

# Vintage Energy Limited

(ABN 56 609 200 580)

## Financial Report

For the half year ended 31 December 2022



VINTAGE ENERGY

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# 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 2022.

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 2022 of \$2,683,408 (31 December 2021 \$1,825,386).

The Company has continued to execute its exploration program as 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

The company's activities for the six months to 31 December 2022 have been principally directed to bringing the Vali gas field into production. Progress on this project was affected by supply chain and workforce availability issues experienced globally in 2022 and disruption brought by weather conditions in the Cooper Basin.

However, the end of the period saw the construction and installation all but complete and commissioning and first gas production occurred shortly after the end of the period. The company committed to commencing supply from a second gas field, Odin, in the 2023 calendar year.

Vintage Energy completed the period Lost Time Injury (LTI) and environmental incident-free.

## Corporate

### Rights

Pursuant to a resolution passed at the Company's Annual General Meeting on 22 November 2022, the Company issued 2,009,600 employee incentive rights with a fair value of \$117,562 to Mr. Neil Gibbins (Managing Director).

## Subsequent events

### Commissioning of Vali-1 and commencement of gas supply to AGL

Subsequent to the end of the period the company commenced production of sales gas from the Vali gas field.

Gas produced from the field is being supplied to AGL Energy Ltd under the long-term gas sales agreement announced 23 March 2022.

## Review of Operations

### Cooper/Eromanga Basins, Queensland

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

##### Asset overview

ATP 2021 is located in Queensland, adjacent to the Queensland-South Australia border.

ATP 2021 contains the Vali gas field, discovered by Vali-1 ST1 in January 2020 and successfully appraised by Vali-2 and Vali-3 in the June and September quarters of 2021. The field has been independently certified by ERC Equipoise Pte Ltd ("ERCE") to hold gross Proved and Probable reserves of 101 PJ (Vintage share 50.5 PJ). The field has three cased wells, which have been completed and are being connected to the Moomba gas gathering network for supply to the eastern Australia domestic energy market.

The ATP 2021 joint venture has contracted to supply an estimated 9 PJ to 16 PJ of gas from the Vali gas field to AGL. The joint venture is preparing the field to commence supply, completing pipeline and facilities construction prior to commissioning.

ATP 2021 is believed to contain the eastern portion of the Odin gas field, discovered by Odin-1 in the nearby South Australian licence PRL 211. Further discussion on this asset appears under the heading "PRL 211" later in this report.

##### Activity

Operations in ATP 2021 were concentrated on bringing the Vali gas field into production to supply the joint venture's gas sales agreement with AGL. Each of the field's three gas wells were completed as gas producers and flowed for short periods following completion operations for clean-up. The wells, and their associated facilities, are being commissioned progressively.

A dual 14 km export pipeline was installed linking Vali to the Moomba gas gathering network at Beckler. The pipeline, and installed flowlines were successfully pressure tested. Facilities installation was well advanced at 31 December 2022 and completed subsequently. Gas production from Vali-1 commenced in February 2023.

### Cooper/Eromanga Basins, South Australia

#### PRL 211 (Vintage 50% and operator, Metgasco Ltd 25% and Bridgeport (Cooper Basin) Pty Ltd 25%)

##### Asset overview

PRL 211 lies in close proximity to the South Australian Cooper Basin's Joint Venture's gas production infrastructure at Beckler, Bow and Dullingari. The licence holds the western portion of the Odin gas field, discovered by the PRL 211 joint venture in 2021. The eastern portion of the field is mapped to extend into ATP 2021, which has identical joint venture composition to PRL 211.

Gas resources at Odin have been independently certified and were most recently reported in the company's 2022 Annual Report as comprising 39.7 PJ (of gross 2C Contingent Resources, Vintage share 19.1 PJ) in the Toolachee, Epsilon, Patchawarra and Tirrawarra formations of the field. The Toolachee and Epsilon formations were successfully flow-tested at Odin-1 in the final quarter of calendar 2021, with a stable rate of 6.5 million standard cubic feet per day recorded at a flowing wellhead pressure of 1,823 psi through a 28/64" fixed choke.

##### Activity

Odin-1 was completed as a gas producer during the Vali well completion campaign.

