VINTAGE ENERGY

Vintage Energy Limited

(ABN 56 609 200 580)

Financial Report

For the year ended 30 June 2019

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Directors' Report

The Directors of Vintage Energy Limited ("Vintage" or "the Company") present their report together with the financial statements of the Company for the year ended 30 June 2019 and the Independent Audit Report thereon.

Director Details

The following persons were Directors of Vintage during or since the end of the financial year:

Reg Nelson | Chairman

Reg Nelson has a long and distinguished career in the Australian petroleum industry and is widely respected within commercial and government circles, for his successful and innovative leadership. As Managing Director of Beach Energy Limited ("Beach"), until retiring from the position in 2015, he led the company to a position as one of Australia's top mid-tier oil and gas companies. He was formerly Director of Mineral Development for the State of South Australia, a Director of the Australian Petroleum Production and Exploration Association ("APPEA") for eight years and was APPEA Chairman from 2004 to 2006. He is a director of petroleum exploration company FAR Limited and has been a director of many Australian Securities Exchange ("ASX") listed companies. Reg was awarded the Reg Sprigg Medal by APPEA in 2009 in recognition of his industry contribution.

Other Directorships - FAR Limited (since May 2015)
Committee memberships - Audit and Risk, Remuneration and Nomination

Interest in shares and options

Ordinary shares	9,161,177
Options	1,000,000
Founder's Rights	1,320,941

Neil Gibbins | Managing Director

Neil Gibbins has over 35 years of technical and leadership experience in the petroleum industry in a wide variety of regions in Australia and internationally and has been involved in many successful exploration, development and corporate acquisition projects. Neil was employed at both Esso Australia and Santos Limited, initially as a geophysicist and later in supervisory roles. He moved to Beach in 1997, initially as Chief Geophysicist, and then as Exploration Manager in 2005, and Chief Operating Officer in 2012. Neil was acting CEO in 2015 and led Beach during its merger with DrillSearch Energy Ltd in 2016. He is a member of the Petroleum Exploration Society of Australia (PESA), the Society of Exploration Geophysicists (SEG), the Society of Petroleum Engineers (SPE) and the Australian Society of Exploration Geophysicists (ASEG).

Other Directorships - Nil

Interest in shares and options

Ordinary shares	8,588,677
Founder's Rights	1,320,941
Employee incentive rights	1,875,000

Nicholas (Nick) Smart | Non-Executive Director

Nick Smart has over 40 years of corporate experience and was a full associate member of the Sydney Futures Exchange, a senior adviser with a national share broking firm, and has significant international and local general management experience. He has participated in capital raisings for numerous private and listed natural resource companies and technology start-up companies. This includes commercialization of the Synroc process for safe storage of high-level nuclear waste, controlled temperature and atmosphere transport systems and the beneficiation of low rank coals.

Other Directorships - Alternate Director Maximus Resources Limited (retired 28 August 2018)
Committee memberships - Chairman Audit and Risk, member Remuneration and Nomination

Interest in shares and options

Ordinary shares	5,911,177
Options	1,000,000
Founders Rights	1,320,941

Ian Howarth | Non-Executive Director

Ian Howarth spent several years as a mining and oil analyst with Melbourne-based May and Mellor. He had a career in journalism as a senior resources writer at The Australian and was the Resources Editor of the Australian Financial Review for 18 years. He created Collins Street Media, one of Australia's leading resources sector consultancies. Clients included APPEA and several listed companies including Shell Australia. His expertise lies in marketing and assisting in capital raising. Ian has a Certificate in Financial Markets from the Securities Institute of Australia.

Other Directorships - Nil
Committee memberships - Chair Remuneration and Nomination, member of Audit and Risk

Interest in shares and options

Ordinary shares	8,661,177
Options	1,000,000
Founders Rights	1,320,941

Ian Northcott | Alternative to Ian Howarth

Ian Northcott has 42 years' experience in the upstream petroleum industry in geoscience, reservoir engineering and economics. He was co-founder and Director of PetroVal Australasia Pty Ltd and for 20 years specialised in the technical and commercial analysis of petroleum reserves and resource divestments, mergers, target statements, and capital raisings via prospectus. Ian was previously a Director of the listed Frontier Petroleum NL. His qualifications are a B.Sc. (Hons) in Geology and Grad.Dip.App.Fin. & Inv.; he is a Fellow of AusIMM and a member of the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Engineers (SPE) and the Society of Petrophysicists and Well Log Analysts (SPWLA).

Other Directorships - Nil

Interest in shares and options

Ordinary shares	5,911,177
Options	1,000,000
Founders Rights	1,320,941

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Company Secretary

The following person was Company Secretary of Vintage during and since the end of the financial year:

Simon Gray | Company Secretary

Simon Gray has over 35 years' experience as a Chartered Accountant and 20 years as a Partner with Grant Thornton, a national accounting firm. In his last five years at the firm, he was responsible for the Grant Thornton Mining and Energy group. Simon retired from active practice in July 2015. His key expertise lies in audit and risk, valuations, due diligence and ASX Listings. His qualifications include B.Ec. (Com).

Principal activities

The Principal activities of the Company during the year were gas and oil exploration and appraisal.

There has been no significant change in the nature of these activities during the financial year.

Review of operations and financial results

The Company incurred an operating loss of $3,422,786 for the Financial Year ended 30 June 2019. The loss includes costs associated with the successful initial public offer and listing on the ASX on 17 September 2018.

Efforts over the financial year focused on building a robust portfolio of assets and the execution of work programs associated with earning equity interests in various strategic joint ventures located in prospective petroleum basins onshore in Australia.

HIGHLIGHTS

- Vintage completed $30 million Initial Public Offering ("IPO") and listed on the Australian Securities Exchange (ASX)
- Ensign Rig 932 mobilised to Galilee Basin, Albany-2 spudded on 30 July 2019
- Albany-1 provides proof of concept and impetus for seismic acquisition and further appraisal drilling
- Galilee Basin 336 kilometre Koburra 2D seismic program completed
- Signed MOU with APA to connect the Galilee Basin to Australia's east coast
- Cooper Basin ATP 2021 farm-in agreement and JOA executed
- Drilling rig secured for onshore Otway Basin; Nangwarry-1 lease build completed
- 100% interest and operatorship of EP 126 in the Bonaparte Basin, farm-in partner secured
- PEL 155 airborne gravity gradiometry and magnetics survey completed

CORPORATE

Vintage started trading on the ASX (ASX Code: VEN) on Monday 17 September 2018. The IPO was over-subscribed, raising $30 million, with strong support from local and overseas institutions, which acquired more than 60% of the shares issued at 20 cents.

On 26 October 2018, 11,325,000 ordinary fully paid shares were released from escrow, and this was followed by a further escrow release on 12 February 2019 of 25,875,000 ordinary fully paid shares. As a result, Vintage has 218,825,007 ordinary fully paid shares quoted on the ASX, with a further 45,363,232 shares remaining in escrow.

Galilee Basin, Queensland, Vintage 30% in the "Deeps"

Vintage has 30% of the Galilee Basin Deeps Joint Venture (Comet Ridge Ltd 70%), with the equity interest increasing from 15% to 30% during the current drilling campaign in the Albany Field. The drilling campaign commenced with the mobilisation of the 1,000 horse-power Ensign Rig 932 from Moomba and the spudding of Albany-2 on 30 July 2019. The drilling program was delayed by significant rain events, which prevented the mobilisation of the rig due to the condition of the roads leading into the Galilee Basin.

Albany-2, located approximately seven kilometres from Albany-1, will appraise the scale of the Albany Field, which is a conventional anticlinal structure over a large 61 km^2 area. The well reached a total depth ("TD") of 2,702 metres on 6 September. As of 25 September, casing was being run in the well. The well encountered a 228 metre thick section of Lake Galilee Sandstone that commenced at a measured depth of 2,447 metres. Coring work was focused on this reservoir section to better understand the reservoir properties of the Lake Galilee Sandstone to optimise future drilling and stimulation techniques. A total of 62 metres of predominantly sandstone core was cut and recovered from Albany-2. The core is currently being analysed, the results of which will guide the planning and execution of the reservoir stimulations and testing of both Albany-1 ST1 and Albany-2.

After Albany-2 the rig will move to Albany-1 where a side-track will be undertaken to drill through the 130 metre Lake Galilee Sandstone target reservoir. Albany-1 successfully flowed gas, without stimulation, at 230,000 scfd from the top 10% of this target reservoir.

Figure 1: Ensign Rig 932

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.

