

Operations Update

- **PEL 155: Nangwarry-1 testing to commence in mid-March; operator advises slight delays due to COVID-19 restrictions around transportation of equipment; material value to be added over the long-term upon successful test**
- **ATP 2021 and PRL 211: Potential to deliver upside with new wells; rig contract signed for multi-well Cooper Basin campaign**

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

Neil Gibbins, Vintage Managing Director, said "We are pleased that, despite equipment delivery uncertainty and cross-border travel restrictions due to recent COVID-19 lockdowns, the operator has now advised that the testing of Nangwarry-1 will commence around mid-March. The Superior Energy rig will arrive on location at Nangwarry-1 on 10 March, after which the well and equipment will be set up for the test. It is anticipated that testing of the well will take approximately three to four weeks and, should the test be successful, be a material value-adding asset to Vintage over what could potentially be a 50-year period.

Regarding the Vali gas field and associated wells, we are pleased to advise we are on track to commence drilling Vali-2 (to be followed by Odin-1) in April 2021. In other positive news, the black grease-like substance identified in the Vali-1 ST1 well that caused issues with the packer seal assembly during completion, has now been analysed and appears to be a substance introduced from the surface and not occurring within the reservoir.

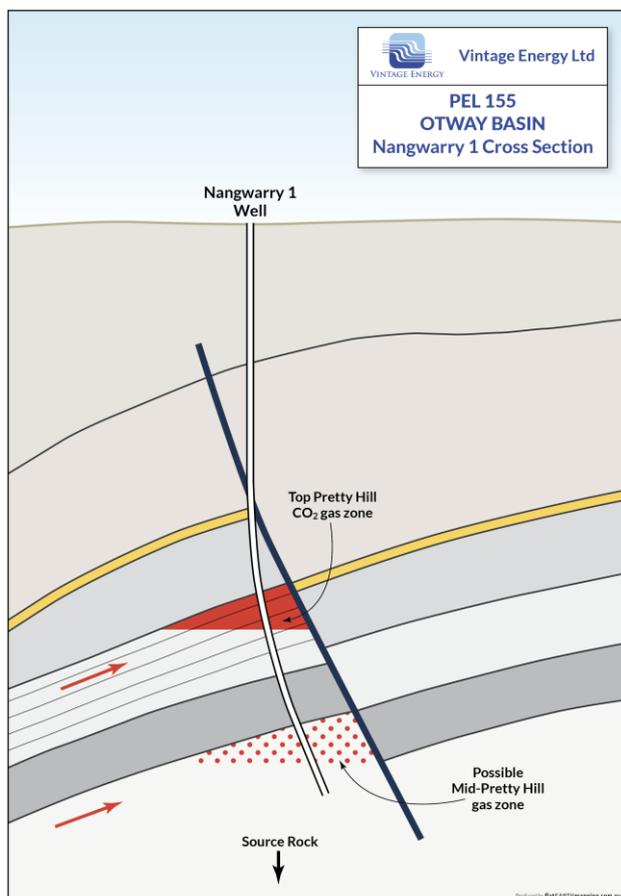
The Vali gas field is key to Vintage's delivery of gas to the east coast of Australia. The next two wells can add material amounts of gas to that already discovered and certified in the Vali Field, as well as assist in providing us with a more substantial and longer dated gas contract, which will be finalised ahead of first production."

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

All equipment for the testing of Nangwarry-1 is in the final stages of being mobilised to site, with testing of Nangwarry-1 expected to commence around mid-March. The operator advised that COVID-19 related delays were experienced in mobilising equipment and the rig across the border between Victoria and South Australia, however, these issues have now been resolved.

The testing program will include a short test of the mid-Pretty Hill Sandstone, to verify possible upside potential indicated by gas shows while drilling, followed by a move into the shallower zone and flow test of individual sands in the interpreted CO₂ column at the top of the Pretty Hill Sandstone (refer cross section diagram on next page). The test will be completed once a desired stabilised flow rate and volumetric estimate of the recoverable CO₂ is obtained. Gross recoverable estimates for Nangwarry-1 CO₂ 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 CO₂. If successful, the test will confirm volumes of saleable CO₂ and allow the Joint Venture to consider appropriate debt funding options for the infrastructure required to produce food grade CO₂. The co-produced methane will be used to run the production plant, with Supagas already commissioning preliminary design work for a skid mounted CO₂ plant, in line with the MOU signed in 2020.

Cross section showing the Nangwarry-1 well and the CO₂ gas discovery zone at the top of the Pretty Hill Formation

Cooper Basin – ATP 2021 (Vintage 50% and operator, Metgasco Ltd 25%, Bridgeport Cooper Basin Pty Ltd 25%) and PRL 211 (Vintage 42.5% and operator, Metgasco Ltd 21.25%, Bridgeport Cooper Basin Pty Ltd 21.25%, Beach Energy Ltd 15%)

A rig contract has been signed with Schlumberger to use SLR Rig-184 to drill Vali-2 and Odin-1, with an option to drill a further ATP 2021 Vali well. It is expected that Vali-2 will be drilled in April 2021 and take approximately three weeks to reach total depth. Once drilled, the well will be secured and the rig moved to the Odin-1 location in South Australia.

The primary objectives of Vali-2 are to appraise the extent of the Patchawarra Formation gas accumulation discovered in Vali-1 ST1, and the potential for gas in a Toolachee Formation four-way dip closure, which was not tested in Vali-1 ST1. Odin-1 is being drilled to address a large fault bounded Patchawarra Formation closure, up dip of Strathmount-1, a well drilled in 1987 and plugged and abandoned after discovering a non-commercial hydrocarbon accumulation. Strathmount-1 is interpreted to have conventional gas pay in the Toolachee Formation and both conventional and low permeability gas pay in the Patchawarra Formation. Potential exists for stratigraphically trapped gas outside of closure which would provide gas resource upside.

As previously advised, during the completion works at Vali-1 ST1 the packer seal failed to hold pressure against the casing during completion, with the likely cause being the presence of a black grease-like substance in the bottom third of the wellbore. Chemical analysis of the substance showed that it is consistent with a lubricant used at surface and not a product of the reservoir. This is a positive finding and is supported by the fact that all downhole equipment previously used in flowback and well testing operations were retrieved in clean condition.

Apart from hindering the sealing mechanism, the deposit is of no concern for production operations. The plan moving forward will be to mechanically scrape the casing over the intervals in which the packers will be set against the casing, which is a relatively common operation in the industry. It is anticipated that completion of Vali-1 ST1 will take place later this calendar year, well in advance of planned first gas production.

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

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