Concept engineering studies conducted during the period underpinned resolution by the joint venture to pursue a two-stage plan for connection of the Odin gas field. The two-stage plan will accelerate supply from Odin to eastern Australian gas users through an interim connection whilst building a longer-term connection with superior operational and economic merit.

Implementation of the interim accelerated connection began during the period with right-of-way surveying for a 1.4 km Fiberspar connection to the Vali Beckler pipeline. The accelerated connection is targeting commencement of supply in the third quarter of this calendar year. The longer term-connection, involving tie-back of Odin to the dewatering and metering facilities at Vali, will commence with Front End Engineering and Design (FEED) following completion of the accelerated connection FEED which commenced subsequent to the reporting period.

The joint venture approved a technical recommendation for the location of Odin-2, an appraisal well proposed for drilling in FY24 to appraise the eastern flank of the field. Work on the drilling program for Odin-2 has commenced.

## Cooper/Eromanga Basins, South Australia

### PELA 679 (Vintage 100% on award)

PELA 679 is a petroleum exploration application area located in the south-west of the Cooper Basin, immediately south of the Worrior oil field. In 2020, Vintage Energy was advised by the South Australian state government its bid for the block had been successful, with award being subject to finalisation of an appropriate land access agreement with the Dieri Aboriginal Corporation and the government of South Australia.

Discussions with the corporation continued during the period.

## Otway Basin, South Australia & Victoria

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

#### Asset overview

PRL 249 contains the Nangwarry gas field, discovered in January 2020. On testing, Nangwarry-1 produced raw gas (~93% CO<sub>2</sub>, ~6% methane and ~1% nitrogen), at flow rates of 10.5-10.8 million standard cubic feet per day ("MMscfd"), measured through a 48/64" choke at a flowing wellhead pressure of 1,415 psi over a 36-hour period.

The Nangwarry resource has been independently assessed by ERCE as comprising a Best Estimate of 25.9 Bcf gross (Vintage net share 12.9) of recoverable CO<sub>2</sub> and a Contingent Resource of 1.6 Bcf gross (Vintage net share 0.8 Bcf) of sales gas. The raw gas stream is suitable feedstock for the production of food-grade CO<sub>2</sub>, similar to the raw gas sourced for over 50 years from the nearby, now depleted, Caroline-1 well.

Food grade CO<sub>2</sub> is a required input for a wide range of sectors including hospitality, food and beverage manufacture, protected horticulture, chemical, cold storage, medical device and other manufacturing. A favourable market outlook is projected for naturally-occurring CO<sub>2</sub> resources as users from these sectors face diminishing supply availability from traditional industrial by-product sources.

Nangwarry is considered comparable to Caroline, with the resource assessed to have the volume, quality and reservoir properties for an economic, significant and long-life food-grade CO<sub>2</sub> production asset. Monetisation of the resource in place will require processing of raw gas to food grade standard and liquefaction for transport to market and storage.

#### Activity

Investigation and assessment of opportunities to realise the economic potential of the Nangwarry resource continued. This included engagement with parties on collaboration on a well-head to end-product delivery solution. The engagement is ongoing.

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

#### Asset overview

PEP 171 is located in the onshore Otway Basin and effectively encompasses the entirety of the Victorian section of the Penola Trough. Activity in the permit was suspended until recently, pursuant to Victorian government moratorium. Exploration and gas production in the nearby South Australian section has confirmed the prospectivity of the Penola Trough for conventionally produced gas, most significantly at the Katnook and Haselgrove gas fields operated by Beach Energy Ltd.

The expiry of the Victorian moratorium on onshore gas exploration on 1 July 2021 was followed by new regulations on 22 November 2021. All previous existing oil and gas exploration permits of good standing (which includes PEP 171), were restarted from 1 July 2021 for their first 5-year term.

**Activity**

Environmental management and stakeholder engagement plans have been drafted as part of the operations plan to be submitted to the regulator in preparation for a proposed 3D seismic survey in late 2023/early 2024.

**Galilee Basin, Queensland**

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

**Asset overview**

The Galilee Basin is a lightly explored gas province in proximity to market and the proposed Galilee-Moranbah pipeline. In 2017, Vintage acquired a 30% participation into the Deeps sandstone reservoir sequence of ATP 744, ATP 743 & ATP 1015 (all strata commencing underneath the Permian coals (Betts Creek Beds or Aramac coals) with the main target being the Lake Galilee Sandstone sequence).

