

# Vintage Energy Limited

(ABN 56 609 200 580)

## Financial Report

For the half year ended 31 December 2023



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 2023.

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 2023 of \$12,962,442, which compares with the loss of \$2,683,408 in the previous corresponding period in the six months to 31 December 2022 ("previous corresponding period" or "pcp").

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

The principal items in the half year results and movement compared with the previous corresponding period include;

- revenue from gas sales of \$2,725,077 (pcp: nil) under gas sales contracts with AGL and Pelican Point Power.
- production costs of \$1,557,108 (pcp: nil).
- impairment expense of \$10,864,742 resulting from a review of the Company's exploration expenditure, the major items of which were full impairment of capitalised expenditure in the Galilee and Bonaparte Basins, where no exploration is anticipated in the near future. The Company's assessment is that both regions are prospective for oil and gas, and the impairment has been made given current exploration plans.
- depreciation expense of \$501,956 (pcp \$119,264), with the increase being attributable to field operations; and
- royalty expense of \$165,886 (pcp: nil).

## Overview of operational outcomes

The Company's activities for the six months to 31 December 2023 have been principally directed to bringing the Odin gas field into production.

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 29 November 2023, the Company issued 2,982,800 employee incentive rights with a fair value of \$89,484 to Mr. Neil Gibbins (Managing Director) and a related party. At 31 December 2023, the Company reviewed the probability of vesting conditions being met and assessed the likelihood to be zero.

## Review of operations

### Description of operations

Vintage Energy's operations involve exploration, appraisal and commercialisation of oil and gas accumulations onshore Australia. Activities are focussed on proven petroleum basins offering high success rates for drilling and where distance to market and adjacency of existing infrastructure support rapid commercialisation.

At year-end, the Company held interests in petroleum exploration licences in:

- the Cooper/Eromanga basins, South Australia and Queensland
- the Otway Basin, South Australia and Victoria
- the Galilee Basin, Queensland; and
- the Bonaparte Basin, Northern Territory.

### Sales and production

The Company generates sales revenue from gas and gas liquids produced from the Appraisal Production program in progress at its Cooper Basin operations. The details, status and activities during the period for these operations is reported below in the discussion of individual licences.

Vintage's share of production from its permits during the period was 0.26 petajoules comprised of:

- sales gas and ethane: 259 terajoules
- liquefied petroleum gas: 27 tonnes, and
- condensate: 630 barrels.

Sale of oil and gas generated sales revenue of \$2.73 million during the period. There was no production in the previous corresponding period.

### Cooper Basin, Queensland and South Australia

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

#### *Asset overview*

PRL 211 lies in the South Australian Cooper Basin, with the licence's eastern boundary on the state border of South Australia and Queensland. The licence is in close proximity to the South Australian Cooper Basin Joint Venture's gas production infrastructure at the Beckler, Bow and Dullingari fields.

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 the Queensland permit ATP 2021, which has identical joint venture composition to PRL 211.

The field has one connected well, Odin-1, which has been completed to produce from the Epsilon and Toolachee formations. Odin-1 is subject to a long-term production appraisal program with gas produced from the field being supplied to Pelican Point Power (a joint venture of ENGIE and Mitsui Australia) under a contract extending to December 2026.

Gas resources at Odin have been independently certified and were most recently reported in the Company's 2023 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.

#### *Activity*

Odin-1 commenced production on 14 September. The well was online for 75 days during the period with all but 3 days of the period offline since that date being attributable to third party downstream outages. Odin-1 has maintained gas flows reliably, with low associated fluid production and proven capacity to restart from shutdown without assistance. Operations have commenced and continued with no safety incidents or significant environmental issues.

## 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. Reserves at Vali have been independently certified and Vintage Energy's share of Proved and Probable Reserves was most recently reported in the 2023 Annual Report as comprising total gas and gas liquids of 8.7 MMboe. Sales gas and ethane account for 48.7 PJ, (approximately 8 MMboe) of the Company's 2P reserves at Vali.

