

## **Institutional Placement and Entitlement Offer**

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- **Seeking to raise up to ~\$15 million**
  - **\$3.1 million received through Institutional Placement**
  - **Seeking up to ~\$12.1 million through a 1-for-2 Non-Renounceable Entitlement Offer**
- **Funding to address Vali Field connection, drilling two further Vali Field wells, drilling Odin prospect, flow testing Nangwarry CO<sub>2</sub> discovery, and GG&E**
- **Production and first cash expected in Q3 FY21**

Vintage Energy Ltd (ASX: VEN, “**Vintage**”) advises that it has undertaken a share placement to institutional and sophisticated/professional investors (“**Placement**”) at an issue price of \$0.06 per share, raising gross proceeds of \$3.1 million. A non-renounceable entitlement offer (“**Entitlement Offer**”) for eligible shareholders will be undertaken at \$0.06 per share on a 1 for 2 basis, targeting gross proceeds of up to ~\$12.1 million.

The funds received from the Placement and Entitlement Offer will be used to advance two potential production and cash generating projects. These are the Vali Field pipeline connection to the Moomba gathering system, and the testing of the Nangwarry CO<sub>2</sub> discovery (both subject to regulatory and joint venture approvals). Funds will also be used to increase production from the Vali Field through drilling two further wells, as well as drilling the nearby Odin prospect (both subject to regulatory and joint venture approvals and rig availability). More specifically, funds and uses will primarily be as follows (net to Vintage):

- ~\$3.5 million - Vali Field connection into the Moomba gathering system;
- ~\$5.0 million – Drilling of two further Vali Field wells;
- ~\$2.5 million – Drilling the Odin prospect;
- ~\$1.0 million – Testing the Nangwarry CO<sub>2</sub> discovery;
- ~\$0.2 million – Long lead items for drilling the Cervantes prospect; and
- ~\$3.0 million – Geological, Geophysical and Engineering studies (“GG&E”).

The connection of the Vali Field to the Moomba gathering system is the most immediate priority for Vintage. If less than the full \$12.1 million is raised under the Entitlement Offer, residual funding will be allocated to those work programs that are deemed by Vintage to be the most value accretive.

Vintage’s Managing Director, Neil Gibbins said, “Vintage is well positioned for first production and cash flow in the first half of next year. This is a very exciting time for the company as we look to deliver first gas production into the eastern Australian gas market from the Vali Field in the Cooper Basin, build on the success at Vali with further wells in the Vali Field, drill the nearby ‘Vali look-a-like’ Odin prospect, and flow test the under-the-radar CO<sub>2</sub> discovery at Nangwarry in the Otway Basin. All of these projects have the potential to be value accretive for Vintage and its shareholders, with the funds raised used to develop the infrastructure and undertake the test work needed for first cash flow, which in turn will provide funding optionality in the future.”

## **Capital raising terms**

Vintage is seeking to raise up to ~ \$15.2 million through the combination of the Placement and an Entitlement Offer by issuing new fully paid ordinary shares at \$0.06 per share. Shares in the Placement have been placed with institutions and sophisticated/professional investors (who qualify under s.708(8) to (12)).

### Placement

The Placement was conducted by Taylor Collison and MST Financial Services using a single tranche structure in accordance with the Company's available placement capacity pursuant to ASX Listing Rule 7.1. The Placement will comprise 51.6 million shares at a price of \$0.06 per share to raise a total of \$3.1 million.

The Placement price of \$0.06 per share represents a discount of 14.3% to the Vintage's last closing price of \$0.07 per share on 14 September 2020 and a 20.2% discount to the 5-day VWAP. Settlement of the Placement is expected to occur on 23 September 2020, with Placement shares expected to be allotted and commence trading on 24 September 2020 (along with an Appendix 3B confirming the exact allotments).

### Entitlement Offer

Vintage is also offering existing eligible shareholders the opportunity to participate in an Entitlement Offer to raise up to ~ \$12.1 million, through the issue of 201.1 million shares at the same issue price as the Placement, being \$0.06 per share. Eligible shareholders recorded on the register at 7:00 pm (AEST) on 24 September 2020, will be entitled to apply for shares on a 1-for-2 ratio based on their existing shareholding. Eligible shareholders will be entitled to apply for additional shares if they have taken up their entitlement in full.

Participation in the Entitlement Offer is entirely optional and is open to all shareholders, other than shareholders who have registered addresses in countries outside Australia and New Zealand where regulatory requirements make participation by the shareholder unlawful or impracticable.

The Entitlement Offer is partly underwritten by Taylor Collison and MST Financial Services to the extent of \$5.2 million on a proportional basis to the percentage shortfall<sup>1</sup>. In addition, Vintage Directors and management have committed to take at least \$500,000 of their entitlements.

Vintage will apply for quotation of the new shares issued under the Placement and Entitlement Offer on the ASX, which will rank equally in all respects with existing Vintage fully paid ordinary shares.

