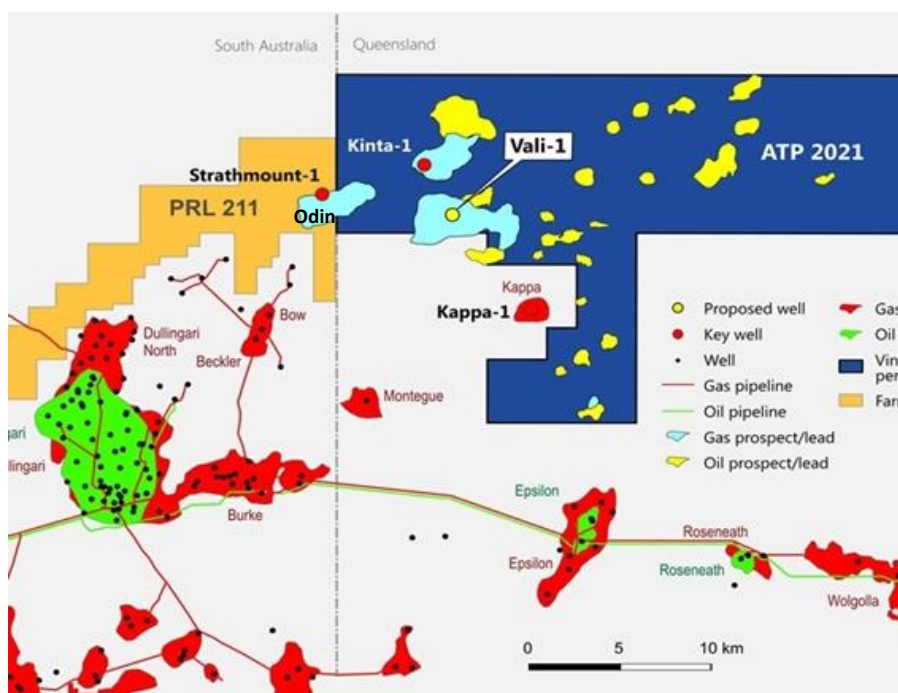


## Farming-in and operatorship of PRL 211 in the Cooper/Eromanga Basins

- Farming-in for 42.5% with operatorship in PRL 211
- Equity interest earned through paying 50% of new well
- Targeted to spud in Q4 FY20
- Odin structure gross prospective resource, 2U best estimate of 12.6 Bcf

Vintage Energy Ltd (“Vintage”, ASX: VEN) is pleased to announce that it has executed a term sheet with a 90 day exclusivity period to negotiate a binding farm-in agreement for PRL 211 on the South Australian side of the Cooper/Eromanga Basins. Under the proposed joint venture, Vintage will become the operator with 42.5%, Bridgeport will have 21.25%, Metgasco Ltd (“Metgasco”, ASX: MEL) 21.25% and a subsidiary of Senex Energy Ltd (“Senex”) 15%, with Senex to be free carried through the drilling of the first well. PRL 211 is a 98.49 km<sup>2</sup> retention licence that is close to infrastructure and has an initial five-year term expiring in October 2022, with an option to renew the permit for a further five years. The licence is located immediately adjacent to ATP 211 (Vintage 50% and Operator). Senex is currently the operator and 100% interest holder of PRL 211.

The main target in PRL 211 is the Odin structure, which is fully covered by recent 3D seismic and has gas potential in the Patchawarra and Toolachee formations. Odin is located on the southern flank of the Nappamerri Trough near the producing reservoirs at the Bow, Beckler and Dullingari gas fields. Stratigraphic upside similar to that seen in the Beckler-Bow field area is also possible at Odin. The prospect straddles the border between PRL 211 and ATP 211 and is similar to the Vali prospect scheduled for drilling by the ATP 211 joint venture in December 2019 (refer ASX releases on 1 October and 12 November 2019).



