Emperor Energy Limited

ABN 56 006 024 764

Annual Report - 30 June 2021

The Company's 2021 Corporate Governance Statement has been released to ASX on 30 September 2021 and is available on the Company's website.

Directors	Carl Dumbrell Nigel Harvey Philip McNamara
Company secretary	Carl Dumbrell
Registered office & Principal place of business	Level 4, 55 York Street Sydney NSW 2000
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 Telephone: 1300 288 664
Lawyer	Hopgood Gamin Level 27, Allendale Square, 77 St Georges Tce Perth, WA 6000
Auditor	ICP Assurance Services Pty Ltd Suite 2109, Level 21 223 Castlereagh Street Sydney NSW 2000
Stock exchange listing	Emperor Energy Limited shares are listed on the Australian Securities Exchange (ASX code: EMP)
Website	www.emperorenergy.com.au

Review of Operations

Highlights:

- Successful capital raisings
- Extension of Vic/P47 Permit Term for 30 months
- New Seismic Data purchased - Interpretation and analysis commenced
- APA completed Pre-Front End Engineering Design ('Pre-FEED') for Judith Gas Field Project
- Drilling Management Consultants AGR engaged

1. Successful Capital Raisings

The company completed two capital raisings during the year:

- 16 October 2020 raised $656,000 issuing 23,428,538 new shares at 2.8 cents per share from a non-brokered Security Purchase Plan.
- 18 June 2021 raised $1,000,000 issuing 33.33 million shares at 3 cents per share in a heavily oversubscribed non-brokered capital raise.

The net proceeds strengthen the Company's balance sheet and provide important funding for the company's exploration activities.

2. About the Judith Gas Field (Vic/P47)

Emperor Energy's 100% owned Judith Gas Field is located within the VIC/P47 Permit in the offshore Gippsland Basin, Victoria (Figure 1)

On 11 July 2019 the Company advised that an Independent Resource Statement had been completed for the Judith Gas Field (Table 1 & Table 2) which highlighted:

- **2C Contingent Gas Resource of 150 Bcf**
- **P50 Unrisked Prospective Gas Resource of 1.226 Tcf**

Judith Gas Discovery		Contingent Resources		
		Low Estimate 1C	**Best Estimate 2C**	**High Estimate 3C**
GIIP	Bcf	180	278	386
Sales gas	Bcf	97	150	209
Condensate	MMbbl	1.4	2.2	3.2

Table 1: Summary of Contingent Resources for Judith within area of VIC/P47 (3D-GEO, July 2019)

Greater Judith Area		Unrisked Prospective Resources		
		P90	**P50**	**P10**
Judith Deep	Bcf	38	62	92
West	Bcf	83	127	176
Central	Bcf	37	333	628
North	Bcf	29	166	315
North East	Bcf	49	279	494
North West	Bcf	15	102	226
South	Bcf	14	157	565
Total	Bcf	**265**	**1226**	**2496**

Table 2: Summary of Prospective Resources for Judith within area of VIC/P47 (3D-GEO, July 2019)

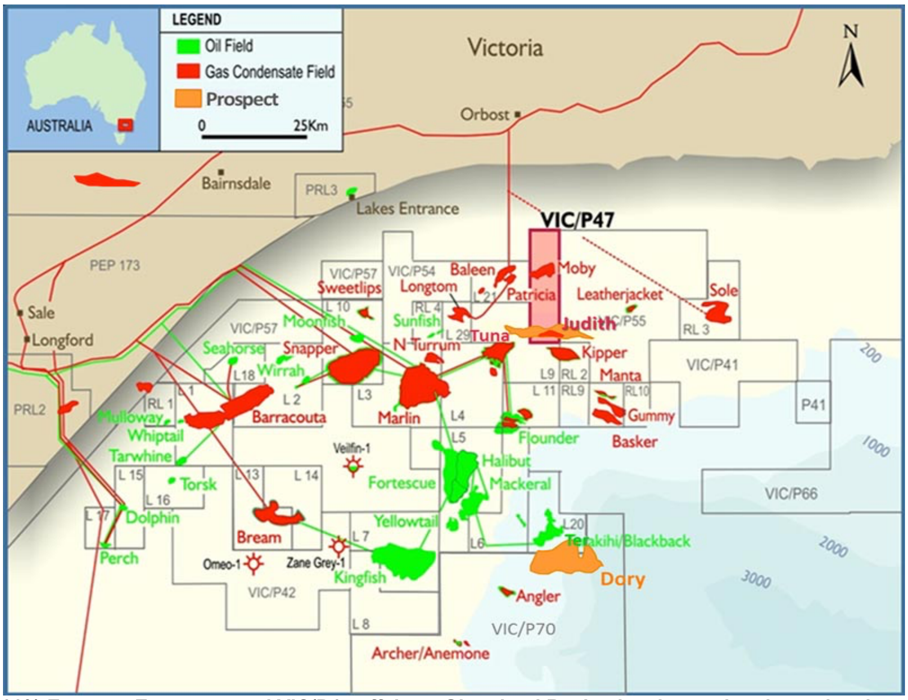

Figure 1: Location of 100% Emperor Energy owned VIC/P47 offshore Gippsland Basin showing regional permits along with oil and gas fields

3. Extension of Vic/P47 Permit Term

On 30 December 2020, the company announced that the National Offshore Petroleum Titles Regulator (NOPTA) had approved the Company's application to suspend and extend the primary term of the Vic/P47 Exploration Permit by a period of 30 months out to 22 August 2023.

The approval from NOPTA extends the timing for drilling of the Judith 2 Exploration Well by 30 months from February 2021 to August 2023.

Emperor Energy's application for suspension and extension of the Permit Years 1-3 work program commitments was based on 2 factors:

- The imminent availability of new seismic data that will be generated from the Multi Client 3D (MC3D) seismic acquisition that was completed across the Offshore Gippsland Basin in July 2020 by global seismic acquisition and processing company CGG. This survey included the Judith Gas Field in Vic/P47.

- The impact of COVID-19 on the petroleum exploration industry.

4. New Seismic Data purchased - Interpretation and analysis commenced

On 8 April 2021 Emperor Energy advised that it had completed a commercial agreement with global seismic company CGG for the purchase of a license to access newly acquired 3D seismic data covering the Judith Gas Field and Greater Judith Structure.

This new seismic data was acquired by CGG during 2020 as part of a multi-client 3D Seismic Survey that covered much of the Offshore Gippsland Basin including the Judith Gas Field. Seismic acquisition was carried out using state-of-the-art equipment and techniques incorporating 7000 m long acquisition cables to generate the highest quality reservoir resolution seen so far in the Gippsland Basin.

The license provides Emperor Energy with access to Survey Data over and around the Judith Gas Field comprising 37km^2 within Exploration Permit Vic/P47 as well as further areas outside of Vic/P47 to the west, south and east that are required to fully define the Greater Judith structure.

The cost of the license to Emperor Energy is a total of AUD $732,180.90 and is payable via staged payments across a period of 12 months commencing in April 2021. These favourable payment terms have been factored into EMP's cashflow and capital commitment schedule for the next 12 months.

The purchase of the Seismic License also fulfills a key condition of the approval granted on 23 December 2020 by the National Offshore Petroleum Titles Authority (NOPTA) for the "Variation and Suspension of Work Program and Extension of Permit Term: Petroleum Exploration Permit Vic/P47". This approval extended the required timeframe to drill the Judith-2 Exploration Well to 22 August 2023.

5. Structural Interpretation of Judith using New Seismic Data

On 11 June 2021 Emperor Energy advised that its' team of consulting geologists and geophysicists were progressing through analysis of the Multi Client 3D Seismic Data.