The Deeps was tested in 2019 by Albany-1, which recorded the first measurable gas flow from the Galilee Basin, flowing at 230,000 scfd from the top 10% of the target reservoir without stimulation. Albany-2 was drilled and hydraulically stimulated. Albany-1 was side-tracked but not flow-tested due to the cessation of operations during the Covid pandemic.

Activity in these permits was suspended pending regulatory review and decision of applications by the Deeps joint venture for award of Potential Commercial Area (“PCA”) titles over the main identified Deeps prospects and leads in these ATPs.

**Activity**

In September 2022, the regulator advised the Deeps joint venture its applications for 6 titles: PCA 319, PCA 320, PCA 321, PCA 322, PCA 323 and PCA 324 had been successful. The PCAs have a 15-year tenure. ATPs 743 & 744, which occupy the same area as the overlying PCAs, have been renewed for twelve years. An application for renewal of ATP 1015 has been submitted.

Vintage continued with its review of data from Albany-1 ST1 and Albany-2, as well as regional data to inform future activity planning within the joint venture.

**Bonaparte Basin, Northern Territory**

**EP 126 (Vintage 100%)**

**Asset overview**

EP126 is an exploration permit in the onshore Bonaparte Basin of the Northern Territory with an area of 6,716 km. The permit includes the cased and suspended Cullen-1 well which recorded oil and gas shows. The current permit term was extended until December 2023, at which point it may be further extended or renewed. All commitments for the current period have been met.

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’.

**Vintage Energy Limited financial statements  
For the 6 months ended 31 December 2022**

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 8.

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

A handwritten signature in black ink, appearing to be 'Reg Nelson', written in a cursive style.

**Reg Nelson**  
Chairman

Dated 9th March 2023

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## 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 2022, 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 AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 9 March 2023

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# Statement of Profit or Loss and Other Comprehensive Income

For half year ended 31 December 2022

	Notes	Half year ended December 2022 \$	Half year ended December 2021 \$
Interest income		65,114	416
Joint operations recoveries		1,401,079	803,085
		<u>1,466,193</u>	<u>803,501</u>
Depreciation expense		(119,264)	(124,288)
Exploration evaluation expense		(9,096)	-
Administrative expenses		(699,273)	(649,580)
Director remuneration expense	7	(367,221)	(443,176)
Employee benefits expense	7	(1,997,317)	(1,411,843)
Financing costs	7	(957,430)	-
<b>(Loss) before income tax</b>		<b>(2,683,408)</b>	<b>(1,825,386)</b>
Income tax expense		-	-
<b>(Loss) for the period</b>		<b>(2,683,408)</b>	<b>(1,825,386)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>(2,683,408)</b>	<b>(1,825,386)</b>
<b>Earnings per share</b>			
Basic (loss) per share from continuing operations (dollars)	18	(0.0036)	(0.0029)
Diluted (loss) per share from continuing operations (dollars)		(0.0036)	(0.0029)

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

# Statement of Financial Position

As at 31 December 2022

	Notes	31 December 2022 \$	30 June 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	8,043,742	18,711,960
Trade and other receivables	9	786,410	2,440,799
Total current assets		<u>8,830,152</u>	<u>21,152,759</u>
<b>Non-current Assets</b>			
Other financial assets	10	175,306	-
Property plant and equipment	11	333,216	406,055
Exploration and evaluation assets	12	57,351,710	49,167,004
Total non-current assets		<u>57,860,232</u>	<u>49,573,059</u>
<b>Total Assets</b>		<b><u>66,690,384</u></b>	<b><u>70,725,818</u></b>
<b>Current Liabilities</b>			
Trade and other payables	13	1,184,843	3,498,535
Provisions	14	781,077	681,249
Contract liabilities	15	1,680,613	974,000
Other financial liabilities	16	221,531	217,414
Total current liabilities		<u>3,868,064</u>	<u>5,371,198</u>
<b>Non-Current Liabilities</b>			
Provisions	14	1,348,101	1,149,040
Contract liabilities	15	5,819,387	6,526,000
Other financial liabilities	16	7,345,646	7,070,239
Total non-current liabilities		<u>14,513,134</u>	<u>14,745,279</u>
<b>Total liabilities</b>		<b><u>18,381,198</u></b>	<b><u>20,116,477</u></b>
<b>Net Assets</b>		<b><u>48,309,186</u></b>	<b><u>50,609,341</u></b>
<b>Equity</b>			
Issued capital	17	63,466,718	63,442,004
Reserves		3,330,732	3,370,284
Accumulated (losses)		(18,488,264)	(16,202,947)
<b>Total Equity</b>		<b><u>48,309,186</u></b>	<b><u>50,609,341</u></b>

