

# Gas explorer to list on ASX

CAMERON ENGLAND



OPPORTUNITIES: Vintage Energy's Reg Nelson.

ADELAIDE will soon be home to a new, \$50 million energy company with Vintage Energy aiming to list on the ASX by mid-September.

Led by former Beach Energy managing director Reg Nelson and chief operating officer Neil Gibbins – who will be chief executive of the new company – Vintage is seeking to raise \$30 million in new shares, with the money to be used to fast-track the appraisal and development of gas projects.

Mr Nelson, who stepped aside from the top job at Beach in 2015 after developing it from a minnow to a company with a valuation in the billions said the political mess which led to the ongoing shortage in gas on Australia's east coast provided a compelling reason to get

back into the industry.

"The ramp-up of LNG capacity and demand in Australia at substantially higher prices than traditional domestic Australian gas prices caused a structural change in the eastern Australia gas market," Mr Nelson says in the company's prospectus.

"This is exacerbated by adverse policy by various states' governments in land access for petroleum exploration.

"The outcome is now a more volatile gas market for the variables of price, demand, supply and contract term.

"With the demand for gas and the recent recovery in oil prices, we believe the timing is ripe for reinvigoration of petroleum exploration." Vintage has so far locked in three main projects – one in the Galilee Basin via a farm-in arrangement with Comet Ridge, a joint venture with Rawson Oil and Gas in the Otway basin in the South-East, and a permit in the onshore section of the Bonaparte Basin in the Northern Territory.

The Comet Ridge joint venture has been drilled, with gas flows during testing, but the company believes the rate of 230,000 standard cubic feet could have been obstructed and the potential could be higher.

"Funds raised will enable appraisal to continue with the reentry of Albany-1 with a bigger rig to recommence drilling and / or to progress directly to drill Albany-2," the prospectus says.

Vintage has secured a \$4.95 million grant from the State Government to drill its Nangwarry prospect in the South-East, which the company says is adjacent to Beach Energy's recent successful Haselgrove-3 well.

At its Bonaparte project, Vintage says there is "prospectivity for multiple plays including gas in fractured carbonates and oil potential towards the basin margins".

The Vintage prospectus is currently with the ASX for approval, after which the company intends to raise the capital with a view to list on or about September 17.

The company will use about \$19 million of the funds raised for drilling, another \$1.3 million for well-testing and about \$5 million for various geophysical activities.

After the float the new investors will hold 56.8 per cent of the company, seed investors 25.6 per cent and directors and management 2.6 per cent.

The founders, including Mr Nelson and Mr Gibbins, will hold 15 per cent. The company's non-executive directors will be Ian Howarth and Nick Smart. The prospectus can be found at the Vintage Energy website.