VINTAGE ENERGY

ANNUAL REPORT

For the year ended 30 June

2018

VINTAGE ENERGY

Cover photo: Drilling Albany-1

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oil and gas

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Drilling Albany-1

Chairman's Address


Reg Nelson

Chairman's Report FY18

To our great delight, our Managing Director, Neil Gibbins, rang the bell and launched Vintage Energy Limited ("Vintage") on the Australian Stock Exchange (ASX) at a listing ceremony on 17 September 2018. Vintage had just completed an over-subscribed Initial Public Offering (IPO), raising $30 million. There was strong support from local and overseas institutions which acquired more than 60% of the shares, issued at 20 cents.

At this point, preparation met opportunity: Vintage now has a platform and the strong backing of its supporters to seize that opportunity and grow.

In 2015, the Company's founders began preparing for strategic investments in the Australian East Coast energy market. Our depth of experience of the oil and gas industry and considerable knowledge of the Australian gas market had highlighted openings arising from what we had long recognised and predicted: a looming shortage of gas for the East Coast market.

We had seen the signs of a looming supply crunch as far back as 2002.

There were certainly many changes during the next sixteen years. The potential for large volumes of gas from fields in Papua New Guinea, which had loomed large, disappeared.

Higher oil prices drove higher drilling costs, but domestic gas prices remained low. This curbed the incentive to explore for, or even appraise and develop, offshore gas fields. Exploration of more remote or poorly understood onshore basins equally faltered, notwithstanding gas discoveries made historically.

Coal seam gas (CSG) emerged in the mid 2000s as a source of new supplies, initially for local power stations in Queensland, but subsidised by incentives from the Queensland Government. However, the expansion of this industry was limited: its higher costs of production could not compete beyond small local users in a regime of generally low domestic gas prices, locked into long term bilateral contracts. It was only the emergence of Liquefied Natural Gas (LNG) export projects, accessing global prices much higher than the then domestic market price, that led to a rapid expansion of CSG.

Even then, the prevailing attitude was that there would be so much ramp-up gas that the market would be oversupplied. Downstream users and governments continued to bury their heads in the sand.

It was clear by 2015 that, far from producing an oversupply of gas for the East Coast, the CSG/LNG projects themselves were facing an undersupply. This coincided with the cessation of most of the long term, low-priced domestic contracts that had been taken for granted.

The inevitable gap between supply and demand is accordingly upon us. Nor can it be resolved readily in the short term. Market forces are undoubtedly responding to a regime of higher pricing in a number of ways: the construction of the Northern Gas Pipeline (from the Northern Territory to Queensland) and the various projects seeking to supply gas to major cities through import of LNG are two examples. However, one thing is clear: the price of gas has dramatically changed to reflect a much higher cost base.

We know of many instances where there is good evidence of gas in place, close to pipelines and infrastructure. Lower development, operating and transport costs offer the potential for these to be competitive and the possibility of early and high net cash flow.

Chairman's Address (continued)

It's understandable that these were never pursued when gas prices were low. Now, much has changed. The pipeline network has increased, opening up access to larger markets. New technologies that have been developed over the last ten or twenty years in North America, combined with higher gas prices, will allow us to address large volumes of "tight" gas that may have previously been considered uncommercial.

We are not neglecting the potential for new oil discoveries. Oil prices, coupled with an attractive USD:AUD exchange rate, are now around A$100. Over many years, we have put our minds to unlocking other regions in onshore Australia where we believe there is great potential for new and profitable oil discoveries.

Our vision is that we can bring new ideas to exploring established producing basins; and bold ideas and application of modern technologies to basins that have been neglected. Vintage's competitive advantage is the depth of experience of its people; the collective knowledge of what has been neglected or not even thought about; and its ability to be nimble and flexible.

Our strategy is, firstly, to take advantage of the Eastern Australian gas crisis; and, secondly to look for potential for onshore oil production.

As priorities, we have focused on those that:

- offer the potential for expeditious commercialization on attractive terms;
- are able to service undersupplied markets;
- may have gas of high quality and with liquids potential;
- are located with the possibility for profitable gas storage in the future; and
- most importantly offer scalability and a potential for material growth, if commerciality is proven.

Our aim is to build a revenue stream quickly so that we can target even larger assets and build a company of a size and substance to take advantage of high value acquisitions.

Since the beginning of last year, we have made great progress. We now have a proven oil and gas finder, Neil Gibbins, as Managing Director. We successfully attracted establishment funding of just over $1 million in October 2017. A new constitution was approved by shareholders and then public company status achieved in December 2017 (as Vintage Energy Ltd- a necessary precursor to seeking an ASX listing).

In the lead up to Vintage's IPO we were able to increase its portfolio substantially, through entry into new joint ventures and acquisitions. Each of these has strong potential for new gas discoveries and more importantly, the potential for early gas production to supply the Eastern Australian energy market.

A further pre-IPO offer was again closed oversubscribed in February 2018. This raised $5.3 million (before costs).

Our low-cost entry into a joint venture with Otway Energy Pty Ltd to drill the Nangwarry gas prospect in the onshore Otway Basin was endorsed on 14 December 2017 by an award of $4.95 million by the South Australian Government under its PACE Gas Grant Scheme. Vintage thereupon increased its interest in the joint venture from 25% to 50%- at no extra cost.

The Nangwarry prospect is located only 8 km from the Haselgrove gas field, owned by Beach Energy Ltd ("Beach"). The Haselgrove field produced gas from the Pretty Hill Sandstone from 1994 to 2011. The field (and therefore, likewise, Nangwarry) is close to processing facilities, local markets and the SEAGAS pipeline connecting Melbourne and Adelaide.

Beach drilled Haslegrove-3/ST-1 to test the hitherto untested Sawpit Sandstone beneath the Pretty Hill Sandstone and reported results in January 2018.

Neil and I were personally delighted when Beach reported a production test that flowed gas at a tubing constrained rate of 25 MMscf/day from the Sawpit Sandstone. This was a prospect we had identified some years earlier and was our rationale in

Chairman's Address (continued)

pursuing the joint venture with Otway Energy. Beach also reported that a significant gas column had been intersected in the shallower Pretty Hill Sandstone.

The results have appreciably enhanced the potential of our upcoming Nangwarry drilling. We now consider both the Pretty Hill and the Sawpit sandstones as primary targets for Nangwarry-1.

This significant, conventional, new play discovery with an extensive gas column has enhanced the prospectivity of Vintage's greater onshore Otway position, through its farmin with Cooper Energy in PEP 171 in Victoria.[1]

Funds raised through the pre-IPO offer enabled Vintage to address the gas potential of the sandstone formations of the Galilee Basin in Queensland by satisfying the conditions precedent for our farmin with Comet Ridge Ltd. The area involved is extensive, allowing for large scale follow up in the event that commerciality is established. Having completed the initial stage of the farmin, Vintage now looks forward to booking its first contingent (2C) resource.

Although gas was discovered in the Galilee Basin decades ago, the basin has been neglected and remains poorly explored. It is now undergoing a renaissance with new mines and other projects, with associated plans for improved infrastructure and access to markets.

The Comet Ridge-Vintage Energy Deeps (CRVD) JV in eastern Galilee Basin drilled and tested the Albany-1 well in mid 2018, applying underbalanced drilling techniques. The results have great import for future appraisal: the first measured flow rate of natural gas from the Lake Galilee Sandstone was recorded. High quality gas was continuously flowed for a test period of 24 hours, with no water production and no decline in flow.

If further appraisal proves successful, we believe that there could be immediate local demand for gas. Further, the possible size of the resource, combined with other developing CSG projects in the vicinity, could justify constructing pipelines to gain access to the main East Coast market. We are enthused by early results and the prospect of further discoveries in such a large, yet poorly explored region.

Vintage's office has now been established. We have been able to attract two proven successful oil and gas explorers to the team, with the appointment of Danny Burns, Executive – Exploration and Mike Dodd, Executive – Operations. The team is busily working to evaluate and add new assets to Vintage's portfolio, including those with existing oil or gas production.

Vintage's success to date is very much due to a group of dedicated and enthusiastic people, who have been more than willing to make personal sacrifices to achieve its funding needs and ASX debut. On behalf of the Board, I thank them most sincerely. Neil Gibbins, in particular, has provided leadership and great insight. Our appreciative thanks also go to our Joint Lead Managers for the IPO, Taylor Collison and Royal Bank of Canada, and our legal team from Minter Ellison in Adelaide.

Most of all, we give our very grateful thanks to all those shareholders who have given such enthusiastic support. We do not intend to flag in our efforts to build your Company and provide value for your investment.

Reg Nelson
Chairman

[1] *Note that future exploration here is subject to the Victorian Government allowing its moratorium for conventional onshore gas exploration to lapse in 2020.*

Review of Operations

Efforts over the financial year focused on building a robust portfolio of assets and execution of work programs associated with earning equity interests.

Galilee Basin, Queensland, Vintage earning up to 48.5% in the "Deeps"

Vintage has executed a farmin agreement with the Operator, Comet Ridge to earn 30% of ATP 743, ATP 744 and ATP 1015 in the strata commencing under the Permian coals. Under certain circumstances, where Comet Ridge elects not to fund its share of the program, the earned interest can increase to 48.5%.

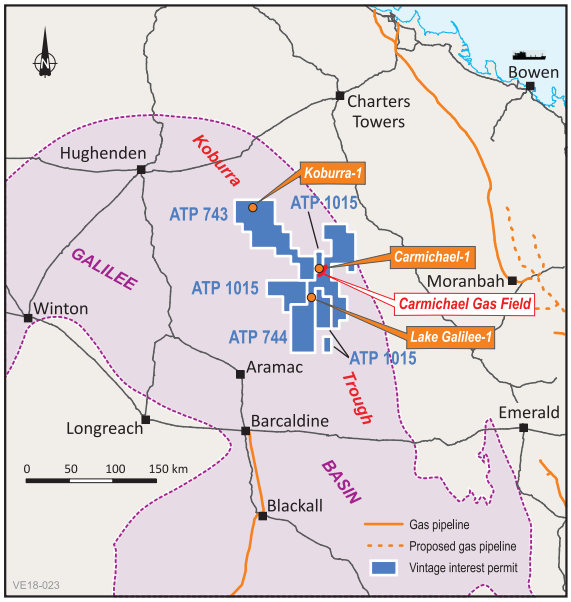

Figure 1: Location of Galilee Basin permits

Stage 1 of the work program, to earn the first 15%, focused on the Albany-1 appraisal well. The well was designed to further evaluate the Carmichael-1 gas discovery in the Lake Galilee Sandstone, with a booked 2C contingent resource of 142 Bcf. The well was designed to drill the reservoir section underbalanced to test the hypothesis that flow rates from the initial well were compromised by formation damage. The well was spudded on 19 May 2018 and at the end of the reporting period was wireline logging at total depth (TD) of 2,595 mKB.

