

Chairman's Address | Annual General Meeting

Address to shareholders by Mr. Reg Nelson, Chairman, Vintage Energy Limited

Introduction

Today, we'll discuss our gas fields in the Cooper Basin, including the promising Vali and Odin fields, as well as other assets showing significant potential. But let me emphasise these fields are just part of a much larger area, the Southern Flank of the Cooper Basin, a region we believe has significant potential for more gas discoveries.

A region that now shows promise for oil discoveries.

I'll talk later about Vintage's team. Nearly twenty-five years ago, a small company called Beach Petroleum NL was emerging from a stormy past and still battling strong head winds while burdened with debt. It acquired a lightly explored area on the western part of the Cooper Basin. Larger companies had dismissed this region as poorly prospective.

Despite having a small team, Beach was driven and experienced. The first well drilled here flowed over 2,000 barrels of oil per day, marking the start of what became the highly prospective Western Flank. This success, built on teamwork, turned Beach into a multi-billion-dollar company. Some of those key people are now part of Vintage.

Vintage has been battling the storms of Covid, supply disruptions, and market headwinds. But we're focused on the prize ahead. Gas, once viewed sceptically, is now recognised as a vital partner in the renewable energy transition.

Vintage's entry into ATP 2021 and PRL 211 was based on the belief the area was highly prospective for gas to supply Australia's east coast. The discoveries of Vali and Odin have validated that belief, and we see more potential in the Southern Flank.

Your board remains confident in the value these gas fields offer to eastern Australia's energy supply. With larger reserves still waiting for new contracts, and gas prices more attractive than when we first began, the future is looking strong. Unlike others, Vintage is not subject to gas price caps, which have only driven prices higher and constrained supply. We expect further price appreciation over the next 24 months.

Enter oil, the new Southern Flank opportunity.

Sometimes, the most significant discoveries come by accident. The discovery of oil at Vali-2, for example, occurred while we were primarily focused on gas exploration. This is what we call "serendipity"—finding treasure while searching for something else. It's more than luck; it's about having the expertise to recognise these unexpected opportunities.

Neil will later discuss why oil could be a highly profitable venture in this region.

Now, let's review our activities over the past twelve months. The year has been testing for shareholders, management, and the board. The key initiative, the Production Uplift Program in our Southern Flank gas fields, was delayed by floodwaters, but work is ongoing. While we haven't yet realised the full anticipated uplift, we are seeing positive signs.

Our appraisal program, like any in the industry, has had its challenges. But even during setbacks, such as weather-related access issues, we've maintained a reliable gas supply to customers.

Southern Flank Gas Operations

We've now completed nearly three years of our 'appraisal by production' process. Our aim was to acquire the necessary understanding for an informed and optimal development of the Vali and Odin gas discoveries.

Normally, gas fields are subjected to a lengthy appraisal before moving to full field development and production. But Vali and Odin are close to each other and close to pipelines to deliver the gas to market.

What we did was different. We saw the opportunity to get revenue, while appraising, through long term supply contracts.

Let's put some context there.

At the end of the recent September quarter the fields had supplied just over 2 PJ equivalent of gas and gas liquids, generating gross revenue of approximately \$23 million (Vintage share being 50%).

We've established the potential for stable, long-term production from both fields. Vali-1 and Odin-1 have proved the Patchawarra and Toolachee formations can provide reliable and consistent flow.

Yes, I acknowledge the other three wells are yet to match this performance. But we now understand the complexities of the multiplicity of gas-bearing intervals within the fields. We can better design and complete future wells and optimise the value of the fields.

I've noted encouraging signs from the Production Uplift Program.

Vali-2 has returned to production online. Pressure readings and fluid samples are promising. We look forward to realising this promise through rising gas rates.

Activities at Vali-3 will resume this month.

Another positive was the outstanding performance of the facilities installed at Vali. Availability approached 98%. I'd call that near-perfect reliability. But more. The facilities have unutilised capacity of around 90%. That gives plenty of running room for growth.

We know what we need to do. Our strategy addresses three main things: gas contracts, gas production and our Joint Ventures in the Southern Flank.

First: gas contracts. Our efforts to bring new gas to market from a production appraisal program would have been impossible were it not for the support of AGL Energy, for Vali, and ENGIE for Odin. I really want to acknowledge and thank these valued customers for their support.

Now, as we turn our focus from aggressive appraisal towards development and production, these agreements are drawing closer to their original end-dates.

We've begun the process for extending or renewing terms with both customers for continued and increased supply from the Southern Flank. Any resulting agreements will reflect:

- obligations under our existing agreements.
- AGL and ENGIE's status as existing and foundation customers.
- and current price expectations.

Such agreements with our gas customers will provide valuable support for our plans to lift gas production.

On to production.

Our current and initial field activities will focus on completing the Production Uplift Program. Getting successful gas flow from the Toolachee Formation at Vali could provide a material uplift to gas sales.

But the real key to unlocking value is to drill more wells. More wells into known gas reserves located in good reservoirs.