The initial phase of technical work was to complete a revised analysis of the Judith structure through interpretation of the new seismic data to then develop new structural mapping and a 3-dimensional view of each gas bearing reservoir sand penetrated by the Judith-1 Discovery Well.

Figure 2 below shows the interpreted base of the Judith Gas Sand 2 across a depth range of 1600m to 3000m below the sea floor. Similar maps have been produced for other gas sand horizons. Figure 3 shows how the Judith Gas Field fits into a regional perspective including the previously producing Longtom and currently producing Kipper gas fields.

The quality of the Seismic data has allowed Emperor's geologists and geophysicists to build an updated and more accurate structural interpretation of the Judith Gas Field. There is a dramatic improvement in data resolution across the entire gas field except for relatively small areas at the top of the structure close to the major Rosedale Fault where the combination of steep dips and fault shadow effects still leaves these high areas with some reduction in seismic resolution.

The new data provides a significant step forward in the level of detail available to define the Judith Gas Field and contributes significantly to the de-risking of the proposed Judith-2 Well. Emperor Energy considers the quality of the data and output from its' analysis fully justifies the seismic license expenditure to access the data.

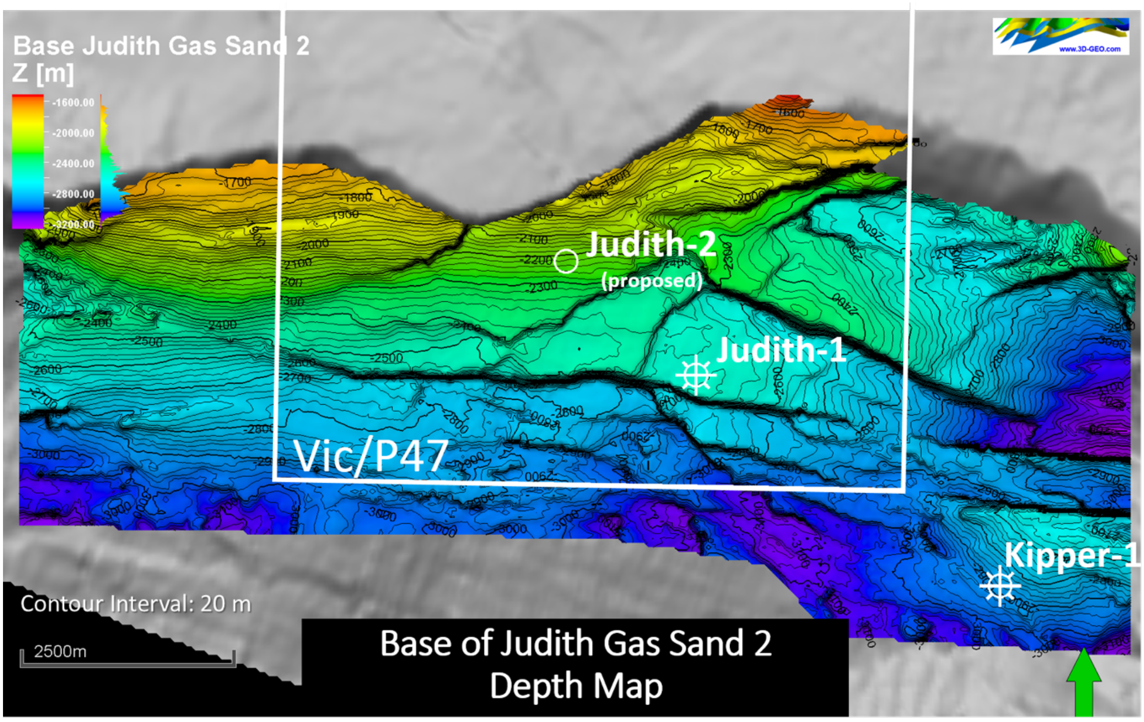

Figure 2: Interpreted Depth Map of Judith Gas Sand 2 with the overall structure varying in depth from 3000m (below sea floor) in the South to 1600m (below sea floor) in the North.

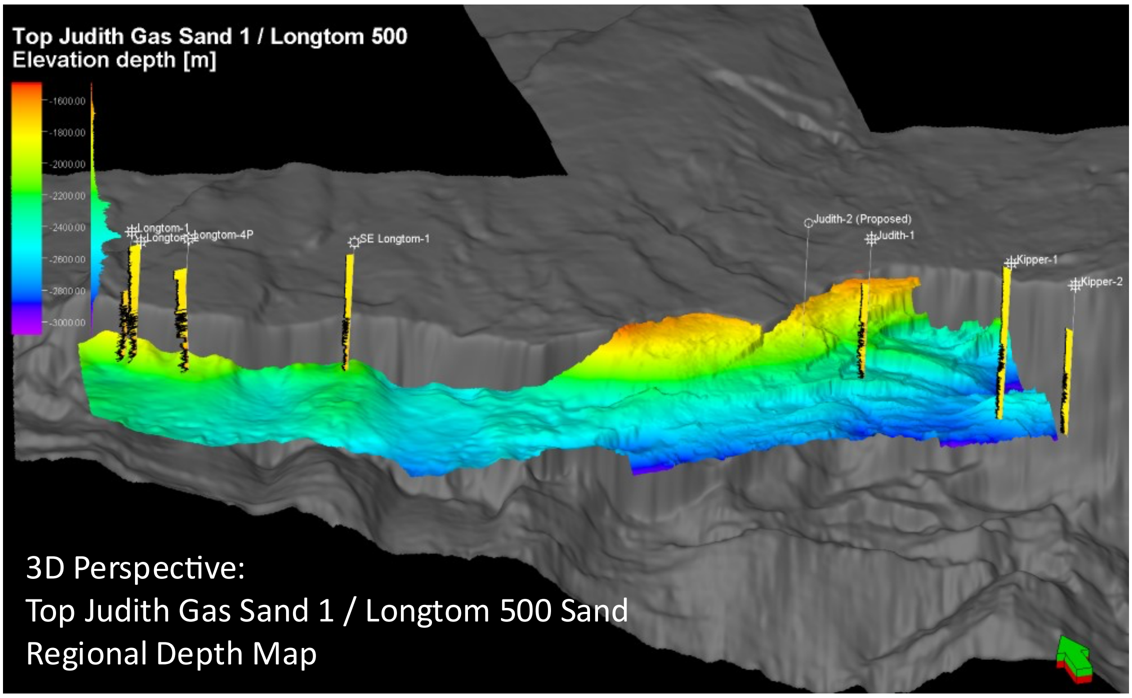

Figure 3: Regional Depth Map providing perspective on the structural relationship between the Judith, Longtom and Kipper Gas fields.

6. AVO Analysis of Judith Gas Sands 2 and 3

On 11 June 2021 Emperor Energy also advised the next phase of technical analysis of the seismic data carried out was Amplitude Versus Offset (AVO) analysis and modelling that provides a Direct Hydrocarbon Indicator (DHI) in these reservoir sands across the Greater Judith Structure. The AVO analysis compares the seismic amplitude response that has been recorded from geophones located comparatively close to seismic signal source with data from those geophones located at distance from the seismic signal source.

AVO allows a comparison in the variations of fluid properties present in the porous space of the target gas sands. These variations have then been calibrated against data from the gas bearing zones of the existing Judith-1 Well (Drilled by Shell in 1989) and from equivalent gas bearing sands in the nearby Kipper-1 gas discovery drilled and developed as a producing gas field by Exxon Mobil.

AVO analysis provides a calculated geophysical interpretation of where the sand formations are gas charged and not water filled and provides the best available prediction for gas other than drilling.