The field has three cased wells, which have been completed and connected to the Moomba gas gathering network for supply to the eastern Australia domestic energy market. Vali is currently subject to a long-term production appraisal program with gas produced being supplied to AGL Energy under a supply agreement extending to December 2026. Vali-1 commenced production in February 2023, producing from the Patchawarra Formation. Sustained, significant gas production from Vali-2 and Val-3 is yet to be established.

### Activity

The exemplary safety record at these sites has continued and post the reporting period the first year of Lost Time Injury free operations was recorded.

Activity during the period consisted of ongoing appraisal gas production operations at Vali-1 and efforts to establish significant stable gas production from Vali-2 and Vali-3.

Vali-1 was producing for 162 days during the period, with all but 1 of the 24 days offline being due to 3<sup>rd</sup> party downstream outages. The well and associated facilities recorded high reliability, being available 99.4% of the days in which production was possible outside of downstream outages.

Operations at Vali-2 and Vali-3 have been directed to understanding and managing fluid issues which prevented establishment of sustained gas production. At Vali-2, where fluid production was excessive, downhole remedial action was undertaken to isolate the major fluid-producing zones, identified by production logging in the lower Patchawarra formation. The resumption of production from the well in November saw fluid flow reduced by more than 50%. However, the gas-to-fluid ratio is low, with gas flows of 0.2 MMscfd in comparison to fluid production of approximately 60 barrels per day at the end of the quarter. The operational plan is to continue to flow Vali-2 with the objective of dewatering and facilitating improved gas flow rates. At this stage, there is insufficient information to project a likely timeline for this process.

At Vali-3, which came online in March 2023, fluid accumulated in the well bore following a downstream outage and prevented resumption of gas flow. Operations were not able to remove sufficient fluid for the well to be brought online and logging operations to identify the fluid source could not be conducted. Vali-3 has been shut-in pending joint venture decision on future remedial operations.

## PELA 679 South Australia (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*

Engagement continued with participants in the industrial gas and infrastructure sectors and government to identify a collaborative wellhead-to-product-delivery solution for commercialisation of the Nangwarry resource. The interest from a growing number of stakeholders has confirmed the market opportunity for a local, naturally produced CO<sub>2</sub> feedstock and the potential commercial value of the resource.

### 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. 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. Activity in the permit was suspended, pursuant to Victorian government moratorium which expired 1 July 2021 and 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*

Activity during the period consisted of preparatory work necessary for the acquisition of a three-dimensional seismic survey in future years. Stakeholder engagement was ongoing and access agreements with landholders nearly complete.

## **Galilee Basin, Queensland**

### ATPs 743, 744 and 1015 “Deeps” (Vintage 30%, Comet Ridge Ltd 70% and operator) PCAs 319, 320, 321, 322, 323 & 324

#### *Asset overview*

The Galilee Basin is a lightly explored gas province in proximity to 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 scf/d 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 on applications by the Deeps Joint Venture for award of Potential Commercial Area (“PCA”) titles over the main identified prospects and leads in its ATPs. In FY23 the joint venture was advised its applications for 6 titles: PCA 319, PCA 320, PCA 321, PCA 322, PCA 323 and PCA 324 had been successful and were awarded with a 15-year tenure. ATPs 743 & 744, which occupy the same area as the overlying PCAs, were renewed for twelve years and ATP 1015 renewed for twelve years in June 2023.

#### *Activity*

Vintage Energy and the Operator conducted a review of relevant studies and data analyses as a precursor to planning exploration activities by the joint venture.

## **Bonaparte Basin, Northern Territory**

### EP 126 (Vintage 100%)

#### *Asset overview*

The Bonaparte Basin is a frontier basin in the north of the Northern Territory with a proven hydrocarbon system. Several large gas fields have been discovered offshore (undeveloped Contingent Resources of 2.7 Tcf in Petrel, Tern and Frigate) and the producing Black Tip field (2P 933 Bcf) supplies gas to Darwin. The onshore Weaber Gas Field (RL-1, Advent Energy 100%), and surface bitumen seeps, provide direct evidence of a working petroleum system in the Keep Inlet Sub-Basin.

