# Vintage Energy Limited

(ABN 56 609 200 580)

## Financial Report

For the half year ended 31 December 2021

VINTAGE ENERGY

# Contents

# Directors' Report

The Directors of Vintage Energy Limited ("Vintage" or "the Company") present their report together with the financial statements for the half-year ended 31 December 2021.

The Directors of the Company in office during or since the end of the period are:

Mr. Reg Nelson (Chairman)

Mr. Neil Gibbins (Managing Director)

Mr. Ian Howarth (Non-executive Director)

Mr. Nick Smart (Non-executive Director)

All directors held office during and since the end of the period, unless otherwise stated.

## Principal activities

The Company seeks to create value for its shareholders through the discovery, development and sale of oil and gas resources. Principal activities undertaken for this purpose include securing exploration projects, undertaking exploration for, and appraisal and evaluation of oil and gas resources, planning and execution of resource development and contracting to enable production, processing and sale of oil and gas.

## Results for the period

The Company reported a loss for the half-year ended 31 December 2021 of $1,825,386 (31 December 2020 $1,039,236).

The Company has continued to execute its exploration program as detailed in the Company's IPO prospectus and described in the review of operations detailed below. Movements in the Statement of Financial Position are a reflection of the program's execution.

## Overview of outcomes

During the six months to 31 December 2021 the company established the gas reserves, funding base and Heads of Agreement for sale of gas from the Cooper Basin. The gas is to be sold from the Vali gas field, where production is planned for commencement around mid-year calendar 2022, under contracts currently being finalised.

Exploration resulted in a new gas field discovery, Odin, in the Cooper Basin. Contingent Resources were recognised for Odin following receipt of independent assessment. Contingent Resources for the Nangwarry field in the Otway Basin were revised upwards.

Capital raisings and debt facilities announced prior to the end of the period will have the Company fully resourced to complete its capital expenditure plans. The debt facility is subject to conditions precedent; the capital raising was completed in two phases, the latter of which occurred subsequent to the end of the period.

## Corporate

### Gas sales Heads of Agreement

On 6 December 2021, Vintage announced a Heads of Agreement ("HoA") between the ATP 2021 Joint Venture parties ("JV"; Vintage Energy interest 50%) and AGL Wholesale Gas Limited ("AGL") for the sale of gas from the Vali field from start-up to the end of CY2026. Start-up is anticipated in mid-2022.

The HoA, which is subject to conditions precedent, contains the key commercial terms of a detailed, fully-termed Gas Sales Agreement ("GSA") currently being finalised. The HoA provides for the supply of 9 PJ to 16 PJ (gross JV volume; Vintage share is 50%) with pricing at a mix of fixed and variable market rates.

The terms of the HoA also provide for upfront payment of $15 million ($7.5 million net to Vintage) by AGL to the JV in three equal tranches as the project moves to first gas, subject to execution of the proposed GSA and the satisfaction of its conditions precedent. These include execution of agreements to provide for the transportation and processing of Vali gas by the Moomba gas gathering network. The funds paid to the JV will be used to fund the Vali field work program, including the completion of all three Vali wells and the tie-in of the field to the nearby Moomba gas gathering network.

### Debt facility

On 6 December 2021, Vintage announced the signing of a binding term sheet for a $10 million debt facility with the PURE Resources Fund, managed by PURE Asset Management (“PURE”). The facility is based on two tranches of $5 million each and has a term of 48 months.

Subject to shareholder approval, warrants for the amount of the loan funds provided by PURE will be issued to PURE at 17 cents per share exercise price, subject to the usual adjustment mechanism for dilution. The warrants will be exercisable at any time up to 12 months after the repayment date of the loan (i.e.5-year term) and may be used to repay the debt or for other purposes. A shareholder meeting to approve the issue of the warrants has been convened for 18 March 2022.

The debt facility is subject to conditions precedent.

### Capital raising

On 13 December, Vintage announced a capital raising to provide equity funding to support its expenditure plans in the Cooper, Perth and Otway basins. The capital raising comprised a share placement to institutional and sophisticated investors and an entitlement offer (share purchase plan, “SPP”) to existing shareholders which closed subsequent to year-end. Both issues were priced at 0.085 cents per share.