A memorandum of understanding ("MOU") with Australia's largest gas infrastructure company, APA Group ("APA"), Comet Ridge Galilee Pty Ltd and Vintage, was signed in May 2019. Under the terms of the MOU, APA will undertake a work program to identify a pipeline route to connect the Galilee Basin to Australia's east coast gas markets. APA's proposed route to market will allow for gas to be supplied to large mining projects planned for the Galilee Basin, giving them an alternative to using diesel for their operations.

The work program proposed by APA will include on the ground surveys, engaging with local stakeholders, undertaking initial environmental studies and applying for a Pipeline Survey Licence. APA, Comet Ridge and Vintage have agreed a framework to negotiate a Gas Transportation Agreement ("GTA"). Under this GTA, APA will build, own and operate new pipeline infrastructure and other related infrastructure to transport gas from ATPs 743, 744 and 1015 ("Galilee Basin permits") held by Vintage and Comet Ridge.

The 336 kilometre Koburra 2D seismic program was successfully completed in March, with the recently acquired data, along with 619 kilometres of pre-existing 2D seismic data, processed / reprocessed. A total of 27 leads and prospects have now been identified, with a lead near Lake Galilee-1 now progressed to 'drill ready' status.

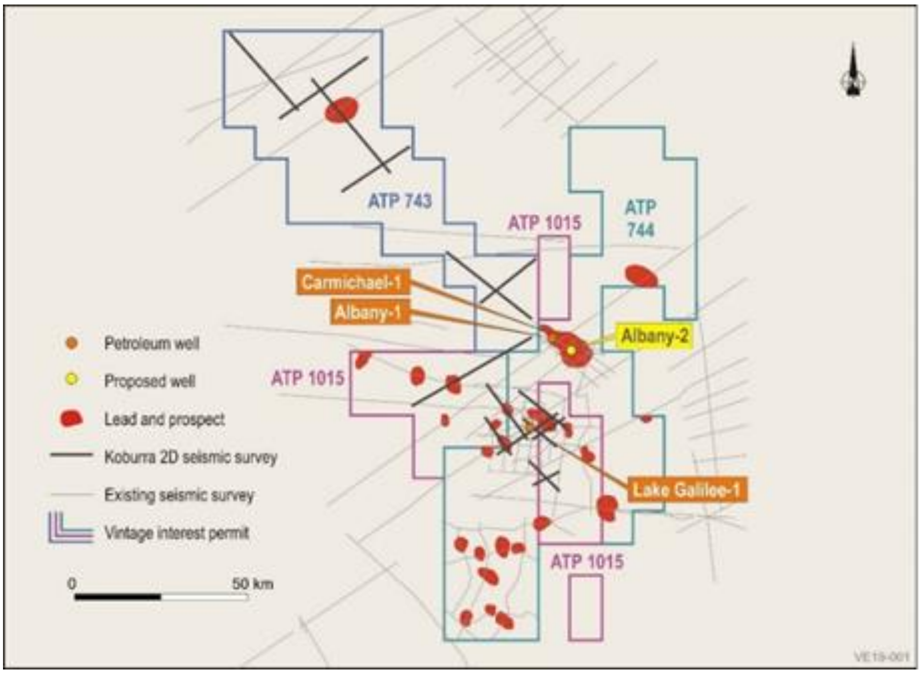

Figure 2: Location of Galilee Basin Deeps Joint Venture 2D seismic acquisition program

The Galilee Basin Deeps JV ("GBDJV") reached the pre-determined Stage 2 funding point of $10 million (gross), during the drilling of Albany-2. This triggered an increase in Vintage's equity in the GBDJV from 15% to 30%. Vintage was contributing to Stage 2 costs on a 50:50 basis, with the funding contribution for the joint venture to now be incurred in line with the GBDJV interests, which is Vintage 30% and Comet Ridge 70%. As a result of this, Vintage has doubled its resources in the Albany Field as per Table 1 below.

				Contingent Resource (Bcf, net to Vintage)				
Tenement	**Vintage Interest**	**Field**	**Method**	**1C**	**2C**	**3C**	**Chance of Development**	**Product Type**
ATP 744	30%	Albany	Probabilistic	16	43	116	High	Gas

Table 1: Vintage Contingent Resource, Recoverable Gas, by tenement

Notes:
1. *As at 31 July 2018 and detailed in the 2018 Prospectus (the Albany Field was previously named the Carmichael Field)*
2. *Vintage has acquired a 30% interest in the Albany structure (in the Galilee Sandstone reservoir – "Deeps") after the drilling and testing of Albany-1, the completion of the Koburra 2D seismic program and the drilling of Albany-2 to date.*
3. *Reference Comet Ridge Market announcement of 5 August 2015 quoting independently certified Contingent Resources.*
4. *Estimates are in accordance with the Petroleum Resources Management System (SPE, 2007) and Guidelines for Application of the PRMS (SPE, 2011).*
5. *No Reserves were estimated.*
6. *Sales gas recovery and shrinkage have been applied to the Contingent Resource estimation. The losses include those from field use, as well as fuel and flare gas.*

PEL 155, Otway Basin, South Australia, Vintage 50%

Subsequent to the end of the reporting period, the operator, Otway Energy Pty Ltd ("Otway"), secured Easternwell Rig 106 to drill the Nangwarry-1 well in the Penola Trough. Beach and Otway will demobilise/mobilise the rig from Beach's location in the Perth Basin in Western Australia to the Nangwarry-1 site following completion of Beach's Perth Basin drilling activities. The rig has been secured via a deed of assignment with Beach Energy Ltd ("Beach"). The joint venture anticipates the rig will be available to commence drilling Nangwarry-1 in December 2019. Otway has completed work on the Nangwarry-1 well design, associated environmental assessments and community consultation.

Easternwell Rig 106 is a fully automated 1,500 horse-power drilling rig that is specifically designed and capable of drilling to a depth of 5,000 metres. The fully automated capability improves efficiency and safety throughout the drilling process. Preparation works for the lease, in line with the rig specifications, have been completed.

The joint venture received a South Australian Government PACE gas grant of $4.95 million which will be used to partly fund the drilling of Nangwarry-1. The prospect is a three-way dip fault dependent trap in the Pretty Hill and Sawpit formations, defined on 3D seismic. The Pretty Hill target is considered analogous to the nearby Beach owned Katnook, Haselgrove and Ladbroke Grove fields which have produced substantial quantities of gas since discovery. The Sawpit target is a direct analogue to the recent Haselgrove-3 discovery (Beach, 100%) which flowed gas at 25 million standard cubic feet per day ("MMscfd") on test. The well is anticipated to take approximately 45 days to drill and, if successful, will be flow tested shortly after completion.

The Nangwarry prospect has a best estimate gross prospective resource of 57 billion cubic feet ("Bcf") of gas (28.5 Bcf net). Any gas produced from Nangwarry-1 can be expedited to market due to its close proximity to infrastructure and industry. Nearby infrastructure includes the Katnook gas processing plant (operated and currently being upgraded by Beach) located approximately 10 kilometres to the northwest, and a substantial network of pre-existing pipelines that connect to local industry and the eastern states' gas supply network.

The Joint Venture acquired an airborne gravity gradiometry and magnetics survey across the license. The survey objective was to provide improved definition of fault trends, fault blocks and geological structures in the area. The method identifies geologically significant density and magnetism contrasts by measuring small changes in gravitational and magnetic fields caused by the properties of the subsurface geology. The survey commenced on 28 October 2018 and took three days to acquire by flying lines 500 metres apart at a height of 150 metres.

The combination of this data with existing seismic data will be used to assess the exploration potential of the license area and the appraisal of the Nangwarry-1 accumulation, should it be successful.

RISC carried out an independent assessment of the Prospective Resources for the Nangwarry prospect in PEL 155. The prospective resource was estimated based on mapping of 3D seismic data and integration of offset well data from the Penola Trough area of the onshore Otway Basin.

As a result of that assessment, released to the market in the September 2018 Prospectus, Vintage has assigned a Best Estimate unrisked prospective resource of 29 Bcf net (57 Bcf, gross) to the Nangwarry prospect.

