

## **Vintage signs binding term sheet for \$10 million debt facility**

- **\$10 million secured debt facility with PURE Asset Management**
- **Vali Field capital expenditure fully funded through first production and cash flow**
- **Facility based on two tranches of \$5 million each**
- **Further validation of Vali moving towards commercialisation**
- **Facility term of 48 months**
- **Warrants to be issued to PURE (subject to shareholder approval)**

Vintage Energy Ltd (ASX: VEN, "Vintage") is pleased to announce the signing of a binding term sheet for a \$10 million debt facility ("Facility") with the PURE Resources Fund, managed by PURE Asset Management ("PURE"). The funds will supplement the recently announced Gas Sales Heads of Agreement ("HoA") with AGL Wholesale Gas Limited ("AGL").

The \$10 million will form part of the funding of the initial capital requirements of the Vali Field over the next two years. Vintage now has an HoA for gas sales with AGL with a \$15 million pre-pay component and a binding term sheet in place with PURE that, subject to satisfaction of certain conditions precedent, together will provide access to up to \$17.5 million of funding (net to Vintage and excluding costs) to cover its equity share of capital costs to take the Vali Field to first production and through the initial cash flow stage of the project.

Vintage Managing Director, Neil Gibbins said, *"This funding is an excellent outcome for Vintage and its shareholders and is further third-party validation that the Vali gas field will be commercialised."*

*"With strengthening gas prices in the domestic and international markets, the timing couldn't be better to commercialise the sizeable Vali Field for Vintage and its shareholders."*

Daniel Porter, Portfolio Manager for the PURE Resources Fund, said, *"We are delighted to be supporting the team at Vintage as they look to bring the Vali Field into production over the coming year."*

*"With nearby expansion possibilities at Odin, a pipeline of other promising production projects, and as East Coast gas faces significant, structural supply constraints, we think Vintage is on a fantastic growth path."*

On 1 November 2021, Vintage announced the tripling of the Vali Field (ATP 2021<sup>1</sup>) 2P Reserves from the original estimate. Gross 2P reserves of 92.0 Bcf (101.0 PJ - 50.5 PJ net entitlement) was independently evaluated and booked (previously Gross 2P of 30.3 Bcf (33.5 PJ - 16.8 PJ net entitlement)<sup>2</sup>).

The key terms of the Facility are:

- \$10 million to be drawn down in two \$5 million tranches
- Term is 48 months from first draw down
- Funds to be applied to first, full payment of outstanding fees, second, costs in relation to the Vali Project, and third, working capital and general corporate purposes

<sup>1</sup> ATP 2021 (Vintage 50% and operatorship, Metgasco Ltd 25% and Bridgeport (Cooper Basin) Pty Ltd 25%)

<sup>2</sup> Refer ASX release dated 1 November 2021

- Interest Rate of 11.0%, reducing to 8.5% once certain operational cash flow conditions are met
- If Joint Venture arrangements permit, first ranking security over Vintage assets
- Financial covenants include a minimum of \$1.5 million cash in the bank
- Costs include a 2% arrangement fee (\$200,000) plus fees for legal and due diligence (estimated at \$130,000)
- If early repayment of the facility is undertaken by Vintage, a sliding scale penalty of 1.5% to 1.0% of the funds applies

Under a Warrant Deed entered into at the same time and as contemplated in the binding term sheet, Warrants for the amount of the loan funds provided by PURE will be issued to PURE at 20 cents per share exercise price, subject to the usual adjustment mechanism for dilution, with further detail contained in the Appendix 2A. The Warrants will be exercisable at any time up to 12 months after the repayment date for loan (i.e. 5-year term) and may be used to repay the debt or for other purposes.

The issue of the Warrants is subject to shareholder approval. Vintage will call a General Meeting of Shareholders within three months of the date of this announcement to seek approval for the issue of the Warrants. Further details concerning the Warrants will be set out in the notice of meeting.

The main conditions precedent to the execution of the Facility and first draw down on the Facility are:

- Entering into a raw gas processing agreement with the Moomba infrastructure owners for the processing of Vali gas, discussions for which are progressing; and
- Execution of a gas sales agreement with AGL.

BurnVoir Corporate Finance continues as financial advisor to Vintage and was integral in securing the binding term sheet for the Facility with PURE. Vintage would like to thank BurnVoir for its work on this transaction, the funds from which will be an important component in funding the Vali Project.

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

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**About BurnVoir Corporate Finance**

BurnVoir Corporate Finance is a leading independent Australian investment and advisory firm with extensive experience and a strong track record in financial services across the energy, resources and infrastructure sectors.

**About PURE Asset Management**

PURE Asset Management is a specialist provider of hybrid capital to Australia's most compelling emerging growth companies. Founded in 2018, PURE provides funding for working capital, acquisitions and buybacks via structures that are less dilutive than equity capital, offering companies an alternative to direct equity markets. For more information, please visit [www.puream.com.au](http://www.puream.com.au)