The placement was successful, raising gross proceeds of $8.5 million and broadening the Company’s shareholder base. Funds were received from the placement on 17 December 2021. Results from the SPP are discussed below under the heading ‘Subsequent Events’.

### Options

The company issued the following options to Directors - 6,000,000 share options, issued to Directors exercisable any time with an exercise price of $0.133 per option and an expiry after 3 years from issue. The options have a fair value of $169,783.

### Rights

Pursuant to a resolution passed at the Company’s Annual General Meeting on 29 November 2021, the Company issued 5,765,700 employee incentive rights with a fair value of $377,019 to Mr. Neil Gibbins (Managing Director).

## Subsequent events

### Share purchase plan

On 19 January 2022, the Company announced the completion of its share purchase plan (‘SPP’), which was heavily oversubscribed. All eligible applications, totaling $3.44 million, for the $2.0 million SPP were accepted. 40,499,869 shares were issued pursuant to the SPP on 21 January 2022.

# Review of Operations

## Cooper/Eromanga Basins, Queensland

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

ATP 2021 Joint Venture activities for the period focused on the Vali gas field, discovered by Vali-1ST1 and successfully appraised by Vali-2 and Vali-3 in the prior financial year. Results from these wells indicated Vali to be a significant gas field, with multiple gas bearing zones.

Work performed during the six months to 31 December 2021 included a substantial upgrade to field reserves, detailed engineering and costing of a field appraisal and extended production test project, planning for fracture stimulation and completions work, and securing of the HoA with AGL for sale of gas from the field reported above under the heading “Corporate”.

Review by ERC Equipoise Ptd Ltd (“ERCE”) to include the Toolachee Formation and upgrade previously booked reserves from the Patchawarra Formation resulted in independently certified and booked 2P reserves for the field increasing to 101.0 PJ gross (Vintage Energy net working interest: 50.5 PJ). The revision represents a 3-fold increase in 2P reserves for Vali. The upgrade was reported to the ASX on 1 November 2021.

Production will be from the field’s three wells, supplying gas via connection to the Moomba gas gathering network. Detailed engineering and cost estimates are being prepared for consideration by the Joint Venture. Long lead items required for completion and connection have been ordered. Work to fracture stimulate, complete and connect the field is expected to be concluded for commencement of production by around the middle of the current calendar year.

The initial gas production from Vali is to be supplied to AGL pursuant to the HoA announced in December under a 4.5-year agreement, currently being finalised.

## Cooper/Eromanga Basins, South Australia

### PRL 211
### Vintage 42.5% and operatorship, Metgasco Ltd 21.25%, Bridgeport (Cooper Basin) Pty Ltd 21.25% and Impress (Cooper Basin) Pty Ltd (wholly owned by Beach Energy Ltd) 15%

Operations in PRL 211 focused on the flow testing and analysis of Odin-1, a gas exploration well which reached total depth and recorded extensive gas shows, shortly before the commencement of the period.

Independent assessment of the Contingent Resources at Odin was conducted by ERCE and announced to the ASX on 16 September 2021, prior to the flow test results. ERCE assessed the field to contain gross 2C Contingent Resource of 36.4 billion cubic feet (“Bcf”). A net working interest to Vintage of 42.5% (16.0 Bcf) has been certified by ERCE, reflecting the company’s equity share in PRL 211 and the adjacent ATP 2021 into which the eastern flank of the field has been mapped.

The flow test results exceeded initial expectations. The first stage test delivered a stable flow rate of 6.5 million standard cubic feet per day (MMscfd) at a flowing wellhead pressure of 1,823 psi through a 28/64” fixed choke. The well was then shut-in for 15 days, with the second stage of the flow test recommencing on 18 November 2021.

The second stage focused on the running of a multi-rate memory production log, which confirmed gas contribution from each of the perforated Epsilon and Toolachee formations. Gas samples were taken over the course of the second stage for detailed analysis.

Odin-1 is currently shut-in. The data collected will be assessed and incorporated into a commercialisation plan for the asset, which will include an estimate of the number of wells required to efficiently produce gas and maximise returns. Subject to JV approval, the next operation will likely be completion of the well, in conjunction with completion of the nearby Vali wells.

The field is expected to become a significant contributor to Vintage’s supply of gas to the Australian domestic market through tie-in to the Moomba gas gathering network.

