

Nangwarry-1 update

- **New field gas discovery at Nangwarry-1**
- **Well being cased and suspended for further evaluation and testing**
- **Initial log analyses indicates gas saturation over a minimum 65 metre gross section in the upper-Pretty Hill Sandstone**
- **Mid-Pretty Hill Sandstone still to be evaluated**

The operator of the Otway Basin Joint Venture, Otway Energy Pty Ltd, has advised that the drilling of the Nangwarry-1 well has resulted in a new field gas discovery, with the well currently being cased for further evaluation and testing. The well was drilled to total depth at a measured depth of 4,300 metres in the Pretty Hill Formation on 31 December 2019.

This is the third successive discovery within this region over the past two years. A reinvigoration of the Penola Trough is underway with discoveries now at Nangwarry-1, Haselgrove-3 ST1 (Beach Energy Ltd) and Dombey-1 DW1 (Beach/Cooper Energy Ltd). These wells vindicate the potential of this part of the onshore Otway Basin, both in South Australia as well as the larger licence area held by Vintage in Victoria.

A gross gas column of at least 65 metres has now been confirmed in the top of the Pretty Hill Sandstone by log analysis, pressure data and gas sampling. Because of challenging down-hole conditions, log data obtained beneath this zone is of insufficient quality to resolve the presence of hydrocarbons in the mid-Pretty Hill Sandstone. Gas shows encountered during drilling of this section, however, have provided encouragement.

Accordingly, the operator has advised that evaluation of this sandstone will take place after casing is in place. Vintage will update the market with plans to further define and production test the reservoir sections once these have been agreed by the Joint Venture.

Preliminary analysis of gas samples overnight indicated the presence of CO₂ in amounts up to around 45%. However, ambiguity exists on the analysis at the rig site and the samples are being sent for rigorous laboratory testing. Vintage notes there have historically been successful commercial developments of fields with similar CO₂ content, such as the Ladbroke Grove Field in the Penola Trough. The market will be informed of additional results after completion of the laboratory testing.

Neil Gibbins, Vintage Managing Director, said “The gas discovery at Nangwarry-1 continues the recent exploration success seen in the Penola Trough. It is pleasing that the selection criteria used by Vintage to acquire assets has again been vindicated with the company now assessing potential gas projects in three basins, those being the Galilee, Otway and Cooper/Eromanga.”

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