Vintage Energy Limited

(ABN 56 609 200 580)

Financial Report

For the Half Year ended 31 December 2019

VINTAGE ENERGY

Contents

Directors' Report

The Directors of Vintage Energy Limited present their Report together with the financial statements for the half-year ended 31 December 2019:

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

Mr. Reg Nelson (Chairman)

Mr. Neil Gibbins (Managing Director)

Mr. Ian Howarth (Non-executive Director)

Mr. Nick Smart (Non-executive Director)

All directors held office during and since the end of the period.

Principal activities

The principal activities of the Company include securing exploration projects, undertaking exploration, appraisal and evaluation for oil and gas resources, and seeking to realise value from oil and gas exploration interests.

Results for the period

The Company reported a loss for the half year end 31 December 2019 of $1,155,045 (31 December 2018 $1,686,243). The reduction in the loss can be attributed to one-off Australian Securities Exchange listing costs incurred during the prior half year following listing.

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

Review of Operations

Cooper/Eromanga Basins, Queensland

ATP 2021 (Vintage earning 50% and operatorship)

The ATP 2021 Farm-in Agreement with Metgasco Ltd ("Metgasco"), including the Joint Operating Agreement ("JOA"), was executed on terms as per the binding Heads of Agreement that was signed on 22 May 2019. Vintage committed to the following expenditure milestones to earn its farm-in equity of 50%:

- 65% of the cost of the first well (up to a gross cost of $5.3 million);
- Reimbursement of 65% of past exploration costs ($527,800 net) or carry Metgasco for their first $527,800 of exploration costs; and
- Fund up to $70,000 of 2D and 3D seismic reprocessing to better define exploration leads in the permit.

ATP 2021 is a 370 km^2 permit located on the Queensland side of the Cooper/Eromanga Basins. Within 20 kilometres of the permit boundary are oil and gas fields, with associated pipelines and facilities, that have produced over 600 Bcf of gas and 11 MMbbl of oil. The permit is partially covered by 2D and 3D seismic, with three main Permian gas prospects and several Jurassic oil prospects and leads already identified. The target sections are the Permian gas reservoirs that have historically been the main producing zones in the Cooper/Eromanga Basins.

The Vali structure is a robust anticlinal closure located in the southern part of the permit. The Vali prospect was considered prospective for gas in Permian aged reservoirs, specifically the Patchawarra Formation, with the Toolachee Formation a secondary objective. These reservoirs are proven as producing reservoirs on the southern flank of the Nappamerri Trough. The Vali structure is identified on the 2016 Snowball 3D seismic survey and is approximately three kilometres from Kinta-1, a well drilled in 2004 that intersected gas charged sands in the Patchawarra and Toolachee formations. The SLR-185 rig, a 1250 HP rig capable of drilling to 3,500 metres, was secured and mobilised to site to drill the Vali-1 gas exploration well. Vali-1 spudded on 15 December 2019 and subsequent to the reporting period, was cased and suspended as a new field gas discovery.

PRL 211 (Vintage earning 42.5% and operatorship, Metgasco earning 21.25%, Bridgeport (Cooper Basin) Pty Ltd earning 21.25% and Senex Energy Ltd retaining 15%)

Vintage executed a term sheet with a 90-day exclusivity period to negotiate a binding farm-in agreement for PRL 211 on the South Australian side of the Cooper/Eromanga Basins. Under the proposed joint venture, Vintage will become the operator, with Senex to be free carried through the drilling of the first well. PRL 211 is a 98.49 km^2 retention licence that is close to infrastructure and has an initial five-year term expiring in October 2022, with an option to renew the permit for a further five years. The licence is located immediately adjacent to ATP 2021.

The main target in PRL 211 is the Odin structure, which is fully covered by recent 3D seismic and has gas potential in the Patchawarra and Toolachee formations. Odin is located on the southern flank of the Nappamerri Trough near the producing reservoirs at the Bow, Beckler and Dullingari gas fields and is immediately adjacent to, and similar in form to, the Vali gas discovery. Stratigraphic upside, like that seen in the Beckler-Bow field area, is also possible at Odin. The prospect straddles the border between PRL 211 and ATP 2021.