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 2022

	Notes	Issued capital	Accumulated losses	Share based payments reserve	Total equity
		\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		<b>51,907,858</b>	<b>(8,562,680)</b>	<b>480,705</b>	<b>43,825,883</b>
(Loss) for the period		-	(1,825,386)	-	(1,825,386)
<b>Total comprehensive (loss) for the period</b>		<b>-</b>	<b>(1,825,386)</b>	<b>-</b>	<b>(1,825,386)</b>
<i>Transactions with owners</i>					
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)	-
<b>Balance at 31 December 2021</b>		<b>59,977,219</b>	<b>(10,084,066)</b>	<b>455,160</b>	<b>50,348,313</b>
<b>Balance at 1 July 2022</b>		<b>63,442,004</b>	<b>(16,202,947)</b>	<b>3,370,284</b>	<b>50,609,341</b>
(Loss) for the period		-	(2,683,408)	-	(2,683,408)
<b>Total comprehensive (loss) for the period</b>		<b>-</b>	<b>(2,683,408)</b>	<b>-</b>	<b>(2,683,408)</b>
<i>Transactions with owners</i>					
Issue of ordinary shares on conversion of rights		24,714	-	(24,714)	-
Fair value of performance rights issued		-	-	383,253	383,253
Fair value of performance rights lapsed		-	398,091	(398,091)	-
<b>Balance at 31 December 2022</b>	17	<b>63,466,718</b>	<b>(18,488,264)</b>	<b>3,330,732</b>	<b>48,309,186</b>

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 2022

	Notes	Half year ended 31 December 2022 \$	Half year ended 31 December 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(2,992,674)	(2,213,048)
Payments for exploration and evaluation expensed		(9,096)	-
Interest received		65,114	416
Interest and other costs of finance paid		(557,535)	-
<b>Net cash from (used in) operating activities</b>		<b>(3,494,191)</b>	<b>(2,212,632)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(46,425)	(14,779)
Payments for exploration and evaluation assets		(7,016,118)	(2,557,266)
<b>Net cash from (used in) investing activities</b>		<b>(7,062,543)</b>	<b>(2,572,045)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issues of ordinary shares		-	8,500,000
Share issue costs		-	(548,890)
Transaction costs related to loans and borrowings		-	(89,030)
Payment of the principal portion of lease liabilities		(111,484)	(108,188)
<b>Net cash from (used in) financing activities</b>		<b>(111,484)</b>	<b>7,753,892</b>
<b>Net change in cash and cash equivalents</b>		<b>(10,668,218)</b>	<b>2,969,215</b>
Cash and cash equivalents at the beginning of period		18,711,960	7,369,036
<b>Cash and cash equivalents at end of period</b>	8	<b>8,043,742</b>	<b>10,338,251</b>

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 2022. 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 2022 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 2022 were approved and authorised for issue by the Board of Directors on 9 March 2023.

### 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 2022, the Company recognised a loss of \$2,683,408, had net cash outflows from operating and investing activities of \$10,556,734 and had accumulated losses of \$18,488,264 as at 31 December 2022.

