VINTAGE ENERGY

ASX Release

5 February 2021

Operations Update

- **Firm three well drilling program for H1 2021 (Vali-2, Odin-1 and Cervantes-1)**
- **PEL 155: Nangwarry-1 testing planned for mid to late February 2021**
- **ATP 2021: Non-binding rig LOI to drill Vali-2; Vali-1 ST1 to be completed with upcoming wells; flowline equipment purchase deferred to incorporate well results and evaluation of upside potential; joint gas marketing approved by ACCC**
- **PRL 211: Non-binding rig LOI to drill Odin-1**
- **Cervantes: Non-binding rig LOI to drill Cervantes-1, contract being negotiated**

Vintage Energy Ltd (ASX: VEN, "Vintage") provides an update on activities relating to the testing of Nangwarry-1 in the onshore Otway Basin, the Vali gas field and Odin prospect in the Cooper Basin and the Cervantes prospect in the Perth Basin.

Otway Basin – PEL 155 (Vintage 50%, Otway Energy Pty Ltd 50% and operator)

The procurement of long lead items for the testing of Nangwarry-1 is nearly complete. These items, along with the Superior Energy rig, will be mobilised to site around the middle of February 2021, with testing of Nangwarry-1 to commence soon thereafter.

The testing program will include a short test of the mid-Pretty Hill Sandstone to verify upside potential we believe exists in this section of the column, which will be followed by a move into the shallower zone and a flow test of individual sands in the interpreted CO_2 column at the top of the Pretty Hill Sandstone. The test will be completed once a desired stabilised flow rate and volumetric estimate of the recoverable CO_2 is obtained. Gross recoverable estimates for Nangwarry-1 CO_2 are: Low of 7.8 Bcf (3.9 Bcf net), Best of 25.1 Bcf (12.6 Bcf net), High of 82.1 Bcf (41.1 Bcf net) (refer ASX release dated 31 August 2020).

The production test is a key milestone on the path to first production of food grade CO_2. If successful, the test will confirm volumes of saleable CO_2 and allow the Joint Venture to consider appropriate funding options for the infrastructure required to deliver food grade CO_2. The co-produced methane will be used to run the production plant, with Supagas already commissioning preliminary design work for a skid mounted CO_2 plant, in line with the MOU signed in 2020.

Cooper Basin – ATP 2021 (Vintage 50% and operator, Metgasco Ltd 25%, Bridgeport Cooper Basin Pty Ltd 25%)

After consideration, the Joint Venture has elected to prioritise work to assess the resource upside of the Vali gas field and surrounding area, which will include the drilling of Vali-2 (and Odin-1) ahead of the purchase of flowline infrastructure. Vali-2 will address the interpreted Toolachee Formation gas accumulation in the Vali structure, which, if successful, would provide additional reserves to those recently certified in the Patchawarra Formation. As well as this, desktop studies will address further prospectivity and potential upside in the region. The benefits behind this timing are fourfold. It is expected to deliver an appropriately sized flowline over the long-term, allow for the potential development of a production hub, provide gas marketing advantages, and give greater exposure to a rising gas price. The planned timing for drilling Vali-2 will be around April/May 2021, pending rig availability and other approvals. Vali-1 ST1 completion will now follow the drilling of Vali-2 and Odin-1 to allow for a possible campaign approach for well completions. A non-binding Letter of Intent ("LOI") has been signed with Schlumberger to use either SLR Rig-184 or rig SLR 183 for the drilling of Vali-2 and Odin-1, with an option to drill a further ATP 2021 well. It is expected that the above approach will be favourable from a value perspective, however, it will likely result in the deferral of first gas production to late this year or possibly early next year.

However, by focusing on assessing the resource upside ahead of first gas, there is the potential to optimise the value of these assets, with the following benefits expected to be realised:

1. Appropriately sized flowline – by better defining field volumes through drilling, the flowline will be developed with adequate capacity for future production over the long-term.
2. Development of a production hub – further technical and operational work will better define resource upside in the area surrounding the Vali Field. This could add significant value to the Vali Field as a potential production hub for the area.
3. Gas marketing advantages – the Joint Venture will be in a stronger position to market larger volumes of gas, with the potential for improved terms and pricing.
4. Exposure to rising gas prices – gas prices are increasing, with forecasters and market commentators expecting this trend to continue.

Although the procurement of flowline equipment will now follow the prioritised evaluation program, other non-equipment related activities, such as Moomba access agreements, route surveying, environmental approvals, and government approvals, are continuing as planned to ensure an efficient installation of the flowline once equipment selection has been approved.

The ACCC recently granted interim authorisation for the Joint Venture to enter into joint marketing arrangements. The interim authorisation allows the parties to begin jointly negotiating and entering into conditional long-term gas agreements with customers for the supply of gas from the Vali field.

Neil Gibbins, Vintage Managing Director, said "As operator, Vintage will endeavour to commence the Cooper Basin drilling program as early as practicable to ensure that potential upside, to deliver increased production, is evaluated quickly. Vali-2 is an exciting appraisal well which will target not only the Patchawarra Formation but also potential reserve upside in the Toolachee Formation. The planned work program will ensure optimum flowline capacity is installed and in turn maximise value and flexibility for gas production in the Vali region. Although first gas will be later than initially anticipated, the value of the Vali Field and surrounding areas is expected to be enhanced as a result of rising gas prices, with the deferral potentially leading to better contract terms. Nevertheless, Vintage will continue to explore all avenues to accelerate production."

<u>Cooper Basin – PRL 211 (Vintage 42.5% and operator, Metgasco Ltd 21.25%, Bridgeport Cooper Basin Pty Ltd 21.25%, Stuart Petroleum Pty Ltd (wholly owned by Senex Energy Ltd) 15%)</u>

The Joint Venture has accelerated the drilling of the Odin prospect, with the Odin-1 well expected to be drilled around May/June 2021 (following Vali-2), pending rig availability and other approvals. The Odin structure is up-dip of Strathmount-1, which intersected interpreted Permian gas pay, and is a Permian four-way dip closure that plunges to the north-east into the Nappamerri Trough.

The Odin structure has been de-risked by the success at Vali-1 ST1 and has the potential for gas in the Toolachee Formation (~8 metres of structural relief over nearly 5.2 km^2), with a 40% chance of success ("COS") and high chance of development, and the Patchawarra Formation (~15 metres of structural relief over nearly 2.5 km^2), with a COS of 32% and high chance of development. The Odin Structure has a Gross Prospective Resource of: 1U low estimate of 3.6 Bcf (1.6 Bcf net), 2U best estimate of 12.6 Bcf (5.7 Bcf net), 3U high estimate of 42.6 Bcf (19.0 Bcf net) (refer ASX release dated 22 November 2019).

Perth Basin – Cervantes Prospect (Vintage 30%, with Metgasco Ltd 30%, and RCMA Australia 40% and operator and free carried)

The Cervantes Joint Venture has signed a non-binding Letter of Intent with Refine Energy Pty Ltd (“Refine”) to use Refine Rig-2 for the drilling of the Cervantes exploration prospect. Refine Rig-2 will firstly drill two wells for RCMA and Refine in Q1 2021 in the L14 Licence, approximately 3 km from the proposed Cervantes-1 surface location. As a result of these first two wells, the Mob/Demob of Refine Rig-2 will be minimal due to the rig proximity to Cervantes, which in turn will reduce the overall drilling cost for the Cervantes Joint Venture. Subject to government and regulatory approvals, and acceptable performance of Refine Rig 2 during the RCMA/Refine two-well drilling program, the Cervantes prospect is planned to be drilled immediately following this program, allowing optimal rig and crew efficiency. A full rig contract agreement with Refine is being finalised.

The Cervantes prospect sits within the L14 licence granted over the Jingemia oilfield and surrounds and is a high-side fault trap of multiple Permian sandstone reservoir targets (prolific producers in Perth Basin). The COS is 28% and it has a high chance of development due to its close proximity to the Jingemia oil field and processing facility. The Cervantes prospect has a Gross Prospective Resource of: 1U low estimate of 6.0 MMbbl (1.8 MMbbl net), 2U best estimate of 15.3 MMbbl (4.6 MMbbl net), 3U high estimate of 41.9 MMbbl (12.6 MMbbl net) (refer ASX release dated 15 November 2019).

This release has been authorised on behalf of the Vintage Energy Limited Board by Mr Neil Gibbins, Managing Director.

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