Under the terms of the farm-in, Vintage, Bridgeport and Metgasco will drill a well into the Odin structure (with Vintage paying 50% of the estimated cost of the well – approximately $2.0 million contribution by Vintage for 42.5% equity). All further work, including the potential to stimulate and flow test the Odin well, will revert to the equity share of the joint venture. Drilling of the Odin well is targeted to take place in Q4 FY20.

The farm-in is subject to a number of conditions, which are expected to be satisfied by 31 March, including Ministerial approvals, confirmation that PRL 211 will remain part of Senex's PRL scheme group, the farm-in parties demonstrating that between them there are sufficient funds available to drill the well, and negotiation and execution of formal farm-in and joint venture documents.

Galilee Basin, Queensland

ATPs 743, 744 and 1015 "Deeps" (Vintage 30%)

Vintage reached the pre-determined Stage 2 funding point of $10 million (gross) during the period, which triggered an increase in Vintage's equity in the Galilee Basin Deeps Joint Venture ("GBDJV") from 15% to 30%. Vintage was contributing to Stage 2 costs on a 50:50 basis, with the funding contribution for the joint venture now incurred in line with the GBDJV interests, which are Vintage 30% and Comet Ridge Ltd ("Comet Ridge") 70%. As a result of this, Vintage doubled its resources in the Albany Field as per Table 1 below.

				Contingent Resource (PJ, net to Vintage)				
Tenement	**Vintage Interest**	**Field**	**Method**	**1C**	**2C**	**3C**	**Chance of Development**	**Product Type**
ATP 744	30%	Carmichael	Probabilistic	17	46	125	High	Gas

Table 1: Vintage Contingent Resource by tenement

Notes to the table above:

1. As at 31 July 2018 and detailed in the 2018 Prospectus.
2. Albany Field previously named the Carmichael Field.
3. Vintage acquired a 30% interest in the Albany structure (in the Galilee Sandstone reservoir – "Deeps") after the drilling and testing of Albany-1, the completion of the Koburra 2D seismic program and the drilling of Albany-2.
4. Reference Comet Ridge market announcement of 5 August 2015 quoting independently certified Contingent Resources.
5. Estimates are in accordance with the Petroleum Resources Management System (SPE, 2007) and Guidelines for Application of the PRMS (SPE, 2011).
6. No Reserves were estimated.
7. Sales gas recovery and shrinkage have been applied to the Contingent Resource estimation. The losses include those from field use, as well as fuel and flare gas.

It was an active half year with the Albany-2 well spudded on 30 July and reaching a total depth ("TD") of 2,702 metres on 6 September, with 62 metres of predominantly sandstone core cut and recovered from the well. 4 ½" casing was run in Albany-2 to a measured depth of 2,599 metres and cemented in place, slightly higher than the TD due to a logging tool stuck in the wellbore. Logging analyses indicated the presence of gas and porosity levels up to 12-15% in the sandstone.

The Albany-1 side-track was also completed and consisted of re-entering the Albany-1 well bore and undertaking a deviated side-track from 128 metres above the Lake Galilee Sandstone target reservoir. The side-track was drilled all the way through the target zone, to a total measured depth ("MD") of 2,822 metres, with strong gas shows encountered in multiple zones through the full target reservoir section. Logging and pressure measurements were taken, and the well was cased in preparation for stimulation and flow testing.

The drilling of Albany-2 and the side-track of Albany-1, which are approximately seven kilometres apart, confirmed the Albany Field structural mapping. Log analysis at Albany-2 identified gas in multiple sands of the Lake Galilee Sandstone reservoir section, demonstrating that reservoir sandstones extend across the Albany Field. Some stratigraphic variation was observed in Albany-2, with most variation in the A and B sands. Despite the reduction in sand content within the A interval at Albany-2, there is around 140 metres of gross sandstone within the B, C and D intervals.

The 336 kilometre Koburra 2D seismic survey data and 896 kilometres of reprocessed existing 2D seismic data were analysed, with a number of new leads and prospects identified and the Lake Galilee lead progressed to 'drill ready' status. The Lake Galilee structure is approximately 20 km^2 in size and adjacent to the existing Lake Galilee-1 well, which appears to have been drilled outside of, or on the edge of, structural closure indicating significant up-dip potential. The recovery of oil and gas to surface from the down-dip Lake Galilee-1 well, drilled in 1964, has underpinned a high level of optimism for the potential of the Lake Galilee structure. The interpretation work undertaken by the joint venture has also added four new leads and prospects, taking the total leads and prospects within the Permits to 27. It is expected that these leads and prospects will be subject to further seismic acquisition.