The well did not reach the planned total depth of 2,780 mKB due to mechanical issues resulting in 12m of the bottom hole assembly (BHA) being left in the hole. Only a small section of targeted Lake Galilee sandstone was penetrated and just the "A" sand and the top part of the "B" sand were able to be tested. Similar to Carmichael-1 the "A" sand did not flow gas to surface. The "B" sand, of which only the upper 13m were penetrated, was tested and flowed with a continuous flare over a 23-hour period at a measured rate over the last 1 ¼ hours of 230,000 scfd through a 1 ¼ "orifice plate. This was a substantial improvement over the rate too small to measure from the "B" sand at the Carmichael-1 well, proving the concept that underbalanced drilling could improve flow rates and further confirming these sands as excellent fracture stimulation candidates. The tested interval of the "B" sand represents only around 10% of the potential gas saturated sandstone to be assessed.

Figure 2: Albany-1 flow test

Subsequent to the reporting period the well was plugged and suspended for future re-entry and the rig was released on July 2 2018. Vintage has earned its initial 15%.

PEL 155, Otway Basin, South Australia, Vintage 50%

Through a farmin executed during the financial year, Vintage holds a 50% interest in PEL 155 in the South Australian onshore Otway Basin, with Otway Energy (a wholly owned subsidiary of Rawson Oil and Gas) holding the remaining 50% as Operator. The initial consideration of $100,000 for a 25% interest funded Joint Venture (JV) work associated with applying for a South Australian Government PACE gas grant. This application was successful, and the JV received a grant of $4.95 million towards the cost of drilling the Nangwarry-1 prospect in the Penola Trough.

The well addresses an un-risked prospective P50 resource of 57 Bcf and is planned to be drilled in the financial year 2019. Under the farmin terms, award of the grant resulted in Vintage's interest in PEL 155 increasing to 50%.

Work has commenced on well planning, regulatory and landholder notifications and community consultation.

PEP 171, Otway Basin, Victoria, Vintage earning up to 50%

During the reporting period, Vintage signed a binding Heads of Agreement with the Operator, Cooper Energy (currently 100%) to earn up to 50% equity in PEP 171. Vintage will earn the first 25% by paying the costs of holding the permit plus studies to a minimum value of $450,000 over the period of the Victorian government moratorium in place until 2020. On lifting of that moratorium, Vintage can earn a further 25% by contributing 65% of the cost of a 100 km^2 3D seismic survey.

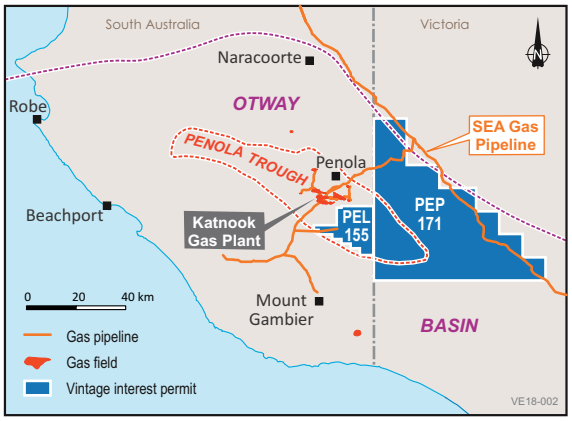

Figure 3: Location of PEL 155 and PEP 171

EP 126, Bonaparte Basin, Northern Territory, Vintage 100%

Vintage Energy executed a Heads of Agreement with Beach Energy to acquire 100% of EP 126 in the onshore portion of the Bonaparte Basin in the Northern Territory. Subsequent to the end of the reporting period a Sale and Purchase Agreement (SPA) was signed by the parties and is currently subject only to a conditions precedent of ministerial approval.

Vintage sees prospectivity in multiple play types and has acquired the permit for nil consideration, but takes on all future liabilities for the permit including those associated with the abandonment and rehabilitation of the Cullen-1 well.

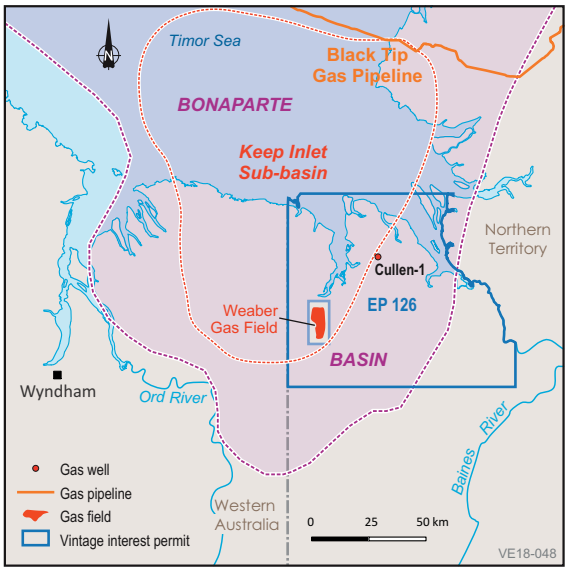

Figure 4: Location of EP 126

List of Tenements

Tenement	Location	Equity
PEL 155	Onshore Otway Basin, South Australia	50%
EP 126	Onshore Bonaparte Basin, Northern Territory	100%*

**EP 126 is the subject of a signed SPA with Beach Energy and the transfer to Vintage is subject only to ministerial approval.*

In addition to the above tenements, Vintage is currently earning a contractual right to interests in the 'Deeps' section of ATP 743, ATP 744 and ATP 1015 in the Galilee Basin in Queensland. The 'Deeps' refers to all section below the Permian coals without a lower limit. The licenses are held by Comet Ridge Ltd. Vintage has completed farm-in works which entitle it to 15% and can earn up to a maximum of 48.5% through a further phase of work.

In PEP 171 in the onshore Otway Basin in Victoria, Vintage has entered into a binding Heads of Agreement to earn up to 50% from Somerton Energy Ltd (a wholey owned subsidiary of Cooper Energy Ltd) in a two staged farm-in arrangement.

2018 Reserve Statement

Subsequent to the reporting period, Vintage acquired its first equity interest of 15% for the Deeps Joint Venture, through completion of Stage 1 of the two-stage farm-in process. Consequently, Vintage has earned its equity share of the independently certified contingent resource booking for the Carmichael/Albany Gas Field.

During 2015, SRK Consulting (Australia) Pty Ltd, ('SRK'), conducted a technical analysis of the available Carmichael Field seismic and well data for Comet Ridge. Based on the seismic and petrophysical interpretations and assessment consistent with the SPE Petroleum Resource Management System (SPE, 2007), SRK provided an estimate of Contingent Resources for the field. SRK has also been provided with the well data from Albany-1 and is of the view the well results are consistent with their estimates of contingent resources.

The results of the assessment are presented in the following tables:

Vintage Contingent Resource by Tenement

				Contingent Resource (Bcf, net to Vintage)				
Tenement	Vintage Interest	Field	Method	1C	2C	3C	Chance of Development	Product Type
ATP 744	15%	Carmichael	Probabilistic	8	21	58	High	Gas

Notes:

1. *Vintage has acquired a 15% interest in the Carmichael structure (in the Galilee Sandstone reservoir – "Deeps") after the drilling and testing of Albany-1, which is close to where Carmichael-1 flowed gas.*
2. *Estimates are in accordance with the Petroleum Resources Management System (SPE, 2007) and Guidelines for Application of the PRMS (SPE, 2011).*
3. *No Reserves were estimated.*
4. *Probabilistic methods were used.*
5. *Sales gas recovery and shrinkage have been applied to the Contingent Resource estimation. The losses include those from the field use, as well as fuel and flare gas.*

Vintage Contingent Resource by Geographical Area

		Contingent Resource (Bcf, net to Vintage)				
Geographical Area	Method	1C	2C	3C	Chance of Development	Product Type
Galilee Basin	Probabilistic	8	21	58	High	Gas

Several commercialization possibilities exist for future gas supply export. There is the potential for a gas supply to nearby industrial sites. In addition, gas pipeline spurs could be constructed to connect with the major trunklines at Mooranbah or Barcaldine which would provide access to the general Queensland domestic market. There are conceptual studies to construct larger pipelines to connect more directly into the LNG supply infrastructure. A direct route to Gladstone is one possibility and another is to the hub at Wallumbilla. In May 2016, Comet Ridge entered into a non-binding Memorandum of Understanding ('MOU') with APA Group as a framework of cooperation under which a pipeline could be built to connect with existing infrastructure. Jemena Gas Network ('Jemena'; a subsidiary of SGSP (Australia) Assets Pty Ltd) was reported (AFR, 10 May 2017) as undertaking feasibility studies for

a possible extension from Mt. Isa to SE Queensland of its Northern Gas Pipeline ('NGP') (currently under construction to connect Tennant Creek in the Northern Territory with Mt. Isa). Following the NT Government's announcement (NT News 17 April 2018) to lift the moratorium on fracture stimulation, Jemena intends (Northern Star, 17 April 2018) to progress its plans to extend the NGP.

Comet Ridge is exploring the coal seam gas potential of the overlying "Shallows" and at present is focussing on the southern portions of ATP 744 and ATP 1015. This may provide the opportunity for shared facilities and/or cooperation in the event of success in both the "Shallows" and "Deeps" areas.

SRK Consulting (Australasia) Pty Ltd – Carmichael Structure Contingent Resource Assessment

SRK is an independent, international group providing specialised consultancy services, with expertise in petroleum studies and petroleum related projects. In Australia SRK have offices in Brisbane, Melbourne, Newcastle, Perth and Sydney and globally in over 40 countries. SRK has completed petroleum reserve and resource assessments for many clients in Australia and internationally.

The Contingent Resource for the Carmichael Structure referred to in this report is derived from an independent report by Dr Bruce McConachie, an Associate Principal Consultant with SRK Consulting (Australasia) Pty Ltd, an independent petroleum reserve and resource evaluation company. He has disclosed to Vintage, the full nature of the relationship between himself and SRK, including any issues that could be perceived by investors as a conflict of interest.