EP 126 is a low-cost entry with excellent exploration potential encompassing an area of 6,716 km<sup>2</sup>, hosting multiple play types, with potential for large volumes of gas and oil. Cullen-1 was drilled in 2014, with both oil and gas shows, and was cased and suspended to be available as an option to test.

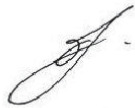
There was no activity of significance in relation to this permit. On-site work is suspended pending resolution of discussions with the Northern Territory Government in relation to the declaration of approximately 50% of the permit, including the Cullen-1 well site, as a ‘Reserved Area’.

**Vintage Energy Limited financial statements  
For the 6 months ended 31 December 2023**

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 read 'Reg Nelson', is written over a faint, circular stamp or watermark.

**Reg Nelson**  
Chairman

Dated 22<sup>nd</sup> February 2024

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**Grant Thornton Audit Pty Ltd**  
Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide SA 5000  
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 2023. 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



B K Wundersitz  
Partner – Audit & Assurance

Adelaide, 22 February 2024

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# Statement of Profit or Loss and Other Comprehensive Income

For half year ended 31 December 2023

	Notes	Half year ended December 2023 \$	Half year ended December 2022 \$
Revenue from customers		2,725,077	-
Interest income		26,208	65,114
Joint operations recoveries		1,101,448	1,401,079
		<u>3,852,733</u>	<u>1,466,193</u>
Production costs		(1,557,108)	-
Royalty expense		(165,886)	-
Depreciation expense		(501,956)	(119,264)
Exploration evaluation expense		(3,000)	(9,096)
Administrative expenses		(660,694)	(699,273)
Director remuneration expense	7	(293,792)	(367,221)
Employee benefits expense	7	(1,824,128)	(1,997,317)
Impairment expense	12	(10,864,742)	-
Financing costs	7	(943,869)	(957,430)
<b>(Loss) before income tax</b>		<u><b>(12,962,442)</b></u>	<u><b>(2,683,408)</b></u>
Income tax expense		-	-
<b>(Loss) for the period</b>		<u><b>(12,962,442)</b></u>	<u><b>(2,683,408)</b></u>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the period</b>		<u><b>(12,962,442)</b></u>	<u><b>(2,683,408)</b></u>
<b>Earnings per share</b>			
Basic (loss) per share from continuing operations (dollars)	18	(0.0149)	(0.0036)
Diluted (loss) per share from continuing operations (dollars)		(0.0149)	(0.0036)

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

# Statement of Financial Position

As at 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	4,033,968	7,507,716
Trade and other receivables	9	1,144,335	1,078,559
Total current assets		<u>5,178,303</u>	<u>8,586,275</u>
<b>Non-current Assets</b>			
Other financial assets	10	175,306	175,306
Property plant and equipment	11	8,170,032	8,660,457
Exploration and evaluation assets	12	40,596,954	49,403,928
Total non-current assets		<u>48,942,292</u>	<u>58,239,691</u>
<b>Total Assets</b>		<b><u>54,120,595</u></b>	<b><u>66,825,966</u></b>
<b>Current Liabilities</b>			
Trade and other payables	13	1,098,517	993,168
Provisions	14	906,600	908,945
Contract liabilities	15	804,857	1,210,633
Other financial liabilities	16	51,437	145,236
Total current liabilities		<u>2,861,411</u>	<u>3,257,982</u>
<b>Non-Current Liabilities</b>			
Provisions	14	4,283,931	4,239,426
Contract liabilities	15	6,297,047	6,091,707
Other financial liabilities	16	8,096,300	7,702,431
Total non-current liabilities		<u>18,677,278</u>	<u>18,033,564</u>
<b>Total liabilities</b>		<b><u>21,538,689</u></b>	<b><u>21,291,546</u></b>
<b>Net Assets</b>		<b><u>32,581,906</u></b>	<b><u>45,534,420</u></b>
<b>Equity</b>			
Issued capital	17	69,592,712	68,626,145
Reserves		3,018,118	3,974,757
Accumulated (losses)		(40,028,924)	(27,066,482)
<b>Total Equity</b>		<b><u>32,581,906</u></b>	<b><u>45,534,420</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 2023