Albany-2 was fracture stimulated in December and, once stimulation of both wells is completed, flow testing will be undertaken to determine the commercial potential of the Albany Field. Albany-2 was the first well to be stimulated in the Lake Galilee Sandstone section of the Galilee Basin.

Otway Basin, South Australia/Victoria

PEL 155 (VINTAGE 50%)

The operator of the Otway Basin Joint Venture (Vintage 50%, Otway Energy Pty Ltd ("Otway Energy") 50%), secured the Easternwell Rig 106 to drill the Nangwarry-1 well. Nangwarry-1 was spudded on 1 December 2019 and subsequent to the reporting period, the well reached TD at 4,300 metres MD in the Pretty Hill Formation.

The joint venture received a South Australian Government PACE gas grant of $4.95 million to partly fund the drilling of Nangwarry-1. The Nangwarry structure was mapped as a three-way dip fault dependent trap in the Pretty Hill and Sawpit formations, defined on 3D seismic. The Pretty Hill target was considered analogous to the nearby Beach Energy Ltd ("Beach") owned Katnook, Haselgrove and Ladbroke Grove fields which have produced substantial quantities of gas since discovery. The Sawpit target was a direct analogue to the recent Haselgrove-3 ST1 discovery (Beach, 100%) which flowed gas at 25MMscfd on test (Beach, ASX release dated 11 January 2018). Subsequent to the reporting period, Nangwarry-1 was cased and suspended for further evaluation as a CO_2 gas discovery.

PEP 171 (VINTAGE 25%)

A review of potential 3D seismic survey design has commenced.

GSEL 672 (VINTAGE 100%)

A Gas Storage Exploration Licence ("GSEL") was granted to Vintage covering a portion of the South Australian Otway Basin south of PEL 155. No activity has been undertaken to date, with a study to be planned to assess the viability of gas storage in the region.

Perth Basin, Western Australia

CERVANTES STRUCTURE (L14) (VINTAGE EARNING 30%, METGASCO EARNING 30% AND RCMA AUSTRALIA PTY LTD 40%)

Vintage signed a binding term sheet to farm-in for 30% of the Cervantes oil prospect with Metgasco Ltd and RCMA Australia Pty Ltd ("Jade"), which will be free carried through the drilling program. Jade subsequently prepared a farm-out agreement for the Cervantes Joint Venture, which was executed subsequent to the reporting period on 17 January 2020. The Joint Venture is targeting to spud a well in Q1 FY21 and has an option to drill a second well into a separate prospect.

The Cervantes prospect sits within L14, a 39.8 km^2 Perth Basin production licence granted over the Jingemia oilfield and surrounds. The licence is in good standing and not due to expire until June 2025. To earn 30%, Vintage will pay for 50% of the cost of the well, and $200,000 of evaluation and exploration costs ($100,000 to Metgasco for future exploration expenditure relating to Cervantes and $100,000 to Jade for seismic re-processing over the L14 licence).

The well is expected to cost $5-7 million (gross), with any well costs above a cap of $8 million (gross) reverting to Vintage's joint venture equity level of 30%. The expected timing of estimated costs, net to Vintage, are as follows:

- FY20 – $1.0 million for long lead items to drill the well and evaluation and exploration costs
- FY21 – Up to $2.5 million to drill first well
- FY22 – Assuming success, $0.9 million for a three kilometre tie-in to Jingemia processing facility and the option to drill a second well on similar terms as the first well

The Cervantes structure is located in a gap along the oil discovery trend of the Hovea, Jingemia and Cliff Head oil fields. These fields, in total, have produced in excess of 27 MMbbl of oil from the key Permian reservoirs in the Perth Basin and lie within an oil fairway around the western and northern section of the basin. The Cervantes structure is a high-side fault trap of multiple Permian reservoir units and shares strong similarities with these oil fields in terms of structure, potential reservoirs and location within the oil fairway on the western flank of the basin.

The Permian reservoir targets in the Cervantes prospect are the prolific Dongara, Kingia and High Cliff Sandstones. The opportunity for rapid conversion of prospective resources to producing reserves exists via a 3rd party oil processing and operations agreement with L14 operator Jade, which owns 100% of, and operates, the nearby Jingemia oil processing and export facility.