Dr McConachie is a geologist with extensive experience in economic resource evaluation and exploration. He is a member of the American Association of Petroleum Geologists, Society of Petroleum Engineers and Australasian Institute of Mining and Metallurgy. His career spans over 30 years and includes production, development and exploration experience in petroleum, coal, bauxite and various industrial minerals, covering petroleum exploration programs, joint venture management, farm-in and farm-out deals, onshore and offshore operations, field evaluation and development, oil and gas production and economic assessment, with relevant experience assessing petroleum resource under PRMS code (2007).

The Carmichael Structure Contingent Resources information in this report has been issued with the prior written consent of Dr McConachie in the form and context in which it appears. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves in accordance with the Society of Petroleum Engineers ("SPE") 2007 Petroleum Resource Management System ("PRMS") Guidelines as well as the 2011 Guidelines for Application of the PRMS approved by the SPE.

2018 Reserve Statement (continued)

As at June 30 2018 Vintage did not hold any booked Reserves, Contingent Resources or Prospective Resources. Subsequent to the end of the reporting period, RISC carried out an independent assessment of the Prospective Resources for the Nangwarry prospect in PEL 155.

Vintage holds a Best Estimate unrisked prospective resource of 29 Bcf net to Vintage associated with its Nangwarry prospect in PEL 155 in the onshore Otway Basin in South Australia.

Given the proximity to infrastructure and market, should a discovery be made at this prospect the chance of development would be high.

Vintage Prospective Resource by Tenement

				Unrisked Prospective Resource (Net to Vintage)				
Tenement	Vintage Interest	Prospect	Method	Low Estimate (Bcf)	Best Estimate (Bcf)	High Estimte (Bcf)	Chance of Discovery	Product Type
PEL 155	50%	Nangwarry	Probabilistic	6	29	80	38%	Gas

Vintage Prospective Resource by Geographical Area

		Unrisked Prospective Resource (Net to Vintage)				
Geographical Area	Method	Low Estimate (Bcf)	Best Estimate (Bcf)	High Estimte (Bcf)	Chance of Discovery	Product Type
Onshore Otway Basin	Probabilistic	6	29	80	38%	Gas

Reserves and Resources

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Standard

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) approved by the Board of the Society of Petroleum Engineers in 2007.

This Report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2005 Edition ("The VALMIN Code") as well as the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112.

Reserves Evaluator

Qualifications

RISC is an independent oil and gas advisory firm. All of the RISC staff engaged in this assignment are professionally qualified engineers, geoscientists or analysts, each with many years of relevant experience and most have in excess of 20 years.

2018 Reserve Statement (continued)

RISC was founded in 1994 to provide independent advice to companies associated with the oil and gas industry. Today the company has approximately 40 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London. They have completed over 2,000 assignments in 70+ countries for nearly 500 clients. RISC's services cover the entire range of the oil and gas business lifecycle and include:

- Oil and gas asset valuations, expert advice to banks for debt or equity finance;
- Exploration/portfolio management;
- Field development studies and operations planning;
- Reserves assessment and certification, peer reviews;
- Gas market advice;
- Independent Expert/Expert Witness;
- Strategy and corporate planning.

The preparation of this report has been supervised by Mr Ian Cockerill, RISC Head of Geoscience. Mr Cockerill has 20 years' experience in the upstream hydrocarbon industry with Hunt Oil, Apache Energy and RISC. He is a member of the American Association of Petroleum Geologists, the Geological Society of London and the Petroleum Exploration Society of Australia. He has extensive experience with mature and greenfield oil, gas, gas-condensate and unconventional developments in North America, Europe, Africa, Middle East, South East Asia and Australasia. Mr Cockerill holds an MSc in Basin Evolution and Dynamics from Royal Holloway College, University of London, 1999 as well as a BSc in Geological Sciences (First (Hons)) from Leeds University, 1996. Mr Cockerill is a qualified petroleum reserves and resources evaluator (QPPRE) as defined by ASX listing rules.

Competent Persons Statement

The hydrocarbon resource estimates in this report have been compiled by Neil Gibbins, Managing Director, Vintage Energy Ltd. Mr Gibbins has over 35 years of experience in petroleum geology and is a member of the Society of Petroleum Engineers. Mr Gibbins consents to the inclusion of the information in this report relating to hydrocarbon Contingent and Prospective Resources in the form and context in which it appears. The Contingent and Prospective Resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resource Management System.

Directors' Report

The Directors of Vintage Energy Limited present their report together with the financial statements of the Company for the year ended 30 June 2018 and the Independent Audit Report thereon.

Director Details

The following persons were Directors of Vintage Energy Limited during or since the end of the financial year:

Reginald (Reg) Nelson | Chairman

Reg Nelson has a long and distinguished career in the Australian petroleum industry and is widely respected within commercial and government circles, for his successful and innovative leadership. As Managing Director of Beach Energy Ltd, until retiring from the position in 2015, he led the company to a position as one of Australia's top mid-tier oil and gas companies. He was formerly Director of Mineral Development for the State of South Australia, a Director of the Australian Petroleum Production and Exploration Association (APPEA) for eight years and was APPEA Chairman from 2004 to 2006. He is a director of petroleum exploration company FAR Ltd and has been a director of many ASX listed companies. Reg was awarded the Reg Sprigg Medal by APPEA in 2009 in recognition of his industry contribution.

Other Directorships – FAR Ltd
Committee memberships – Audit and Risk

Interest in shares and options

Ordinary shares	9,161,177
Options	1,000,000
Founders Rights	1,320,941

Neil Gibbins | Managing Director

Neil Gibbins has over 35 years of technical and leadership experience in the petroleum industry in a wide variety of regions in Australia and internationally and has been involved in many successful exploration, development and corporate acquisition projects. Neil was employed at both Esso Australia and Santos Limited, initially as a geophysicist and later in supervisory roles. He moved to Beach Energy in 1997, initially as Chief Geophysicist; was appointed as Exploration Manager in 2005, and then Chief Operating Officer in 2012. Neil was acting CEO in 2015 and led Beach during its merger with DrillSearch Energy in 2016. He is a member of PESA, SEG, SPE and ASEG.

Other Directorships – Nil

Interest in shares and options

Ordinary shares	7,651,177
Founders Rights	1,320,941

Nicholas (Nick) Smart | Non-Executive Director

Nick Smart has over 40 years of corporate experience and was a full associate member of the Sydney Futures Exchange, a senior adviser with a national share broking firm, and has significant international and local general management experience. He has participated in capital raisings for numerous private and listed natural resource companies and technology start-up companies. This includes commercialization of the Synroc process for safe storage of high-level nuclear waste, controlled temperature and atmosphere transport systems and the beneficiation of low rank coals.

Other Directorships – Alternate Director Maximus Resources Limited (retired 28 August 2018)

– Alternate Director Flinders Mines Limited (retired 5 June 2017)

Committee memberships – Chairman Audit and Risk

Interest in shares and options

Ordinary shares	5,911,177
Options	1,000,000
Founders Rights	1,320,941

Ian Howarth | Non-Executive Director

Ian Howarth spent several years as a mining and oil analyst with Melbourne-based May and Mellor. He had a career in journalism as a senior resources writer at The Australian and was the Resources Editor of the Australian Financial Review for 18 years. He created Collins Street Media, one of Australia's leading resources sector consultancies.

Clients included APPEA and several listed companies including Shell Australia. His expertise lies in marketing and assisting in capital raising. Ian has a Certificate in Financial Markets from Securities Institute of Australia.

Other Directorships – Nil

Committee memberships – Audit and Risk

Interest in shares and options

Ordinary shares	8,661,177
Options	1,000,000
Founders Rights	1,320,941

Ian Northcott | Alternative to Ian Howarth

Ian Northcott has 42 years' experience in the upstream petroleum industry in geoscience, reservoir engineering and economics. He was co-founder and Director of PetroVal Australasia Pty Ltd and for 20 years specialized in the technical and commercial analysis of petroleum reserves and resource divestments, mergers, target statements, and capital raisings via prospectus. Ian was previously a Director of the listed Frontier Petroleum NL. His qualifications are a B.Sc. (Hons) in Geology and Grad.Dip.App.Fin. & Inv.; he is a Fellow of AusIMM and a member of AAPG, SPE and SPWLA

Other Directorships – Nil

Interest in shares and options

Ordinary shares	5,911,177
Options	1,000,000
Founders Rights	1,320,941

Details of the securities are detailed in Events arising since the end of the reporting period.

Company Secretary

The following person was Company Secretary of Vintage Energy Limited during or since the end of the financial year:

Simon Gray | Company Secretary

Simon Gray has over 35 years' experience as a Chartered Accountant and 20 years as a Partner with Grant Thornton, a national accounting firm. In his last five years at the firm, he was responsible for the Grant Thornton Mining and Energy group. Simon retired from active practice in July 2015. His key expertise lies in audit and risk, valuations, due diligence and ASX Listings. His qualifications include B.Ec. (Com).

Principal Activities

The Principal activities of the Company during the year were gas and oil exploration.

There has been no significant change in the nature of these activities during the financial year.

Financial Results

The Company incurred an operating loss of $776,688 for the Financial Year ended 30 June 2018.

Significant Changes in the State of Affairs

During the year, the Company raised seed capital amounting to $6,007,000 and entered into various joint arrangements on Petroleum exploration licenses in known oil and gas provinces within Australia.

Dividends

No Dividends were paid or proposed during the year.

Likely Developments, Business Strategies and Prospects

The Company will continue to develop its existing suite of assets detailed under the Principal Activities heading and will work to identify other assets and Corporate opportunities that will grow the company and enhance shareholder value.

Directors' Report (continued)

Directors' Meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

	Board Meetings		Audit and Risk Committee	
Board Member	**A**	**B**	**A**	**B**
Reg Nelson	10	10	-	-
Ian Howarth	10	9	-	-
Neil Gibbins	10	10	-	-
Nick Smart	10	10	-	-

A is the number of meetings held

B is the number of meetings attended

Audit and Risk Committee established June 2018

Unissued Shares Under Option

Unissued ordinary shares of Vintage Energy Limited under option at the date of this report are:

Date options granted	Exercise price of shares ($)	Number under option
13 September 2018	0.35	4,000,000
13 September 2018	0.3	1.500,000
Total under option		**5,500,000**

All options expire on the 17 September 2021. Options do not entitle the holder to participate in any share issue of the Company.