	Notes	Issued capital	Accumulated losses	Share based payments reserve	Total equity
		\$	\$	\$	\$
<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 income / (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>		<b>63,466,718</b>	<b>(18,488,264)</b>	<b>3,330,732</b>	<b>48,309,186</b>
<b>Balance at 1 July 2023</b>		<b>68,626,145</b>	<b>(27,066,482)</b>	<b>3,974,757</b>	<b>45,534,420</b>
(Loss) for the period		-	(12,962,442)	-	(12,962,442)
<b>Total comprehensive income / (loss) for the period</b>		<b>-</b>	<b>(12,962,442)</b>	<b>-</b>	<b>(12,962,442)</b>
<i>Transactions with owners</i>					
Issue of ordinary shares on conversion of rights		966,567	-	(966,567)	-
Fair value of performance rights issued		-	-	9,928	9,928
<b>Balance at 31 December 2023</b>	17	<b>69,592,712</b>	<b>(40,028,924)</b>	<b>3,018,118</b>	<b>32,581,906</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 2023

Notes	Half year ended 31 December 2023 \$	Half year ended 31 December 2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	1,943,931	-
Payments to suppliers and employees	(3,663,020)	(3,001,770)
Interest received	26,208	65,114
Interest and other costs of finance paid	(551,508)	(557,535)
<b>Net cash from (used in) operating activities</b>	<b>(2,244,389)</b>	<b>(3,494,191)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant and equipment	(11,531)	(46,425)
Payments for exploration and evaluation assets	(1,119,934)	(7,016,118)
<b>Net cash from (used in) investing activities</b>	<b>(1,131,465)</b>	<b>(7,062,543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of the principal portion of lease liabilities	(97,894)	(111,484)
<b>Net cash from (used in) financing activities</b>	<b>(97,894)</b>	<b>(111,484)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,473,748)</b>	<b>(10,668,218)</b>
Cash and cash equivalents at the beginning of period	7,507,716	18,711,960
<b>Cash and cash equivalents at end of period</b>	<b>4,033,968</b>	<b>8,043,742</b>

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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 2023. 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 2023 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 2023 were approved and authorised for issue by the Board of Directors on 22 February 2024.

### 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 2023, the Company recognised a loss of \$12,962,442, had net cash outflows from operating and investing activities of \$3,375,854 and had accumulated losses of \$40,028,924 as at 31 December 2023.

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:

- 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 2023. 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 2023 \$	Half year to 31 December 2022 \$
<b>Director remuneration and option expense</b>		
Director salary and fees	(271,094)	(276,578)
Director post-employment benefits	(22,698)	(22,478)
Share based payments	-	(68,165)
	<u>(293,792)</u>	<u>(367,221)</u>
<b>Employees benefit expense</b>		
Short-term employee benefits – salaries and fees	(1,501,671)	(1,325,127)
Recharge of salaries to exploration	50,428	34,525
Post-employment benefits	(157,606)	(137,063)
Increase in employee benefit provisions	(49,595)	(111,857)
Share based payments	(9,928)	(315,088)
Other staff costs	(155,756)	(142,707)
	<u>(1,824,128)</u>	<u>(1,997,317)</u>
<b>Financing expenses</b>		
Amortisation of borrowing costs	(393,869)	(393,869)
Interest expense – debt facility	(550,000)	(563,561)
	<u>(943,869)</u>	<u>(957,430)</u>

## 8 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31 December 2023 \$	30 June 2023 \$
<i>Current</i>		
Cash on hand	9	9
Cash at bank <sup>(i)</sup>	3,909,019	7,055,408
Restricted cash <sup>(ii)</sup>	124,940	452,299
	<u>4,033,968</u>	<u>7,507,716</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, PRL 211 Joint Venture and PEP 171 Joint Venture, which can only be utilised for their respective expenditure programs.

## 9 Trade and other receivables

	31 December 2023 \$	30 June 2023 \$
Trade receivables	504,115	153,412
Joint Venture receivables	484,461	663,033
GST receivables	-	43,172
Other receivables	155,759	218,942
	1,144,335	1,078,559

## 10 Other financial assets

	31 December 2023 \$	30 June 2023 \$
Financial surety payments <sup>(i)</sup>	175,306	175,306
	175,306	175,306

(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

	Field plant & equipment \$	Furniture and fittings \$	Right of use asset \$	Total \$
<b>Assets at cost</b>				
Balance at 30 June 2022	-	260,651	657,421	918,072
Additions	-	216,748	-	216,748
Reclassified <sup>(i)</sup>	8,598,361	-	-	8,598,361
Balance at 30 June 2023	8,598,361	477,399	657,421	9,733,181
Additions	-	11,531	-	11,531
Balance at 31 December 2023	8,598,361	488,930	657,421	9,744,712
<b>Accumulated depreciation</b>				
Balance at 30 June 2022	-	214,938	297,079	512,017
Depreciation expense	291,358	53,144	216,205	560,707
Balance at 30 June 2023	291,358	268,082	513,284	1,072,724
Depreciation expense	349,629	44,225	108,102	501,956
Balance at 31 December 2023	640,987	312,307	621,386	1,574,680
Net book value 30 June 2023	8,307,003	209,317	144,137	8,660,457
Net book value 31 December 2023	7,957,374	176,623	36,035	8,170,032

(i) Reclassified from exploration and evaluation assets.

## 12 Exploration and evaluation

	<b>31 December 2023</b>	<b>30 June 2023</b>
	\$	\$
Exploration and evaluation	40,596,954	49,403,928
	<u>40,596,954</u>	<u>49,403,928</u>

	<b>31 December 2023</b>	<b>30 June 2023</b>
	\$	\$
Opening balance	49,403,928	49,167,004
Additions for the period <sup>(i)</sup>	2,057,768	13,470,749
Transfer to Property, Plant & Equipment	-	(8,598,361)
Impairment <sup>(ii)</sup>	(10,864,742)	(4,635,464)
	<u>40,596,954</u>	<u>49,403,928</u>

(ii) Additions for the period includes expenditure on;

	<b>Balance 30 June 2023</b>	<b>Additions</b>	<b>Impairment</b>	<b>Balance 31 December 2023</b>
	\$	\$	\$	\$
ATP 2021 Joint Venture	24,667,140	596,192	-	25,263,332
PRL 249 Joint Venture *	8,494,880	28,338	-	8,523,218
Galilee Deeps Joint Venture *	7,901,239	8,421	(7,909,660)	-
PRL 211 Joint Venture	4,712,822	1,313,163	-	6,025,985
EP 126, Bonaparte Basin	2,920,874	34,208	(2,955,082)	-
PEP 171 Joint Venture	573,296	67,701	-	640,997
Other (GSEL672)	133,677	9,745	-	143,422
Total	49,403,928	2,057,768	(10,864,742)	40,596,954

\*non-operated permit

(iii) Galilee Deeps JV costs were fully impaired during the period as no exploration activities in the Basin have been budgeted for in the near future. Albany-2 well costs totalling \$4,635,464 had been impaired at 30 June 2023, as no economic hydrocarbons were produced during the flowback period of the well and, after consideration, it was determined there was a low likelihood of economic recovery of gas from the well.

EP 126 (Bonaparte Basin) costs were also fully impaired during the period, as the Company has concluded that unfettered exploration access to the permit is not likely in the foreseeable future, due to the Northern Territory government's ongoing declaration of approximately 50% of the permit, including the Cullen-1 well site as a 'Reserved Area'.

## 13 Trade and other payables

Trade and other payables consist of the following:

	<b>31 December 2023</b>	<b>30 June 2023</b>
	\$	\$
Trade payables	682,648	752,082
GST payable	72,010	-
Other creditors	343,859	241,086
	<u>1,098,517</u>	<u>993,168</u>



## 14 Provisions

	<b>31 December 2023</b>	<b>30 June 2023</b>
<i>Current</i>	<b>\$</b>	<b>\$</b>
Employee benefits	906,600	908,945
	<u>906,600</u>	<u>908,945</u>
<i>Non-Current</i>		
Employee benefits	291,431	246,926
Restoration provisions	3,992,500	3,992,500
	<u>4,283,931</u>	<u>4,239,426</u>

## 15 Contract liabilities

	<b>31 December 2023</b>	<b>30 June 2023</b>
<i>Deferred revenues</i>	<b>\$</b>	<b>\$</b>
Current	804,857	1,210,633
Non-current	6,297,047	6,091,707
Total	<u>7,101,904</u>	<u>7,302,340</u>

In a 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. 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 2023</b>	<b>30 June 2023</b>
<i>Current</i>	<b>\$</b>	<b>\$</b>
Lease liability <sup>(i)</sup>	51,437	145,236
	<u>51,437</u>	<u>145,236</u>
<i>Non-Current</i>		
Loan facility - PURE Asset Management <sup>(ii)</sup>	8,096,300	7,702,431
	<u>8,096,300</u>	<u>7,702,431</u>

(i) Movement in lease liability:

	<b>31 December 2023</b>	<b>30 June 2023</b>
Opening balance	145,236	366,002
Rent payments made during the period	(97,894)	(228,958)
Interest expense on lease liability recognised during the period	4,095	8,192
	<u>51,437</u>	<u>145,236</u>

(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	1,047,794	716,912
Carrying amount of other financing facility establishment costs	(304,435)	(367,422)
	<u>8,096,300</u>	<u>7,702,431</u>

**Vintage Energy Limited financial statements**  
**For the 6 months ended 31 December 2023**

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 by PURE 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

	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
	69,592,712	68,626,145
	<u>69,592,712</u>	<u>68,626,145</u>

	<b>31 December 2023</b>	<b>31 December 2023</b>	<b>30 June 2023</b>	<b>30 June 2023</b>
	<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
<b>Shares issued and fully paid:</b>				
Beginning of the period	<b>858,518,460</b>	<b>68,626,145</b>	<b>746,168,216</b>	<b>63,442,004</b>
Shares allotted during the period	-	-	111,801,044	5,590,052
Conversion of performance rights <sup>(i)</sup>	11,377,604	966,567	549,200	24,714
Share issue costs	-	-	-	(430,625)
<b>Total contributed equity at period end</b>	<b>869,896,064</b>	<b>69,592,712</b>	<b>858,518,460</b>	<b>68,626,145</b>

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

- 11,377,604 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 2023:

- 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 2023 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 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
Class STI	Aug / Nov 2022	11,377,604	-	-	11,377,604	-	732,370
Class STI	Aug / Nov 2023	-	17,447,900	-	-	17,447,900	668,088

Included within the closing balance of 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, 22 November 2022 and 29 November 2023:

Class of performance rights	Grant date	Maximum number of performance rights
STI	Nov 2023	2,982,800
LT1	Nov 2021	2,018,000
LT2	Nov 2021	2,018,000
<b>Total</b>		<b>7,018,800</b>

**Performance rights on issue 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 FY24, Odin production on-line (or available) over a period of 9 months during FY24; full-field development plan finalised for the Vali Gas Field and approved by the Joint Venture, total capital expenditure for FY24 maintained within 110% of the approved corporate budget capital expenditure.
- **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.

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

At 31 December 2023, the Company reviewed the probability of vesting conditions being met and assessed the likelihood to be zero.

## 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 2023</b>	<b>Half year 31 December 2022</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of shares used in:		
Basic earnings per share	867,801,260	746,625,882
Dilutive earnings per share	867,801,260	746,625,882

## 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 2023</b>	<b>30 June 2023</b>
Exploration and evaluation	<b>\$</b>	<b>\$</b>
No longer than a year	3,472,500	4,371,000
1 to 5 years	683,500	683,500
	<u>4,156,000</u>	<u>5,054,500</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 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 2023 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 22<sup>nd</sup> day of February 2024

## 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 2023, 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 summary of significant 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 the Company financial position as at 31 December 2023 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 \$12,962,442, had net cash outflows from operating and investing activities of \$3,375,854 during the half year ended 31 December 2023 and, as of that date, the Company's accumulated losses were \$40,028,924. 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 2023 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



B K Wundersitz  
Partner – Audit & Assurance

Adelaide, 22 February 2024