The continuation of the Company as a going concern is 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:

- Commencement of commercial gas production from ATP 2021 (Vali) and PRL 211 (Odin);
- 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 2022. 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 2022 \$	Half year to 31 December 2021 \$
<b>Director remuneration and option expense</b>		
Director salary and fees	(276,578)	(232,861)
Director post-employment benefits	(22,478)	(23,285)
Share based payments	(68,165)	(187,030)
	<u>(367,221)</u>	<u>(443,176)</u>
<b>Employees benefit expense</b>		
Short-term employee benefits – salaries and fees	(1,325,127)	(965,531)
Recharge of salaries to exploration	34,525	50,050
Post-employment benefits	(137,063)	(96,555)
Increase in employee benefit provisions	(111,857)	(105,502)
Share based payments	(315,088)	(209,676)
Other staff costs	(142,707)	(84,629)
	<u>(1,997,317)</u>	<u>(1,411,843)</u>
<b>Financing expenses</b>		
Amortisation of borrowing costs	(393,869)	-
Interest expense – debt facility	(563,561)	-
	<u>(957,430)</u>	<u>-</u>

## 8 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31 December 2022 \$	30 June 2022 \$
<i>Current</i>		
Cash on hand	9	9
Cash at bank <sup>(i)</sup>	7,498,217	18,254,946
Restricted cash <sup>(ii)</sup>	545,516	457,005
	<u>8,043,742</u>	<u>18,711,960</u>

- (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 ATP 2021 Joint Venture and PRL 211 Joint Venture, which can only be utilised for their respective expenditure programs.

## 9 Trade and other receivables

	<b>31 December 2022</b>	<b>30 June 2022</b>
	\$	\$
Joint Venture receivables	600,121	2,360,103
Prepayments	105,731	47,536
GST receivables	47,398	-
Other	33,160	33,160
	<u>786,410</u>	<u>2,440,799</u>

## 10 Other financial assets

	<b>31 December 2022</b>	<b>30 June 2022</b>
	\$	\$
Financial surety payments <sup>(i)</sup>	175,306	-
	<u>175,306</u>	<u>-</u>

(i) Financial surety payments made by the ATP 2021 Joint Venture and PRL 211 Joint Venture, which relate to rehabilitation obligations arising from their respective expenditure programs.

## 11 Property, plant and equipment

	<b>31 December 2022</b>	<b>30 June 2022</b>
	\$	\$
Furniture and fittings / plant and equipment – at cost		
Opening balance	260,652	235,394
Additions for the period	46,425	25,258
Closing balance	<u>307,077</u>	<u>260,652</u>
Right of use asset – buildings		
Opening balance	657,420	460,807
Additions for the period <sup>(i)</sup>	-	196,613
Closing balance	<u>657,420</u>	<u>657,420</u>
Accumulated depreciation and impairment		
Opening balance	512,017	270,197
Depreciation expense <sup>(ii)</sup>	119,264	241,820
Closing balance	<u>631,281</u>	<u>512,017</u>
Net book value	<u>333,216</u>	<u>406,055</u>

(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 16.

(ii) Includes right of use asset depreciation of \$108,102.

## 12 Exploration and evaluation

	31 December 2022 \$	30 June 2022 \$
Exploration and evaluation	49,783,015	45,896,322
Exploration and evaluation – ATP 2021 capital work in progress	7,568,695	3,270,682
	57,351,710	49,167,004

	31 December 2022 \$	30 June 2022 \$
Opening balance	49,167,004	37,161,165
Additions for the period <sup>(i)</sup>	8,184,706	16,179,666
Impairment of Cervantes expenditure <sup>(ii)</sup>	-	(4,173,827)
	57,351,710	49,167,004

(i) Additions for the period includes expenditure on;

	Operated permit \$	Non-operated permit \$	Total additions \$	Closing balance \$
ATP 2021 Joint Venture	7,179,952	-	7,179,952	29,886,666
Galilee Deeps Joint Venture	-	20,504	20,504	12,350,638
PRL 249 Joint Venture	-	5,588	5,588	8,213,643
PRL 211 Joint Venture	565,731	-	565,731	3,675,496
EP 126, Bonaparte Basin	31,605	-	31,605	2,580,709
PEP 171 Joint Venture	314,506	-	314,506	515,796
Other (GSEL672)	66,820	-	66,820	128,762
<b>Total additions</b>	<b>8,158,614</b>	<b>26,092</b>	<b>8,184,706</b>	<b>57,351,710</b>

(ii) Cervantes Joint Venture expenditure was fully impaired at 30 June 2022 after the Cervantes-1 well was plugged and abandoned.