Results of the AVO analysis have been very encouraging. Figures 4 and 5 below show the outcome of AVO analysis for the Judith Gas Sand 2 and Judith Gas Sand 3. These gas sands have net pay thicknesses of 45m and 85m respectively with a non-gas bearing interval between them of 72m. In both cases the AVO analysis shows strong AVO Gas Indication (brightening to orange) across the Judith Structure both within and outside the Vic/P47 Permit area, including at Kipper-1 to the southeast where gas was recovered during drilling.

Faults that have been interpreted from the seismic data can been seen as darker areas in the AVO response map providing an indication of the extent of the accuracy of data interpretation and the AVO response.

The extent of the strong AVO response indicates interpreted gas extending over more than 500m of vertical relief through the permit area with the gas response extending up-dip in the Judith Gas Field from the Judith-1 Well. This adds considerable support to the Prospective Resource estimates previously published for the Judith Gas Field.

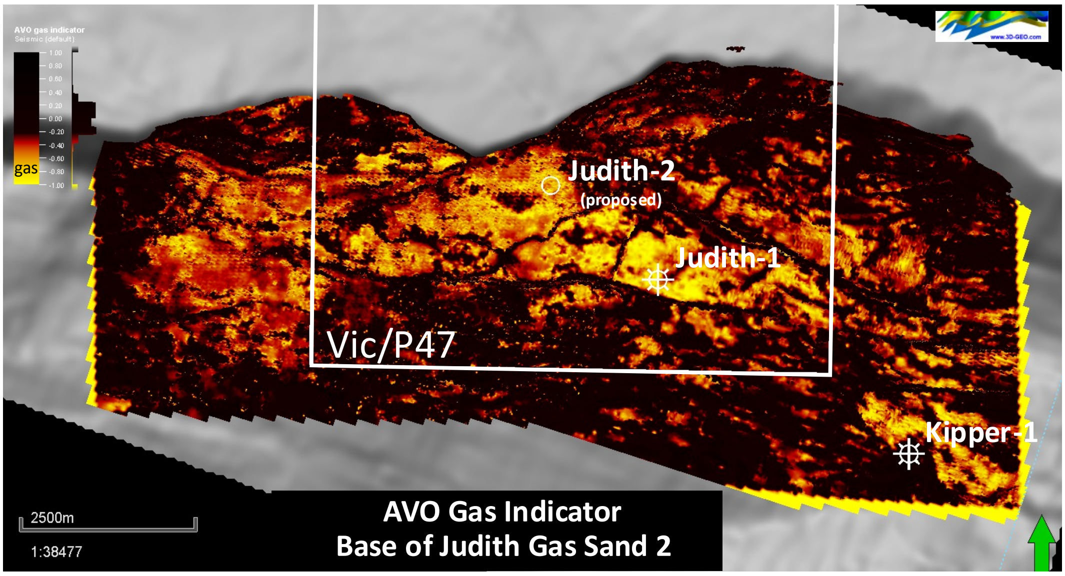

Figure 4: AVO Gas Indicator in the Judith Gas Sand 2 containing a 45m Net Pay Interval. Areas brightening to orange show a strong AVO gas indicator. (Emperor Energy VicP/47 Permit Boundary shown as white line)

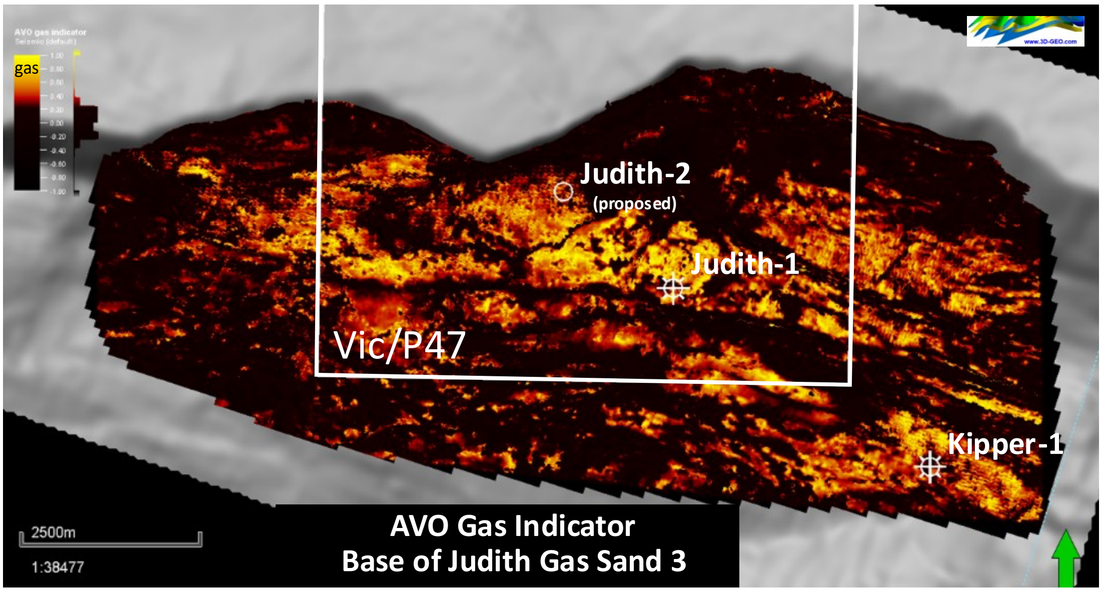

Figure 5: AVO Gas Indicator in the Judith Gas Sand 3 containing an 85m Net Pay Interval and located 72m beneath the Judith Gas Sand 2. Areas Brightening to orange show a strong gas indicator.

7. AVO Analysis of Longtom 200 Gas Sand

The interpreted Longtom 200 gas sand and other Longtom sands are located beneath the Total depth of the Judith-1 Well and have not been previously intersected in the Judith Structure however their presence is clearly visible on the new seismic data. They are seen as providing significant exploration upside for the planned Judith-2 Well that is designed to intersect the Longtom 200 sands at a depth of approximately 3000m. Based on Seismic correlations this sand is the equivalent of the main gas producing sand at the Longtom Gas Field located 15km to the west of Judith.

AVO analysis in the Longtom 200 sand again shows strong AVO response with gas indications extending across the Judith Structure. Figure 6 below shows the strong AVO response extends from the southern boundary of the permit area up-dip and across the structural closure beyond the planned Judith-2 Well location. The strong AVO gas response is evident over more than 500m of vertical relief, similar to the Judith Gas Sands 2 and 3.