				Unrisked Prospective Resource (Bcf, net to Vintage)				
Tenement	**Vintage Interest**	**Prospect**	**Reservoir**	**Low Estimate**	**Best Estimate**	**High Estimate**	**Chance of Discovery**	**Product Type**
PEL 155	50%	Nangwarry	Pretty Hills Sandstone	4	18	49	23%	Gas
			Sawpit Sandstone	2	11	31	19%	Gas
			Total	6	29	80	38%	Gas

Table 2: Nangwarry Prospect Probabilistic Prospective Resource Assessment

Notes:

1. *Estimates are in accordance with the Petroleum Resources Management System (SPE, 2007) and Guidelines for Application of the PRMS (SPE, 2011).*
2. *Probabilistic methods were used.*
3. *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.*
4. *Volumes have shrinkage applied to correct for estimated inerts and liquid dropout.*

PEP 171, Otway Basin, Victoria, Vintage earning up to 50%

The Joint Venture has executed a formal farm-in agreement with Cooper Energy Ltd which replaces the previously executed Heads of Agreement ("HoA"). The farm-in agreement has been submitted to the regulator for registration. The Joint Venture parties have agreed Vintage will be assigned operatorship of PEP 171.

The Geological Survey of Victoria (GSV) airborne gravity survey across south west Victoria will also provide useful information over PEP 171 and assist in assessing prospectivity of the permit. GSV provided access to the data in early August 2019 and Vintage is reviewing it.

EP 126, Bonaparte Basin, Northern Territory, Vintage 100%

This is a low-cost entry for Vintage into a sizeable 6,700km^2 permit that has exploration potential in multiple play types. Several wells have already flowed gas across the onshore Bonaparte Basin with oil shows in wells and surface bitumen seeps also identified in the basin and within the permit. Initial data evaluation work has been completed and calibrated against data from the Cullen-1 well, which was drilled by Beach in 2014. Strong gas shows were encountered in Cullen-1 over a thick carbonate section, which is interpreted to exhibit natural fractures.

Toward the end of the financial year, a binding HoA was signed with Firetail Energy Services Pty Ltd ("Firetail") for it to earn a 10% interest in EP126 through the provision of $850,000 of services for the testing of Cullen-1, the total cost of which is currently estimated at $3.2 million. This contribution by Firetail, and the formation of the joint venture, places considerable value on the EP126 permit and its exploration potential. Vintage will retain a 90% interest in the permit and operatorship.

The Northern Territory ("NT") Government advised that approximately 50% of the NT could be declared as 'reserved areas' and thus excluding any activity for petroleum companies in those areas. The NT Government is currently undertaking a consultation process with those petroleum companies affected by its proposal. Under the proposal, sites of conservation significance ("SOCS") are one of the categories of land that will be declared 'no go zones' for petroleum exploration and production and be excised from pre-existing and future petroleum licence areas. A considerable portion of the prospective area within EP 126 in the Bonaparte Basin is affected by the proposed reserved areas identified as SOCS. A submission was made to NT Government which clearly outlines Vintage's view that past, current and future approved land use within the majority of EP 126 are inconsistent with the declaration of reserved areas identified as SOCS. Vintage will advise on progress of both the submission and the consultation process.

Subject to a resolution of the consultation process and receipt of all the necessary regulatory approvals, the joint venture expects to test the Cullen-1 well during the 2020 dry season. This testing will take place over four zones in a thick section of carbonates, which are interpreted to exhibit natural fractures and vuggy porosity, an occurrence of large, irregularly shaped pore spaces that can reservoir oil and gas. Encouraging gas shows were observed during the drilling of Cullen-1, which Beach, the previous operator, cased and suspended for future testing. A positive result from the test would likely lead to further seismic acquisition and exploration/appraisal drilling.

Vintage has commenced preparing the requisite regulatory requirements to operate and undertake on-ground activities in the permit. An Environmental Management Plan was submitted to the regulator as part of this process. Flow testing of Cullen-1, which will investigate the possibility of commercial gas flows from the well, is the first planned on-ground activity. Operational planning for the test program has commenced. As well as this, Vintage completed the reprocessing and modelling of the EP 126 airborne geophysical data which was calibrated with data from the Cullen-1 well. These results are being incorporated into a geological model for the area which, along with the information to be generated from the future testing of Cullen-1, will guide the forward exploration program.

ATP 2021, Vintage earning 50%

Vintage made its first entry into the Cooper / Eromanga Basins via a farm-in agreement with Metgasco Ltd ("Metgasco"). The farm-in agreement and the Joint Operating Agreement were executed on terms as per the binding HoA that was signed on 22 May 2019. Vintage is initially project managing the planning and execution of the drilling of the first well in the joint venture program, with the transfer of the 50% interest in the permit and operatorship to take place once Ministerial approval has been received.

Vintage has committed to the following expenditure milestones in relation to its equity interest:

- 65% of the cost of the first well (up to a gross cost of $5.3 million);
- Reimbursement of 65% of past exploration costs ($527,800 net) or carry Metgasco for its first $527,800 of exploration costs; and
- Up to $70,000 of 2D and 3D seismic reprocessing to better define exploration leads in the permit.

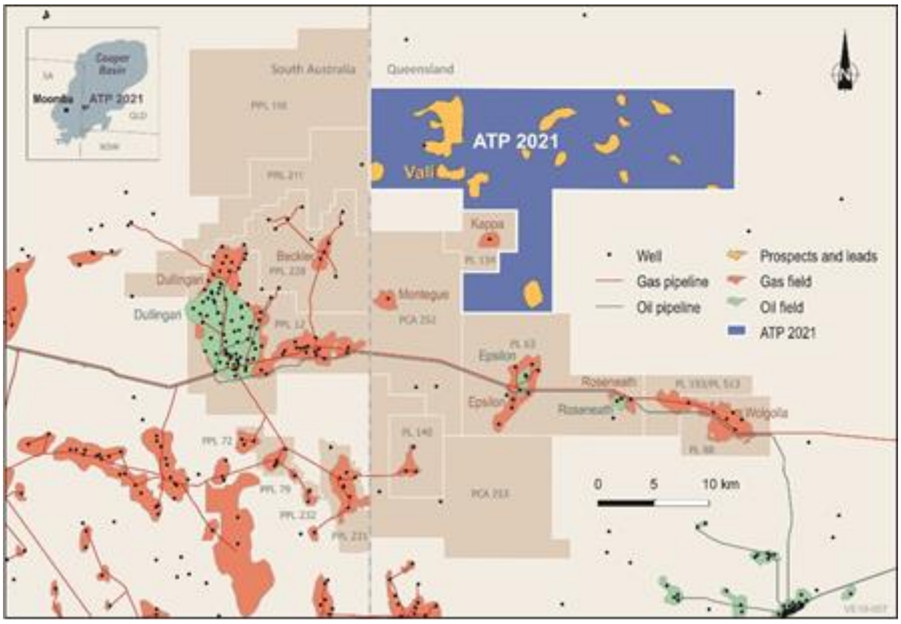

Figure 3: Location of ATP 2021 and Vali prospect

ATP 2021 is a 370 km^2 permit located on the Queensland side of the Cooper/Eromanga Basins. Within 20 kilometres of the permit boundary are oil and gas fields, with associated pipelines and facilities, that have produced over 600 Bcf of gas and 11 million barrels ("MMbbl") of oil. The permit is partially covered by 2D and 3D seismic, with three main Permian gas prospects and several Jurassic oil prospects and leads already identified. Best endeavours will be made to drill the first well, Vali-1, in late 2019. The target sections will be the Permian gas reservoirs that have historically been the main producing zones in the Cooper / Eromanga Basins.

Significant changes in the state of affairs

The Company raised $30,000,000 in new share capital which was issued pursuant to a prospectus lodged with the Australian Securities and Investments Commission (ASIC) on the 2 August 2018. The company listed on the ASX on 17 September 2018.

As a result of the successful listing, the Founders' shares issued in prior periods converted into 39,628,237 ordinary shares of the Company and 7,925,646 Founders' Rights. The Founders' Rights will vest 6 months after the 30-day VWAP share price exceeds $0.30 / share and otherwise expire after 3 years.

At the Company's AGM on the 27 November 2018 the meeting adopted an employee incentive scheme for executives of the Company. Shares issued pursuant to this plan are detailed later in this report.

The Company entered into a new farm-in agreement in ATP 2021, and subsequent to year end increased its interest in the Galilee Basin Deeps Joint Venture to 30 percent, details of which are disclosed in the review of operations above.

Dividends

No Dividends were paid or proposed during the year.

Likely developments, business strategies and prospects

The Company will continue to develop its existing suite of assets detailed under the Principal Activities heading and will work to identify other assets and corporate opportunities that will grow the Company and potentially enhance shareholder value.

