ASX Release

15 November 2019

Onshore Perth Basin farm-in to Cervantes oil prospect

- **Binding term sheet executed for Cervantes oil prospect farm-in**
- **30% equity interest earned through paying 50% of well cost**
- **Cervantes located in L14 between Hovea, Jingemia and Cliff Head oil discoveries**
- **Targeted to spud in Q1 FY21 with option available to drill a second prospect**
- **Gross Cervantes structure prospective resource, 2U best estimate of 15.3 MMbbl**

Vintage Energy Ltd ("Vintage", ASX: VEN) is pleased to announce that it has signed a binding term sheet to farm-in for 30% of the Cervantes oil prospect with Metgasco Ltd ("Metgasco" ASX: MEL, 30%) and RCMA Australia Pty Ltd ("Jade", 40% and free carry). To give effect to the term sheet, Jade is preparing a farm-out agreement for the Cervantes Joint Venture, with a planned execution date prior to 18 December 2019. The Joint Venture is targeting to spud a well in Q1 FY21 and has an option to drill a second well into a separate prospect. The Cervantes prospect sits within L14, a 39.8 km^2 Perth Basin production license granted over the Jingemia oilfield and surrounds. The license is in good standing and not due to expire until June 2025.

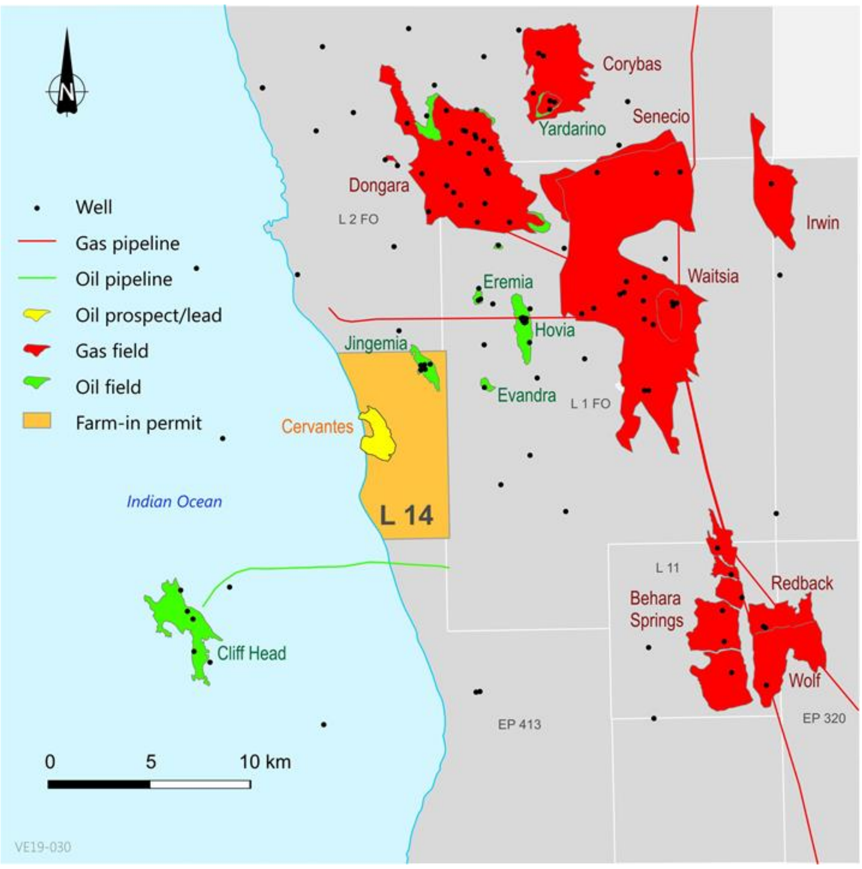

Figure 1: Location Map

The funding for the farm-in (net to Vintage) to acquire a 30% interest in any commercial Permian discovery at Cervantes is as follows:

- 50% of the well cost; and
- $200k of evaluation and exploration costs.

The well is expected to cost between $5-7 million (gross), with any well costs above a cap of $8 million (gross) reverting to Vintage's joint venture equity level of 30%. Vintage will pay Metgasco $100k for future exploration expenditure relating to Cervantes and pay Jade $100k relating to seismic re-processing over the L14 license. The expected timing of estimated costs, net to Vintage, are as follows:

- FY20 – $1.0 million for long lead items to drill the well and evaluation and exploration costs (as above)
- FY21 – Up to $2.5 million to drill first well
- FY22 – Assuming success, $0.9 million for a three kilometre tie-in to Jingemia processing facility and the option to drill second well on similar terms as the first well

Neil Gibbins, Vintage Managing Director, believes that this farm-in is a key step in balancing the Vintage asset portfolio, which is currently predominantly gas focused. "The Cervantes prospect has been selected for inclusion in our growing portfolio due to it being a highly prospective oil target adjacent to facilities and close to market. We have always said that we will seek out appropriate oil assets and the Cervantes prospect fits our strategic criteria perfectly. With the addition of this high-value oil prospect, we are moving toward a well-balanced exploration portfolio consistent with our strategic objectives. Vintage looks forward to working with Jade and Metgasco on progressing this excellent opportunity"

The Cervantes structure is located in a gap between the oil discovery trend of the Hovea, Jingemia and Cliff Head oil fields. These fields, in total, have produced in excess of 27 MMbbl of oil from the key Permian reservoirs in the Perth Basin and lie within an oil fairway around the western and northern section of the basin. The Cervantes structure is a high-side fault trap of multiple Permian reservoir units and shares strong similarities with these oil fields in terms of structure, potential reservoirs and location within the oil fairway on the western flank of the basin (Figures 1 and 2).