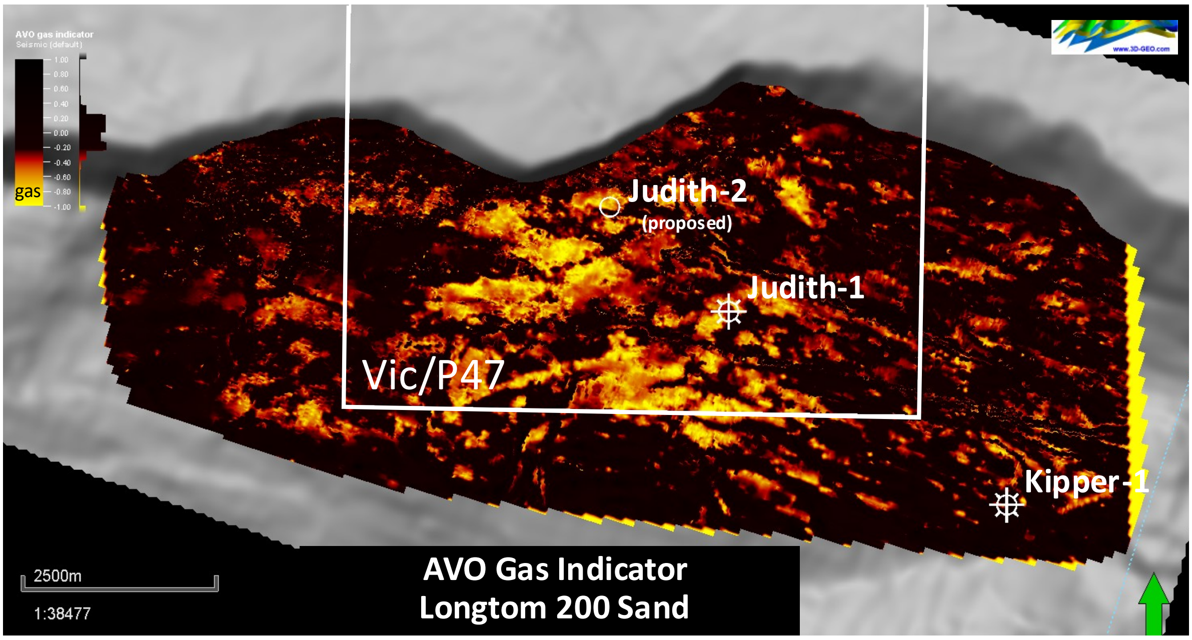

Figure 6: AVO Gas Indicator in the Longtom 200 Sand located some 70m beneath the base of the Judith Gas Sands, estimated to contain some 60m Gross Pay. Areas brightening to orange show a strong gas indicator.

8. Completion of Pre-FEED

On 17 February 2021 Emperor Energy announced that APA Group (ASX:APA) had completed the Pre-Front End Engineering Design (Pre-FEED) for the provision of midstream infrastructure and services related to gas that will potentially be produced from the Judith Gas Field in the 100% Emperor Energy owned VIC/P47 Permit in the offshore Gippsland Basin, Victoria.

9. Scope of Pre-FEED:

The Scope of the Pre-FEED included:

- The Pre-FEED design for a Gas Processing Plant, Subsea Pipeline and Export Pipeline to connect to the Eastern Gas Pipeline.
- Refinement of indicative project cost estimates and project scheduling.
- A Budget estimate for a Front-End Engineering Design (FEED) or (Feasibility Study).

APA carried out the Pre-FEED work using a balanced combination of both in house and external expertise. Emperor Energy and APA had previously established a Memorandum of Understanding (MOU) relating to the Judith Gas Project in October 2019. The Pre-FEED is the first stage of work progressed from the MOU.

10. Project Summary

The design basis for the Pre-FEED has been 80MMscfd (90TJ/day) of sales gas across a 25-year project life with gas processing to meet the AS4564 gas sales specification. This is based on 4 x initial production wells with a 5th well introduced in Year 15 to maintain delivery pressures.

Well delivery rates are based on Gas Reservoir Dynamic Modelling previously completed by Independent Reservoir Engineering Consultants engaged by Emperor Energy.

The subsea design allows for flexible jumper lines to transport raw gas from each well head to a six-slot manifold where all gas is collected and delivered in a single stream to the Pipeline End Termination.

The Pipeline End Termination provides the interface to a 40km x 300mm nominal bore pipeline delivering raw gas to the proposed Judith Processing Plant.

The 300mm pipeline selection provides a suitable balance between friction loss, economics, slugging and ramp up rates. A 40 km subsea control Umbilical from subsea wells to the proposed new Judith field gas processing train at the site of the existing Orbost Gas Processing Plant runs in parallel to the pipeline.

Figure 7: Indicative Image of 4 x Well Subsea Completion Facilities (Image provided courtesy of APA)

The design of the Judith processing plant is based on using available space adjacent to the existing Orbost Gas Processing Plant to construct a separate gas train tailored to the Judith gas composition. There will be operating synergies with the existing gas plant.

Sales gas would be delivered through an 11km x 250mm Nominal Bore export pipeline running in parallel with the existing Orbost export pipeline. This would then deliver gas to an upgraded Newmerella gas metering station connecting into the Eastern Gas Pipeline.

The Eastern Gas Pipeline is a key gas supply artery between the Gippsland Basin in Victoria and NSW. The Eastern Gas Pipeline transports natural gas to Sydney, Canberra and Wollongong as well as a number of regional centres.

Figure 8: Aerial View of existing Orbost Gas Plant (Image provided courtesy of APA)

11. Project Execution and Scheduling

The Pre-FEED study provides a Project Execution Plan laying out the basis for project delivery organisation, procurement strategy, contracting strategy, fabrication methodology, logistics, construction methodology, commissioning, and testing.

The key Regulatory approvals required for the project are identified and a detail project schedule has been analysed.

The Pre-FEED study indicates that a Final Investment Decision (FID) could be achieved 14 months after commencing the Project Front End Engineering Design (FEED) otherwise referred to as a Full Feasibility Study. Commercial operation could then be achieved within a further 38 months of the FID.

12. AGR Well Design and Management

During August, highly regarded global well consultants AGR completed the initial well planning phase of their well delivery process for the Judith-2 appraisal/exploration well. This includes well design, casing design, well costing, regulatory timeline and a drill rig market survey.

The drill rig market survey received a positive response from five drilling contractors offering both Jack- Up and Semi-Submersible Drilling Rigs. Formal tenders and direct negotiations with a preferred supplier to contract the most suitable drilling unit will commence once Emperor Energy secures an Exploration Partner via a Farm-In process currently being conducted.

The well design has been selected and is typical for wells in the area, using conventional casing sizes that are relatively easy to procure. A detailed cost analysis using AGR’s proprietary software (P1) was also performed, including running Drill Stem Tests (DST). The most significant risk regarding the well cost is the rig mobilisation / demobilisation costs, driving a strategy to contract a ‘rig of opportunity’, which is already in the area."

Estimated drilling time for the Judith 2 well is 26 days with costs estimated at AUD $25 Million excluding any Drill Stem Tests (flow testing).

13. Tenement holding summary

Below is a list of the tenements held by Emperor Energy Limited as of 30 June 2021:

Petroleum Tenement	Location	Beneficial Percentage held
Vic/P47	Victoria	100% / Operator
Backreef Area	Western Australia	100% / Operator

We thank shareholders and our team for their ongoing support and welcome any questions they may have.   On behalf of the board of directors.

Carl Dumbrell
Company Secretary/Director

Classification of Resources
SPE-PRMS Society of Petroleum Engineer's Petroleum Resource Management System

Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations, resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework. PRMS provides guidelines for the evaluation and reporting of petroleum reserves and resources.

Under PRMS "**Reserves**" are those quantities of petroleum which are anticipated to be commercially recoverable from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

"**Contingent Resources**" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development or gaining access to existing infrastructure or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

"**Prospective Resources**" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Emperor Energy Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors
The following persons were directors of Emperor Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Carl Dumbrell (Non-Executive Director and Company Secretary)
Nigel Harvey (Non- Executive Director)
Philip McNamara (Non–Executive Director)

Principal activities
During the financial year the principal activities of the consolidated entity consisted of investment in selected exploration, production and development opportunities in the upstream oil and gas sector.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $665,803 (30 June 2020: $1,746,864).

A detailed review of operations is presented on the previous pages.

Financial Position

The net assets of the consolidated entity increased by $1,450,642 to $4,053,503 as at 30 June 2021 (2020: $2,602,861).