Directors' meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

	Board Meetings		Audit and Risk Committee		Remuneration Committee		Nomination Committee	
Board Member	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Reg Nelson	17	17	4	4	2	2	2	2
Ian Howarth	17	17	4	4	2	2	2	2
Neil Gibbins	17	17	4	4	2	2	2	2
Nick Smart	17	17	4	4	2	2	2	2

A is the number of meetings held
B is the number of meetings attended
Remuneration committee established 24 January 2019
Nomination Committee established 24 January 2019

Share Options granted to Senior Management and Directors during the year

During the financial year 4,000,000 Options were issued to Non-Executive Directors. The options vested immediately, are exercisable at any time until 17 September 2021 and have exercise price of $0.35 per option.

The fair value at the date of issue of the options was $284,000.

Performance Rights granted to Senior Management and Directors during the year

During the financial year the company issued 2,898,000 performance rights to Senior Management. The terms of the rights are disclosed in Share Based Remuneration section below and had a fair value at the time of issue of $603,287.

In addition to those issued to senior management above, pursuant to the Annual General Meeting on 27 November 2019, 2,812,500 performance rights were issued to the Managing Director. At the time of issue, the fair value was $552,562. On 1 March 2019, 1,400,000 performance rights relating to senior management and 937,500 relating to the Managing Director vested and were converted into ordinary shares on satisfaction of a performance condition.

Unissued shares under option

Unissued ordinary shares of Vintage under option at the date of this report are:

Date options granted	Holder	Exercise price of shares ($)	Number under option
13 September 2018	Directors (1)	0.35	4,000,000
13 September 2018	Brokers (2)	0.30	1,500,000
Total under option			**5,500,000**

(1) Issued to directors pursuant to an EGM for services prior to listing

(2) In conjunction with the capital raising for the listing, Permanent Nominee Pty Ltd (Taylor Collison) received 1,500,000 share options

All options expire on 17 September 2021. Options do not entitle the holder to participate in any share issue of the Company.

Shares issued during or since the end of the year as a result of exercise of Options

No Options have been exercised during or since the end of the financial year.

Rights on issue

Rights to Ordinary shares issued at the date of this report are:

	Date rights granted	Exercise price of shares ($)	Number
Founders [(1)]	13 September 2018	Nil	7,925,646
Managing Director [(2)]	27 November 2018	Nil	2,812,500
Senior management [(2)]	13 December 2018	Nil	4,348,000
Senior management [(2)]	1 June 2019	Nil	1,450,000
Total			**16,536,146**

(1) Founders' Rights will vest 6 months after 30-day VWAP share price exceeds $0.30 / share and otherwise expire after 3 years
(2) Details of new rights issued during the year are outlined below

Environmental legislation

The Company's oil and gas operations are subject to environmental regulation under the legislation of the respective states in which it operates. Approvals, licenses, hearings and other regulatory requirements are performed by the operators of each permit or lease on behalf of joint operations in which the Company participates. The Company is potentially liable for any environmental damage from its activities, the extent of which cannot presently be quantified and would in any event be reduced by insurance carried by the Company or operator. The Company applies the oil and gas experience of its personnel to develop strategies to identify and mitigate environmental risks. Compliance by operators with environmental regulations is governed by the terms of respective joint operating agreements and is otherwise conducted using oil industry best practices. The Board actively monitors compliance with Regulations and joint operation obligations and as at the date of this report is not aware of any material breaches in respect of these Regulations and obligations.

Events arising since the end of the reporting period

Refer to "Review of operations" above.

Remuneration Report (Audited)

Principles used to determine the nature and amount or remuneration

The remuneration policy of Vintage has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Vintage believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of Board members and other key management personnel of the Company is as follows:

Remuneration and Nomination

The Remuneration committee oversees remuneration matters and sets remuneration policy, fees and remuneration packages for Non-Executive directors and senior executives. The objectives and responsibilities of the Remuneration Committee are documented in the charter approved by the Board. A copy of the charter is available on the Company's website

The Company's constitution specifies that the total amount of remuneration of Non-Executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-Executive Directors has been set at $800,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-Executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The fees paid to Non-Executive Directors are not incentive or performance based but are fixed amounts that are determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role, including membership of board committees.

Non-Executive Director remuneration is by way of fees and statutory superannuation contributions. Non-Executive Directors do not participate in schemes designed for remuneration of executives and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

Executive Remuneration Policies

The remuneration of the Managing Director is determined by the Remuneration committee and approved by the Board. The terms and conditions of his employment are subject to review from time to time.

The remuneration of other executive officers and employees is determined by the Managing Director subject to the review of the Remuneration committee. The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company.

The remuneration structure and packages offered to executives are summarised below:

Fixed remuneration

- Short-term incentive - The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.
- Long-term incentive – equity grants, which may be granted annually at the discretion of the Board. From time to time, the Company may grant retention options or rights as considered appropriate as a long-term incentive for key management personnel.

The intention of this remuneration is to facilitate the retention of Key Management Personnel in order that the goals of the business and shareholders can be met. Under the terms of the issue of the retention rights, the rights will vest over a period of time, dependent upon company and individual performance.

Remuneration Consultants

The Company did not use any remuneration consultants during the year.

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management personnel of the company.

Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the whole of the financial year are:

Name	Date appointed	Position
Reg Nelson	10 February 2017	Chairman
Neil Gibbins	10 February 2017	Managing Director
Nick Smart	9 November 2015	Non-Executive Director
Ian Howarth	9 November 2015	Non-Executive Director
Ian Northcott	19 February 2018	Alternative Non-Executive Director
Simon Gray	9 November 2015	Company Secretary

Remuneration Summary Directors and Key Executives

2019	Salary	Share based remuneration	Super-annuation	Termination benefits	Total	Share based percentage of total	Performance related
Reg Nelson	43,500	71,000	4,132	-	118,632	60%	-
Neil Gibbins	289,284	289,090(1)	26,027	-	604,401	48%	48%
Ian Howarth	24,750	71,000	2,351	-	98,101	72%	-
Nick Smart	24,750	71,000	2,351	-	98,101	72%	-
Ian Northcott	23,288	71,000	2,212	-	96,500	73%	-
Simon Gray	65,748	-	5,700	-	71,448	0%	-
	471,320	573,090	42,773		1,087,183		

(1) These amounts are calculated in accordance with accounting standards and represent the amortisation of accounting fair values of performance rights that have been granted to KMP in this or prior financial years. The fair value of performance rights have been measured using a generally accepted valuation model. The fair values are then amortised over the entire vesting period of the equity instruments. Total remuneration shown in 'total' therefore includes a portion of the fair value of unvested equity compensation during the year. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should these equity instruments vest and be exercised.

2018	Salary	Share based remuneration	Super-annuation	Termination benefits	Total	Share based percentage of total	Performance related
Reg Nelson	-	-	-	-	-	-	-
Neil Gibbins	127,804	-	12,140	-	139,944	0%	-
Ian Howarth	-	-	-	-	-	-	-
Nick Smart	-	-	-	-	-	-	-
Ian Northcott	-	-	-	-	-	-	-
Simon Gray	-	-	-	-	-	-	-
	127,804	**-**	**12,140**	**-**	**139,944**		

Service agreements

Remuneration and other terms of employment for Executive Directors, other Key Management Personnel and senior management are formalised in a Service agreement.

Details of agreements for Executive Directors and other Key Management Personnel is set out below:

Mr. Gibbins (Managing Director)

Base Salary $375,000 (full time equivalent) inclusive of superannuation. The position is for a 0.8 full time equivalent.

In the event that the Board requires Mr. Gibbins to permanently transfer to another location outside of the Adelaide Metropolitan area, Mr. Gibbins may terminate the Agreement and will be entitled to a sum equivalent of his annual salary. The Company may terminate the Agreement immediately in a number of circumstances including serious misconduct or failure to carry out the employee's duties under the Agreement.

The Company and Mr. Gibbins may also terminate the Agreement on three months' written notice.

Mr. Simon Gray (Company Secretary)

Base Salary $230,000 (full time equivalent) inclusive of superannuation. The position is a 0.4 full time equivalent. The agreement is for 6 months expiring on the 30 September 2019. The Agreement can be varied or extended as mutually agreed between the parties. As part of the agreement Mr. Gray is entitled to be issued 1,000,000 Options to acquire Vintage Ordinary shares for 35 cents each. The Options expire 17 September 2020.

Share Based Remuneration

The Company has issued Options to Non-Executive Directors on listing on the ASX which are exercisable on a one for one basis at 35 cents per share with an exercise period of up to 17 September 2021. Options carry no voting or dividend rights.

Performance rights issued under the Employee incentive scheme and to the managing director 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) and still being engaged as an executive at the end of the three years.