Bonaparte Basin, Northern Territory

EP 126 (VINTAGE 100%)

The Northern Territory ("NT") Government advised that approximately 50% of the NT could be declared as reserved areas and is currently undertaking a consultation process with those petroleum companies affected by its proposal. Under the proposal, Sites of Conservation Significance ("SOCS") are one of the categories of land that will be declared 'no go zones' for petroleum exploration and production and be excised from pre-existing and future petroleum licence areas. A considerable portion of the prospective areas within Vintage's EP 126, in the Bonaparte Basin, is affected by the proposed reserved area as SOCS.

A submission has been made to the NT Government and clearly outlines Vintage's view that past, current and future approved land use within the majority of EP 126 are inconsistent with the declaration of a reserved area on the basis of a SOCS. Vintage also considers that effective environmental management, as approved under existing petroleum regulations, has already been demonstrated by past activities in EP 126 and is sufficient to minimise any environmental impact in the area. The timeframe of the government process is currently unclear; however, Vintage is hopeful the delay will be minimised.

Vintage plans to test the already drilled Cullen-1 well to better understand the ability of the well to flow natural gas. Vintage believes that there is an excellent opportunity to find commercial quantities of natural gas in EP 126 which could provide favourable economic benefit to the NT, in terms of job creation and the delivery of much needed gas to local industry and the general market. The opportunity that Vintage intends to address is analogous to the Albion-Scipio Field, a large resource discovered in the Michigan Basin.

Subsequent events

COOPER/EROMANGA BASINS (ATP 2021, VINTAGE EARNING 50%)

Vali-1 ST1 was plugged back and side-tracked from 1,644 metres within the Murta Member and reached TD at 3,217 metres MD on 10 January 2020. This was followed by an evaluation program that included wireline logging, the gathering of formation pressure data and the sampling of formation fluid. Analysis of the data gathered indicated the discovery of approximately 80 metres of interpreted log net gas pay (porosity cut-off of 6%) over a gross 312 metre interval in the Patchawarra Formation target. The Patchawarra Formation was the primary target for the well.

Potential gas pay was also calculated in the secondary Toolachee target and the Triassic age Nappamerri Group, with oil shows observed in the Jurassic age Westbourne and Birkhead formations with good sand development. In addition to recovering gas from the Patchawarra Formation via MDT sampling, gas was also recovered from the Nappamerri Formation, adding weight to the potential indicated by good gas shows through this interval. The Vali-1 location is mapped as crestal for the Patchawarra Formation but at the edge of, or just outside of structural closure for the Toolachee and Nappamerri reservoirs, indicating significant gas and oil potential as mapped up-dip of the Vali-1 location at these levels. There are also numerous Jurassic structures mapped within the permit which will now be high-graded due to the strong indications of oil migration into the Jurassic level in this well. Post drill volumetric assessments for the discovery have been completed and ERCE has independently certified 37.7 Bcf (100% JV) of 2C Gas Contingent Resources in the Patchawarra Formation of the Vali gas field in ATP 2021 of the Cooper Basin in southwest Queensland.

ATP 2021 Vali Gas Field Patchawarra Formation					
Gas in Place (Bcf, 100% JV)			Contingent Resource (Bcf, 100% JV)		
Low	Mid	High	1C	2C	3C
34.0	84.2	216.0	15.2	37.7	97.0

ATP 2021 Vali Gas Field Patchawarra Formation					
Gas in Place (Bcf, 50% Vintage share)			Contingent Resource (Bcf, 50% Vintage share)		
Low	Mid	High	1C	2C	3C
17.0	42.1	108.0	7.6	18.8	48.5

Notes to the table above:

1. Contingent Resource volumes have had shrinkage applied to account for CO_2 and include only hydrocarbon gas. No allowance for fuel & flare has been made.
2. ERCE GIIP volumes & Contingent Resources presented in the tables are the probabilistic totals for all 19 Patchawarra reservoir intervals.
3. Probabilistic totals have been estimated using the Monte Carlo method.
4. Estimates for contingent resources have not been adjusted for development risk.
5. The resources have been classified and estimated in accordance with the Petroleum Resource Management System (PRMS).
6. These resource estimates are as of 2 March 2020.
7. These resources were first disclosed in an ASX release by Vintage dated 3 March 2020. Vintage is not aware of any new data or information that materially affects the estimate above and that all material assumptions and technical parameters continue to apply and have not materially changed.