Shares Issued During or Since the End of the Year as a Result of Exercise of Options

No Options have been exercised during or since the end of the financial year.

Founders Rights

Rights to Ordinary shares issued at the date of this report are:

Date rights granted	Exercise price of shares ($)	Number
13 September 2018	Nil	7,925,646
Total		**7,925,646**

Founders' Rights will vest 6 months after 30-day VWAP share price exceeds $0.30 / share and otherwise expire after 3 years.

Environmental Legislation

The Company's oil and gas operations are subject to environmental regulation under the legislation of the respective states and countries within which it operates. Approvals, licences, hearings and other regulatory requirements are performed by the operators of each permit or lease on behalf of joint operations in which the Company participates. The Company is potentially liable for any environmental damage from its activities, the extent of which cannot presently be quantified and would in any event be reduced by insurance carried by the Company or operator. The Company applies the oil and gas experience of its personnel to develop strategies to identify and mitigate environmental risks. Compliance by operators with environmental regulations is governed by the terms of respective joint operating agreements and is otherwise conducted using oil industry best practices. The Board actively monitors compliance with state and joint operation regulations and as at the date of this report is not aware of any material breaches in respect of these regulations.

Events Arising Since the End of the Reporting Period

On 26 July 2018 the company paid its final cash call amounting to $1,169,114 with respect to the Albany-1 project and on 9 August 2018 was informed that it has earnt its initial 15 percent of the project.

The company raised $30,000,000 in new share capital which was issued pursuant to a prospectus lodged on the 2 August 2018 and listed on the Australian Securities exchange on 17 September 2018.

As a result of the successful listing, the Founders shares converted into ordinary shares of the company amounting to 39,628,237 and 7,925,646 Founders Rights. Founders' Rights will vest 6 months after 30-day VWAP share price exceeds $0.30 / share and otherwise expire after 3 years.

The company also issued the following Options to Directors and suppliers:

– Messer's Nelson, Smart, Howarth and Northcott received 1,000,000 share options. Options issued

to Directors are exercisable any time after listing with an exercise price of $0.35 per option and an expiry after 3 years from the listing date; and

– To Permenent Nominee Pty Ltd (Taylor Collison) 1,500,000 share options with an exercise price of $0.30 per option and an expiry after 3 years from the listing date.

On 31 July 2018 a Sale and Purchase Agreement (SPA) was signed with Beach Energy Limited to acquire 100% of EP 126 in the onshore portion of the Bonaparte Basin in the Northern Territory, subject to conditions precedent of Vintage listing on the ASX and ministerial approval. This replaced a Heads of Agreement.

Remuneration Report (Audited)

Remuneration Report Remuneration policy

The remuneration policy of Vintage Energy Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering other incentives based on performance in achieving key objectives as approved by the Board. The Board of Vintage Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Company's policy for determining the nature and amounts of emoluments of Board members and other key management personnel of the Company is as follows:

Remuneration and Nomination

The Board oversees remuneration matters and sets remuneration policy, fees and remuneration packages for Non-Executive directors and senior executives.

The Company's Constitution specifies that the total amount of remuneration of Non-Executive Directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of Non-Executive Directors has been set at $800,000 per annum. Directors may apportion any amount up to this maximum amount amongst the Non-Executive Directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as Directors. The fees paid to Non-Executive Directors are not incentive or performance based but are fixed amounts that are determined by reference to the nature of the role, responsibility and time commitment required for the performance of the role, including membership of board committees.

Non-Executive Director remuneration is by way of fees and statutory superannuation contributions. Non-Executive Directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

Executive Remuneration Policies

The remuneration of the Managing Director is determined by the Non-Executive Directors and approved by the Board as part of the terms and conditions of his employment, which are subject to review from time to time.

The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board. The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company.

The remuneration structure and packages offered to executives are summarised below:

Neil Gibbins

Mr. Gibbins has entered into an employment contract of 0.8 full time equivalent (FTE) with the role of managing director of Vintage. Mr. Gibbins will be paid at the gross rate of $300,000 per year, inclusive of superannuation contributions

The Board will determine whether Mr. Gibbins is entitled to a payment under the Short-Term Incentive and Long-Term Incentive schemes in its absolute discretion, having regard to his performance.

In the event that the Board requires Mr. Gibbins to permanently transfer to another location outside of the Adelaide Metropolitan area, Mr. Gibbins may terminate the Agreement and will be entitled to a sum equivalent of his annual salary. The Company may terminate the Agreement immediately in a number of circumstances including serious misconduct or failure to carry out the employee's duties under the Agreement.

The Company and Mr. Gibbins may also terminate the Agreement on three months' written notice.

Senior Executive Remuneration

Remuneration Consultants

The Company did not use any remuneration consultants during the year.

Shares issued on exercise of remuneration options

No shares were issued to Directors or key management as a result of the exercise of remuneration options during the financial year.

Remuneration of Directors and key management personnel

This report details the nature and amount of remuneration for each key management personnel of the company.

The remuneration structure and packages offered to executives are summarised below:

Fixed remuneration

- Short-term incentive – the Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.
- Long-term incentive – equity grants, which may be granted annually at the discretion of the Board. From time to time, the Company may grant retention options or rights as considered appropriate as a long-term incentive for key management personnel.

The intention of this remuneration is to facilitate the retention of key management personnel in order that the goals of the business and shareholders can be met. Under the terms of the issue of the retention rights, the rights will vest over a period of time, with a proportion of the rights vesting each year.

Directors and key management personnel

The names and positions held by Directors and key management personnel of the Company during the whole of the financial year are:

Name	Date Appointed	Position
Reg Nelson	10 February 2017	Chairman
Neil Gibbins	10 February 2017	Managing Director
Nick Smart	9 November 2015	Non-Executive Director
Ian Howarth	9 November 2015	Non-Executive Director
Ian Northcott	19 February 2018	Alternative Non-Executive Director
Simon Gray	9 November 2015	Company Secretary

Remuneration Summary Directors and Key Executives

2018	Salary	Share based remuneration	Superannuation	Termination benefits	Total	Share based percentage of total	Performance related
Reg Nelson	–	–	–	–	–	–	–
Neil Gibbins	127,804	–	12,140	–	139,944	0%	–
Ian Howarth	–	–	–	–	–	–	–
Nick Smart	–	–	–	–	–	–	–
Ian Northcott	–	–	–	–	–	–	–
Simon Gray	–	–	–	–	–	–	–
	127,804		**12,140**	–	**139,944**	–	–

2017	Salary	Share based remuneration	Superannuation	Termination benefits	Total	Share based percentage of total	Performance related
Reg Nelson	–	–	–	–	–	–	–
Neil Gibbins	18,315	–	1,740	–	20,055	0%	–
Ian Howarth	–	–	–	–	–	–	–
Nick Smart	–	–	–	–	–	–	–
Ian Northcott	–	–	–	–	–	–	–
Simon Gray	–	–	–	–	–	–	–
	18,315		**1,740**	–	**20,055**	–	–

Directors and key management personnel equity remuneration, holdings and transactions

The number of shares in the company held during the Financial Year by each director and other key management personnel of the Company, including their personal related parties, are set out below.

Name	Balance 1 July 2017	Received as remuneration	Options excised	Net change other [1]	Balance
Reg Nelson	1	–	–	2,500,000	2,500,001
Neil Gibbins	1	–	–	1,250,000	1,250,001
Ian Howarth	1	–	–	2,500,000	2,500,001
Nick Smart	1	–	–	200,000	200,001
Ian Northcott	1	–	–	200,000	200,001
Simon Gray	1	–	–	200,000	200,001

(1) Shares subscribed for during the year.

Transactions with key management personnel

Key management of the Company, detailed remuneration disclosure and equity holdings, are detailed in the Remuneration report contained in the Directors report.

END OF REMUNERATION REPORT

Indemnities Given To, and Insurance Premiums Paid For, Auditors and Officers

Insurance of officers

During the year, Vintage Energy Limited paid a premium to insure officers of the Company. The officers covered by insurance include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be bought against the officers in their capacity as officers of the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company

Details of the amount of premium paid in respect of insurance policies are not disclosed as their disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Company against a liability incurred as such by an officer.

Indemnity of auditors

The Company has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Company's breach of its agreement. The indemnity requires the Company to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings On Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-Audit Services

During the year, Grant Thornton Audit Pty Ltd, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Directors to ensure they do not impact upon the impartiality and objectivity of the auditor
- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards

Details of the amounts paid to the auditors of the Company, Grant Thornton Audit Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out in Note 20 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s.307C of the Corporations Act 2001 is included in page 19 of this financial report and forms part of this Director's Report.

Signed in accordance with a resolution of the Directors

Reg Nelson
Chairman
25 September 2018

Auditor's Independence Declaration

Grant Thornton Audit Pty Ltd
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Adelaide, SA
5000

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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 audit of (Vintage Energy Limited) for the year ended 30 June 2018, 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 audit; and

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

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 25 September 2018

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Vintage Energy Limited has adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Company's Corporate Governance Statement for the financial year ending 30 June 2018 is dated as at 25 October 2018 and was approved by the Board on 25 October 2018. The Corporate Governance Statement is available on Vintage Energy's website at https://www.vintageenergy.com.au/governance-policies

Statement of Profit or Loss and Other Comprehensive Income

For year ended 30 June 2018

	Notes	30 June 2018 $	30 June 2017 $
Interest income		17,522	–
Depreciation expense		(2,701)	–
Exploration expense		(136,692)	–
Corporate administrative expense	5	(392,744)	(6,428)
Other expenses		(231)	–
Employee benefits expense	5	(261,842)	(20,055)
(Loss) before income tax		**(776,688)**	**(26,483)**
Income tax benefit	6	–	–
(Loss) for the year		**(776,688)**	**(26,483)**
Other comprehensive income		–	–
Total comprehensive income (loss) attributable to owners of the company for the year		**(776,688)**	**(26,483)**
Earnings per share			
Basic and diluted (loss) per share from continuing operations (cents)	15	(0.020)	(383.81)

