

Vali operations update: well completion campaign concluded

- **Well completion campaign executed**
- **Zero LTI and zero environmental incidents**
- **3 Vali wells and Odin-1 ready for production**
- **Production skid fabrication underway**

Vintage Energy Ltd (ASX: VEN, “Vintage”), 50% interest holder and Operator of the ATP 2021 Joint Venture (“JV”) (other interest holders: Metgasco Ltd, 25%; and Bridgeport (Cooper Basin) Pty Ltd, 25%,) provides the following operations update on the Vali gas project.

Summary

Vintage announces completion of the second of four operational phases to bring the Vali gas field into production. The well completion campaign announced 11 July 2022 has concluded with the four wells; Vali-1 ST1, Vali-2, Vali-3 and Odin-1 set up for gas production.

There is no change to the previously announced expectations for delivery of first gas in October 2022.

Vintage Managing Director, Neil Gibbins said, “We now have four gas wells completed, ready for connection and gas production. It is a significant milestone for our company and for the process of bringing new gas from Vali and Odin to the east coast market.

“Most importantly we have reached this point free of lost time injuries and reportable environmental incidents.

“Our focus now shifts to pipeline installation and facilities construction. Fabrication is underway and we look forward to receipt of major equipment items in the coming months around which we will take the project to completion. Subject to these deliveries, we remain on track for first gas in October.”

Background

Vintage and the JV partners are bringing the recently discovered Vali gas field into production to provide a new source of gas for eastern Australia. Vali is to supply an estimated 9 PJ to 16 PJ of gas to AGL in the period from field start-up to end-2026 under the Gas Sales Agreement (“GSA”) announced 23 March 2022. Gas committed under the GSA, the first supply agreement for the company, is estimated to represent 9% to 16% of the field’s proved and probable reserves¹ of 101 PJ (gross joint venture volume). Gas produced from the field is to be transported to Moomba for processing prior to sale.

¹ As announced to the ASX 5 November 2021. Vintage confirms it is not aware of any new information or data that materially affects the information included in the announcement and that all technical parameters underpinning the estimates in the announcement have not changed materially.

Operations to enable production from Vali comprise four phases: a fracture stimulation campaign (complete); well completion (complete); pipeline and facilities construction (underway) and commissioning.

Connection of the Odin-1 gas well to the Vali pipeline infrastructure for production is currently being pursued, as announced 19 July 2022.

Vintage is fully funded for its share of the capital expenditure required to take Vali to first cash flow and for connection of Odin-1. The latter remains subject to evaluation, assessment and JV approval.

Well completion campaign

The well completion campaign work commenced immediately after the fracture stimulation campaign.

All three Vali wells, and Odin-1 are now equipped as gas producers. The completed wells were flowed for short periods following completion operations for clean-up. It is not planned to flow test the wells until the field is connected to infrastructure and the gas produced processed for sale. The rig has been released.



Savanna Rig 68 on location at Vali-1 ST1 during completion operations

Pipeline and facilities construction phase

The construction phase comprises installation of gas gathering, separation, metering and cooling infrastructure at Vali and the installation of dual 13km pipes to connect the Vali field to the Moomba gas gathering system at the Beckler field in South Australia.

All regulatory approvals are on track, procurement is well advanced and fabrication of production skids underway. The production skids are being prefabricated to reduce construction work required on-site.

All equipment received from suppliers is currently being staged in Adelaide for transport to the field at the appropriate time. Installation of the pipeline, and construction of the metering and tie-in facilities is currently being scheduled in an optimised fashion to maximise efficiency of crew rosters and camp utilisation.

Commissioning Phase

As advised previously, commissioning of the three Vali wells is to be conducted progressively, phased around the receipt of major equipment, a process expected to continue into November 2022.

Commissioning of the first well, facilities and pipeline is scheduled for completion in October 2022, with first gas production to occur during this period. The remaining wells will follow in the commissioning process as lease facilities are completed and handed over.

Gas produced in the commissioning phase will be used initially for commissioning of facilities and pipeline and line-pack prior to supply to AGL under the GSA.

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

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