## Otway Basin, South Australia/Victoria

### PRL 249 (ex PEL 155)
### Vintage 50%, Otway Energy Pty Ltd 50%

Revised estimates to certified recoverable resources at the Nangwarry field were announced in July. The revision incorporated results of flow testing, which had confirmed Nangwarry to be highly productive, flowing raw gas (~93% $CO_2$, ~6% methane and ~1% nitrogen) at rates of 10.5-10.8 MMscfd over a 36-hour period. The revision was conducted by independent assessor ERCE to its earlier estimates.

The effect of the revision was to increase gross 2C Contingent Resource of recoverable $CO_2$ from 25.1 Bcf to 25.9 Bcf (Vintage share increased from 12.6 Bcf to 12.9 Bcf).

The flow test results and certified resource estimates confirmed Nangwarry has the productivity, quality and volume of gas for stable long term commercial production and processing to food-grade $CO_2$.

Food-grade $CO_2$, is a required input for several sectors including the beverage, medical device, cold storage, agriculture, chemical and other manufacturing sectors. The Otway Basin has a long history of producing food-grade $CO_2$ from the Caroline gas field, which supplied gas from 1969 to its depletion in 2017.

Vintage has been appointed by the Joint Venture as the marketing agent to commercialise Nangwarry and is investigating and analysing the most suitable market options for the field.

### PEP 171
### Vintage 25% and operator, Somerton Energy Pty Ltd 75%

PEP 171 encompasses the Victorian portion of the Penola Trough of the Otway Basin. The Penola Trough has proven highly prospective for gas, yielding all the South Australian onshore Otway discoveries. However, exploration in Victoria has been prohibited by government moratorium.

Developments during the period cleared the pathway for Vintage to recommence exploration of PEP 171. Following expiry of the moratorium in July 2021, new Victorian state government regulations came into force on 22 November 2021. As a result, all previously existing oil and gas exploration permits which were in good standing (which includes PEP 171) had their first 5-year term restarted on 1 July 2021.

## Perth Basin, Western Australia

### Cervantes Structure (within L14)
### Vintage earning 30%, Metgasco Ltd earning 30% and RCMA Australia Pty Ltd 40%

Activity during the period was directed to securing the necessary approvals and agreements for the drilling of Cervantes -1, an onshore oil exploration well on-trend with the producing Cliff Head, Jingemia and Hovea oil fields. The regulatory approvals and rig hire contracts were secured subsequent to the end of the period.

Vintage is to earn its stake in any Cervantes discovery in the targeted Permian reservoirs through funding 50% of the cost[1] of Cervantes-1.

The structure is a high side fault trap similar to other fields in the Basin and the well will target Permian sandstone reservoir targets which have been prolific producers in the region. As announced on 15 November 2019, Cervantes is assessed to contain Gross recoverable Prospective Resources (P50) of 15.3 million barrels of oil (4.6 million barrels net to Vintage). The chance of success has been estimated at 28%.

1 To a well cost cap of $8 million, above which costs revert to equity share. Metgasco funding the balancing 50% to earn a 30% share. RCMA Australia has a 40% share and is free carried on Cervantes

## Galilee Basin, Queensland

### ATPs 743, 744 and 1015 “Deeps”
### Vintage 30%, Comet Ridge Ltd 70% and operator

There was no significant activity in relation during the period as the Joint Venture awaited regulator decision on applications for Potential Commercial Areas covering the prospective regions of these permits.

## Bonaparte Basin, Northern Territory

### EP 126
### Vintage 100%

There was no activity of significance in relation to this permit. On-site work is suspended pending resolution of discussions with the Northern Territory Government in relation to the declaration of approximately 50% of the permit, including the Cullen-1 well site, as a ‘Reserved Area’.

## FY22 second half outlook

The progress made by Vintage in the first half has set Vintage for a busy period in the six months to June with exploration, appraisal, gas contracting and production plans to execute.

These include:

- signing and execution of a binding GSA with AGL for the supply of gas from Vali.
- capital works in the Cooper Basin to enable commencement of Vali field appraisal and initial production from mid-year 2022
- completion of the Odin gas well, subject to joint venture approval
- planning and preparation for acquisition of 3-dimensional seismic for oil and gas exploration drilling in the Cooper Basin
- drilling of the Cervantes oil well in the Perth Basin
- advancing plans for commercialisation of the Nangwarry gas resource, initially through identification of the best market and delivery options.

