany-1 appraisal well imminent

- **Easternwell Rig 101 arrival on to Albany-1 site expected within the week**
- **Conductor and Cellar installed and all service contracts for drilling in place**
- **High impact Albany-1 appraisal well expected to spud next week**

Drilling of the Albany-1 gas appraisal well in the Galilee Basin is expected to start next week. Vintage Energy Ltd and joint venture partner Comet Ridge Limited (ASX:COI) expect to begin moving the Easternwell Rig 101 to the Albany-1 location in the north eastern Galilee Basin when it completes its present contractual obligations.

The Albany-1 high-impact, deep sandstone appraisal well is subsequently expected to spud next week.

Vintage Energy managing director, Neil Gibbins, said the Albany-1 appraisal well is an exciting prospect for the company as it looks to start building an Eastern Australian natural gas resource base.

Comet Ridge managing director, Tor McCaul, said, “Drilling of the Albany-1 well represents the culmination of considerable technical work. The well will be an appraisal of an existing gas discovery utilising modern air drilling techniques.”

“The joint venture has identified approximately two dozen follow up leads and prospects to further explore and appraise in this large, under-explored petroleum basin if Albany-1 is successful.”

Albany 1 key summary information:

- Albany-1 will be the second well drilled within closure on this very large sandstone structure, evaluated initially by Carmichael-1.
- Seismic interpretation shows the structure to be approximately 15km along the main axis and up to 8km across at its widest point (see Figure 1 inset).
- Carmichael-1 was drilled in 1995 and flowed gas at low rates from three intervals in the thick Galilee Sandstone sequence;
- The reservoir section contains approximately 140m of gross sandstone with approximately 40m of interpreted net pay;
- Gas flowed to surface despite very significant mud overbalance in the Carmichael-1 well.
- The Albany-1 well will be drilled with nitrogen rather than drilling mud, through the sandstone reservoir section to assist natural gas flow to the surface;
- An independent resource certification has indicated 417PJ⁺ of recoverable gas at the 3C contingent resource level, 153 PJ⁺ at the 2C level and 56 PJ⁺ at the 1C level.

Albany-1 represents the first Phase in a farm-in work program by Vintage. Under this program, Vintage Energy is farming into the sandstone section of the block (the “Deeps”) by funding the majority of the cost of drilling the first well to earn a 15% interest in the Deeps. Vintage can also fund half of the second phase program which contains further drilling and seismic acquisition in order to acquire a further 15% interest.

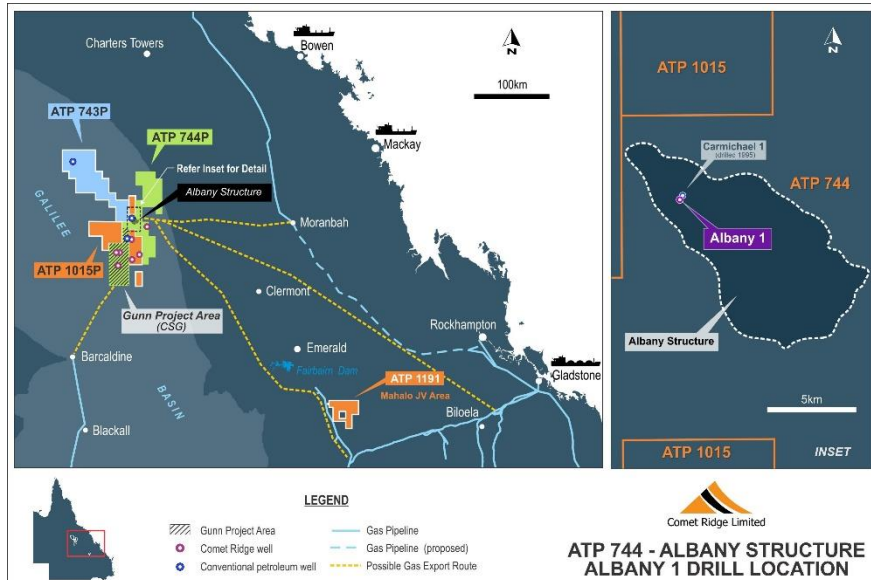


Figure 1 – Galilee Basin location and Albany structure (inset)

Comet Ridge, operator of the project, continues to engage with a range of potential gas transporters and customers and believes Galilee gas could be brought relatively quickly into the east coast network to make a material difference in the current market. The Company will provide a further update to the drilling plan on spud date.

For more information contact:

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***Competent Person Statement and ASX Listing Rules Chapter 5 - Reporting on Oil and Gas Activities**

The Contingent Resource for the Albany Structure ATP 744 are taken from an independent report by Dr Bruce McConachie of SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company originally released to the Market in Comet Ridge’s announcement of 6 August 2015.

The Contingent Resources information has been issued with the prior written consent of Dr McConachie in the form and context in which they appear in this market announcement. Vintage Energy confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 6 August 2015 and that all of the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

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.