Statement of Financial Position

As at 30 June 2018

	Notes	30 June 2018 $	30 June 2017 $
Current Asset			
Cash and cash equivalents	7	4,950,784	319,447
Trade and other receivable	8	465,471	430
Total current assets		5,416,255	319,877
Non-Current Assets			
Property, plant and equipment	9	70,315	–
Exploration and evaluation assets	10	2,780,793	–
Total non-current assets		2,851,108	–
Total Assets		8,267,363	319,877
Current Liabilities			
Trade and other payables	11	421,308	342,999
Deferred grant liabilities		2,475,000	–
Provisions	12	10,665	–
Total current liabilities		2,906,973	342,999
Total Liabilities		**2,906,973**	**342,999**
Net Assets/(liabilities)		**5,360,390**	**(23,122)**
Equity			
Share capital	13	6,164,409	4,209
Accumulated (losses)		(804,019)	(27,331)
Total Equity / (Deficit)		**5,360,390**	**(23,122)**

Statement of Changes in Equity

For year ended 30 June 2018

	Notes	Share capital $	Accumulated losses $	Total equity / (deficit) $
Balance at 1 July 2016		**7**	**(848)**	**(841)**
(Loss) for the year		–	(26,483)	(26,483)
Total comprehensive (loss) for the year		–	**(26,483)**	**(26,483)**
Total transactions with owners				
Issue of ordinary shares	13	2	–	2
Issue of founders shares		4,200	–	4,200
Balance at 30 June 2017		4,209	(27,331)	(23,122)
Balance at 1 July 2017		4,209	(27,331)	(23,122)
(Loss) for the year		–	(776,688)	(776,688)
Total comprehensive (loss) for the year		–	(776,688)	(776,688)
Total transactions with owners				
Issue of ordinary shares at 5 cents – institutional and sophisticated investors	13	1,025,000	–	1,025,000
Issue if ordinary shares at 10 cents – institutional and sophisticated investors		5,406,000	–	5,406,000
Transaction costs	13	(270,800)	–	(270,800)
Balance at 30 June 2018		6,164,409	(804,019)	5,360,390

Statement of Cash Flows

For year ended 30 June 2018

	Notes	30 June 2018 $	30 June 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(832,054)	(2,732)
Net cash (used in) operating activities	21	**(832,054)**	**(2,732)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(2,780,793)	–
Proceed from Government grant – share of joint operation		2,475,000	–
Payments for property, plant and equipment		(73,016)	–
Cash flows (used in) investing activities		**(378,809)**	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		6,007,000	4,202
Payment for share issue costs		(164,800)	–
Deposit for share capital received		–	308,000
Net cash from financing activities		**5,842,200**	**312,202**
Net change in cash and cash equivalents		4,631,337	309,470
Cash and cash equivalents at the beginning of year		319,447	9,977
Cash and cash equivalents at end of year	7	**4,950,784**	**319,447**

Notes to the Financial Statements

1 Nature of Operations

Vintage Energy Limited (the 'Company') is an Australian listed public company, incorporated in Australia and operating in Australia. The principal activities of the Company are disclosed in the Director's Report.

Vintage Energy Limited's registered office and its principal place of business at the date of this report is 58 King William Road, Goodwood SA 5034.

2 General Information and Statement of Compliance

The consolidated general-purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Vintage Energy Limited is a for-profit entity for the purpose of preparing the financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board of Directors on 25 September 2018.

3 Changes in Accounting Policies

3.1 New and revised standards that are effective for these financial statements

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet mandatory, have not been early adopted by the Company for the reporting year ended 30 June 2018. The entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, is as set out below:

AASB 9 Financial Instruments (Application date: 1 January 2018)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a. Financial assets that are debt instruments will be classified based on:

   (i) the objective of the entity's business model for managing the financial assets; and

   (ii) the characteristics of the contractual cash flows.

b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

   – the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI);

   – the remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9;

   – classification and measurement of financial liabilities; and

   – derecognition requirements for financial assets and liabilities. AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial report.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forwardlooking information and applies to all financial instruments that are subject to impairment accounting.

Based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 16 Leases (Application date: 1 January 2019)

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

The Company is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

4 Summary of Accounting Policies

4.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Basis of preparation

The financial statements have been prepared on the basis of historical cost except, where applicable, for the revaluation of certain non-current assets and financial instruments. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes on value, net of outstanding bank overdrafts.

4.4 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.5 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

4.6 Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

4.7 Trade and other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to term.

4.8 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement, which are described as follows:

- Level 1- inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2- inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3- inputs are unobservable inputs for the asset or liability.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the last valuation and a comparison, where applicable, with external sources of data.

4.9 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the local Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

4.10 Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

All tangible assets have limited useful lives and are depreciated using the straight-line value method over their estimated useful lives, taking into account estimated residual values, to write off the cost to its estimated residual value, as follows:

- Furniture and fittings: 20%
- Plant and equipment: 33%

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjusted if appropriate.

4.11 Impairment of assets

At each reporting date the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

4.12 Exploration and evaluation costs

Exploration and evaluation expenditure includes costs incurred in the search for hydrocarbon resources and determining its commercial viability in each identifiable area of interest. Exploration and evaluation expenditure is accounted for in accordance with the successful efforts method and is capitalised to the extent that:

i. the rights to tenure of the areas of interest are current and the Company controls the area of interest in which the expenditure has been incurred; and

ii. such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or

iii. exploration and evaluation activities in the area of interest have not at the reporting date:

- reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and
- active and significant operations in, or in relation to, the area of interest are continuing. An area of interest refers to an individual geological area where the potential presence of an oil or a natural gas field is considered favourable or has been proven to exist, and in most cases, will comprise an individual prospective oil or gas field.

Exploration and evaluation expenditure which does not satisfy these criteria is written off.

Specifically, costs carried forward in respect of an area of interest that is abandoned or costs relating directly to the drilling of an unsuccessful well are written off in the year in which the decision to abandon is made or the results of drilling are concluded. The success or otherwise of a well is determined by reference to the drilling objectives for that well. For successful wells, the well costs remain capitalised on the Statement of Financial Position as long as sufficient progress in assessing the reserves and the economic and operating viability of the project is being made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where an ownership interest in an exploration and evaluation asset is exchanged for another, the transaction is recognised by reference to the carrying value of the original interest. Any cash consideration paid, including transaction costs, is accounted for as an acquisition of exploration and evaluation assets. Any cash consideration received, net of transaction costs, is treated as a recoupment of costs previously capitalised with any excess accounted for as a gain on disposal of non-current assets. Where a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is transferred to oil and gas assets.

4.13 Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the Company accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets jointly held;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Company accounts for its assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

4.14 Leases

Operating lease

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

4.15 Financial instruments

Recognition, initial measurement and derecognition

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial liabilities

The Entity's financial liabilities include trade and other payables. Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

4.16 Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit.

4.17 Government grants

The Company's projects at times may be supported by grants received from the federal, state and local governments. Government grants received in relation to drilling of exploration wells are initially deferred as a liability until the grant is spent. Once spent it is then recognised as a reduction in the carrying value of exploration and evaluation asset or income if the expenditure relating to the grant is expensed.

4.18 Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

4.19 Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

4.20 Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following critical judgement, including estimations, that management has made in the process of applying the Company's accounting policies and that had the most significant effect on the amounts recognised in the financial statements.

Capitalised exploration and evaluation

The Company has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development or alternatively sale of the areas of interest. If, ultimately, the areas of interest are abandoned or are not successfully commercialised, the carrying value of the capitalised exploration and evaluation expenditure would need to be written down to its recoverable amount.

4.21 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 Loss for the Year

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

	30 June 2018 $	30 June 2017 $
Employees benefit expense		
Short-term employee benefits – salaries and fees	(280,241)	(18,315)
Post-employment benefits	(28,935)	(1,740)
Increase in employee benefit provisions	(10,665)	–
Recharge of salaries and fees to exploration expenditure	57,999	–
	(261,842)	(20,055)
Corporate administrative expense		
Accounting and audit	(43,180)	–
Conferences	(21,666)	–
Consulting	(24,900)	–
Computer expenses	(26,175)	–
Travel and accommodation	(70,688)	–
Legal fees	(100,434)	–
Rent	(40,610)	–
Sundry	(65,091)	(6,428)
	(392,744)	(6,428)

6 Income Taxes

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	30 June 2018 $	30 June 2017 $
Loss from operations	776,687	26,483
Income tax (benefit) calculated at 30%	(233,036)	(7,945)
Non-deductible expenses	3,579	–
Unused tax losses and tax offsets not recognised as deferred tax assets	229,457	7,945
Tax expense/benefit	–	–
Tax expense (benefit) comprises		
Current tax expense	(229,427)	(7,945)
Tax losses not brought to account	1,063,665	7,945
Deferred tax liability not brought to account	(834,238)	–
Tax expense (benefit)	–	–

7 Cash and Cash Equivalents

Cash and cash equivalents consist the following:

	30 June 2018 $	30 June 2017 $
Cash on hand	9	9
Cash at bank [(i)]	4,950,775	319,438
	4,950,784	319,447

[(i)] Includes cash of $2,468,000 held from the PACE grant pursuant to the PEL 155 joint operation

8 Trade and Other Receivables

	30 June 2018 $	30 June 2017 $
Security deposits	33,397	–
Prepayments	392,268	–
GST receivables	39,806	430
	465,471	430

9 Property, Plant and Equipment

	30 June 2018 $	30 June 2017 $
Furniture and fittings / Plant and equipment – at cost		
Balance at 1 July 2017	–	–
Additions for the year	73,016	–
Balance as at 30 June	73,016	–
Accumulated depreciation and impairment		–
Balance at July 2017	–	–
Depreciation Expense	2,701	–
Balance 30 June	2,701	–
Net Book Value	70,315	–

10 Exploration and Evaluation Assets

	30 June 2018 $	30 June 2017 $
Balance at 1 July	–	–
Additions for the year	2,780,793	–
Balance at 30 June	2,780,793	–

11 Trade and Other Payables

Cash and cash equivalents consist the following:

	30 June 2018 $	30 June 2017 $
Current		
Trade payables	137,108	–
Accrued expenses	218,434	4,726
Salary payable	–	18,315
Share deposit [(i)]	–	308,000
PAYG withholding	65,766	–
Superannuation payable	–	1,740
Loans [(ii)]	–	10,218
Total trade and other payables	**421,308**	**342,999**

[(i)] *Share deposit has been converted into ordinary shares subsequent to year end.*

[(ii)] *Includes $10,000 directors' loans were interest free and payable on demand.*