A copy of the external Auditor's Independence Declaration for the financial half-year, as required under Section 307C of the Corporations Act 2001, is included on page 9.

Signed in accordance with a resolution of the directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors

Reg Nelson
Chairman

Dated 11th March 2022

Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

**T** +61 8 8372 6666

# Auditor's Independence Declaration

## To the Directors of Vintage Energy Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Vintage Energy Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 11 March 2022

# Statement of Profit or Loss and Other Comprehensive Income

## For half year ended 31 December 2021

| | Notes | Half year ended December 2021 $ | Half year ended December 2020 $ |
|---|---|---|---|
| Interest received | | 416 | 894 |
| Joint venture cost recovery | | 803,085 | 730,903 |
| COVID19 cash boost | | - | 100,000 |
| Other income | | - | 39,440 |
| | | 803,501 | 871,237 |
| Corporate recoveries | | - | (39,440) |
| Consulting expense | | (152,764) | (15,000) |
| Depreciation | | (124,288) | (101,870) |
| Exploration expense | | - | (6,761) |
| Administrative expenses | | (452,209) | (492,420) |
| Director remuneration and option expense | 7 | (443,176) | (349,044) |
| Employee benefits expense | 7 | (1,327,214) | (846,130) |
| Employee on costs | | (84,629) | (41,752) |
| Travel and accommodation | | (1,196) | (808) |
| Corporate legal fees | | (39,920) | (14,612) |
| Interest expense – lease liability | | (3,491) | (2,636) |
| **(Loss) before income tax** | | **(1,825,386)** | **(1,039,236)** |
| Income tax expense | | - | - |
| **(Loss) for the period** | | **(1,825,386)** | **(1,039,236)** |
| Other comprehensive income | | - | - |
| **Total comprehensive income/(loss) for the period** | | **(1,825,386)** | **(1,039,236)** |
| | | | |
| **Earnings per share** | | | |
| Basic (loss) per share from continuing operations (cents) | 16 | (0.0029) | (0.0023) |
| Diluted (loss) per share from continuing operations (cents) | | (0.0029) | (0.0023) |

This statement should be read in conjunction with the notes to the financial statements.

# Statement of Financial Position

## As at 31 December 2021

| | Notes | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 8 | 10,338,251 | 7,369,036 |
| Trade and other receivables | 9 | 1,671,535 | 631,710 |
| Other assets | | 234,957 | 74,369 |
| Total current assets | | 12,244,743 | 8,075,115 |
| **Non-current Assets** | | | |
| Property plant and equipment | 10 | 513,108 | 426,004 |
| Exploration and evaluation assets | 11 | 40,537,868 | 37,161,165 |
| Total non-current assets | | 41,050,976 | 37,587,169 |
| **Total Assets** | | **53,295,719** | **45,662,284** |
| **Current Liabilities** | | | |
| Trade and other payables | 12 | 1,079,360 | 166,024 |
| Provisions | 13 | 470,535 | 365,033 |
| Other financial liabilities | 14 | 213,833 | 160,717 |
| Total current liabilities | | 1,763,728 | 691,774 |
| **Non-Current Liabilities** | | | |
| Provisions | 13 | 925,000 | 925,000 |
| Other financial liabilities | 14 | 258,678 | 219,627 |
| Total non-current liabilities | | 1,183,678 | 1,144,627 |
| **Total liabilities** | | **2,947,406** | **1,836,401** |
| **Net Assets** | | **50,348,313** | **43,825,883** |
| **Equity** | | | |
| Issued capital | 15 | 59,977,219 | 51,907,858 |
| Reserves | | 455,160 | 480,705 |
| Accumulated (losses) | | (10,084,066) | (8,562,680) |
| **Total Equity** | | **50,348,313** | **43,825,883** |

This statement should be read in conjunction with the notes to the financial statements.

# Statement of Changes in Equity

## For the half year ended 31 December 2021

| | Notes | Issued capital | Accumulated losses | Share based payments reserve | Total equity |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| **Balance at 1 July 2020** | | **36,891,576** | **(6,432,653)** | **867,181** | **31,326,104** |
| (Loss) for the period | | - | (1,039,236) | - | (1,039,236) |
| **Total comprehensive (loss) for the period** | | **-** | **(1,039,236)** | **-** | **(1,039,236)** |
| *Transactions with owners* | | | | | |
| Issue of ordinary shares at $0.036 | | 385,000 | - | - | 385,000 |
| Issue of ordinary shares at $0.06 | | 15,170,167 | - | - | 15,170,167 |
| Transaction costs | | (877,270) | - | - | (877,270) |
| Conversion of performance rights | | 22,050 | - | (22,050) | - |
| Share based payments - performance rights | | - | - | 136,277 | 136,277 |
| **Balance at 31 December 2020** | | **51,591,523** | **(7,471,889)** | **981,408** | **45,101,042** |
| | | | | | |
| **Balance at 1 July 2021** | | **51,907,858** | **(8,562,680)** | **480,705** | **43,825,883** |
| (Loss) for the period | | - | (1,825,386) | - | (1,825,386) |
| **Total comprehensive (loss) for the period** | | **-** | **(1,825,386)** | **-** | **(1,825,386)** |
| *Transactions with owners* | | | | | |
| Issue of ordinary shares at $0.085 | | 8,500,000 | - | - | 8,500,000 |
| Transaction costs | | (548,890) | - | - | (548,890) |
| Conversion of performance rights | | - | - | 396,706 | 396,706 |
| Fair value of lapsed options | | 118,251 | 304,000 | (422,251) | - |
| **Balance at 31 December 2021** | 15 | **59,977,219** | **(10,084,066)** | **455,160** | **50,348,313** |

This statement should be read in conjunction with the notes to the financial statements.

# Statement of Cash Flows

## For the half year ended 31 December 2021

| | Notes | Half year ended 31 December 2021 $ | Half year ended 31 December 2020 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | (2,213,048) | (1,662,152) |
| Payments for exploration and evaluation expensed | | - | - |
| Interest received | | 416 | 894 |
| Government grants and tax incentives | | - | 100,000 |
| Other income – recoveries | | - | 19,720 |
| **Net cash from (used in) operating activities** | | **(2,212,632)** | **(1,541,538)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for plant and equipment | | (14,779) | (8,190) |
| Payments for exploration and evaluation assets | | (2,557,266) | (2,509,661) |
| **Net cash from (used in) investing activities** | | **(2,572,045)** | **(2,517,851)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issues of ordinary shares | | 8,500,000 | 15,317,167 |
| Share issue costs | | (548,890) | (877,270) |
| Transaction costs related to loans and borrowings | | (89,030) | - |
| Payment of the principal portion of lease liabilities | | (108,188) | (75,215) |
| **Net cash from (used in) financing activities** | | **7,753,892** | **14,364,682** |
| **Net change in cash and cash equivalents** | | **2,969,215** | **10,305,293** |
| Cash and cash equivalents at the beginning of period | | 7,369,036 | 3,443,239 |
| **Cash and cash equivalents at end of period** | 8 | **10,338,251** | **13,748,532** |

This statement should be read in conjunction with the notes to the financial statements.

# Notes to the Financial Statements

## 1 Nature of operations

Vintage Energy Limited's principal activities include the exploration for oil and gas within its permits located in Australia. The Company listed on the Australian Securities Exchange on 17 September 2018.

## 2 General information and basis of preparation

The condensed half year financial statements of the Company are for the six months ended 31 December 2021. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The financial statements for the half year ended 31 December 2021 were approved and authorised for issue by the Board of Directors on 11 March 2022.

## 3 Changes in accounting policies

There are no new or revised Accounting Standards issued, or issued but not yet effective, which are expected to have a material impact on the financial statements.

## 4 Operating segments

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded at this time there are no separately identifiable segments.

## 5 Going concern

The Company's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the 6 months ended 31 December 2021, the Company recognised a loss of $1,825,386, had net cash outflows from operating and investing activities of $4,784,677 and had accumulated losses of $10,084,066 as at 31 December 2021. Subsequent to year end, the Company completed its SPP, raising $3.44 million, and continued negotiations towards finalising the GSA with AGL including a $7.5 million net Vintage prepayment. Also subsequent to year end, the Company continued towards finalisation of a debt facility with Pure Asset Management for $10 million.

However, the continuation of the Company as a going concern is still dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of exploration and other expenditure within available cash resources. The Directors consider that the going concern basis of accounting is appropriate, as the Company has the following options:

- The ability to issue share capital under the Corporations Act 2001, by a share purchase plan, share placement or rights issue;
- The option of farming out all or part of its assets;
- The option of selling interests in the Company's assets; and
- The option of relinquishing or disposing of rights and interests in certain assets.

In the event that the Company is unsuccessful in implementing one or more of the funding options listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

# 6 Estimates

When preparing the interim financial statements, management undertakes several judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2021. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

# 7 Loss for the period

Loss for the period from continuing operations includes the following expenses:

| | Half year to 31 December 2021 $ | Half year to 31 December 2020 $ |
|---|---|---|
| **Director remuneration and option expense** | | |
| Director salary and fees | (232,861) | (246,578) |
| Director post-employment benefits | (23,285) | (23,424) |
| Share based payments | (187,030) | (79,042) |
| | (443,176) | (349,044) |
| **Employees benefit expense** | | |
| Short-term employee benefits – salaries and fees | (965,531) | (698,016) |
| Recharge of salaries to exploration | 50,050 | 51,435 |
| Post-employment benefits | (96,555) | (71,653) |
| Increase in employee benefit provisions | (105,502) | (70,663) |
| Share based payments | (209,676) | (57,233) |
| | (1,327,214) | (846,130) |

# 8 Cash and cash equivalents

Cash and cash equivalents consist of the following:

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| Cash on hand | 9 | 9 |
| Cash at bank (i) | 10,338,242 | 7,119,895 |
| Restricted cash (ii) | - | 249,132 |
| | 10,338,251 | 7,369,036 |

(i) Included in cash at bank are amounts pledged as security for bank guarantees and credit facilities amounting to $137,865.
(ii) Held by the PRL 211 Joint Venture which can only be utilised for the PRL 211 expenditure program.

## 9 Trade and other receivables

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| Joint Venture receivables | 1,432,630 | 598,348 |
| GST receivables | 226,571 | 33,203 |
| Other | 12,334 | 159 |
| | 1,671,535 | 631,710 |

## 10 Property, plant and equipment

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| Furniture and fittings / plant and equipment – at cost | | |
| Opening balance | 235,394 | 201,369 |
| Additions for the period | 14,779 | 34,025 |
| Closing balance | 250,173 | 235,394 |
| | | |
| Right of use asset – buildings | | |
| Opening balance | 460,807 | 206,353 |
| Additions for the period (i) | 196,613 | 460,807 |
| Leased asset written back during the period | - | (206,353) |
| Closing balance | 657,420 | 460,807 |
| | | |
| Accumulated depreciation and impairment | | |
| Opening balance | 270,197 | 238,183 |
| Depreciation expense (ii) | 124,288 | 238,367 |
| Leased asset written back during the period | - | (206,353) |
| Closing balance | 394,485 | 270,197 |
| | | |
| Net book value | 513,108 | 426,004 |

(i) Additions relate to new lease contracts for office premises, recognised under AASB 16 Leases, with the lease liability recognised as other financial liabilities, refer Note 14.

(ii) Includes right of use asset depreciation of $102,669.

# 11 Exploration and evaluation

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| Opening balance | 37,161,165 | 28,942,270 |
| Additions for the period (i) | 3,376,703 | 9,925,092 |
| Research & development refund (ii) | - | (1,706,197) |
| | 40,537,868 | 37,161,165 |

(i) Additions for the period includes expenditure on;

| | Additions (operated) $ | Additions (non-operated) $ | Total additions $ | Closing balance $ |
|---|---|---|---|---|
| ATP2021 Joint Venture | 2,621,086 | - | 2,621,086 | 14,125,420 |
| Galilee Deeps Joint Venture | - | 2,348 | 2,348 | 12,319,843 |
| PEL155 Joint Venture | - | 98,184 | 98,184 | 7,941,301 |
| EP126, Bonaparte Basin | 48,563 | - | 48,563 | 2,454,918 |
| PRL211 Joint Venture | 464,797 | - | 464,797 | 2,445,342 |
| Cervantes Joint Venture | - | 133,292 | 133,292 | 1,011,978 |
| Other (PEP171, GSEL672) | 8,433 | - | 8,433 | 239,066 |
| **Total additions** | **3,142,879** | **233,824** | **3,376,703** | **40,537,868** |

(ii) The Company received a tax incentive refund from the Australian Taxation Office in April 2021 relating to eligible research & development expenditure incurred in the Galilee Basin during the 2019 and 2020 financial years. The amount received has been offset against the relevant expenditure in accordance with the Company's accounting policy.

# 12 Trade and other payables

Trade and other payables consist of the following:

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| Trade payables | 979,612 | 68,252 |
| Other creditors | 99,748 | 97,772 |
| | 1,079,360 | 166,024 |

# 13 Provisions

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| *Current* | | |
| Employee benefits | 470,535 | 365,033 |
| | 470,535 | 365,033 |
| *Non-Current* | | |
| Restoration provisions (i) | 925,000 | 925,000 |
| | 925,000 | 925,000 |

(i) The non-current restoration provision represents obligations for future rehabilitation of EP126 which were assumed on acquisition.

# 14 Other financial liabilities

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| *Current* | | |
| Lease liability [(i)] | 213,833 | 160,717 |
| | 213,833 | 160,717 |
| *Non-Current* | | |
| Lease liability [(i)] | 258,678 | 219,627 |
| | 258,678 | 219,627 |

(i) Movement in lease liability:

| | | |
|---|---|---|
| Opening balance – office premises | 380,344 | 82,380 |
| Lease liability recognised during period – buildings | 196,613 | 460,807 |
| Rent payments made during the year | (107,936) | (168,805) |
| Interest expense on lease liability recognised during the year | 3,490 | 5,962 |
| | 472,511 | 380,344 |

# 15 Issued capital

### (a) Ordinary shares

| | 31 December 2021 $ | 30 June 2021 $ |
|---|---|---|
| | 59,977,219 | 51,907,858 |
| | 59,977,219 | 51,907,858 |

| | 31 December 2021 Number | 31 December 2021 $ | 30 June 2021 Number | 30 June 2021 $ |
|---|---|---|---|---|
| **Shares issued and fully paid:** | | | | |
| Beginning of the period | **605,305,847** | **51,907,858** | **339,956,294** | **36,891,576** |
| Shares allotted during the period [(i)] | 100,000,000 | 8,500,000 | 263,530,553 | 15,555,167 |
| Conversion of performance rights | - | - | 1,819,000 | 338,385 |
| Share issue costs | - | (430,639) | - | (877,270) |
| **Total contributed equity at period end** | **705,305,847** | **59,977,219** | **605,305,847** | **51,907,858** |

(i) The following shares were issued during the period:

- 100,000,000 ordinary shares via share placement to sophisticated investors at $0.085 per share.

### (b) Options

The following options were issued during the period.

- 6,000,000, issued to Directors as approved at the Company's Annual General Meeting of 29 November 2021, with an exercise price of $0.133 per option and an expiry date of 3 years from issue (29 November 2024).

### (c) Employee performance rights

The following share-based performance rights were on issue as at 31 December 2021 and issued pursuant to the Employee Incentive Plan:

| Performance right | Date issued | Number | Converted on performance condition met | Lapsed | Balance | Value on issue $ |
|---|---|---|---|---|---|---|
| Class B | June 2019 | 362,500 | - | - | 362,500 | 43,500 |
| Class C | June 2019 | 362,500 | - | - | 362,500 | 34,438 |
| Class ST1 | August 2021 | 9,544,600 | - | - | 9,544,600 | 473,614 |
| Class LT1 | August 2021 | 7,878,300 | - | - | 7,878,300 | 324,786 |
| Class LT2 | August 2021 | 7,878,300 | - | - | 7,878,300 | 188,142 |

**Performance rights issued under the Employee Incentive Plan** have been issued under the following general performance conditions:

- **Class B performance rights** - Company books a minimum 2P reserve of 1.0 MMBOE and the executive is still engaged as an employee three years after commencing employment with the Company.
- **Class C performance rights** - At any stage prior to the end three years after signing the employment agreement the Company's share price (30-day VWAP) reaching a share price (variable in each issue of rights, in this case $0.40) and still being engaged as an executive at the end of the three years.
- **Class ST1 performance rights** - Being employed by the Company at end of FY22, acceptable individual performance to end of FY22 and the Company supplying first gas to market by end of FY22.
- **Class LT1 performance rights** – Being employed by Vintage at end of FY24 and $CO_2$ production commenced, or Nangwarry project monetised prior to end FY24
- **Class LT2 performance rights** – Being employed by Vintage at end of FY24 and market cap of $100million reached prior to end FY24

Included within the table above, the following share-based performance rights were issued to Mr. Neil Gibbins, Managing Director, pursuant to resolutions passed at the Company's Annual General Meeting on 29 November 2021:

| Class of performance rights | Maximum number of performance rights |
|---|---|
| STI | 1,729,700 |
| LT1 | 2,018,000 |
| LT2 | 2,018,000 |
| **Total** | **5,765,700** |

The rights have been valued using the Black Scholes valuation method at the date of issue.

# 16 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Company as the numerator. The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

| | Half year 31 December 2021 | Half year 31 December 2020 |
|---|---|---|
| | Number | Number |
| Weighted average number of shares used in: | | |
| Basic earnings per share | 621,972,513 | 443,368,475 |
| Dilutive earnings per share | 621,972,513 | 443,368,475 |

# 17 Commitments

To maintain rights to tenure of exploration permits, the Company is required to perform minimum work programs specified by various state and national governments. These obligations are subject to renegotiation in certain circumstances such as when application for an extension permit is made and at other times. The minimum work program commitments may be reduced by the Company by entering into sale or farm-out agreements or by relinquishing permit interests. Should the minimum work program not be completed in full or in part in respect of a permit then the Company's interest in that exploration permit could be either reduced or forfeited. In some instances, a financial penalty may result if the minimum work program is not completed. Approved expenditure for permits may be in excess of the minimum expenditure or work commitment. Where the Company has a financial obligation in relation to approved joint operation exploration expenditure that is greater than the minimum permit work program commitments then these amounts are also reported as a commitment.

The current estimated expenditure for approved commitments and minimum work program commitments are as follows:

| | 31 December 2021 | 30 June 2021 |
|---|---|---|
| Exploration and evaluation | $ | $ |
| No longer than a year | 13,121,000 | 6,588,700 |
| 1 to 5 years | 5,086,000 | 3,096,200 |
| | 18,207,000 | 9,684,900 |

# 18 Contingent liabilities

The Company has provided guarantees to support certain environmental rehabilitation obligations amounting to $107,865.

Apart from these requirements, no contingent liabilities exist as at the date of the financial report.

# 19 Subsequent events

On 19 January 2022, the Company announced the completion of its Share Purchase Plan ("SPP"), which was heavily oversubscribed. All eligible applications, totalling $3.44 million, for the $2.0 million SPP were accepted. 40,499,869 shares were issued at $0.085 per share.

# 20 Company details

The principal place of business of the Company is 58 King William Road, Goodwood, SA 5034.

# Directors' Declaration

In the opinion of the Directors of Vintage Energy Limited:

a. The financial statements and notes of Vintage Energy Limited are in accordance with the Corporations Act 2001 including:

    i. Giving a true and fair view of its financial position as at 31 December 2021 and its performance for the half year ended on that date and

    ii. Complying with Australian Accounting Standards – AASB 134 Interim Financial Reporting, and

b. There are reasonable grounds to believe that Vintage Energy Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

R G Nelson

Chairman

Dated the 11th day of March 2022

Level 3, 170 Frome Street
Adelaide SA 5000

Correspondence to:
GPO Box 1270
Adelaide SA 5001

**T** +61 8 8372 6666

# Independent Auditor's Review Report

## To the Members of Vintage Energy Limited

### Report on the review of the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Vintage Energy Limited (the Company) which comprises the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Vintage Energy Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of Vintage Energy Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Material uncertainty related to going concern

We draw attention to Note 5 in the financial report, which indicates that the Company incurred a net loss of $1,825,386, had net cash outflows from operating and investing activities of $4,784,677 for the half year ended and had total accumulated losses of $10,084,066 as at 31 December 2021. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 5, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 11 March 2022