## 13 Trade and other payables

Trade and other payables consist of the following:

	31 December 2022 \$	30 June 2022 \$
Trade payables	931,164	2,842,945
GST payable	-	438,028
Other creditors	253,679	217,562
	1,184,843	3,498,535



## 14 Provisions

	<b>31 December 2022</b>	<b>30 June 2022</b>
<i>Current</i>	<b>\$</b>	<b>\$</b>
Employee benefits	781,077	681,249
	<u>781,077</u>	<u>681,249</u>
<i>Non-Current</i>		
Employee benefits	202,795	179,040
Restoration provisions <sup>(i)</sup>	1,145,306	970,000
	<u>1,348,101</u>	<u>1,149,040</u>

- (i) The non-current restoration provision represents obligations for future rehabilitation of EP126 which were assumed on acquisition, as well as rehabilitation of ATP 2021 and PRL 211 sites.

## 15 Contract liabilities

	<b>31 December 2022</b>	<b>30 June 2022</b>
<i>Deferred revenues</i>	<b>\$</b>	<b>\$</b>
Current	1,680,613	974,000
Non-current	5,819,387	6,526,000
Total	<u>7,500,000</u>	<u>7,500,000</u>

During the prior financial year, the ATP 2021 Joint Venture secured a Gas Sales Agreement with AGL Wholesale Gas Limited which, upon satisfaction of certain conditions, resulted in the prepayment of \$15,000,000 to the joint venture parties as partial payment for the supply of gas (Vintage 50%) over calendar years 2022-2026. Accordingly, the Company recorded contract liabilities of \$7,500,000 at 30 June 2022.

Deferred revenue from contracts with customers represents gas pre-sold to customers which is yet to be delivered. Amounts are recognised as contract liabilities when no cash settlement option exists for the customer.

## 16 Other financial liabilities

	<b>31 December 2022</b>	<b>30 June 2022</b>
<i>Current</i>	<b>\$</b>	<b>\$</b>
Lease liability <sup>(i)</sup>	221,531	217,414
	<u>221,531</u>	<u>217,414</u>
<i>Non-Current</i>		
Lease liability <sup>(i)</sup>	37,084	148,588
Loan facility - PURE Asset Management <sup>(ii)</sup>	7,308,562	6,921,651
	<u>7,345,646</u>	<u>7,070,239</u>

- (i) Movement in lease liability:

	<b>31 December 2022</b>	<b>30 June 2022</b>
Opening balance	366,002	380,344
Lease liability recognised	-	196,614
Rent payments made during the year	(111,483)	(218,543)
Interest expense on lease liability recognised during the year	4,096	7,587
	<u>258,615</u>	<u>366,002</u>

Vintage Energy Limited financial statements  
For the 6 months ended 31 December 2022

(ii) Loan facility reconciliation:

Financing facility (PURE Asset Management)	10,000,000	10,000,000
Net of transaction costs:		
Fair value of warrants issued	(2,647,059)	(2,647,059)
Amortisation of warrants	386,030	55,148
Other establishment costs for financing facility	(430,409)	(486,438)
	<u>7,308,562</u>	<u>6,921,651</u>

On 8 June 2022, the Company drew down on the two \$5 million debt facility tranches arranged with PURE Asset Management ("PURE"), as announced to the market on 6 December 2021. The facility will fund capital expenditure to bring the Vali gas field to production.

Key terms of the facility are:

- Repayment due 48 months from first draw down.
- Interest rate: 11.0% per annum payable every 3 months, reducing to 8.5% per annum once certain operational cash flow conditions are met.
- Security: first ranking security over Vintage assets, where joint venture arrangements permit.
- Financial covenants: include requiring a minimum of \$1,500,000 cash in the bank.
- Early repayment provisions which use a sliding scale penalty of 1.5% to 1.0% of the funds.
- 58,823,529 share warrants were issued to PURE with an exercise price of 17 cents per warrant, as approved by shareholders at the general meeting held 18 March 2022. The warrants are exercisable at any time over the 4-year facility term and may be used to repay the debt or for other purposes.

Transaction costs are those costs directly related to the loan and include establishment fees, legal fees and warrants. The fair value of the warrants issued was determined using the Black-Scholes valuation methodology.