## **Investor Presentation**

Further details of the capital raising are detailed in the investor presentation released on the ASX platform today.

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<sup>1</sup> For example, if a total of \$6.1 million is taken up under the Entitlement Offer, the underwriters will subscribe for ~\$2.6m, calculated as ~50% shortfall (\$6.1m/\$12.2m) multiplied by the \$5.2m underwritten amount.

## Capital raising timetable<sup>1</sup>

Key dates	
Announcement of Equity Raising and results of Placement announced to ASX	17 September 2020
Trading halt lifted and trading resumes on an 'ex' entitlement basis	17 September 2020
Settlement of Placement	23 September 2020
Issue (and normal trading) of new shares issued under the Placement	24 September 2020
Record Date for Entitlement Offer (7:00pm AEST)	24 September 2020
Entitlement Offer opens and dispatch of offer booklet	28 September 2020
Entitlement Offer closing date (5:00pm AEST)	16 October 2020
Settlement and issue of new shares under the Entitlement Offer	23 October 2020
Quotation of new shares under Entitlement Offer	26 October 2020

<sup>1</sup> The timetable is indicative only and subject to change. The commencement and quotation of new shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Vintage reserves the right to amend this timetable at any time, including extending the period for the Offer or accepting late applications, either generally or, in particular cases, without notice – unless otherwise specified, all times and dates refer to Sydney time.

## Corporate Update

The Vali Field development concept was announced in a separate ASX release today, with the full field development to potentially consist of up to nine fracture stimulated vertical wells (over the life of the field) that will target production from reservoirs in the Patchawarra Formation and the Tirrawarra Sandstone. The first two wells in the program are planned to be drilled in early 2021 and will also appraise upside potential in the Toolachee Formation and Nappamerri Group. Tie-in of the Vali Field is planned to be at the Santos operated Beckler Field, which connects into the Moomba gathering system. The tie-in enables early cashflow from the Vali-1 ST1, estimated in Q3 of FY21.

The current base case development concept estimates each well initially producing approximately 5 MMscfd of raw gas for total production of around 5 Bcf per well (on an average well outcome basis). The process of converting the Vali Field 2C Contingent Resources to 2P Reserves is currently underway.

The 2C Contingent Resources for the Vali gas field, independently certified by ERCE, are detailed in the tables below.

Gross ATP 2021 Vali Gas Field Patchawarra Formation					
Gas in Place (Bcf)			Unrisked Contingent Resources (Bcf)		
Low	Mid	High	1C	2C	3C
34.0	84.2	216.0	15.2	37.7	97.0

Net ATP 2021 Vali Gas Field Patchawarra Formation					
Gas in Place (Bcf) 50% VEN			Unrisked Contingent Resources (Bcf) 50% VEN		
Low	Mid	High	1C	2C	3C
17.0	42.1	108.0	7.6	18.9	48.5

### Notes

1. Gas In Place and Contingent Resource estimates reported here are ERCE estimates.
2. Gross Contingent Resources represent a 100% total of estimated recoverable volumes.
3. Resource estimates have been made and classified in accordance with the PRMS.

4. Net Contingent Resources attributable to Vintage represent the fraction of Gross Contingent Resources allocated to Vintage, based on their 50% interest in ATP 2021.
5. Volumes reported here are “unrisked” with no adjustment made for the risk that the project may not be developed in the form envisaged or may not go ahead at all (i.e. no Chance of Development factor has been applied).
6. Chance of Development for the Contingent Resources shown here has been estimated to be 85% by Vintage and agreed by ERCE. This is based on proximity to existing infrastructure and the development of similar reservoirs by adjacent fields and high downstream gas demand.
7. Contingent Resources have been sub-classified as “Development Unclassified” under the PRMS by ERCE.
8. Contingent Resources volumes shown have had shrinkage applied to account for CO<sub>2</sub> and include only hydrocarbon gas. No allowance for fuel and flare has been made.
9. ERCE GIIP volumes & Contingent Resources presented in the tables are the probabilistic totals for all 19 Patchawarra reservoir intervals.
10. Probabilistic totals have been estimated using the Monte Carlo method.
11. 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.
12. These resource estimates are as of 1 March 2020 and first disclosed in an ASX release on 3 March 2020.

## Resource Evaluator

ERCE is an independent consultancy specialising in petroleum reservoir evaluation. Except for the provision of professional services on a fee basis, ERCE has no commercial arrangement with any other person or company involved in the interests that are the subject of this Contingent Resources evaluation.

The work has been supervised by Mr Adam Becis, Principal Reservoir Engineer of ERCE’s Asia Pacific office who has over 14 years of experience. He is a member of the Society of Petroleum Engineers and a member of the Society of Petroleum Evaluation Engineers.

## 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.

This release has been authorised on behalf of Vintage Energy Limited by Mr Neil Gibbins (Managing Director).

## For more information contact:

Neil Gibbins

Managing Director

+61 8 7477 7680

[info@vintageenergy.com.au](mailto:info@vintageenergy.com.au)

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