12 Provisions

	30 June 2018 $	30 June 2017 $
Current		
Employee Benefits	10,665	–
	10,665	–

13 Issued Capital

The share capital of Vintage Energy Limited consists only of fully paid ordinary shares;

	30 June 2018 Number	30 June 2018 $	30 June 2017 Number	30 June 2018 $
Shares issued and fully paid:				
Ordinary Shares [(ii)]				
Beginning of the year	7	9	5	7
Shares allotted during the period	73,500,000	6,325,000	2	2
Issued under share-based payments	1,060,000	106,000	-	-
Share issue costs	-	(270,800)	-	-
Total Ordinary Shares	**74,560,007**	**6,160,209**	**7**	**9**
Founders Shares [(i)]				
Beginning of the year	700	4200	–	–
Share issue	–	–	700	4,200
Total Founders shares	700	4,200	700	4,200
Total contributed equity at 30 June	**74,560,707**	**6,164,409**	**707**	**4,209**

[(i)] **Founders Shares**

Founders shares have the following rights:

- the right to receive notice of and attend general meetings;
- the right to vote at general meetings as follows:
- on a show of hands, to one vote; and
- on a poll, the number of votes entitled to be cast by the Founder Shareholder shall be equal to 15% of the total votes entitled to be cast by all holders of Ordinary Shares at that general meeting;
- the right to payment of those dividends that the Directors from time to time determine to pay or declare;

- upon a reduction of capital or winding up of the Company, the Founder Shareholder shall be entitled 15% of the total amount to be returned or distributed to the Members; and
- the right to require conversion to Ordinary Shares as follows:
  - On the occurrence of a Listing Event, the Founder Shares (in aggregate) will convert into the number of Ordinary Shares that represents 15.00% of the total Ordinary Shares on issue immediately following completion of the Listing Event (taking account of the new Ordinary Shares issued in the Listing Event). This is subject to the number of Ordinary Shares issued on conversion being capped at the number of Ordinary Shares that represents 15.00% of the aggregate of the number of Ordinary Shares on issue immediately before completion of the Listing Event together with both the number of Ordinary Shares issued on occurrence of the Listing Event representing $30 million at the Listing Event Share price and the number of the Shares issued on conversion of the Founder Shares, determined in accordance with the following formula.
  - The cap on the number of Shares issued on conversion will be calculated as follows:

    C = (A + B) ÷ 85%- (A + B)

    where:

    A = the total number of Ordinary Shares on issue immediately before completion of the Listing Event

    B = the total number of Ordinary Shares issued on occurrence of the Listing Event representing $30 million at the Listing Event Share price

    C = the maximum number of Shares which may be issued on conversion of the Founder Shares.

If the above calculation results in an entitlement to a number of Shares which includes a fraction of a Share, the fraction will be rounded upwards.

The Company acknowledges that immediately prior to the conversion of the Founder Shares in accordance with this clause, the Founder Shares may be transferred from the Founder Shareholder to Eligible Holders (or their nominees) that the holder(s) of the Founder Shares, being the Eligible Holders, been granted 1 founder right for every 5 Ordinary Shares issued on conversion of the Founder Shares following a Listing Event.

The founder rights will vest and convert into ordinary fully paid shares in the Company 6 months after the 30-day VWAP share price exceeding 30 cents.

Each of the founder rights expire at 5:00 pm (ACST) on the Expiry Date being the third anniversary of the issue date of the founder rights.

The maximum Founders rights that can be issued are 7,925,646 which convert to the same number of fully paid ordinary shares. Subsequent to year end these rights were issued refer note 22.

(ii) **Ordinary Shares**

Subject to this Constitution and to the terms of issue of Shares, all Shares attract the following rights:

- the right to receive notice of and to attend and vote at all general meetings of the Company;
- the right to receive dividends; and
- in a winding up or a reduction of capital, the right to participate equally in the distribution of the assets of the Company (both capital and surplus), subject to any amounts unpaid on the Share and, in the case of a reduction, to the terms of the reduction.

The following shares were issued during the period:

- On 22 October 2017, 20,500,000 fully paid ordinary shares were issued at 5 cents per share to institutional and sophisticated investors;
- On 26 February 2018, total of 53,000,000 fully paid ordinary shares were issued at 10 cents per share to institutional and sophisticated investors; and on 26 February 2018, 1,060,000 fully paid ordinary shares were issued to share broker as share-based payment for share capital raising fee. The shares were issued at 10 cents per share.

14 Interest in Joint Operations

The Company has an interest in the following unincorporated Joint Operations whose principal activities are Oil and Gas exploration.

	30 June 2018 % interest	30 June 2017 % interest
Galilee Basin ATP-743, ATP-744 and ATP-1015 [(i)]	–	–
Otway Basin PEL 155 [(iii)]	50	–
Otway Basin PEL 171 [(ii)]	–	–

[(i)] Vintage could acquire up to a 48.5% contractual interest in the "Deeps" area of ATP 743, ATP 744, and ATP 1015; by funding

- Stage 1a: first $3.35 million of the costs of the Albany-1 drilling and production testing;
- Stage 1b: 100% of the costs of the Albany-1 completion and hydraulic fracturing and re-testing if Vintage is the sole participant, or 25% otherwise; and
- Stage 2: 100% of the costs of the Albany 3D seismic, 2D seismic and Albany-2 drilling if Vintage is the sole participant, or 50% otherwise to a maximum of $5m.

[(ii)] Vintage may earn up to a 50% legal and beneficial interest in the License, by:

- expending the Initial Farm-in Obligation, ($450,000) to earn an Initial Farm-in Interest of 25%; and (provided the Initial Farm-in Interest has been earned in full) expending the Subsequent Farm-in Obligation ($1,082,000) to earn the Subsequent Farm-in Interest of 25% (for an aggregate 50% interest).

[(iii)] Vintage has recorded in the Statement of Financial Position, their 50% share of the unspent PACE grant that was received during the year as a liability.

15 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:

	30 June 2018 Number	30 June 2017 Number
Weighted average number of shares used in basic earnings per share	39,428,666	69
Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or loss per share		

16 Commitments

In order 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:

	30 June 2018 $	30 June 2017 $
Exploration and evaluation – 1 to 5 years	6,692,000	–
	6,692,000	–
Operating leases		
Not longer than 1 year	120,000	–
Longer than 1 year and not longer than 5 years	200,000	–
Longer than 5 years	–	–
	320,000	–

17 Financial Instruments

(a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern and as at 30 June 2018 has no debt. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

(b) Financial risk management objectives

The Company's management provides services to the business, and manages the financial risks relating to the operations of the Company.

The Company does not trade or enter into financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Company's policies approved by the Board of directors.

The Company's activities expose it primarily to the financial risks of changes.

(c) Categories of financial instruments

	30 June 2018 $	30 June 2017 $
Financial assets		
Cash and cash equivalents	4,950,784	319,483
Trade and other receivables	465,471	430
Total Financial assets	5,416,255	319,913
Financial liabilities		
Trade and other payables	421,308	342,999

(d) Commodity price risk management

The Company does not currently have any projects in production and has no exposure to commodity price fluctuations.

(e) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been prepared based on the undiscounted cash flows expected to be received/ paid by the Company.

	Weighted average effective interest rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5 plus	Total
2018							
Financial assets:							
Non-interest bearing		–	465,480		–	–	465,480
Variable interest rate	0.75%	–	1,482,775	2,468,000	–	–	3,950,775
Fixed interest rate	1.75%	1,000,000	–	–	–	–	1,000,000
Financial liabilities:							
Non-interest bearing		–	(421,308)	–	–	–	(421,308)
		1,000,000	1,526,947	2,468,000	–	–	4,994,947
2017							
Financial assets:							
Non-interest bearing		–	319,438	–	–	–	319,438
Variable interest rate		–	–	–	–	–	–
Fixed interest rate		–	–	–	–	–	–
Financial liabilities:							
Non-interest bearing		–	(342,999)	–	–	–	(342,999)
		–	(23,561)	–	–	–	(23,561)

(f) Interest rate risk management

The Company is exposed to interest rate risk as it earns interest at floating rates from a portion of its cash and cash equivalents. The Company places a portion of its funds into short term fixed interest deposits which provide short term certainty over the interest rate earned.

(g) Interest rate sensitivity analysis

If the average interest rate during the year had increased/decreased by 10% the Company's net loss after tax would increase/decrease by $9,455.

(h) Credit risk management

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and financial instruments is limited

because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

(i) Fair value of financial instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2017: net fair value).

18 Contingent Liabilities

No contingent liabilities exist as at the date of the financial report.

19 Related Party Transactions

(a) Key Management Personnel

Key management of the Company are the executive members of Vintage Energy Limited and its Board of Directors. Key management personnel remuneration, as detailed in the Company's Remuneration Report within the Director's Report, includes the following expenses:

	30 June 2018 $	30 June 2017 $
Short-term employee benefits	127,804	18,315
Post-employment benefits	12,140	1,740
	139,944	20,055

(b) Transactions with affiliates

An affiliate of the Managing Director is employed with the Company in an administrative position, with remuneration based on an arm's length basis and at a rate consistent to the position filled.

20 Remuneration of Auditors

	30 June 2018 $	30 June 2017 $
Audit or review of the financial report	22,500	–
Other Services	53,180	–
	75,680	–

Other services include fees for reports included in the Company's Prospectus dated 2 August 2018 of which $10,000 has been included in prepayments.

The company's auditor is Grant Thornton Audit Pty Ltd.

21 Cash Flow Information

Reconciliation of cash flows from operating activities	30 June 2018 $	30 June 2017 $
Loss for the year	(776,688)	(26,483)
Depreciation	2,701	–
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(465,041)	(430)
Increase in provisions	10,665	–
Increase/(decrease) in trade and other payables	396,309	24,181
	(832,054)	2,732

22 Subsequent Events

Other than the matters disclosed below the Directors are not aware of any other matters or circumstances, other than those referred to in this report, that have significantly affected or may significantly affect

- the entity's operations
- the results of the operations in the future financial years; or
- the entity's state of affairs in future financial years.

On 26 July 2018 the company paid its final cash call amounting to $1,169,114 with respect to the Albany-1 project and on 9 August 2018 was informed that it has earnt its initial 15 percent of the project.

The company raised $30,000,000 in new share capital which was issued pursuant to a prospectus lodged on the 2 August 2018 and listed on the Australian Securities exchange on 17 September 2018.