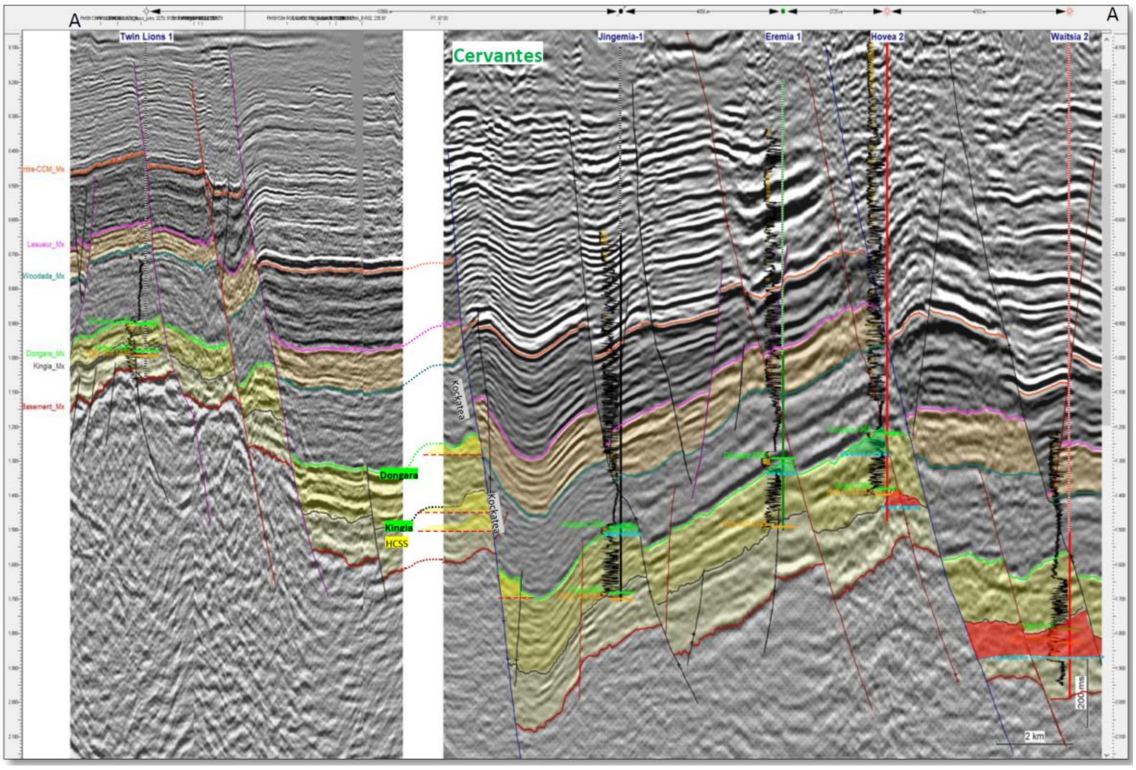

Figure 2: Regional cross-section

The Permian reservoir targets in the prospect are the prolific Dongara, Kingia and High Cliff Sandstones yielding a combined gross 2U Best Estimate of 15.3 MMbbl (4.6 MMbbl net to Vintage). Cervantes has a chance of success of 28% and a high chance of development due to its proximity to infrastructure and existing oil and gas fields. The opportunity for rapid conversion of prospective resources to producing reserves exists via a 3rd party oil processing and operations agreement with L14 operator Jade, which owns 100% and operates the nearby Jingemia oil processing and export facility.

Gross Cervantes structure prospective resource (MMbbl)[1]

	1U low estimate	2U best estimate	3U high estimate
Dongarra SS	3.7	7.4	14.6
Kingia SS	2.2	7.1	22.3
HC SS	0.1	0.8	5.0
L14 100%	**6.0**	**15.3**	**41.9**
Vintage 30%	**1.8**	**4.6**	**12.6**

1 Volumetrics sourced from Metgasco. The estimate quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. These prospective resources are estimated as of 10 September 2019 and this is the first time that they have been reported. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The resources have been classified and estimated in accordance with the Petroleum Resource Management System (PRMS). The prospective resources have been estimated based on the interpretation of 3D seismic integrated with offset well data. Probabilistic methods have been used to estimate the prospective resource in individual reservoirs and the reservoirs have been summed arithmetically. Vintage is not aware of any new data or information that materially affects the estimate above and that all material assumptions and technical parameters continue to apply and have not materially changed. It is expected that the prospect will be drilled in Q1 FY21 and that no further material exploration activities, including studies, further data acquisition and evaluation work are to be undertaken prior to that activity. Resource estimates are net of shrinkage.

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About Vintage

The natural gas supply crisis currently afflicting the eastern part of Australia and the energy market more widely have been the catalysts for the creation and ASX listing of Vintage, with Reg Nelson (former Managing Director of Beach Energy Ltd) the Chairman and Neil Gibbins (former Chief Operating Officer of Beach Energy Ltd) the Managing Director. The company has acquired high quality gas exploration and appraisal assets close to infrastructure with the potential for rapid development and the promise of early cash flow. Vintage will continue to identify and seek to acquire further high-quality gas exploration and production assets with a focus on those that offer the potential for accelerated pathways to commercialisation.

Oil potential in prominent onshore basins is also a key focus, particularly given the experience of Vintage team members in discovering and developing oil fields on the Western Flank of the Cooper - Eromanga Basins in South Australia.