Our Southern Flank project already has both the gas and the capacity; with over 130 PJ of 2P gas reserves awaiting development, and facilities largely underutilised. That's potentially a lot of gas for the new or extended gas contracts we expect will be sought to help plug the anticipated gas supply shortfalls.

To get there, we've completed the geotechnical work to drill four new production wells: Odin-3, Odin-4 and Vali-4 and Vali-5. We need to drill and complete these wells. We've learned a lot over the last three years.

Thirdly, Joint Ventures.

Change is occurring within our Southern Flank joint ventures. Vintage now looks to instigate a reformation of ATP 2021 and PRL 211.

Joint ventures possessing capital and alignment of interests are vital to unlock the potential value of our Southern Flank.

Our fellow joint venturer, Bridgeport Energy Pty Ltd has been sold. That change of control triggered an irrevocable deemed sale offer to Vintage to acquire Bridgeport's 25% interests in the joint ventures.

Vintage is considering this offer. It also offered, conditionally, to acquire the other 25% interest held by Metgasco Ltd.

As announced yesterday, binding Heads of Agreement for this proposed transaction has been signed by both parties. Completion is contingent on a number of conditions, including Vintage's acceptance of the offer to acquire Bridgeport's interests, securing commitments of funding and any shareholder approvals that may be required.

The eventual composition of any joint venture will be determined by events yet to play out. But what's important is that Vintage has seen the opportunity to reform the joint ventures and has acted so it can determine the equity levels it considers optimal and engage the most suitable partners the assets can attract.

Oil exploration

Shareholders will recall oil exploration of ATP 2021 has been a long-held objective. We had to put it on hold whilst focusing on gas exploration and appraisal.

Our acreage has high quality oil targets. We know how to develop oil discoveries rapidly. Oil discoveries in this region can give high rates of return and rapid payback.

We are certainly enthusiastic. The Southern Flank sits close to existing, producing oil fields. The oil indications observed in drilling Vali-1, followed by geotechnical analysis bolster our view of prospectivity. We now have two drill-ready targets, Thaldra and Altar. A successful discovery in either of these may unlock further prospects, as was the case in the Western Flank.

Nangwarry

In July, the operator of PRL 249 advised a fully funded feasibility study of liquified CO₂ processing plant and loadout facility utilising the Nangwarry resource was to be conducted by Beijing Maison Engineering (“Maison”) Pty Ltd, an experienced plant developer and operator.

We look forward to receipt of the final report which is expected prior to the end of the calendar year.

Bonaparte Basin | Cullen-1

I’m pleased to report good news regarding our Bonaparte Basin permit EP 126.

Until now, we’ve been forced to hold it as a ‘sleeper’ asset, pending clarification of access by the Northern Territory government. A previous government declared approximately 50% of the permit, including the Cullen-1 well site, as a ‘Reserved Area’. That is now under review by the present government.

The opportunity to acquire and flow- test Cullen-1 was the principal attraction for Vintage’s acquisition of the permit in 2019.

We seized on the opportunity as I, and fellow Vintage team members, were at Beach Energy when this well was drilled. There were extensive gas shows throughout 1,000 metres of limestone and shale, with oil shows from shallower intervals.

Vintage’s plans to flow-test the well were deferred pending confirmation of title. In October, the company was advised by the Northern Territory government its amendments were advancing to provide certainty on permit tenure, free from potential reservation orders. We’ve been advised this is expected to be completed before the end of the calendar year.

If effected, it’s a welcome development of potentially great significance for Vintage. Once tenure has been confirmed, we intend to proceed with assessing the prospective resources at Cullen with a view to securing a farm-down agreement to fund the long-awaited flow test of the well.

To us, this appears to be a highly promising asset.

Concluding comments

This is a busy period for a small company with ongoing programs and plans across its portfolio of assets.

Progress in our principal Southern Flank operations has been slower than all would have liked.

But we believe the strategic and financial value of our gas reserves has already appreciated, as gas prices rise and supply from existing sources diminishes. The supply crisis has not been resolved.

We are planning now to focus on production, armed with the lessons acquired from appraisal over the past three years and the confidence in the long-term flow capabilities as demonstrated at Vali-1 and Odin-1.

Neil and his team are working on how to achieve this. That includes finance, gas contracts and joint ventures. I look forward to updating you on progress in the coming months.

Finally, I wish to acknowledge the work done and support given by my fellow directors. And to shareholders for their support throughout a difficult, but promising, year. Thank you. Even moral support means a lot.

On behalf of the board, I give grateful thanks to Neil and his team for their efforts in another year. I can tell you, it's asked a lot of them.

Before I close, I want to talk about our team. This is the team that discovered and developed the Western Flank. We've been together when we made some great discoveries and delivered a lot of money to those investing.

But the true measure of a team is when people pull together and battle through storms and strong head winds.

Vintage Energy has the essential ingredients for a successful and growing oil and gas company.

The head winds are abating. The prize is out there.

Gas is now seen to be good. It always has been.

Oil is really good.

Let's go for it!

Thank you.

Reg Nelson
Chairman

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

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