As this discovery is in the well-developed Cooper Basin, close to existing infrastructure and with multiple potential customers, there is a high chance of development. The contingent resource is classified under the Project Maturity Sub-class as described in the Petroleum Resources Management System as "Development Pending" where the key contingencies with respect to maturing to Reserve status will be a final investment decision on development, committing to a Gas Sales Agreement and any other necessary commercial arrangements plus obtaining the usual regulatory approvals for production.

PRL 211 (Vintage earning 42.5% and operatorship, Metgasco earning 21.25%, Bridgeport (Cooper Basin) Pty Ltd earning 21.25% and Senex Energy Ltd retaining 15%)

A binding farm-in agreement was executed for PRL 211. This binding farm-in agreement replaces the non-binding term sheet that was initially in place.

Galilee Basin (ATPs 743, 744, 1015 "Deeps", Vintage 30%)

Onsite operations at the Albany gas field have been suspended due to heavy local rainfall. Prior to the rain event, the Albany-2 flow back, using nitrogen lifting, had been completed. The well has been shut-in, and the pressure build-up is now being monitored. Albany-1 ST1 is being prepared for stimulation, which cannot take place until the water onsite has subsided and the site can be accessed.

Otway Basin (PEL 155, Vintage 50%)

The Nangwarry-1 well, onshore Otway Basin, reached a TD of 4,300 metres MD in the Pretty Hill Formation. Gas shows were observed in the top Pretty Hill Sandstone and mid Pretty Hill Sandstone. The Sawpit Sandstone was not identified in the well. Six reservoir fluid samples were taken at three depth intervals within the top Pretty Hill Sandstone, with laboratory-based analyses of samples yielding CO_2 contents of approximately 90%. These results and evaluation of wireline log data indicate a CO_2 column, potentially in excess of 65 metres in the Top Pretty Hill Sandstone. The well has been cased and suspended for further evaluation, including the mid Pretty Hill Sandstone, which could not be fully evaluated due to poor wireline log quality in this zone. The rig has been demobilised from site.

Commercial amounts of CO_2 were discovered in the Otway Basin in the Caroline-1 petroleum exploration well in 1967, which was on production from 1968 until 2017. Caroline-1 was a very successful commercial operation producing 810,842 tonnes of liquid CO_2.

Cervantes Structure (L14) (Vintage earning 30%, Metgasco 30% and Jade 40%)

A farm-out agreement for the Cervantes Joint Venture, to replace the binding term sheet, was executed on 17 January 2020.

A copy of the external Auditor's Independence Declaration for the financial half-year, as required under Section 307C of the Corporations Act 2001, is included on page 10.

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

On behalf of the Directors

Reg Nelson
Chairman

Dated 10th March 2020

Grant Thornton

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Auditor's Independence Declaration to the Directors of Vintage Energy Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Vintage Energy Limited for the half-year ended 31 December 2019. I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 10 March 2020

Statement of Profit or Loss and Other Comprehensive Income

For half year ended 31 December 2019

	Notes	Half year ended December 2019 $	Half year ended December 2018 $
Interest received		83,435	155,244
Joint venture cost recovery		319,159	-
Other		2,653	-
		405,247	155,244
Consulting expense		(121,759)	(34,204)
Depreciation		(95,180)	-
Exploration expense		(34,385)	(17,635)
Administrative expenses		(368,624)	(274,738)
Employee benefits expense	7	(784,260)	(924,192)
Employee on costs		(24,023)	(43,750)
Initial Public Offering costs		-	(429,440)
Travel and accommodation		(48,865)	(48,304)
Corporate legal fees		(81,960)	(69,224)
Interest expense – lease liability		(1,236)	-
(Loss) before income tax		**(1,155,045)**	**(1,686,243)**
Income tax expense		-	-
(Loss) for the period		**(1,155,045)**	**(1,686,243)**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		**(1,155,045)**	**(1,686,243)**
Earnings per share			
Basic (loss) per share from continuing operations (cents)	16	(0.43)	(0.90)
Diluted (loss) per share from continuing operations (cents)		(0.43)	(0.90)

