

# 2020 a good vintage for SA gas explorer

CAMERON ENGLAND



Vintage Energy's Vali well in the Cooper-Eromanga basins recently had a positive flow test.

VINTAGE Energy is on the verge of becoming a gas producer just two years after listing on the stock exchange, and managing director Neil Gibbins says the company now has numerous strings to its bow.

The Adelaide-based oil and gas firm, which was formed by a number of Beach Energy alumni including Mr Gibbins and chairman Reg Nelson, has taken its Vali project in the Queensland portion of the Cooper-Eromanga basins from deciding to invest in the project to a gas discovery and recent flow test in about 12 months.

A commercialisation plan for that asset is currently in the works.

"It was near enough done within a year and within two years of listing, it's been a great effort by the team," Mr Gibbins said.

"Vali's not the only opportunity we've got in the area. We'd like to build on our production profile after we get Vali online.

"We have a few opportunities in that area, because I think the southern flank of the Nappameri Trough is a good-looking area for us, we've got a couple of good permits.

"We also had a (State Government) PACE gas grant to drill a well down near Nangwarry," Mr Gibbins said.

"We made a CO<sub>2</sub> discovery there. This is really interesting

"A lot of people aren't giving that any value whatsoever but we believe that there's a potential commercial project going forward there.

"CO<sub>2</sub> is a pretty valuable gas. A pure CO<sub>2</sub> source can be really valuable for the beverage industry, the medical industry."

Vintage last month signed a memorandum of understanding with industrial gas company Supagas to fund work associated with the preliminary design and costing of a facility to process food-grade gas at Nangwarry.

Vintage is also evaluating its Galilee Basin project in Queensland where it has drilled a well and has gas shows.

"Because of COVID and a series of rain events that's just suspended at the moment."

Mr Gibbins said the company was mainly focused on gas, and "the opportunity for small companies to supply gas into the eastern market now is very different from 10 years ago".

"Then, there were longterm gas contracts at very low prices.

"But it's not easy to find and produce gas now.

"The whole pricing dynamic is different. It allows the smaller companies like us to get into that market and make some good money.

Mr Gibbins said COVID had been challenging for the industry, with basins such as the Cooper and Eromanga straddling state borders, but organisations such as SACOME had helped governments work with industry to keep the wheels in motion.

Mr Gibbins said he also supported a push from industry body, the Australian Petroleum Production & Exploration Association (APPEA), to extend a Federal Government incentive currently available to mineral explorers, to the energy sector.

The Junior Minerals Exploration Incentive (JMEI) allows junior explorers to generate tax credits by spending on exploration, which can then be distributed to shareholders.

APPEA is lobbying for the program to be extended for a further four years, and funded to the tune of \$200m.