**Figure 1: Location map**

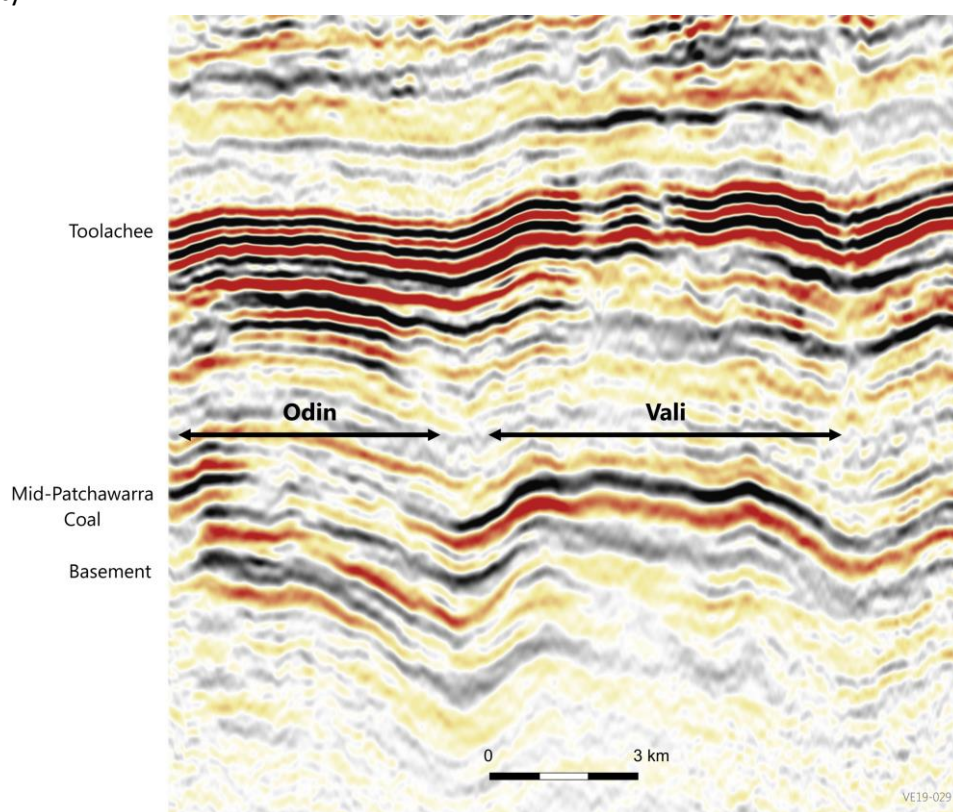
Under the terms of the farm-in, Vintage, Bridgeport and Metgasco will drill a well into the Odin structure (with Vintage paying 50% of the estimated cost of the well – approximately \$2.0 million contribution by Vintage for 42.5% equity). All further work, including the potential to stimulate and flow test the Odin well, will revert to the equity share. The well will be located in PRL 211 with the drilling targeted to take place in Q4 FY20.

The farm-in is subject to a number of conditions, which are to be satisfied by 31 January 2020 (or such later date as the parties may agree), including:

- Ministerial approvals;
- Confirmation that PRL 211 will remain part of Senex's PRL scheme group;
- The farm-in parties demonstrating that between them there are sufficient funds available to drill the well; and
- Negotiation and execution of formal farm-in and joint venture documents.

Neil Gibbins, Vintage Managing Director, believes that this farm-in is a logical move for Vintage. “Due to the location of the Odin prospect straddling ATP 2021 and PRL 211, it makes absolute sense for Vintage to have equity along with operatorship over the whole of the Odin structure. The prospect itself is a low risk, highly prospective extension of the Vintage entry into the Cooper/Eromanga Basins and a logical addition to our growing exploration portfolio. This area is well known to our experienced technical team who are familiar with not just exploring but appraising and developing fields in this prolific region. It also complements the Vali prospect which we expect to be drilling this December”.

Odin is a Permian four-way dip closure situated on a structural nose that plunges north-eastwards into the Nappamerri Trough. It is prospective for gas in multiple sands of the Permian aged Patchawarra and Toolachee formations. Seismic mapping indicates that the Toolachee formation has approximately eight metres of structural relief over nearly 5.2 km<sup>2</sup>, a chance of success (“COS”) of 35% and a high chance of development. The Patchawarra formation has 15 metres of structural relief over nearly 2.5 km<sup>2</sup>, a COS of 26% and a high chance of development. Stratigraphically trapped gas outside of mapped anticlinal closure is a possibility.



**Figure 2:** Seismic line across the Odin and Vali prospects

Total Odin Structure Gross Prospective Resource <sup>1</sup>			
	1U low estimate	2U best estimate	3U high estimate
Toolachee	1.2 Bcf	4.1 Bcf	13.5 Bcf
Patchawarra	2.4 Bcf	8.5 Bcf	29.1 Bcf
<b>Total</b>	<b>3.6 Bcf</b>	<b>12.6 Bcf</b>	<b>42.6 Bcf</b>
<b>Net to Vintage</b>	<b>1.6 Bcf</b>	<b>5.7 Bcf</b>	<b>19.0 Bcf</b>

- 1 Net to Vintage is the total of 42.5% of the prospective resources in PRL 211 and 50% of the prospective resources in ATP 2021. 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 14 October 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 Q4 FY20, following seismic reprocessing and mapping in December 2019 to confirm the optimal well location. This reprocessing work is not expected to substantially change the volumetrics. 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.