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

Statement of Financial Position

As at 31 December 2019

	Notes	31 December 2019 $	30 June 2019 $
Current Assets			
Cash and cash equivalents	8	11,479,020	22,296,212
Trade and other receivables	9	616,476	125,372
Total current assets		12,095,496	22,421,584
Non-current Assets			
Property plant and equipment	10	265,006	150,384
Exploration and evaluation assets	11	21,959,882	12,149,492
Total non-current assets		22,224,888	12,299,876
Total Assets		34,320,384	34,721,460
Current Liabilities			
Trade and other payables	12	850,722	482,726
Deferred Grant Liabilities	14	2,475,000	2,475,000
Provisions	13	127,647	98,404
Lease liabilities		124,648	-
Total current liabilities		3,578,017	3,056,130
Non-Current Liabilities			
Provisions	13	925,000	925,000
Lease liabilities		20,692	-
Total non-current liabilities		945,692	925,000
Total liabilities		4,523,709	3,981,130
Net Assets		**29,796,675**	**30,740,330**
Equity			
Issued capital	15	34,395,139	34,392,805
Reserves		783,386	574,330
Accumulated (losses)		(5,381,850)	(4,226,805)
Total Equity		**29,796,675**	**30,740,330**

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

Statement of Changes in Equity

For the half year ended 31 December 2019

	Notes	Issued capital	Accumulated losses	Share based payments reserve	Total equity
		$	$		$
Balance at 1 July 2018		**6,164,409**	**(804,019)**	**-**	**5,360,390**
(Loss) for the period		-	(1,686,243)	-	(1,686,243)
Total comprehensive (loss) for the period		-	(1,686,243)	-	(1,686,243)
Transactions with owners					
Issue of performance rights		-	-	154,206	154,206
Issue of share options		-	-	402,251	402,251
Issue of ordinary shares at 20 cents		30,000,000	-	-	30,000,000
Share issue costs		(2,207,728)	-	-	(2,207,728)
Balance at 31 December 2018	15	**33,956,681**	**(2,490,262)**	**556,457**	**32,022,876**
Balance at 1 July 2019		**34,392,805**	**(4,226,805)**	**574,330**	**30,740,330**
(Loss) for the period		-	(1,155,045)	-	(1,155,045)
Total comprehensive (loss) for the period		**-**	**(1,155,045)**	**-**	**(1,155,045)**
Transactions with owners					
Share based payments - performance rights		-	-	179,775	179,775
Issue of share options		-	-	31,615	31,615
Conversion of performance rights	15	2,334	-	(2,334)	-
Balance at 31 December 2019		**34,395,139**	**(5,381,850)**	**783,386**	**29,796,675**

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

Statement of Cash Flows

For the half year ended 31 December 2019

	Notes	Half year ended 31 December 2019 $	Half year ended 31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,090,067)	(1,441,201)
Payments for exploration and evaluation expensed		(34,384)	(17,635)
Interest received		83,436	155,244
Net cash from (used in) operating activities		**(2,041,015)**	**(1,303,592)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(3,449)	(115,012)
Payments for exploration and evaluation assets		(8,710,478)	(2,981,852)
Net cash from (used in) investing activities		**(8,713,927)**	**(3,096,864)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		-	30,000,000
Share issue costs		-	(1,915,854)
Payments for office lease principal		(62,250)	-
Net cash from (used in) financing activities		**(62,250)**	**28,084,146**
Net change in cash and cash equivalents		(10,817,192)	23,683,690
Cash and cash equivalents at the beginning of period		22,296,212	4,950,784
Cash and cash equivalents at end of period	8	**11,479,020**	**28,634,474**

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

Notes to the Financial Statements

1 Nature of operations

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

2 General information and basis of preparation

The condensed half year financial statements of the Company are for the six months ended 31 December 2019. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2019 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

The financial statements for the half year ended 31 December 2019 were approved and authorised for issue by the Board of Directors on 10 March 2020.

3 Changes in accounting policies

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

AASB 16 - Leases

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases-Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 did not have an impact for leases where the Company is the lessor.

