

Two decades of gas for Adelaide outfit

VINTAGE Energy says its Vali gas field will flow for an estimated 20 years and it expects to have its first production and cash flow by early next year.

The Adelaide oil and gas company said it plans to raise up to \$15m through a placement and an offer to shareholders, with about \$8.5m of that used to develop and tie in the Vali field in Queensland to the Moomba gas production network.

The company has raised \$3.1m through an institutional placement and another \$12.1m will be sought from shareholders at a price of 6c a share.

Vintage shares closed 2.9 per cent higher at 7.2c on the news yesterday.

Managing director Neil Gibbins said it was an exciting time for the company, which was also planning to drill the "Vali look-alike" Odin prospect soon.

"All of these projects have the potential to be value accretive for Vintage and its shareholders, with the funds raised to develop the infrastructure and undertake the test work needed for first cash flow, which in turn will provide funding optionality in the future," Mr Gibbins said. Shareholders registered on September 24 will be eligible for the entitlement offer.

Vintage owns a 50 per cent stake in the Vali field and is the operator.

The concept plan for the field's development envisages the drilling of nine wells, with the first two to be drilled in the first half of 2021.