The consolidated entity's working capital position, (being current assets less current liabilities) was in surplus at 30 June 2021 by $399,035 (deficit 2020:$319,076). During the period, the consolidated entity had negative cash flows from operating activities of $497,506 (2020: $584,666) and expended $497,782 (2020: $183,789) in relation to exploration and evaluation activities.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
The COVID-19 pandemic continues to cause significant disruption to business and economic activities. Due to the prolonged impact of COVID-19 and border closures, the National Offshore Petroleum Titles Regulatory (NOPTA) has extended the primary terms of the VICP47 by a period of 30 months out to 22 August 2023.

At the Extraordinary General Meeting held on 21 July 2021, the consolidated entity obtained shareholders' approval to issue shares to directors, consultants and creditors. Shares were allotted on 28 July 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The likely developments in the consolidated entity's operations in future years and the expected result from those operations are dependent on exploration success in the permit areas in which the consolidated entity currently holds an interest and the ability to fund the ongoing operations.

Information on directors

Name:	Carl Dumbrell
Title:	Non-Executive Director
Qualifications:	BCom MTAX CA FCA (England & Wales) CTA MAICD JP
Experience and expertise:	Carl is CEO of London Listed Herencia Resources Plc. He has been a partner of accounting firms for over 20 years in Australia and England. Carl has extensive experience with Mining, and Oil & Gas companies. He is actively involved in capital market transactions globally.
Other current directorships:	Herencia Resources Plc (AIM: HER)
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	8,109,936 fully paid ordinary shares

Name:	Phil McNamara
Title:	Non-Executive Director
Qualifications:	BEng (Mining)
Experience and expertise:	Phil is a Mining Engineer with 36 Years of experience in the Resources Industry. He is a qualified Coal Mine Manager having managed 3 underground coal mines across a 13 year period. He has held corporate roles with Junior Exploration Companies across the last 10 Years and was the Founding CEO and Managing Director of ASX listed Armour Energy (ASX: AJQ). Phil has been providing consulting services to Emperor Energy since 2016 and has played a key role in Emperor Energy's progress to redefine the Judith gas prospect in the Company's key Exploration Permit Vic/P47.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	4,190,396 fully paid ordinary shares

Name:	Nigel Harvey
Title:	Non-Executive Director
Qualifications:	BA (Hons) MAICD
Experience and expertise:	Nigel is an experienced ASX Director and has previously been a Director of Emperor Energy. He is Chairman of a mid sized not for profit organisation and holds a wholesale Australian Financial Services Licence. Nigel operates a market consulting practice predominantly on AFSL compliance. Early in his career he was a business and finance journalist predominantly in London and the Middle East and subsequently worked as an investment banker in Sydney for several decades predominantly covering the Asia Pacific region for energy derivatives and hedging. He has held roles with large banks including JP Morgan and Macquarie. He has undertaken the Australian Institute of Company Directors course including two update courses.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	3,406,645 fully paid ordinary shares

Other current directorships quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

All shares and options noted in the directors' report are holdings at the date of this report.

Geological Consultant

The company's geological and geophysical technical team since the company's re-quotation on the ASX in 2006 has been headed by Geoff Geary a consultant petroleum geologist (formerly with Oil Company of Australia and Mobil Oil) with over 30 years in the profession. He has had significant experience in company mergers, acquisitions, acreage promotion and farmouts in his career, both with junior, national and with major multi-nationals oil companies. He is experienced in sedimentary basin analysis, sequence stratigraphy, structural geology, seismic interpretation, basin modelling and oil and gas field evaluation and development.

Company secretary
Refer to C Dumbrell's bio in the information on directors above.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
C Dumbrell	9	9
N Harvey	9	9
P McNamara	9	9

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives ('program participants'). The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee.

Executive remuneration

The consolidated entity has no executives. Non-Executive directors, other key management personnel and other senior employees have been granted options over ordinary shares. The recipients of options are responsible for growing the Company and increasing shareholder value. The options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial year:

- C Dumbrell
- N Harvey
- P McNamara

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year:

- C Dumbrell, Director / Company Secretary
- G Geary, Geological Consultant
- M King, Consultant
- P McNamara, Director / Engineering Consultant

Voting and comments made at the company's 25 November 2020 Annual General Meeting ('AGM')

The company received 84% of 'for' votes in relation to its remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short- term benefits		**Share based payments**	
	Cash salary and fees	Post Employment Superannuation	Equity Settled***	Total
2021	$	$	$	$
Non-Executive Directors:				
C Dumbrell*	60,000	-	60,000	120,000
N Harvey	-	-	60,000	60,000
P McNamara**	50,250	-	60,000	110,250
Other Key Management				
M King^	40,625	-	15,000	55,625
G Geary ^^	71,891	-	-	71,891
	222,766	-	195,000	417,766

* Includes amounts in respect of company secretarial fees.
** Amount consists of fees paid to McNamara Advisory in respect of Consulting services provided.
*** The equity settled remuneration above relates to shares issued in lieu of directors fees as approved by shareholders throughout the year. Share based payments noted above includes $105,000 of Directors fees accrued as at 30 June 2020 and $90,000 expensed in 30 June 2021.
^ Amount consists of fees paid to Malcolm King in respect of consulting services provided.
^^ Amount consists of fees paid to Focus on Australia Pty Ltd in respect of consulting services provided.

Total performance fees paid to related parties for the year ended 30 June 2021 was nil (2020: nil)

	Short- term benefits		**Share based payments**	
	Cash salary and fees	Post Employment Superannuation	Equity Settled***	Total
2020	$	$	$	$
Non-Executive Directors:				
C Dumbrell*	55,000	-	40,518	95,518
M King^	47,538	5,684	44,836	98,058
N Harvey	-	-	45,000	45,000
P McNamara**	43,350	-	45,000	88,350
Other Key Management				
G Geary ^^	102,525	-	-	102,525
	248,413	5,684	175,354	429,451

* Includes amounts in respect of company secretarial fees.
** Amount consists of fees paid to McNamara Advisory in respect of Consulting services provided.
*** The equity settled remuneration above relates to shares issued in lieu of directors fees as approved by shareholders throughout the year. Share based payments noted above includes $55,354 of Directors fees accrued as at 30 June 2019 and $120,000 expensed in 30 June 2020.
^ Amount consists of fees paid to Malcolm King in respect of consulting services provided.
^^ Amount consists of fees paid to Focus on Australia Pty Ltd in respect of consulting services provided.

Total performance fees paid to related parties for the year ended 30 June 2020 was nil (2019: nil)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI	
Name	2021	2020	2021	2020
Non-Executive Directors:				
C Dumbrell	100%	100%	-	-
M King	100%	100%	-	-
N Harvey	100%	100%	-	-
P McNamara	100%	100%	-	-
Other Key Management Personnel:				
G Geary	100%	100%	-	-

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Date	Shares	Issue price	$
C Dumbrell	1 December 2020	2,068,966	$0.029	60,000
N Harvey	1 December 2020	2,068,966	$0.029	60,000
P McNamara	1 December 2020	2,068,966	$0.029	60,000
M King	1 December 2020	517,241	$0.029	15,000

On 25 November 2020 shareholders approved the issue of shares to directors in lieu of directors’ fees at the company's 2020 Annual General Meeting of which a total of 6,724,138 fully paid shares were issued as noted above.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021 $	2020 $	2019 $	2018 $	2017 $
Revenue (Including other income)	13,518	756	1,988	26,245	49,142
Net loss before tax	(665,803)	(765,935)	(768,322)	(1,171,544)	(2,451,403)
Net loss after tax	(665,803)	(1,746,864)	(768,322)	(1,171,544)	(1,549,207)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019	2018	2017
Share price at financial year start ($)	0.026	0.003	0.003	0.003	0.006
Share price at financial year end ($)	0.035	0.026	0.003	0.003	0.003
Basic earnings per share (cents per share)	(0.527)	(2.153)	(0.081)	(0.178)	(0.717)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Balance at the end of the year
Ordinary shares				
C Dumbrell	5,834,533	2,068,966	206,437	8,109,936
N Harvey	1,337,679	2,068,966	-	3,406,645
M King	1,067,515	517,241	-	1,584,756
P McNamara	2,121,430	2,068,966	-	4,190,396
G Geary	333,334	-	-	333,334
	10,694,491	6,724,139	206,437	17,625,067

This concludes the remuneration report, which has been audited.