The Company adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application. The Company has considered applying exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:

	$
Total operating lease commitments disclosed as at 30 June 2019	**249,000**
Recognition exemptions:	
- Leases of low value assets	-
- Lease with remaining lease term of less than 12 months	-
Operating lease liabilities before discounting	249,000
Discounted using incremental borrowing rate	(42,647)
Total lease liabilities recognised under AASB 16 at 1 July 2019	206,353

The effect of adopting AASB 16 as at 1 July 2019

Assets	**1 July 2019**
Right of use assets	206,353
Liabilities	
Other financial liabilities current	123,584
Other financial liabilities non-current	82,769
Total liabilities	206,353

(a) Nature of the effect of adoption of AASB 16

The Company has lease contracts for office premises. Before the adoption of AASB 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively. Upon adoption of AASB 16, the Company applied a single recognition and measurement approach for all leases. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

(b) Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate of 5% to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application (where applicable);
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 July 2019:

- Right-of-use assets of $206,353 were recognised as property, plant and equipment in the Statement of Financial Position;
- Additional lease liabilities of $206,353 (included in Other financial liabilities) were recognised.

(c) Summary of new accounting policies

AASB Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. It does not apply to taxes or levies outside the scope of AASB 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed. The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements. Upon adoption of the Interpretation, the Company considered whether it had any uncertain tax positions. The interpretation did not have an impact on the consolidated financial statements of the Company.

4 Operating segments

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

5 Going Concern

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

During the 6 months ended 31 December 2019 the Company recognised a loss of $1,155,045 had net cash outflows from operating activities of $2,041,015 and had accumulated losses of $5,381,850 as at 31 December 2019. The continuation of the Company as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of exploration and other expenditure within available cash resources. The Directors consider that the going concern basis of accounting is appropriate as the Company has the following options:

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

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

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

6 Estimates

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2019. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

7 Loss for the period

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

	Half year to 31 December 2019 $	Half year to 31 December 2018 $
Employees benefit expense		
Short-term employee benefits – salaries and fees	888,875	476,002
Recharge of salaries to exploration	(429,688)	(74,944)
Post-employment benefits	-	-
Defined contribution plans	84,412	(45,220)
Increase in employee benefit provisions	29,271	39,708
Share based payments	211,390	438,206
	784,260	924,192

8 Cash and cash equivalents

Cash and cash equivalents consist the following:

	31 December 2019 $	30 June 2019 $
Cash on hand	9	9
Cash at bank	9,988,989	19,994,722
Cash and cash equivalents held in joint operations	1,490,022	2,301,481
	11,479,020	22,296,212

Included in cash at bank are amounts pledged as security
for bank guarantees and credit facilities amounting to $137,865.

9 Trade and other receivables

	31 December 2019 $	30 June 2019 $
Prepayments	88,050	45,043
Other debtors	430,563	-
Security deposits	33,000	33,000
GST receivables	64,863	47,329
	616,476	125,372

10 Property, Plant and Equipment

	31 December 2019 $	30 June 2019 $
Furniture and fittings / Plant and equipment – at cost		
Balance at 1 July 2019	197,919	73,016
Additions for the period[i]	209,802	124,903
Balance as at	407,721	197,919
Accumulated depreciation and impairment		
Balance at 1 July 2019	47,535	2,701
Depreciation Expense[ii]	95,180	44,834
Balance 30 June	142,715	47,535
Net Book Value	265,006	150,384

(i) Includes right-of-use asset $206,353, recognised 1 July 2019, refer note 3.

(ii) Includes right-of-use asset depreciation $61,906.

11 Exploration and evaluation

	31 December 2019 $	30 June 2019 $
Exploration and evaluation expenditure		
Opening balance	12,149,492	2,780,793
Additions for the period[iii]	9,810,390	9,386,699
	21,959,882	12,149,492

(iii) Additions for the period includes expenditure on;

Galilee Deeps Joint Venture	$4.3m
PEL155 Joint Venture	$3.2m
ATP2021 Joint Venture	$1.9m
Other	$0.4m
Total additions	**$9.8m**

12 Trade and other payables

Trade and other payables consist of the following:

	31 December 2019 $	30 June 2019 $
Current:		
Trade payables	22,429	145,187
Accrued expenses	778,933	232,505
PAYG withholding payables	49,360	105,034
Total trade and other payables	850,722	482,726

13 Provisions

Current	31 December 2019 $	30 June 2019 $
Employee benefits	127,647	98,404
	127,647	98,404
Non-Current		
Restoration provisions(i)	925,000	925,000
	925,000	925,000