As a result of the successful listing, the Founders shares converted into ordinary shares of the company amounting to 39,628,237 and 7,925,646 Founders Rights. Founders' Rights will vest 6 months after 30-day VWAP share price exceeds $0.30 / share and otherwise expire after 3 years.

The company also issued the following Options to Directors and suppliers:

- Messer's Nelson, Smart, Howarth and Northcott received 1,000,000 share options. Options issued to Directors are exercisable any time after listing with an exercise price of $0.35 per option and an expiry after 3 years from the listing date; and
- To Permenent Nominee Pty Ltd (Taylor Collison) 1,500,000 share options with an exercise price of $0.30 per option and an expiry after 3 years from the listing date.

On 31 July 2018 a Sale and Purchase Agreement (SPA) was signed with Beach Energy Limited to acquire 100% of EP 126 in the onshore portion of the Bonaparte Basin in the Northern Territory subject only to conditions precedent of Vintage listing on the ASX and ministerial approval. This replaced a Heads of Agreement.

23 Company Information

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:

1. 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 30 June 2018 and of its performance for the financial year ended on that date;

    ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

2. the Managing Director and the Chief Financial Officer have each declared that:

    i. the financial records of the Company for the year ended have been properly maintained in accordance with section 295A of the Corporations Act 2001;

    ii. the financial statements and notes for the financial year comply with the Accounting Standards;

    iii. the financial statements and notes give a true and fair view; and

3. 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 25th day of September 2018

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Independent Auditor's Report

To the Members of Vintage Energy Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Vintage Energy Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of exploration and evaluation assets - Notes 4.12 and 10	

At 30 June 2018, the carrying value of exploration and evaluation assets was $2,780,793 representing the Company's share in joint arrangements.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.
	Our procedures included, amongst others:
	
	• obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agree to the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including:
	  - tracing projects to joint arrangement agreements and statutory registers to determine the right of tenure existed;
	  - inquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
	  - understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and
	• Reviewing the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's Directors report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Grant Thornton

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2018.
In our opinion, the Remuneration Report of Vintage Energy Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 25 September 2018

Information Pursuant to the Listing Requirements of the Australian Securities Exchange

Number of Holders of Equity Securities

Ordinary Shares

At 8 October 2018, the issued capital comprised of 264,188,239 ordinary shares held by 552 holders.

Shares under escrow

Included in the above are shares with the following escrow conditions:

Escrowed for 12 months from 26 October 2017	11,325,000
Escrowed for 12 months from 14 February 2018	25,875,000
Escrowed for 24 Months from 17 September 2018	45,363,232

Unlisted Options

At 8 October 2018, there were:

1,500,000 unlisted options, with a 30-cent exercise price and a 13 September 2021 expiry date, held by 1 holder. Options do not carry the right to vote and are escrowed until 17 September 2020.

4,000,000 unlisted options, with a 35 cent exercise price and a 13 September 2021 expiry date, held by 4 holders, each with a holding of 1,000,000 options. Each option converts to one share. Options do not carry the right to vote and are escrowed until 17 September 2020.

Unlisted Founders Rights

At 8 October 2018, there were 7,925,646 unlisted Founders Rights, with a $nil exercise price and expiry date of 3 September 2021, held by 7 holders, each with a holding of 1,320,941 Performance Rights. Each Performance Right converts to one share six months after the share price exceeds 30 cents. Performance Rights do not carry the right to vote and are escrowed until 17 September 2020.

Spread details as at 8 October 2018 – Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1- 1,000	–	–	–
1,001- 5,000	41	168,531	0.06%
5,001- 10,000	55	529,630	0.20%
10,001- 100,000	252	12,908,794	4.89%
100,001- 9,999,999,999	204	250,581,284	94.85%
Totals	**552**	**264,188,239**	**100.00%**

Holders less than a marketable parcel: 7

Information Pursuant to the Listing Requirements of the Australian Securities Exchange (continued)

Substantial Shareholders as at 8 October 2018

	Number of shares	%
Tribeca Investment Partners Pty Ltd	25,000,000	9.46
Morgan Stanley Australia Securities Limited	25,000,000	9.46

Top Twenty Shareholders as at 8 October 2018

Position	Holder Name	Holding	%
1	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	26,264,000	9.94%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,500,000	8.14%
3	UBS NOMINEES PTY LTD	20,782,770	7.87%
4	CITICORP NOMINEES PTY LIMITED	14,011,689	5.30%
5	HOWZAT SERVICES PTY LTD<HOWARTH SUPER FUND A/C>	8,661,176	3.28%
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	7,339,818	2.78%
7	MR REGINALD GEORGE NELSON &MRS SUSAN MARGARET NELSON <GROUND HOG A/C>	7,161,176	2.71%
8	TIGA TRADING PTY LTD	6,500,000	2.46%
9	JH NOMINEES AUSTRALIA PTY LTD<HARRY FAMILY SUPER FUND A/C>	6,450,000	2.44%
10	ROCKET SCIENCE PTY LTD<THE TROJAN CAPITAL FUND A/C>	6,250,000	2.37%
11	BNP PARIBAS NOMS PTY LTD <DRP>	6,000,000	2.27%
12	MONLEY PTY LTD<GRIND FAMILY A/C>	5,911,177	2.24%
13	SMART HOLDINGS PTY LTD	5,861,177	2.22%
14	JESOTO INVESTMENTS PTY LTD <JESOTO FAMILY A/C>	5,661,177	2.14%
15	JOHN HINDLE JACKSON	5,661,177	2.14%
16	CATHARINE MARY GIBBINS <THE SOLSTICE A/C>	5,661,177	2.14%
17	ROYAL ENERGY PTY LTD	5,000,000	1.89%
18	FOUNTAIN OAKS PTY LTD <LIMB FAMILY SUPER FUND A/C>	4,000,000	1.51%
19	BANQUE HERITAGE	3,500,000	1.32%
20	JACKIE AU YEUNG	3,125,000	1.18%
	Total	**175,301,514**	**66.35%**
	Total Issued Capital	**264,188,239**	**100%**

On Market Buy Back

There are currently no on market buy backs.

Glossary

The following Glossary of Terms and Abbreviations is divided into three parts:

1. Resources and Reserves as defined by the SPE-PRMS;
2. General terms commonly used in the upstream petroleum industry; and
3. Other general terms used in this Annual Report.

Terms and Abbreviations for Resources and Reserves as per the SPE-PRMS

PRMS	Petroleum Resources Management System. Reserves and Resources are defined by the Society of Petroleum Engineers ('SPE'), American Association of Petroleum Geologists ('AAPG'), World Petroleum Council ('WPG') and the Society of Petroleum Evaluation Engineers ('SPEE'). The detail of the PRMS is available as a download from the website of the SPE: www.spe.org The petroleum resources classification framework is illustrated below:
Prospective Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered (hypothetical) accumulations by application of future development projects. The categories of decreasing certainty are Low, Best and High Estimates.
Low, 1U	Low estimate of Prospective Resources. The abbreviation "1U" is an informal, alternative acronym.
Best, 2U	Best estimate of Prospective Resources. The abbreviation "2U" is an informal, alternative acronym.
High, 3U	High estimate of Prospective Resources. The abbreviation "3U" is an informal, alternative acronym.
Play	A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects. The succession of increasing maturity of concept is play, lead and then prospect.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect. A lead has a greater maturity of concept than a play but less than a prospect.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target and does not require further data acquiisition or evaluation ie. a prospect is mature for drilling.
Chance of Discovery	The chance that the portiential accumulation will result in the discovery of petroleum. The term chance is preferred in lieu of risk for general usage. Common applied to a drillable prospect where Prospective Resources are estimated and factors include the product of the separate chances of source rock, migration, reservoir and trap.
Chance of Development	The chance that a prior discovery of petroleum will be commercialy developed.
Chance of Commerciality	For an undiscovered accumulation the chance of commerciality is the product of the chance of discovery and chance of development.
Discovery	Is one or more accumulations of petroleum for which one or more exploratory wells have established through testing, sampling and/or logging the existence of significant quantities of potentially moveable hydrocarbons. In this context "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place volume demonstrated by the well(s) and for evaluating the potential for economic recovery.
Contingent Resources	Those quantities of petroleum are estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet currently mature enough for commercial development due to one or more contingencies. The categories of decreasing certainty are Low, Best and High Estimates.
1C	Low estimate of Contingent Resources.
2C	Best estimate of Contingent Resources.
3C	High estimate of Contingent Resources.
Reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. The categories in decreasing certainty are Proved, Probable and Possible.

Glossary (continued)

1P, Proved	Proved reserves (deterministic or probabilistic).
2P, Proved and Probable	Proved plus Probable reserves (deterministic or probabilistic).
3P, Proved, Probable and Possible	Proved plus Probable plus Possible reserves (deterministic or probabilistic).
Range of Uncertainty	The range of estimated quantities of potentially recoverable petroleum in any one of the three categories, Prospective Resources, Contingent Resources and Reserves. Three estimates are designated to describe the range, with decreasing certainty from low to high. Because the absolute minimum and absolute maximum outcomes are the extreme cases it is condsidered more practical to use low and high estimates as a reasonable representation of the range of uncertainty. There are two methods; deterministic and probabilistic.
Deterministic	A deterministic estimate is a single discrete scenario within a range of outcomes. Each of the input parameters is a single value.
Probabilistic	The statistical uncertainty of individual reservoir parameters is used to calculate the statistical uncertainty of the in-place and recoverable resource volumes. Often a stochastic (ie. Monte Carlo) method is used to calculate probability functions by random samply of the input distributions. The range of uncertainty is selected from volumes sampled at 90%, 50% and 10% of the output distribution.
P90 Probabilistic Estimate	This category this is considered to have the greatest certainty of estimation. From the probabilistic method there is a greater than 90% cumulative probability that quantities estimated would ultimately be exceeded.
P50 Probabilistic Estimate	This category this is considered to be the most likely outcome. From the probabilistic method there is an equal (ie. 50%) probability that quantities estimated would ultimately be greater or smaller.
P10 Probabilistic Estimate	This category this is considered to have the least certainty of estimation. From the probabilistic method there is a less than 10% cumulative probability that quantities estimated would ultimately be exceeded.