Shares issued on the exercise of options

There were no ordinary shares of Emperor Energy Limited issued due to the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of ICP Assurance Services
There are no officers of the company who are former partners of ICP Assurance Services.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Auditor
ICP Assurance Services continues in office in accordance with section 327 of the *Corporations Act 2001*.

Rounding of amounts
Emperor Energy Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Carl Dumbrell
Non-Executive Director

30 September 2021

ASSURANCE SERVICES

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Board of Directors of Emperor Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2021, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ICP Assurance Services Pty Ltd

Christopher Wong
Director

30 September 2021
Sydney NSW 2000

T: +61 2 7200 0800 E: irene@icpassurance.com.au W: icpassurance.com.au
A: Suite 2109, Level 21 233 Castlereagh Street, Sydney, NSW 2000

Emperor Energy Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
Other income	5	13,318	756
Net fair value gain/(Loss) on financial assets designated as FVTPL	11	200	(60)
Expenses			
Corporate expenses		(396,948)	(456,908)
Administration expenses		(8,822)	(31,229)
Employee benefits expense	6	(90,000)	(110,684)
Share based payments	6	(90,000)	(120,000)
Finance costs		(93,551)	(47,810)
Loss before income tax benefit		(665,803)	(765,935)
Income tax benefit/(expense)	7	-	(980,929)
Loss after income tax benefit for the year attributable to the owners of Emperor Energy Limited		(665,803)	(1,746,864)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Loss on the revaluation of available-for-sale financial assets, net of tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Emperor Energy Limited		(665,803)	(1,746,864)
		Cents	**Cents**
Basic earnings per share	29	(0.527)	(2.153)
Diluted earnings per share	29	(0.527)	(2.153)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Emperor Energy Limited
Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	8	935,175	357,018
Trade and other receivables	9	45,534	4,799
Other financial assets	10	244,952	17,152
Total current assets		1,225,661	378,969
Non-current assets			
Financial assets designated as FVTPL	11	820	620
Petroleum exploration expenditure	12	3,986,893	3,489,111
Total non-current assets		3,987,713	3,489,731
Total assets		5,213,374	3,868,700
Liabilities			
Current liabilities			
Trade and other payables	13	826,626	698,045
Total current liabilities		826,626	698,045
Non-current liabilities			
Trade and other payables	13	333,245	567,794
Total non-current liabilities		333,245	567,794
Total liabilities		1,159,871	1,265,839
Net assets		4,053,503	2,602,861
Equity			
Issued capital	14	28,649,535	26,533,090
Reserves	15	267,870	267,870
Accumulated losses		(24,863,902)	(24,198,099)
Total equity		4,053,503	2,602,861

The above statement of financial position should be read in conjunction with the accompanying notes

Emperor Energy Limited
Statement of changes in equity
For the year ended 30 June 2021

Consolidated	**Contributed equity $**	**Accumulated losses $**	**Reserves $**	**Total equity $**
Balance at 1 July 2019	25,802,639	(22,451,235)	267,870	3,619,274
Loss after income tax expense for the year	-	(1,746,864)	-	(1,746,864)
Total comprehensive income for the year	-	(1,746,864)	-	(1,746,864)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 14)	730,451	-	-	730,451
Balance at 30 June 2020	26,533,090	(24,198,099)	267,870	2,602,861

Consolidated	**Contributed equity $**	**Accumulated losses $**	**Reserves $**	**Total equity $**
Balance at 1 July 2020	26,533,090	(24,198,099)	267,870	2,602,861
Loss after income tax expense for the year	-	(665,803)	-	(665,803)
Total comprehensive income for the year	-	(665,803)	-	(665,803)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 14)	2,116,445	-	-	2,116,445
Balance at 30 June 2021	28,649,535	(24,863,902)	267,870	4,053,503

The above statement of change in equity should be read in conjunction with the accompanying notes

Emperor Energy Limited
Statement of cash flows
For the year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(208,699)	(431,977)
Interest received		193	756
Interest and other finance costs paid		(11,500)	(1,390)
Other receipts		13,125	
Income taxes paid		(290,625)	(152,055)
Net cash used in operating activities	28	(497,506)	(584,666)
Cash flows from investing activities			
Receipts of sale of exploration assets		-	325,000
Receipts/ (Payments for) for other financial assets		(231,000)	-
Payments for exploration and evaluation		(497,782)	(183,789)
Net cash used from investing activities		(728,782)	141,211
Cash flows from financing activities			
Proceeds from issue of equity securities		1,656,000	579,771
Payments of share issue costs		(77,555)	(24,674)
Net proceeds from borrowings		251,000	100,000
Repayment of borrowings		(25,000)	(10,000)
Net cash from financing activities		1,804,445	645,097
Net increase in cash and cash equivalents		578,157	201,642
Cash and cash equivalents at the beginning of the financial year		357,018	155,376
Cash and cash equivalents at the end of the financial year	8	935,175	357,018

The above statement of cash flows should be read in conjunction with the accompanying notes

1. General information

Emperor Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The address of the registered office and principal place of business is Level 4, 55 York Street, Sydney, NSW 2000.

The principal activities of the consolidated entity consisted of investment in selected exploration, production and development opportunities in the upstream oil and gas sector

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2021. The directors have the power to amend and reissue the financial statements.

2. Presentation of financial statements

The financial statements cover Emperor Energy Limited as a consolidated entity consisting of Emperor Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements have been presented in Australian dollars ($) as this is the currency of the primary economic environment that the group operates in.

3. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Adoption of new and revised Accounting Standards

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

Any new and revised Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretation not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been adopted by the consolidated entity for the period ended 30 June 2021.

The Company has also reviewed all new Standards and Interpretations that have been issued but not yet effective for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

3.1 Basis of preparation – general purpose financial statements

These financial statements have been prepared in accordance with International financial Reporting standards (IFRSs) as adopted by Australian Accounting Standard Board (AASB) and the *Corporations Act 2001*. The financial statements have been prepared on the historical cost basis except for certain assets which are stated at their fair value.

3.2 Going concern

The consolidated financial statements have been prepared on the going concern basis.

During the financial year ended 30 June 2021, the consolidated entity incurred a loss after tax of $665,803 and had net cash outflows from operating and exploration activities of $995,288. The consolidated entity's current assets exceeded current liabilities by $399,035 as at 30 June 2021. At 30 June 2021 the consolidated entity had net assets of $4,053,503.

In considering the appropriateness of this basis of preparation, the directors have reviewed the Company's working capital forecasts for a minimum of 12 months from the date of the approval of this financial statement. At 30 June 2021, the Group had $935,175 of available cash.

During and since the end of the last financial year, the directors have taken a number of actions to ensure the consolidated entity can continue to fund its operations and further explore and develop the consolidated entity's tenements. These steps comprise:

1. Capital raise in October 2020 and June 2021;
2. Payment of directors'' fees in shares;
3. Payments of creditors in shares;

3. Summary of significant accounting policies (Continued)

3.2 Going concern (Continued)

4. Overall review of all operational costs as a result of the Covid-19 Pandemic;
5. Global search to secure a farm-in partner for Vic/P47.