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

14 Deferred Grant Liabilities

	31 December 2019 $	30 June 2019 $
Pace grant PEL 155	2,475,000	2,475,000
	2,475,000	2,475,000

15 Issued capital

(a) Ordinary shares

	31 December 2019 $	30 June 2019 $
	34,395,139	34,392,805
	34,395,139	34,392,805

	31 December 2019 Number	31 December 2019 $	30 June 2019 Number	30 June 2019 $
Shares issued and fully paid:				
Beginning of the period	**266,575,739**	**34,392,805**	264,188,239	33,956,681
Shares allotted during the period(i)				
Issued under share-based payments(i)	16,667	2,334	2,387,500	436,124
Share issue costs				
Total contributed equity at period end	**266,592,406**	**34,395,139**	**266,575,739**	**34,392,805**

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

20 August 2019 16,667 pursuant to the Employee incentive plan

(b) Options

During the period 1,000,000 options were issued with an exercise price of 35 cents expiring on 17 September 2021 with a value of $20,000.

The following options are on issue at 31 December 2019:

(a) 5,000,000, with an exercise price of 35 cents per option and an expiry date of 3 years from listing (17 September 2021).

(b) 1,500,000, with an exercise price of 30 cents per option and an expiry date of 3 years from listing (17 September 2021)

(c) Employee performance rights

The following share-based performance rights were on issue as at 31 December 2019 and issued pursuant to the employee incentive plan.

Performance Right	Issued date	Number	Converted on performance condition met	Lapsed	Balance	Value on issue $
Class A	June 2019	725,000	-	-	725,000	87,000
Class A	August 2019	157,500	-	-	157,500	22,050
Class B	November 2018	724,000	-	-	724,000	119,460
Class B	June 2019	362,500	-	-	362,500	43,500
Class C	November 2018	724,000	-	-	724,000	79,640
Class C	June 2019	362,500	-	-	362,500	43,500

The following share-based performance rights were issued to Mr. Neil Gibbins, Managing Director, pursuant to resolutions passed at the Company's AGM on 27 November 2018.

Type	Number	Fair value at date of issue
Employee performance rights Class B	937,500	$196,875
Employee performance rights Class C2	937,500	$158,812

Performance rights issued under the Employee incentive scheme have been issued under the following general performance conditions:

Class A performance rights continued employment with the Company for 12 Months from date of commencement.

Class B performance rights Company books a minimum 2P reserve of 1.0 MMBOE and the executive is still engaged as an employee three years after commencing employment with the Company.

Class C performance rights at any stage prior to the end three years after signing the employment agreement the Company's share price (30-day VWAP) reaching a share price (variable in each issue of rights in this case 40 cents) and still being engaged as an executive at the end of the three years.

The Rights have been valued using either the Black and Scholes valuation method or the Barrier option method at the date of issue.

Performance rights issued to the Managing Director have been issued on similar terms to those of the Employee incentive scheme except Class C rights which the target price is 50 cents.

16 Earnings per share

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

	Half year 31 December 2019	Half year 31 December 2018
	Number	Number
Weighted average number of shares used in:		
Basic earnings per share	266,589,628	187,283,454

17 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:

	31 December 2019	30 June 2019
	$	$
No longer than a year exploration and evaluation	9,785,000	12,888,000
1 to 5 years exploration and evaluation	5,531,000	4,224,000
	15,316,000	17,112,000
Operating leases		
Not longer than 1 year	-	124,500
Longer than 1 year and not longer than 5 years	-	124,500
Longer than 5 years	-	-
	-	249,000

18 Contingent Liabilities

The Company has provided guarantees to support certain environmental rehabilitation obligations amounting to $107,865. Apart from these requirements, no contingent liabilities exist as at the date of the financial report.

19 Company details

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

Directors' Declaration

In the opinion of the Directors of Vintage Energy Limited:

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

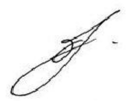
   i. Giving a true and fair view of its financial position as at 31 December 2019 and its performance for the half year ended on that date and

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

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

Signed in accordance with a resolution of the Directors.

R G Nelson



Chairman

Dated the 10th day of March 2020

Grant Thornton

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Independent Auditor’s Report

To the Members of Vintage Energy Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Vintage Energy Limited (the Company), which comprises the consolidated condensed statement of financial position as at 31 December 2019 and the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors’ declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Vintage Energy Limited does not give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 5 in the financial report, which indicates that the Group incurred a net loss of $1,155,045 and had net cash outflows from operating and investing activities of $10,754,942 during the half year ended 31 December 2019. As stated in Note 5, these events or conditions, along with other matters as set forth in Note 5, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Vintage Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 10 March 2020