## 17 Issued capital

(a) Ordinary shares

	31 December 2022		30 June 2022	
	\$		\$	
	63,466,718		63,442,004	
	<u>63,466,718</u>		<u>63,442,004</u>	
	31 December 2022	31 December 2022	30 June 2022	30 June 2022
	Number	\$	Number	\$
<b>Shares issued and fully paid:</b>				
Beginning of the period	<b>746,168,216</b>	<b>63,442,004</b>	<b>605,305,847</b>	<b>51,907,858</b>
Shares allotted during the period <sup>(i)</sup>	-	-	140,499,869	11,942,489
Conversion of performance rights	549,200	24,714	362,500	43,500
Fair value of lapsed broker options	-	-	-	118,251
Share issue costs	-	-	-	(570,094)
<b>Total contributed equity at period end</b>	<b><u>746,717,416</u></b>	<b><u>63,466,718</u></b>	<b><u>746,168,216</u></b>	<b><u>63,442,004</u></b>

Vintage Energy Limited financial statements  
For the 6 months ended 31 December 2022

- (i) The following shares were issued during the period:
- 549,200 ordinary shares on the conversion of performance rights.

**(b) Options**

No options were issued or vested during the period.

The following options were on issue at 31 December 2022:

- 6,000,000, issued to non-executive 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) and a fair value of \$169,783, calculated using the Black-Scholes methodology.

**(c) Employee performance rights**

The following share-based performance rights were on issue as at 31 December 2022 and issued pursuant to the Employee Incentive Plan:

Performance right	Grant date	Opening balance	Granted during the period	Lapsed during the period	Converted during the period	Closing balance	Value on issue \$
Class STI	Aug / Nov 2021	9,544,600	-	8,995,400	549,200	-	473,614
Class LT1	Aug / Nov 2021	7,878,300	-	-	-	7,878,300	324,786
Class LT2	Aug / Nov 2021	7,878,300	-	-	-	7,878,300	188,142
Performance rights	Aug / Nov 2022	-	11,377,604	-	-	11,377,604	732,370

Included within the table above, the following share-based performance rights were issued to Mr. Neil Gibbins, Managing Director, and a related party, pursuant to resolutions passed at the Company's Annual General Meetings on 29 November 2021 and 22 November 2022:

Class of performance rights	Maximum number of performance rights
STI	2,009,600
LT1	2,018,000
LT2	2,018,000
<b>Total</b>	<b>6,045,600</b>

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

- **Class STI 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 1 October 2022.
- **Class LT1 performance rights** – Being employed by Vintage at end of FY24 and CO<sub>2</sub> 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.
- **Performance rights** – 10,630,600 rights, being employed by the Company at 1 July 2023, Odin gas sales contract in place and construction commenced on a connection pipeline; 449,200 rights, being employed by the Company at 1 July 2023 and acceptable individual performance up to 1 July 2023; 297,804 rights, being employed by the Company at 17 October 2023 and acceptable individual performance up to 17 October 2023.

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

## 18 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:

	<b>Half year 31 December 2022</b>	<b>Half year 31 December 2021</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of shares used in:		
Basic earnings per share	746,625,882	621,972,513
Dilutive earnings per share	746,625,882	621,972,513

## 19 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:

	<b>31 December 2022</b>	<b>30 June 2022</b>
Exploration and evaluation	<b>\$</b>	<b>\$</b>
No longer than a year	5,562,000	12,950,700
1 to 5 years	3,337,000	6,338,000
	<u>8,899,000</u>	<u>19,288,700</u>

## 20 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.

## 21 Subsequent events

Subsequent to the end of the period, the company commenced production of sales gas from the Vali gas field.

Gas produced from the field is being supplied to AGL Energy Ltd under the long-term gas sales agreement announced 23 March 2022.

## 22 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 2022 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 9<sup>th</sup> day of March 2023

# Independent Auditor's Review Report

## To the Members of Vintage Energy Limited

### Report on 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 2022, 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 2022 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 loss of \$2,683,408 and had net cash outflows from operating and investing activities of \$10,556,734 during the half year ended 31 December 2022 and, as of that date, the Company had accumulated losses of \$18,488,264. 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.

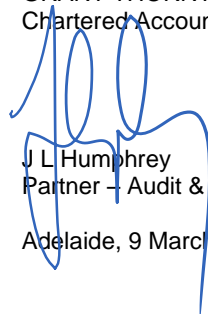
### Auditor's responsibility

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 2022 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 AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 9 March 2023