General Terms and Abbreviations Used in the Petroleum Industry

2D	Two dimensional; usually referring to a seismic survey with a coarse grid of orthogonal lines.
3D	Three dimensional; usually referring to a seismic survey with a fine grid of orthogonal lines.
ATP	Authority to Prospect which is an exploration licence in Queensland.
B	Billion 10^9, or 1,000 million.
bbl	One barrel of crude oil contains 42 US gallons (or 34.97 imperial gallons, or, 159 litres).
Bcf	Billion cubic feet.
Blooie Line	Large diameter flow line for air or gas drilling, that diverts the flow of air or gas from the rig into a discharge (flare) pit area.
Boe	Barrels of oil equivalent. Natural gas is converted to barrels of oil equivalent generally using a ratio of approximately 6,000 cubic feet of natural gas as an amount equaivalent to one barrel of oil.
Bopd	A liquid flow rate expressed in barrels of oil per day.
Brent	Brent crude oil marker. The price of oil from the giant Brent oil field in the North Sea become a reference marker for other types of crude oil, plus or minus a differential for quality and other factors. Thus Brent Futures Contracts became tradeable on various financial markets both for hedging purposes and as a part of commodities trading in general.
Carboniferous	A period of time 359 to 299 million years ago.

Glossary (continued)

Condensate	A liquid hydrocarbon phase that is slightly lighter than and with less calorific content than crude oil. More usually occurs in association with natural gas. It is gaseous at reservoir conditions but will condense from gaseous vapour to a liquid at the lesser temperature and pressure at standard surface conditions.
Conventional	Conventional hydrocarbons or Conventional Oil and Gas refers to petroleum, (crude oil and raw natural gas) occurring in discrete accumulations or reservoirs where the source of hydrocarbons is distant and migrates to a trap. The hydrocarbons are extracted from the ground by conventional means and methods, i.e. after drilling and using the natural reservoir pressure or pumping.
Cretaceous	A period of time from 145 to 66 million years ago.
CSG	Coal seam gas.
Devonian	A period of time from 359 to 419 million years ago.
DST	Drill stem test. A procedure for isolating and testing the pressure, permeability and flow capacity of a geological formation during the drilling of a well. Mechanical valves are locating in a special cylindrical tool and connected at the base of a drill string and are activated into the set, and open or closed position by applying weight or rotation of the drill pipe respectively.
EP	Exploration Permit for petroleum as in the Northern Territory.
Fault	A fracture in a rock mass, with the movement of one side past the other.
Gas Condensate	Hydrocarbons which are gaseous at reservoir conditions but which condense to liquids when the temperature and pressure falls below the dewpoint. Refer also to condensate.
GJ	Gigajoule. A joule is a measure of heating value. Giga is 1,000.
Graben	Is a fault block, generally greater in length than its width that has been downfaulted relative to the adjacent blocks.
Hydraulic fracturing	The high pressure injection of “fracking fluid”, primarily water, minor thickening agents and suspended propants (eg. sand or aluminium oxide micro-pellets) into a well to create cracks propogated in the subsurface rocks for a small radius around the wellbore. When the pressure is released the solid propants prevent the cracks from closing (ie. hold the fractures open) and allow petroleum to flow more freely into the wellbore as an aid to the production recovery process.
Hydrocarbon	A naturally occurring organic compound comprising hydrogen and carbon. Hydrocarbons can be as simple as methane (CH4), but many are highly complex molecules and can occur as gases, liquids or solids.
Improved Recovery	The extraction of additional petroleum, beyond Primary Recovery, from naturally occurring reservoirs by supplementing the natural forces in the reservoir. It includes waterflooding and gas injection for pressure maintenance, secondary processes, tertiary processes and any other means of supplementing natural reservoir recovery processses. Improved recovery also includes thermal and chemical processes to improve the in-situ mobility of viscous forms of petroleum (also called Enhanced Recovery).
Joule	Is the energy dissipated as heat when an electric current of one ampere passes though a resistance of pne ohm for one second.
KB	Kelly bushing. A hexagonal spline, the kelly drive slides though the kelly bushing and permits a length of drill pipe to be drilled into the wellbore. When the kelly is fully descended, the drillstring is lifted, the kelly disconnected and a new length of drillpipe re-connected and the drilling process continues. The kelly bushing fits into the rotary turntable fixed into the floor of the drill rig. Depth measurment is relative to the top of KB (usually around one foot above the rig floor) but otherwise may be relative to the top of the rotary table; RT.
Km	Kilometres.
Km²	A square kilometre.
Lead	A potential accumulation that is currently poorly defined by seismic data and requires more data acquisition and/or evaluation in order to be classified as a prospect. The succession of increasing maturity of concept is play, lead and prospect.
LNG	Liquefied Natural Gas.

Glossary (continued)

LNG Netback Price	Free on board ('FOB') export price of LNG at the receiving terminal. The buyer is responsible for shipping and transportation.
Logs	The measurement versus depth or time, or both, of one or more physical quantities in or around a well. Logs are measured downhole and transmitted through a wireline for recording at the surface. Common measurments include the background gamma radiation, acoustic velocity, density, and resistance of rocks and the pressure, temperature and flow rates of petroleum fluids.
m	Metres or 1,000 depending on the context.
MM	Millions 10^6 .
Net pay	The thickness of reservoir considered to be gas or oil bearing and capable of contributing to production into the wellbore. Usually there will be several cutoff parameters including a porosity minimum, a shale maximum and a water saturation maximum.
OGIP, OGIIP	Original gas (initially) in place. The estimated quantity of gas which may originally have occurred in a reservoir.
OOIP, OOIIP	Original oil (initially) in place. The estimated quantity of oil which may originally have occurred in a reservoir.
Oil Shale	Shale, siltstone and marl deposits highly saturated with kerogen. Whether extracted by mining or in-situ processes, the material must be extensively processed to yield a marketable product (synthetic crude oil). They are totally different from Shale Oil.
P&A	Plugged and abandoned. Refers to the process of the final abandonment of petroleum wells usually by spotting cement plugs at key intervals within the well to ensure the protection and isolate of aquifers and depleted reservoirs. Any surface wellheads are removed and the general location restored to a natural state.
PEL	Petroleum Exploration Licence as used in South Australia.
Permian	A period of time 251 to 299 million years ago.
Permit Areas	The land subject of the Permits in which Vintage Energy has an interest from time to time.
PJ	Petajoule. A joule is a measure of heating value. Peta is 10^9.
Pool	An individual and separate acumulation of petroleum in a reservoir.
Porosity	The pore space in a reservoir which is capable of containg fluids, either water, oil or gas. (ie. the space between beach sand grains).
Reflectors	As in seismic reflectors. Refer to Seismic.
Reservoir	A subsurface rock formation containing an individual and separate natural accumulation of moveable petroleum that is confined by impermeable rocks/formations and is characterised by a single-pressure system.
Resources	The term "Resources" as used herein is intended to encompass all quantities of petroleum (recoverable and unrecoverable) naturally occurring on or wthin the Earth's crust, discovered and undiscovered, plus those quantities already produced.
Risk	The probability of loss or failure. As "risk" is generally associated with the negative outcome, the term "chance" is preferred for general usage to describe the probability of a discrete event occurring.
RL	Retention licence. Where a Contingent Resource has been discovered and development is not viable in the immediate future, a retention licence may be awarded but usually with much less onerous terms (work program and expenditure).
RT	Rotary Table. Refer to KB, kelly bushing.
RTSTM	Refers to a flow of gas recovered at the surface as a consequence of well testing but flows at a rate too small to measure. There is sufficient flow to light a flare but insufficient pressure to register on the guage or enable the flow rate to be calculated.
scf	Standard cubic feet. Usually referring to gas at standard conditions.
Scf/d	A flow rate in standard cubic feet per day.

Glossary (continued)

Seismic	A seismic survey measures at geophone locations the time for a shock wave propagated at the surface to travel deep into the earth, strike rock strata and reflect back to the surface. Dynamite as the source has largely been replaced with a vibroseis onshore (ie. Truck mounted thumper plates in tandem) or airgun offshore. A good reflector is the interface between two rock strata of differing density eg. sandstone and shale or limestone and mudstone. Interbedded strata thinner than ~10 metres are more difficult to resolve. A survey progresses along lines aligned in a grid and with orthogonal cross lines. After suitable computer processing to "stack" the traces of individual geophones into sections these provide a "picture" of the structure of the subsurface reflectors.
Shale volume	This is the portion of rock which is occupied by "shales" (in fact, usually more correctly called mudstone). For example a "shaly" sandstone interval may contain 15% shale either as thin laminations or clay minerals within the sandstone matrix. At a certain maxima, the shale volume may preclude the occurrence of any effective porosity.
Standard conditions	Measurements of volumes at standard conditions means 14.7 psia and 60°F (US).
Sub-blocks	Petroleum tenements are often defined as blocks. In Qld a there are 25 (5 x 5) sub-blocks within a block.
TCF	Trillion cubic feet of gas.
TD	Total depth of the well.
Tectonic	Pertaining to forces and the geological architecture that results such as faults, folds etc.
Tenement	Ground granted for exploration or production purposes.
TJ	Terrajoule; a joule is a measure of heating value. Terra is 10^6.
TOC	Total Organic Carbon, being the amount of caron bound in an organic compound. A measure of the richness of a source rock.
Unconventional oil and gas	Oil and gas produced by non traditional sources, means or methods. This covers oil and gas produced from shale formations, tight sands and coal seams. The formation contains both the hydrocarbon source and reservoir.
VR	Vitrinite reflectance. It is a measure of light reflectance from organic matter in sediments. It provides an indication of the organic maturity of source rocks and whether petroleum may have been generated under heat and pressure and expulsed for potential capture and preservation in reservoir traps.
Water saturation	Is the percentage of water occupying the pore space. For an aquifier the water saturation is 100%. For an oil or gas field a portion of the water is displaced and for example, SW of 25% indicates 75% gas or oil within the porosity. Usually reservoirs are water wet and therefore their must be a layer of water coating the surface of the grains of the pore space. This is the connate or irreducible water saturation.
WTI	The price of West Texas Intermediate crude oil as at the delivery point at Cushing, Oklahoma. It is used as a benchmark for oil pricing but has declined in importance in recent years. Refer to Brent.

Corporate Directory

Vintage Energy Ltd
ABN 56 609 200 580

Directors:
Reg Nelson – Chairman
Neil Gibbins – Managing Director
Nick Smart – Director
Ian Howarth – Director
Ian Northcott – Alternate Director and Advisor

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Simon Gray

Advisor:
John Jackson

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