Performance rights issued to Mr. Neil Gibbins pursuant to the resolution at the 27 November 2018 Annual General Meeting.

2,812,500 Short- and Long-term performance rights subject to agreed performance conditions detailed below of which 937,500 Class A performance rights were converted during the year.

Performance rights at the date of this report are:

Class of Performance Rights	Maximum Number of Performance Rights	Performance Condition
Class B Performance Rights	937,500	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 at 1 March 2021.
Class C Performance Rights	937,500	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 at 1 March 2021.
Total	**1,875,000**	

Performance rights convert to ordinary shares on the completion of the performance conditions.

Performance rights carry no dividends or voting rights and when exercisable each right is converted into one ordinary share. They are excisable at nil value.

Details of performance rights and options granted over ordinary shares that were granted as remuneration to each key management personnel are set out below:

Employee	Class	Number of rights granted	Grant Date	Value at Grant date	Number converted	Last date
Neil Gibbins	A	937,500	27 November 2018	196,875	937,500	1 March 2019
Neil Gibbins	B	937,500	27 November 2018	196,875		1 March 2021
Neil Gibbins	C	937,500	27 November 2018	158,812		1 March 2021

Directors and key management personnel equity remuneration, holdings and transactions

The number of shares in the Company held during the financial year by each director and other key management personnel of the Company, including their personal related parties, are set out below:

Name	Balance 1 July 2018	Converted rights	Options Exercised	Conversion of Founders shares	Net Change Other (1)	Balance
Reg Nelson	2,500,001	-	-	5,661,176	1,000,000	9,161,177
Neil Gibbins	1,250,001	937,500	-	5,661,176	740,000	8,588,677
Ian Howarth	2,500,001	-	-	5,661,176	500,000	8,661,177
Nick Smart	200,001	-	-	5,661,176	50,000	5,911,177
Ian Northcott	200,001	-	-	5,661,176	50,000	5,911,177
Simon Gray	200,001	-	-	5,661,176	50,000	5,911,177

(1) Shares subscribed for during the year in conjunction with the IPO.
The number of Options held during the financial year by each director and other key management personnel of the Company, including their personal related parties are detailed below:

Name	Balance 1 July 2018	Options granted	Options Exercised	Balance
Reg Nelson	-	1,000,000		1,000,000
Neil Gibbins	-	-		-
Ian Howarth	-	1,000,000		1,000,000
Nick Smart	-	1,000,000		1,000,000
Ian Northcott	-	1,000,000		1,000,000
Simon Gray		-		-

The number of Rights held during the financial year by each director and other key management personnel of the Company, including their personal related parties are detailed below:

Name	Balance 1 July 2018	Founders rights	Performance Rights	Performance rights converted	Balance
Reg Nelson	-	1,320,941			1,320,941
Neil Gibbins	-	1,320,941	2,812,500	(937,500)	3,195,941
Ian Howarth	-	1,320,941			1,320,941
Nick Smart	-	1,320,941			1,320,941
Ian Northcott	-	1,320,941			1,320,941
Simon Gray		1,320,941			1,320,941

Founders rights vest 6 months after the 30 day VWAP exceeds$ 0.30 per share and otherwise expire 3 years after issue

Shares issued on exercise of remuneration options

No shares were issued to Directors or key management as a result of the exercise of options during the financial year.

Shares issued on exercise of remuneration of Performance Rights

937,500 shares were issued to the Managing Director as a result of the conversion of Performance rights during the financial year.

Transactions with key management personnel

An affiliate of the Managing Director is employed with the Company in a technical exploration position, with remuneration based on an arm's length review and at a rate consistent with the position filled.

Other than the above there were no other transactions with key management personnel.

Employee Incentive Plan

The shareholders of the Company approved an Employee incentive plan for senior employees at the Annual General Meeting held on the 27 November 2018.

The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer Options or Performance Rights to assist with the reward, retention, motivation and recruitment of eligible participants.

Eligible participants are any full or part-time employee of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities. Non-executive directors (and their associates) are not eligible to participate in the Employee Incentive Plan.

Subject to any necessary Shareholder approval, the Board may offer Options or Performance Rights to Eligible Participants for nil consideration.

During the year the following Performance Rights have been issued pursuant to the scheme to eligible employees other than Directors and key management personnel.

Performance Right	Issued date	Number	Converted on performance condition met	Lapsed	Balance	Value on issue $
Class A	November 2018	1,450,000	(1,450,000)	-	-	239,250
Class A	June 2019	725,000	-	-	725,000	87,500
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

END OF REMUNERATION REPORT

Indemnities given to, and insurance premiums paid for, auditors and officers

Insurance of officers

During the year, Vintage paid a premium to insure officers of the Company. The officers covered by insurance include all Directors and Officers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be bought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company

Details of the amount of premium paid in respect of insurance policies are not disclosed as their disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Company against a liability incurred as such by an officer.

Indemnity of auditors

The Company has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Company's breach of its agreement. The indemnity requires the Company to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings of behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

During the year, Grant Thornton Audit Pty Ltd, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Directors to ensure they do not impact upon the impartiality and objectivity of the auditor
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards

Details of the amounts paid to the auditors of the Company, Grant Thornton Audit Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out in Note 22 to the financial statements.

Auditor’s Independence Declaration

A copy of the Auditor’s Independence Declaration as required under s.307C of the Corporations Act 2001 is included in page 21 of this financial report and forms part of this Director’s Report.

Signed in accordance with a resolution of the Directors.

Reg Nelson
Chairman

26 September 2019

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Adelaide SA 5000

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GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

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 audit of Vintage Energy Limited for the year ended 30 June 2019, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 26 September 2019

Statement of Profit or Loss and Other Comprehensive Income

For year ended 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Interest income		367,305	17,522
Depreciation expense		(44,834)	(2,701)
Exploration expense		(40,878)	(136,692)
Directors option expense		(284,000)	-
Initial Public Offer costs		(429,440)	-
Employee benefits expense	5	(1,742,617)	(261,842)
Other expenses	5	(1,248,322)	(392,975)
(Loss) before income tax		**(3,422,786)**	**(776,688)**
Income tax benefit	6	-	-
(Loss) for the year		**(3,422,786)**	**(776,688)**
Other comprehensive income		-	-
Total comprehensive income (loss) attributable to owners of the company for the year		**(3,422,786)**	**(776,688)**
Earnings per share			
Basic (loss) per share from continuing operations (cents)	17	**(0.0157)**	(0.020)
Diluted (loss) per share from continuing operations cents)	17	**(0.0157)**	(0.020)

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

Statement of Financial Position

As at 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Current Asset			
Cash and cash equivalents	7	22,296,212	4,950,784
Trade and other receivables	8	125,372	465,471
Total current assets		**22,421,584**	**5,416,255**
Non-Current Assets			
Property, plant and equipment	9	150,384	70,315
Exploration and evaluation assets	10	12,149,492	2,780,793
Total non-current assets		12,299,876	2,851,108
Total Assets		**34,721,460**	**8,267,363**
Current Liabilities			
Trade and other payables	11	482,726	421,308
Deferred grant income	12	2,475,000	2,475,000
Provisions	13	98,404	10,665
Total current liabilities		**3,056,130**	**2,906,976**
Non-Current Liabilities			
Provisions	13	925,000	**-**
Total non- current liabilities		**925,000**	**-**
Total Liabilities		**3,981,130**	**2,906,976**
Net Assets/(Liabilities)		**30,740,330**	**5,360,390**
Equity			
Share capital	14	34,392,805	6,164,409
Reserves		574,330	-
Accumulated (losses)		(4,226,805)	(804,019)
Total Equity / (Deficit)		**30,740,330**	**5,360,390**

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

Statement of Changes in Equity

For the year ended 30 June 2019

	Notes	Share capital	Accumulated losses	Share based payments reserve	Total equity / (deficit)
		$	$		$
Balance at 1 July 2017		4,209	(27,331)	-	(23,122)
(Loss) for the year		-	(776,688)	-	(776,688)
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive (loss) for the year		**-**	**(776,688)**	**-**	**(776,688)**
Total transactions with owners					
Issue of ordinary shares at 5 cents – institutional and sophisticated investors	14	1,025,000	-	-	1,025,000
Issue if ordinary shares at 10 cents – institutional and sophisticated investors		5,406,000	-	-	5,406,000
Transaction costs	14	(270,800)	-	-	(270,800)
Balance at 30 June 2018		**6,164,409**	**(804,019)**		**5,360,390**
Balance at 1 July 2018		6,164,409	(804,019)	-	(5,360,390)
(Loss) for the year		-	(3,422,786)	-	(3,422,786)
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive (loss) for the year		**-**	**(3,422,786)**	**-**	**(3,422,786)**
Total transactions with owners					
Issue of ordinary shares at 20 cents – IPO	14	30,000,000	-	-	30,000,000
Issue of ordinary shares on conversion of performance rights	14	436,125		(436,125)	-
Issue of share options		-	-	402,451	402,451
Issue of performance rights		-	-	608,004	608,004
Transaction costs	14	(2,207,729)	-	-	(2,207,729)
Balance at 30 June 2019		**34,392,805**	**(4,226,805)**	**574,330**	**30,740,330**

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

Statement of Cash Flows

For the year ended 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,461,511)	(832,054)
Net cash (used in) operating activities	23	**(2,461,511)**	**(832,054)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(8,165,832)	(2,780,793)
Proceeds from Government grant – share of joint operation		-	2,475,000
Payments for property, plant and equipment		(124,904)	(73,016)
Cash flows (used in) investing activities		**(8,290,736)**	**(378,809)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		30,000,000	6,007,000
Payment for share issue costs		(1,902,325)	(164,800)
Net cash from financing activities		**28,097,675**	**5,842,200**
Net change in cash and cash equivalents		17,345,428	4,631,337
Cash and cash equivalents at the beginning of year		4,950,784	319,447
Cash and cash equivalents at end of year	7	**22,296,212**	**4,950,784**

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

Notes to the Financial Statements

1 Nature of Operations

Vintage is an Australian listed public company, incorporated in Australia and operating in Australia. The principal activities of the Company are disclosed in the Directors Report.

Vintage's registered office and its principal place of business at the date of this report is 58 King William Road Goodwood 5034.

2 General information and statement of compliance

The general-purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Vintage Energy Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements for the year ended 30 June 2019 were approved and authorised for issue by the Board of Directors on 25 September 2019.

3 Changes in accounting policies

3.1 New and revised standards that are effective for these financial statements

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The key new standards were:

- AASB 9 – Financial Instruments
- AASB 15 – Revenue from contracts with customers

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet mandatory, have not been early adopted by the Company for the reporting year ended 30 June 2019. The entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, is as set out below:

AASB 16 Leases (Application date: 1 January 2019)

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

The Company has undertaken a detailed assessment of the impact of AASB 16 however the effect on the financial statements is not expected to be material

4 Summary of accounting policies

4.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Basis of preparation

The financial statements have been prepared on the basis of historical cost except, where applicable, for the revaluation of certain non-current assets and financial instruments. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes on value, net of outstanding bank overdrafts.

4.4 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.5 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

4.6 Estimate of restoration costs

The Company estimates the future removal costs of wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgmental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and liability specific discount rates to determine the present value of these cash flows. The provision amount represents the Company's current best estimate of its restoration obligations to be performed in the future based on current industry practice and expectations. However, this will be dependent on approval by regulatory authorities prior to restoration activities being undertaken and may be subject to change.

4.7 Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

4.8 Trade and other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to term.

4.9 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement, which are described as follows:

- Level 1- inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs are unobservable inputs for the asset or liability

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the last valuation and a comparison, where applicable, with external sources of data.

4.10 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Local Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

4.11 Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

All tangible assets have limited useful lives and are depreciated using the straight-line value method over their estimated useful lives, taking into account estimated residual values, to write off the cost to its estimated residual value, as follows:

– Furniture and fittings: 20%

– Plant and equipment: 33%

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjusted if appropriate.

4.12 Impairment of assets

At each reporting date the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

4.13 Exploration and evaluation costs

Exploration and evaluation expenditure include costs incurred in the search for hydrocarbon resources and determining its commercial viability in each identifiable area of interest. Exploration and evaluation expenditure are accounted for in accordance with the successful efforts method and is capitalised to the extent that:

i. the rights to tenure of the areas of interest are current and the Company controls the area of interest in which the expenditure has been incurred; and
ii. such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or
iii. exploration and evaluation activities in the area of interest have not at the reporting date:

- reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and
- active and significant operations in, or in relation to, the area of interest are continuing. An area of interest refers to an individual geological area where the potential presence of an oil or a

natural gas field is considered favourable or has been proven to exist, and in most cases, will comprise an individual prospective oil or gas field.

Exploration and evaluation expenditure which does not satisfy these criteria is written off.

Specifically, costs carried forward in respect of an area of interest that is abandoned or costs relating directly to the drilling of an unsuccessful well are written off in the year in which the decision to abandon is made or the results of drilling are concluded. The success or otherwise of a well is determined by reference to the drilling objectives for that well. For successful wells, the well costs remain capitalised on the Statement of Financial Position as long as sufficient progress in assessing the reserves and the economic and operating viability of the project is being made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where an ownership interest in an exploration and evaluation asset is exchanged for another, the transaction is recognised by reference to the carrying value of the original interest. Any cash consideration paid, including transaction costs, is accounted for as an acquisition of exploration and evaluation assets. Any cash consideration received, net of transaction costs, is treated as a recoupment of costs previously capitalised with any excess accounted for as a gain on disposal of non-current assets. Where a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is transferred to oil and gas assets.

4.14 Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the Company accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets jointly held;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Company accounts for its assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

4.15 Leases

Operating lease

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

4.16 Financial instruments

Recognition, initial measurement and derecognition

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial liabilities

The Entity's financial liabilities include trade and other payables. Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

4.17 Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit.

4.18 Government grants

The Company's projects at times may be supported by grants received from the federal, state and local governments. Government grants received in relation to drilling of exploration wells are initially deferred as a liability until the grant is spent. Once spent it is then recognised as a reduction in the carrying value of exploration and evaluation asset or Income if the expenditure relating to the grant is expensed.

4.19 Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options or rights that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options or rights expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options or rights ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

4.20 Going concern

Vintage'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 year ended 30 June 2019 the company recognised a loss of $3,422,786 had net cash outflows from operating activities of $2,461,511, and had accumulated losses of 4,226,805 as at 30 June 2019 The continuation of Vintage 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.

In the event that 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 Group not continue as a going concern.

4.21 Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

4.22 Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following critical judgement, including estimations, that management has made in the process of applying the Company's accounting policies and that had the most significant effect on the amounts recognised in the financial statements.

Capitalised exploration and evaluation

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the areas of interest. If, ultimately, the areas of interest are abandoned or are not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would need to be written down to its recoverable amount.

Restoration costs

The Company has recognised restoration costs on the basis of current estimates of the liability. This estimate requires judgmental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and liability specific discount rates to determine the present value of these cash flows.

4.23 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 Loss for the year

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

	30 June 2019 $	30 June 2018 $
Employees benefit expense		
Short-term employee benefits – salaries and fees	(1,071,114)	(280,241)
Post-employment benefits	(101,755)	(28,935)
Increase in employee benefit provisions	(87,749)	(10,665)
Recharge of salaries and fees to exploration expenditure	195,338	57,999
Amortisation of performance rights	(608,204)	-
Other staff costs	(69,133)	-
	(1,742,617)	(261,842)
Other expenses		
Accounting and audit	(42,761)	(43,180)
Conferences	(23,833)	(21,666)
Consulting expenses	(325,008)	(24,900)
Computer expenses	(95,335)	(26,175)
Insurances	(96,843)	-
Marketing	(98,851)	-
Travel and accommodation	(92,870)	(70,688)
Legal fees	(177,392)	(100,434)
Rent	(134,680)	(40,610)
Share registry and exchange costs	(44,488)	-
Subscriptions and technical publications	(46,723)	-
Sundry	(69,538)	(65,322)
	(1,248,322)	(392,975)

6 Income Taxes

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	30 June 2019 $	30 June 2018 $
Loss from operations	3,422,786	776,687
Income tax (benefit) calculated at 27.5 % (2018 30%)	(941,266)	(233,036)
Non-deductible expenses	250,422	3,579
Unused tax losses and tax offsets not recognised as deferred tax assets	690,844	229,457
Tax expense/benefit	-	-

	30 June 2019 $	30 June 2018 $
Tax expense (benefit) comprises		
Current tax expense	(696,344)	(229,427)
Tax losses not brought to account	3,350,286	1,063,665
Deferred tax liability not brought to account	(2,653,942)	(834,238)
Tax expense (benefit)	-	-

7 Cash and cash equivalents

Cash and cash equivalents consist the following:

	30 June 2019 $	30 June 2018 $
Cash on hand	9	9
Cash at bank (1)	22,296,203	4,950,775
	22,296,212	4,950,784

(i) Includes restricted cash of $2,301,481 (2018 $2,468,000) held by the PEL 155 joint operation which can only be utilised for the expenditure programme on PEL 155.

8 Trade and other receivables

	30 June 2019 $	30 June 2018 $
Security deposits	33,000	33,397
Prepayments	45,043	392,268
GST receivable	47,329	39,806
	125,372	465,471

9 Property, Plant and Equipment

	30 June 2019 $	30 June 2018 $
Furniture and fittings / Plant and equipment – at cost		
Balance at 1 July	73,016	-
Additions for the year	124,903	73,016
Balance as at 30 June	197,919	73,016
Accumulated depreciation and impairment		
Balance at July	2,701	-
Depreciation Expense	44,834	2,701
Balance 30 June	47,535	2,701
Net Book Value	150,384	70,315

10 Exploration and Evaluation Assets

	30 June 2019 $	30 June 2018 $
Balance at 1 July	2,780,793	-
Additions for the year	9,386,699	2,780,793
Balance at 30 June	12,149,492	2,780,793

During the year Vintage completed the farm in obligations to acquire 15% of the GBDV and subsequent to year end finalised the farm in obligations to reach 30%. The Company also satisfied the conditions precedent for the transfer of 100% of EP126

11 Trade and other payables

Trade and other payables consist of the following:

	30 June 2019 $	30 June 2018 $
Current		
Trade payables	145,187	137,108
Accrued expenses	232,505	218,434
PAYG withholding	105,034	65,766
Total trade and other payables	482,726	421,308

12 Deferred grant Liabilities

	30 June 2019 $	30 June 2018 $
Share of pace grant received	2,475,000	2,475,000

The PEL 155 joint venture received a PACE grant from the South Australian government to assist in the drilling of an exploration well in PEL 155 at year end. To date the well has not yet been drilled and as such no amount can be offset against exploration expenditure.

13 Provisions

	30 June 2019 $	30 June 2018 $
Current		
Employee Benefits	98,404	10,665
	98,404	10,665
Non-Current		
Restoration Provisions	925,500	-
Movement in Employee Benefits		
Opening balance	10,665	-
Movement for the year	87,739	10,665
	98,404	10,665
Movement in Restoration Provision		
Opening balance	-	-
Recognition of liability on acquisition of EP 126	925,500	-
Closing balance	925,500	-

The non-current restoration provision represents the obligations for future rehabilitation of EP126 which were assumed on acquisition during the period.

14 Issued capital

	30 June 2019 $	30 June 2018 $
Ordinary Shares	34,392,805	6,160,209
Founders shares	-	4,200
Balance at 30 June	34,392,805	6,164,409

	30 June 2019 Number	30 June 2019 $	30 June 2018 Number	30 June 2018 $
Shares issued and fully paid:				
Ordinary Shares (ii)				
Beginning of the year	74,560,007	6,160,209	7	9
Shares allotted during the period	150,000,000	30,000,000	73,500,000	6,325,000
Conversion of founder shares	39,628,232	4,200	-	-
Conversion of performance rights	2,387,500	436,125	-	-
Issued under share-based payments	-	-	1,060,000	106,000
Share issue costs	-	(2,207,729)	-	(270,800)
Total Ordinary Shares	266,575,739	34,392,805	74,560,007	6,160,209
Founders shares				
Beginning of the year	700	4,200	700	4,200
Transferred to ordinary shares on conversion	(700)	(4,200)		
Total Founders shares	-	-	700	4,200
Total contributed equity at 30 June	**266,575,739**	**34,392,805**	**74,560,707**	**6,164,409**

(i) **Founders' Shares (converted on listing on 17 September 2018)**

Founders' shares had the following rights:

- the right to receive notice of and attend general meetings;
- the right to vote at general meetings as follows:
- on a show of hands, to one vote; and
- on a poll, the number of votes entitled to be cast by the Founder Shareholder shall be equal to 15% of the total votes entitled to be cast by all holders of Ordinary Shares at that general meeting;
- the right to payment of those dividends that the Directors from time to time determine to pay or declare;
- upon a reduction of capital or winding up of the Company, the Founder Shareholder shall be entitled 15% of the total amount to be returned or distributed to the Members; and
- the right to require conversion to Ordinary Shares as follows:
  - On the occurrence of a Listing Event, the Founder Shares (in aggregate) will convert into the number of Ordinary Shares that represents 15.00% of the total Ordinary Shares on issue immediately following completion of the Listing Event (taking account of the new Ordinary Shares issued in the Listing Event). This is subject to the number of Ordinary Shares issued on conversion being capped at the number of Ordinary Shares that represents 15.00% of the aggregate of the number of Ordinary Shares on issue immediately before completion of the Listing Event together with both the number of Ordinary Shares issued on occurrence of the Listing Event representing $30 million at the Listing Event Share price and the number of the Shares issued on conversion of the Founder Shares, determined in accordance with the following formula.

- The cap on the number of Shares issued on conversion will be calculated as follows:

  C = (A + B) ÷ 85% - (A + B)

  where:

  A = the total number of Ordinary Shares on issue immediately before completion of the Listing Event

  B = the total number of Ordinary Shares issued on occurrence of the Listing Event representing $30 million at the Listing Event Share price

  C = the maximum number of Shares which may be issued on conversion of the Founder Shares.

  If the above calculation results in an entitlement to a number of Shares which includes a fraction of a Share, the fraction will be rounded upwards.

The Company acknowledges that immediately prior to the conversion of the Founders' Shares in accordance with this clause, the Founders' Shares may be transferred from the Founders' Shareholder to Eligible Holders (or their nominees) that the holder(s) of the Founders' Shares, being the Eligible Holders, been granted 1 founder right for every 5 Ordinary Shares issued on conversion of the Founders' Shares following a Listing Event.

The Founders' Rights vest and convert into ordinary fully paid shares in the Company 6 months after the 30 day VWAP share price exceeding 30 cents.

Each of the founder rights expire at 5:00 pm (ACST) on the Expiry Date being the third anniversary of the issue date of the founder rights.

The maximum Founders' Rights that can be issued are 7,925,646 which convert to the same number of fully paid ordinary shares.

(ii) Ordinary Shares

Subject to this Constitution and to the terms of issue of Shares, all Shares attract the following rights:

- the right to receive notice of and to attend and vote at all general meetings of the Company;
- the right to receive dividends; and

in a winding up or a reduction of capital, the right to participate equally in the distribution of the assets of the Company (both capital and surplus), subject to any amounts unpaid on the Share and, in the case of a reduction, to the terms of the reduction.

The following shares were issued during the period:

- 150,000,000 ordinary shares pursuant to a prospectus dated 2 August 2018 at $0.20 each
- 39,628,232 ordinary shares on the conversion of Founders Shares.
- 2,387,500 ordinary shares on the conversion of performance rights

15 Share options and Founders' Rights

Founders' Rights

On conversion of the Founders' Shares as described above 7,925,646 Founders' Rights were issued. The founder rights will vest and convert into ordinary fully paid shares in the Company 6 months after the 30-day VWAP share price exceeding 30 cents.

Each of the Founders' Rights expire at 5:00 pm (ACST) on the Expiry Date being the third anniversary of the issue date of the Founders' Rights.

Share Options

During the year the following options were issued the options expire 13 September 2021

Date options granted	Exercise price of shares ($)	Number under option	Fair value of the option
13 September 2018	0.35	4,000,000	284,000
13 September 2018	0.30	1,500,000	118,500
Total under option		**5,500,000**	

The options have been valued using the Black and Scholes method and the following inputs:

options price	0.35	0.30
share price	0.20	0.20
Option strike price	0.35	0.30
Number of years	3	3
Risk free rate	2.8	2.8
Volatility	74%	74%
Value per option	**0.079**	**0.071**

Employee Incentive Plan

The shareholders of the Company approved an Employee Incentive Plan for employees at the Annual General Meeting held on the 27 November 2018.

The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer Options or Performance Rights to assist with the reward, retention, motivation and recruitment of eligible participants.

Eligible participants are any full or part-time employee of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities. Non-executive directors (and their associates) are not eligible to participate in the Employee Incentive Plan.

Subject to any necessary Shareholder approval, the Board may offer Options or Performance Rights to Eligible Participants for nil consideration.

During the year the following Performance Rights have been issued pursuant to the scheme to eligible employees.

Performance Right	Issued date	Number	Converted on performance condition met	Lapsed	Balance	Value on issue $
Class A	November 2018	1,450,000	(1,450,000)		-	239,250
Class A	June 2019	725,000	-		725,000	87,000
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	43,500

Performance rights issued under the Employee incentive scheme 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 details of which have been disclosed in the Remuneration report included in the Directors report.

16 Interest in Joint Operations

The Company has an interest in the following unincorporated Joint Operations whose principal activities are Oil and Gas exploration

	30 June 2019 % interest	30 June 2018 % interest
Galilee Basin ATP-743, ATP-744 and ATP-1015 (i)	**15**	**-**
Otway Basin PEL 155 (iii)	**50**	**50**
Otway Basin PEL 171 (ii)	**-**	**-**
Bonaparte Basin EP 126	**100**	**-**
Gas Storage Exploration Licence (GSEL 672)	**100**	**-**
ATP 2021(iV)	**-**	**-**
		-

I) Vintage acquired a 15% contractual interest in the "Deeps" area of ATP 743, ATP 744, and ATP 1015 prior to June 30 2019 and a further 15% contractual interest post 30 June 2019 for a total of 30% contractual interest; by funding
   - Stage 1a: first $3.35 million of the costs of the Albany-1 drilling and production testing;
   - Stage 2: 50% of the costs of 2D seismic, Albany-2 drilling and Albany-1 ST1 drilling to a maximum of $5 million and 30% of costs thereafter.

II) Vintage may earn up to a 50% legal and beneficial interest in the License, by:
   - Expending the initial farm-in obligation, ($450,000) to earn an initial farm in interest of 25%; and (provided the initial farm-in interest has been earned in full) expending the subsequent farm-in obligation ($1,082,000) to earn the subsequent farm-in interest of 25% (for an aggregate 50% interest).

III) Vintage have recorded in the Statement of Financial Position, their 50% share of the unspent PACE grant that was received and a liability for the amount received.

IV) Vintage is initially project managing the planning and drilling of the first well in the joint venture program, with the transfer of the 50% interest in the permit and operatorship to take place once Ministerial approval has been received. Vintage has committed to the following expenditure milestones in relation to its equity interest:
   - 65% of the cost of the first well (up to a gross cost of $5.3 million);
   - Reimbursement of 65% of past exploration costs ($527,800 net) or carry Metgasco for its first $527,800 of exploration costs; and
   - Up to $70,000 of 2D and 3D seismic reprocessing to better define exploration leads in the permit.

17 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:

	30 June 2019 Number	30 June 2018 Number
Weighted average number of shares used in basic earnings per share	217,378,056	39,428,666
Weighted average number of shares used in dilutive earnings per share	217,378,056	39,428,666
Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share		

18 Commitments

In order 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:

	30 June 2019 $	30 June 2018 $
Exploration and evaluation		
No longer than 1 year	12,888,000	6,692,000
Longer than 1 year but less than 5 years	4,224,000	-
	17,112,000	6,692,000
Operating leases		
No longer than 1 year	124,500	120,000
Longer than 1 year and not longer than 5 years	124,500	200,000
Longer than 5 years	-	-
	249,000	320,000

19 Financial Instruments

(a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern and as at 30 June 2019 has no debt. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

(b) Financial risk management objectives

The Company's management provides services to the business, and manages the financial risks relating to the operations of the Company.

The Company does not trade or enter into financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Company's policies approved by the Board of directors.

The Company's activities expose it primarily to the financial risks of changes.

(c) Categories of financial instruments

	30 June 2019 $	30 June 2018 $
Financial assets		
Cash and cash equivalents	22,296,212	4,950,784
Trade and other receivables	125,372	465,471
Total Financial assets	22,421,584	5,416,255
Financial liabilities		
Trade and other payables	482,726	421,308

(d) Commodity price risk management

The Company does not currently have any projects in production and has no exposure to commodity price fluctuations.

(e) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been prepared based on the undiscounted cash flows expected to be received/paid by the Company.

	Weighted average effective interest rate	*Less than 1month*	*1 to 3 months*	*3 months to 1 year*	*1 to 5 years*	*5 plus*	*Total*
2019							
Financial assets:							
Non-interest bearing		11	125,372		-	-	125,372
Variable interest rate	0.75%	4,964,720	2,301,481		-	-	7,266,201
Fixed interest rate	1.50%	7,000,000	8,000,000	30,000	-	-	15,030,000

Financial liabilities:							
Non-interest bearing		-	(482,726)	-	-	-	(482,726)
		11,964,731	9,944,127	30,000			21,938,858

	Weighted average effective interest rate	*Less than 1month*	*1 to 3 months*	*3 months to 1 year*	*1 to 5 years*	*5 plus*	*Total*
2018							
Financial assets:							
Non-interest bearing		-	465,480		-	-	465,480
Variable interest rate	0.75%	-	1,482,775	2,468,000	-	-	3,950,775
Fixed interest rate	1.75%	1,000,000	-	-	-	-	1,000,000
Financial liabilities:							
Non-interest bearing		-	(421,308)	-	-	-	(421,308)
		1,000,000	1,526,947	2,468,000	-	-	4,994,947

(f) Interest rate risk management

The Company is exposed to interest rate risk as it earns interest at floating rates from a portion of its cash and cash equivalents. The Company places a portion of its funds into short term fixed interest deposits which provide short term certainty over the interest rate earned.

(g) Interest rate sensitivity analysis

If the average interest rate during the year had increased/decreased by 10% the Company's net loss after tax would increase/decrease by $36,730

(h) Credit risk management

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

(i) Fair value of financial instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2018: net fair value).

20 Contingent Liabilities

No contingent liabilities exist as at the date of the financial report.

21 Related Party Transactions

(a) Key Management Personnel

Key management of the Company are the executive members of Vintage Energy Limited and its Board of Directors. Key management personnel remuneration, as detailed in the Company's Remuneration Report within the Director's Report, includes the following expenses:

	30 June 2019 $	30 June 2018 $
Short-term employee benefits	471,320	127,804
Share based payments	573,090	-
Post-employment benefits	42,773	12,140
	1,087,183	139,944

(b) Transactions with affiliates

An affiliate of the Managing Director is employed with the Company in a technical position, with remuneration based on an arm's length basis and at a rate consistent to the position filled.

22 Remuneration of Auditors

	30 June 2019 $	30 June 2018 $
Audit or review of the financial report	40,000	22,500
Other Services	2,000	53,180
	42,000	75,680

Other services include fees for taxation services (current year) and reports included in the Company's Prospectus dated 2 August 2018 (prior year)

The company's auditor is Grant Thornton Audit Pty Ltd.

23 Cash Flow Information

Reconciliation of cash flows from operating activities	30 June 2019 $	30 June 2018 $
Loss for the year	(3,422,786)	(776,688)
Depreciation	44,834	2,701
Shares options and performance rights expensed	892,204	-
Wages and salaries capitalised	(195,338)	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(35,044)	(465,041)
Increase in provisions	87,749	10,665
Increase/(decrease) in trade and other payables	166,870	396,309
	(2,461,511)	(832,054)

24 Subsequent Events

Other than the matters disclosed below the Directors are not aware of any other matters or circumstances, other than those referred to in this report, that have significantly affected or may significantly affect

- the entity's operations
- the results of the operations in the future financial years; or
- the entity's state of affairs in future financial years.

The Company has been advised that it has earned 30% contractual interest in the "Deeps" area of ATP 743, ATP 744, and ATP 1015 by completing the Stage 1 and Stage 2 funding programs included in the joint venture agreement.

25 Company Information

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:

1. 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 30 June 2019 and of its performance for the financial year ended on that date;
   ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
2. the Managing Director and the Chief Financial Officer have each declared that:
   i. the financial records of the Company for the year ended have been properly maintained in accordance with section 295A of the Corporations Act 2001;
   ii. the financial statements and notes for the financial year comply with the Accounting Standards; and
   iii. the financial statements and notes give a true and fair view; and
3. 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 26th day of September 2019

Level 3, 170 Frome Street
Adelaide SA 5000

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GPO Box 1270
Adelaide SA 5001

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Independent Auditor's Report

To the Members of Vintage Energy Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Vintage Energy Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 4.20 in the financial statements, which indicates that the Company incurred a net loss of $3,422,786 during the year ended 30 June 2019, and net cash outflows from operating and investing activities of $10,752,247. As stated in Note 4.20, these events or conditions, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets - Notes 4.13 & 10	
At 30 June 2019 the carrying value of exploration and evaluation assets was $12,149,492. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; – tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and • assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 12 to 18 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Vintage Energy Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 26 September 2019