The directors have prepared a detailed cash flow forecast through to 30 June 2022 and based on the budgeted expenditure the consolidated entity will be required to raise additional funds (through the methods set out above) with a minimum overall raising of approximately $1,500,000 (before costs) to fund the budgeted exploration plan as well as corporate operating costs.

The consolidated entity currently does not have any production income and in order to continue as a going concern is reliant on achieving on achieving a capital raising of at least $1,500,000 over the 12 months to 30 June 2022.

Based on the current management plan, management believes that these funds will be sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis of preparation.

In the event that the consolidated entity is unsuccessful in the matters set out above, there is material uncertainty whether the consolidated entity 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 consolidated entity not continue as a going concern.

3.3 Basis of consolidation
The consolidated financial statements comprise the financial information of the Company and its subsidiaries (the “Group”) made up to the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements present the results of the Company and its subsidiaries and joint arrangements as if they formed a single entity. Inter-company transactions and balances between group companies are therefore eliminated in full. The financial information of subsidiaries is included in the Group’s financial statements from the date that control commences until the date that control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI). When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Property, plant & equipment
All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

3.5 Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

3.6 Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

3. Summary of significant accounting policies (Continued)

3.6 Revenue recognition (Continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

3.7 Financial instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
Financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of Financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).
Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. Summary of significant accounting policies (continued)

3.7 Financial instruments (Continued)

Initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at FVTPL

(i) Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

(ii) Debt instruments at fair value through other comprehensive income (Debt FVTOCI)
Debt FVTOCI initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

(iii) Equity instruments at fair value through other comprehensive income (Equity FVTOCI)
Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

(iv) Financial assets at fair value through profit or loss (FVTPL)
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “Net gain/(loss) arising on financial assets measured at FVTPL” line.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade and other receivables and contract assets
The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial liabilities
Financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. All financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

3. Summary of significant accounting policies (continued)

3.7 Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.8 Petroleum exploration and evaluation expenditures
Petroleum exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

3. Summary of significant accounting policies (continued)

3.9 Income tax
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported on comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group and its subsidiaries operate by the end of the financial period.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

3.10 Share based payments
The Company has applied AASB 2 Share-based Payment for all grants of equity instruments. Fair value is measured using an appropriate fair value model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

Note 4. Operating segments

The consolidated entity is organised into one segment: petroleum exploration and investment within Australia. The operating segment is based on the internal reports that are reviewed by the directors (who are identified as Chief Decision Makers) in assessing performance and allocation of resources.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Other income

	Consolidated	
	2021	**2020**
	$	**$**
Interest	193	756
Other income	13,125	-
Other income	13,318	756

Note 6. Expenses

	Consolidated 2021 $	2020 $
Loss before income tax includes the following specific expenses:		
Employment Benefits:		
Post employment benefit - Contribution plans	-	5,684
Other employee benefits	-	-
Consultant fees	90,000	105,000
Total Employment Benefits	90,000	110,684
Share-based payments		
Equity settled share based payments	90,000	120,000

The share-based payments listed above relate to shares issued to directors in lieu of directors fees as approved by shareholders at the company's Annual General Meeting held on 25 November 2020.

Note 7. Income tax benefit

	Consolidated 2021 $	2020 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(665,803)	(765,935)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(173,109)	(210,632)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	59,800	33,000
Other permanent differences	-	92
Movements in prepayments	(832)	2,792
Movements in accrued expenditure	(3,900)	15,572
Capital raising costs	(12,403)	(13,966)
Unrealised market value movement in FVTPL assets	52	17
	(130,391)	(173,126)
Current year tax losses not recognised	130,391	173,126
Benefit of prior year losses recognised	-	-
Under provision of prior years' income tax expense	-	980,929
Income tax benefit/(expense)	-	980,929

Note 7. Income tax benefit (continued)

	Consolidated 2021 $	2020 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	24,011,028	23,345,225
Potential tax benefit @ 26% (2020: 27.5%)	6,242,867	6,419,937

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated 2021 $	2020 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	6,242,867	6,419,937
Temporary differences	42,717	37,506
Total deferred tax assets not recognised	6,285,584	6,457,443

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.

(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law, and

(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2021 $	2020 $
Cash at bank	935,175	357,018

Accounting policy for cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Current assets - trade and other receivables

	Consolidated 2021 $	2020 $
Other receivables	99	99
GST receivable / (payable)	44,735	-
Share application receivable	700	4,700
	45,534	4,799

The average credit period on trade and other receivables is 30 days. Due to the short term nature of the receivables their carrying value is assumed to approximate their fair value. No collateral or security is held. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Note 10. Other financial assets

	Consolidated 2021 $	2020 $
Bank Guarantee	231,000	-
Prepayments	13,952	17,152
	244,952	17,152

Note 11. Non-current assets – Financial assets designated as FVTPL

Investment in Strategic Energy Resources Limited (ASX: SER)	530	500
Investment in Octanex N.L (ASX : OXX)	290	120
	820	620

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	620	680
Revaluation increment/ (decrement)	200	(60)
Closing fair value	820	620

Refer to note 18 for further information on fair value measurement.

Investments in SER and OXX held by the consolidated entity at fair value are valued in accordance AASB 13, using Level 1 of the fair value hierarchy - quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair values of the financial assets held have been determined by reference to the quoted price on the ASX at 30 June 2021 and 30 June 2020.

Note 11. Non-current assets – Financial assets designated as FVTPL (continued)

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Note 12. Non-current assets - Petroleum exploration expenditure

	Consolidated 2021 $	2020 $
Petroleum Exploration Expenditure	3,986,893	3,489,111

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Petroleum Exploration $
Balance at 1 July 2019	3,305,322
Add: Expenditure during the year	183,789
Balance at 30 June 2020	3,489,111
Add : Expenditure during the year	497,782
Balance at 30 June 2021	3,986,893

Accounting policy for exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Note 13. Trade and other payables

	Consolidated	
Current liabilities	**2021**	**2020**
	$	**$**
Trade payables	289,651	156,331
Other payables	536,975	541,714
	826,626	698,045

	Consolidated	
Non- Current liabilities	**2021**	**2020**
	$	**$**
Other payables	333,245	567,794
	333,245	567,794

Refer to note 17 for further information on financial instruments.

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Equity - Issued Capital

	Consolidated			
	2021 Shares	**2020 Shares**	**2021 $**	**2020 $**
Ordinary shares - fully paid	174,559,611	99,757,511	28,649,535	26,533,090

Movements in ordinary share capital

Details	**Date**	**Shares**		**$**
Balance	01 Jul 2020	99,757,511		26,533,090
Issue of shares (SPP)	20 Oct 2020	23,428,538	$0.028	656,000
Issue of shares to directors & creditors (non-cash)	1 Dec 2020	13,706,897	$0.029	397,500
Issue of shares to creditors (non-cash)	18 Jan 2021	3,500,000	$0.033	115,500
Issue of shares	21 Jun 2021	34,166,665	$0.030	1,025,000
Less Cost of capital raising	30 Jun 2021	-	-	(77,555)
Balance	30 June 2021	174,559,611		28,649,535

Note 14. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 15. Equity – reserves

	Consolidated	
	2021 $	2020 $
Options reserve	267,870	267,870
	267,870	267,870

Available-for-sale reserve
The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Note 15. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Options reserve $	Total $
Balance at 30 June 2020	267,870	267,870
Movement	-	-
Balance at 30 June 2021	267,870	267,870

Note 16. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the directors under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks.

Market risk

Price risk
The consolidated entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes.

	Average price increase		Average price decrease	
Consolidated - 2021	% change	Effect on equity	% change	Effect on equity
Available-for-sale investments carried at fair value - quoted shares	10%	82	10%	(82)

	Average price increase		Average price decrease	
Consolidated - 2020	% change	Effect on equity	% change	Effect on equity
Available-for-sale investments carried at fair value - quoted shares	10%	62	10%	(62)

Note 17. Financial instruments (continued)

Interest rate risk
The consolidated entity's main interest rate risk arises from cash deposits. The consolidated entity has no borrowings, and during the year held cash in accessible current accounts for liquidity purposes.

As at the reporting date, the consolidated entity had the following variable interest rates:

Consolidated	**2021 Weighted average interest rate %**	**2021 Balance $**	**2020 Weighted average interest rate %**	**2020 Balance $**
Cash at bank	0.40%	935,175	0.40%	357,018
Net exposure to cash flow interest rate risk		935,175		357,018

The impact would not be material on bank balances held at 30 June 2021 or 30 June 2020.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2021	Weighted average interest rate %(p.a)	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	826,626	300,000	33,245	-	1,159,871
Total non-derivatives		826,626	300,000	33,245	-	1,159,871

Note 17. Financial instruments (continued)

Consolidated - 2021	Weighted average interest rate %(p.a)	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	698,045	300,000	267,794	-	1,265,839
Total non-derivatives		698,045	300,000	267,794	-	1,265,839

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 18. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated – 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	820	-	-	820
Total assets	820	-	-	820

Consolidated – 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	620	-	-	620
Total assets	620	-	-	620

There were no transfers between levels during the financial year.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 18. Fair value measurement (continued)

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 19. Key management personnel disclosures

Directors
The following persons were directors of Emperor Energy Limited during the financial year:

C Dumbrell
N Harvey
P McNamara

Other key management personnel
The following persons also had the authority and responsibility for planning, directing, and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr C Dumbrell (Company Secretary)
Mr G Geary (Geological Consultant)
Mr M King (Consultant)
Mr P McNamara (Engineering Consultant)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2021 $	2020 $
Short-term employee benefits	312,766	360,524
Post-employment benefits	-	5,684
Share-based payments	195,000	175,354
	507,766	541,562

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by ICP Assurance Services, the auditor of the company:

	Consolidated 2021 $	2020 $
Audit services – *Deloitte Touche Tohmatsu*		
Audit or review of the financial statements	-	2,525
Audit services – ICP Assurance Services		
Audit or review of the financial statements	30,000	30,000
	30,000	**32,525**

Note 21. Contingent liabilities

The consolidated entity had no contingent liabilities at 30 June 2021.

Note 22. Commitments

	Consolidated 2021 $	2020 $
Petroleum exploration commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	725,000	725,000
One to five years	26,250,000	26,250,000
More than five years	75,000	75,000
	27,050,000	27,050,000

The consolidated entity has interests in exploration and evaluation permits. These interests give rise to expenditure commitments.

Backreef area
The company own 100% of the Backreef block in the Canning Basin, Western Australia. Backreef-1 was drilled in October 2010 to a depth of 1800m. Oil was discovered in porous and permeable Laurel dolomites. The well is currently cased and suspended at 1155m.

Note 22. Commitments (continued)

Vic/P47
The consolidated entity has a 100% interest in Vic/P47 and is the operator. Judith-1 was drilled and operated by Shell Company of Australia in 1989 and is contained within the VIC/P47 Permit held 100% by Emperor Energy and located within close proximity of the Kipper Gas Field operated by Esso (Exxon Mobil).

On 30 December 2020, the company announced that the National Offshore Petroleum Titles Regulator (NOPTA) had approved the Company's application to suspend and extend the primary term of the Vic/P47 Exploration Permit by a period of 30 months out to 22 August 2023.

The approval from NOPTA extends the timing for drilling of the Judith 2 Exploration Well by 30 months from February 2021 to August 2023.

Emperor Energy's application for suspension and extension of the Permit Years 1-3 work program commitments was based on 2 factors:

- The imminent availability of new seismic data that will be generated from the Multi Client 3D (MC3D) seismic acquisition that was completed across the Offshore Gippsland Basin in July 2020 by global seismic acquisition and processing company CGG. This survey included the Judith Gas Field in Vic/P47.

- The combined impact of COVID-19 on the petroleum exploration industry.

3D-GEO has since reviewed the November 2018 Resource Statement and conducted further technical assessments, leading to submission of a revised Resource Statement to Emperor Energy on the 5 July 2019 which highlighted:

- **2C Contingent Gas Resource of 150 Bcf**
- **P50 Unrisked Prospective Gas Resource of 1.226 Tcf**

Judith Gas Discovery		**Contingent Resources**		
		Low Estimate 1C	**Best Estimate 2C**	**High Estimate 3C**
GIIP	Bcf	180	278	386
Sales gas	Bcf	97	150	209
Condensate	MMbbl	1.4	2.2	3.2

(Summary of Contingent and Prospective Resources for Judith area of VIC/P47 (3D-Geo, July 2019)

Note 22. Commitments (continued)

Greater Judith Area		**Unrisked Prospective Resources**		
		P90	**P50**	**P10**
Judith Deep	Bcf	38	62	92
West	Bcf	83	127	176
Central	Bcf	37	333	628
North	Bcf	29	166	315
North East	Bcf	49	279	494
North West	Bcf	15	102	226
South	Bcf	14	157	565
Total	Bcf	**265**	**1226**	**2496**

Table 2: Summary of Prospective Resources for Judith within area of VIC/P47 (3D-GEO, July 2019)

The revised wok program is outlined below:

Year of Permit	**Permit year**	**Exploration Activity**	**Estimated Cost**
1-3	February 2018 – August 2023	Geology Studies including detailed resource assessment, preliminary reservoir engineering, target selection and well planning	$400,000
		Purchase of 45 km² of Multi Client 3D seismic data from CGG – comprising all available MC3D full-fold coverage in VICP47	$580,000
		Interpretation and mapping of newly purchased 45 km² of Multi Client 3D Seismic data	$150,000
		Confirmation of drilling target/s and detailed well planning and preparation	$1,300,000
		Drill one (1) Exploration Well	$25,000,000
4	August 2023 – August 2024	Post-well evaluation studies	$500,000
5	August 2023 – August 2024	Geology Studies including commerciality assessment	$300,000

The group will need to raise capital, or identify a farm-in a partner before permit year 3 to fund all the planned activities above.

Note 23. Related party transactions

Parent entity
Emperor Energy Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 25.

Key management personnel
Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

Note 23. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2021 $	2020 $
Payment for goods and services:		
Payments to CD & TL Accountants & Advisors	60,000	65,000
Payments to McNamara Advisory	50,250	43,350
Payments to Malcolm King		47,538
	110,250	155,888

During the year the consolidated entity paid $60,000 to CD & TL Accountants & Advisors (an entity associated with C Dumbrell) for accounting and tax services performed during the year.

During the year the consolidated entity paid $50,250 to McNamara Advisory (an entity associated with P McNamara) for management & exploration services performed during the year.

Malcolm King resigned as company director on 31 March 2020.

Receivable from and payable to related parties
There were no trade receivables from related parties at the current and previous reporting date. As 30 June 2021 the company had trade payable to directors and their associated entities P McNamara $19,650.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2021 $	2020 $
Loss after income tax	(665,803)	(1,746,864)
Total comprehensive income	(665,803)	(1,746,864)

Note 24. