QUARTERLY REPORT
For period ended 30 September 2020
31 October 2020

VINTAGE ENERGY

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HIGHLIGHTS

Cooper/Eromanga Basins (ATP 2021)

- Vali-1 ST1 flow test measured stabilised gas rate of 4.3 MMscfd through 36/64" choke at 942 psi
- Vali gas field development concept completed
- 2C Resource to 2P Reserve conversion commenced

Otway Basin (PEL 155)

- Non-binding Memorandum of Understanding signed with Supagas
- Planning underway for Nangwarry-1 flow test
- Production options being considered



Figure 1: Vali-1 ST1 flare

OPERATIONS

Cooper/Eromanga Basins, Queensland and South Australia

ATP 2021 (Vintage 50% and operatorship, Metagsco Ltd ("Metgasco") 25% and Bridgeport (Cooper Basin) Pty Ltd 25%)

The highly successful flow test program for Val-1 ST1 delivered 4.3 MMscfd of measured gas through a 36/64"choke at a flowing well-head pressure ("FWHP") of 942 psi over a two-day period. Transient tests were also undertaken with rates recorded between 3.7 MMscfd (through a 24/64" choke at 1,676 psi FWHP) and 7.5 MMscfd (through a 32/64" choke at 1,593 psi FWHP). The program was carried out safely and as planned.

Strong rates were achieved during all flow periods and quick pressure build-ups were observed during all shut-in periods, with pressure levels quickly approaching around 3,000 psi. All flow rates were restricted through varying choke sizes to ensure proppant was not returned from the formation into the well bore, therefore avoiding any reduction in the effectiveness of the stimulation process.

During the flow testing of the well, the following activities were undertaken:

- Production Logging Tool run, which determined that gas was being contributed by each of the stimulated zones
- Shut-ins, which observed the pressure response of the reservoir, with pressure readings reaching 2,932 psi at the end of the recording period and continuing to build
- Flow testing, with transient tests undertaken under various choke sizes of 24/64", 32/64" and 40/64" over three equal periods of six hours
- Gas samples taken, with the composition in line with typical Cooper Basin Patchawarra wells

A development concept for the Vali Field has been completed and estimates a field life of around 20 years, with up to nine fracture stimulated vertical wells to 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 the first half of 2021, subject to regulatory and joint venture approvals and rig availability. These wells will also appraise upside potential in sands within the Toolachee Formation and Nappamerri Group.

A type well production profile has been developed based on the flow test at Vali-1 ST1, and with reference to the decline characteristics of nearby fields. The current base case development concept for the Vali Field is for initial raw gas production of approximately 5 MMscfd (gross) per well for total production of around 5 Bcf per well (on an average well outcome basis). Surface facilities at Vali will be kept to a minimum through the construction of a main manifold that will gather gas from producing wells and deliver it into existing pipelines, with a separator to possibly be installed depending on the metering system used.

Some of the development concept work has been carried out by GPA Engineering ("GPA"). GPA has consulted with Santos, as operator of the SACB JV infrastructure, and believe the preferred connection point for a Vali Field pipeline is the Santos operated Beckler Field. Gas will then be transported through the existing pipeline system for processing at Moomba once infrastructure access and gas sales agreements are executed. It is envisaged that connection from Vali would be via multiple composite pipelines, the number and size of which will be defined in the detailed engineering phase of work, but scoping work suggests two 4-inch lines would be optimal. This would provide flexibility and continuity of production when new wells are connected into the system.

The capital cost associated with the pipeline connection is based on concept select work carried out by GPA. Well costs are based on a standalone well, however, it is considered that these costs may be reduced by drilling a campaign of wells and applying lessons learned from Vali-1 ST1. The estimated Vali Field capital costs, from a gross perspective, include: $7.0 million for engineering and pipeline construction and connection (including separator); $5.0 million per well to drill, case and complete; $3.0 million per well to fracture stimulate; $0.5 million per well to connect to the Vali manifold; and $1.0 million for geological, geophysical and engineering ("GG&E") studies in the first twelve months.

Operating costs are expected to be low, with well integrity and facility integrity testing part of variable operating expenditure and adjusted based on the number of wells. The field itself will be automated as possible to reduce costs through the elimination of the need for permanent field operators.

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Further wells will be drilled as a means of increasing production. These wells will be subject to sales gas transactions that support the level of gas production.

Otway Basin, South Australia/Victoria

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

The joint venture signed a non-binding Memorandum of Understanding ("MOU") with Supagas Pty Ltd ("Supagas"), an Australian based distributor of gases for domestic, industrial, medical and other applications.

Under the MOU, Supagas will fund work associated with the preliminary design and costing of facilities for processing Nangwarry carbon dioxide ("CO_2"), which will allow for the production and delivery of food grade CO_2. In return, the joint venture will provide Supagas the opportunity to submit a formal proposal to develop and/or purchase gas from the Nangwarry reservoir.

Design work is currently underway for an extended production test of the Nangwarry-1 well, which is being targeted for late 2020. The MOU signed with Supagas supports the development, production and purchase of Nangwarry CO_2, and is a reflection of the confidence the joint venture has in the Nangwarry discovery.

The first Otway Basin recoverable CO_2 booking for the Nangwarry-1 discovery was estimated by employing a method consistent with the June 2018 Society of Engineers Petroleum Resources Management System ("PRMS") methodology.

Under PRMS, volumes of non-hydrocarbon by-products cannot be included in any Reserves or Resources classification. ERC Equipoise Pte Ltd ("ERCE") has assessed the sales gas volumes attributable to the Nangwarry-1 discovery using a methodology consistent with that prescribed by the PRMS. ERCE independently assessed a Best Case of 25.1 Bcf gross recoverable CO_2 in the top Pretty Hill Sandstone of the Nangwarry CO_2 discovery (12.6 Bcf net to Vintage). This compares extremely well with other commercial Otway Basin CO_2 fields such as Caroline (~15 Bcf), which was in production for approximately 50 years, and Boggy Creek (~14 Bcf).

The Nangwarry-1 well has a high-quality CO_2 gas column of approximately 90 metres, based on sampling and pressure data, with a further 45 metres subject to confirmation by testing. This is a 25-70 metre increase over the previously advised 65 metre column. Laboratory analyses indicate that around 90% of the gas content is CO_2, with the residual being methane. This is an excellent outcome as the methane can be separated from the CO_2 and used to power the facility that would process the gas to food grade quality CO_2.

Gross PEL 155 Nangwarry Field Pretty Hill Sandstone (31 August 2020)					
CO_2 Sales Gas (Bcf)			Unrisked hydrocarbon Contingent Resources (Bcf)		
Low	Best	High	1C	2C	3C
7.8	25.1	82.1	0.8	2.6	8.8

Net PEL 155 Nangwarry CO_2 Field Pretty Hill Sandstone (31 August 2020)					
CO_2 Sales Gas (Bcf) 50% VEN			Unrisked hydrocarbon Contingent Resources (Bcf) 50% VEN		
Low	Best	High	1C	2C	3C
3.9	12.6	41.1	0.4	1.3	4.4

Notes

1. Recoverable CO_2 and Contingent Resource estimates reported here are ERCE estimates.
2. Gross Contingent Resources represent a 100% total of estimated recoverable hydrocarbon volumes.

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3. Resource estimates have been made and classified in accordance with the PRMS guidelines and methodology.
4. Recoverable CO_2 estimates have been made and classified using a method consistent with the PRMS guidelines and methodology.
5. Net recoverable CO_2 attributable to Vintage represents the fraction of gross recoverable CO_2 allocated to Vintage, based on its 50% interest in PEL 155.
6. Volumes reported here are "unrisked" in the sense that no adjustment has been 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).
7. Chance of Development for the recoverable CO_2 has been estimated to be 75% by Vintage and agreed by ERCE. This is based on the ability to establish a skid mounted processing facility at the well-head, adequate road access for trucks to transport the CO_2 to market, similar reservoirs developed nearby such as Caroline-1, and high downstream demand for food grade CO_2.
8. Hydrocarbon Contingent Resources have been sub-classified as "Development Unclarified" under the PRMS by ERCE and are assigned as Consumed in Operations, that is used as fuel for the CO_2 plant. The key contingencies are a final investment decision on development, committing to a CO_2 sales agreement, any other necessary commercial arrangements, and obtaining the usual regulatory approvals for production.
9. Recoverable CO_2 volumes shown have had shrinkage applied to account for methane and include only CO_2 gas.
10. Recoverable CO_2 and Contingent Resources presented in the tables are the probabilistic totals for the Pretty Hill Sandstone reservoir interval.
11. Probabilistic totals have been estimated using the Monte Carlo method.

Galilee Basin, Queensland

Deeps (Vintage 30%, Comet Ridge Ltd ("Comet") 70% and operator)

Onsite operations at the Albany gas field have been suspended by the operator. Further updates will be made on the Deeps joint venture when available.

Perth Basin, Western Australia

Cervantes Structure (L 14) (Vintage earning 30%, Metgasco earning 30% and RCMA Australia Pty Ltd ("Jade"), 40%)

One further survey was recommended by the environmental authorities and completed in September 2020. Final project environmental approvals are anticipated by the end of the 2020, with a spud date targeted for H1 2021.

CORPORATE

Escrow shares

On 11 September 2020, 45,363,232 unlisted Founders' shares that were held in escrow for 24 months following the Company's initial public offering in 2018 were released from restriction and converted to ordinary shares in the Company.

Related parties

Payments to related parties, as disclosed at Item 6.1 in the Company's Cash Flow Report attached to this report (Appendix 5B) for the 3 months ended 30 September 2020, consists of $135,001 of remuneration, Directors' fees and superannuation paid to Directors and $21,026 paid to associates.

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Capital raising

Vintage completed a share placement to institutional and sophisticated/professional investors at an issue price of $0.06 per share, raising gross proceeds of $3.1 million.

Alternate Director resignation

Ian Northcott resigned as the alternate Director to Ian Howarth on 11 August 2020.

SUBSEQUENT EVENTS

A non-renounceable entitlement offer ("Entitlement Offer") for eligible shareholders was completed at $0.06 per share on a 1 for 2 basis, generating gross proceeds of $8.9 million.

The funds received from the Entitlement Offer, and $3.1 million from the previously completed institutional placement, 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_2 discovery (both subject to regulatory and joint venture approvals). Funds will also be used to increase production from the Vali Field through drilling of further wells, as well as drilling the nearby Odin prospect (both subject to regulatory and joint venture approvals and rig availability).

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Top 10 Shareholders (28 October 2020)

Position	Holder Name	Holding	%
1	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	61,390,851	11.00%
2	BNP PARIBAS NOMS PTY LTD <DRP>	55,733,033	9.98%
3	UBS NOMINEES PTY LTD	15,486,648	2.77%
4	MR DOMINIC VIRGARA	15,441,340	2.77%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,911,427	2.67%
6	HOWZAT SERVICES PTY LTD<HOWARTH SUPER FUND A/C>	10,398,783	1.86%
7	AURELIUS RESOURCES PTY LTD <THE NELSON SUPER FUND A/C>	8,083,519	1.45%
8	N M GIBBINS	7,816,575	1.40%
9	MR REGINALD GEORGE NELSON & MRS SUSAN MARGARET NELSON <GROUNDHOG A/C>	7,661,176	1.37%
10	SMART HOLDINGS PTY LTD	7,298,846	1.31%
	Total	**204,222,198**	**36.58%**
	Total issued capital - selected security class(es)	**558,331,726**	**100.00%**

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Vintage's planned operational program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Vintage believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward looking statements. Vintage confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VINTAGE ENERGY LIMITED

ABN	Quarter ended ("current quarter")
56 609 200 580	30 September 2020

Consolidated statement of cash flows		Current quarter $A	Year to date (3 months) $A
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(506,602)	(506,602)
	(e) administration and corporate costs	(323,272)	(323,272)
1.3	Dividends received (see note 3)		
1.4	Interest received	533	533
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	87,500	87,500
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(741,841)**	**(741,841)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(1,570,118)	(1,570,118)
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A	Year to date (3 months) $A
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (rental payments)	(32,292)	(32,292)
2.6	**Net cash from / (used in) investing activities**	**(1,602,410)**	**(1,602,410)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,244,274	3,244,274
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(216,928)	(216,928)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**3,027,346**	**3,027,346**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,443,239	3,443,239
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(741,841)	(741,841)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,602,410)	(1,602,410)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,027,346	3,027,346

Consolidated statement of cash flows		Current quarter $A	Year to date (3 months) $A
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**4,126,334**	**4,126,334**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A	Previous quarter $A
5.1	Bank balances	3,988,469	3,305,374
5.2	Call deposits *	30,000	30,000
5.3	Bank overdrafts		
5.4	Other (provide details) *	107,865	107,865
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,126,334**	**3,443,239**

*Amount is restricted

6.	Payments to related parties of the entity and their associates	Current quarter $A
6.1	Aggregate amount of payments to related parties and their associates included in item 1	156,027
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A**	**Amount drawn at quarter end $A**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A**
8.1	Net cash from / (used in) operating activities (item 1.9)	(741,841)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,570,118)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,311,959)
8.4	Cash and cash equivalents at quarter end (item 4.6) **	3,988,469
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	3,988,469
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.7

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes. The Company has subsequent to the end of the quarter raised $8.9 million from an Entitlement offer.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: On 21 October 2020, the Company announced that it has raised $8.9 million.

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	The Company expects to be able to continue its operations and to meet its business objectives. This is due to the recent capital raise providing the Company with the capital to convert exploration successes into revenue-producing operations in the short-to-medium term, which has always been a key priority for the Company.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

**Difference to item 4.6 reflects amounts that are restricted. Refer item 5.1.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....30 October 2020.....

Authorised by: .....Simon Gray – Company Secretary.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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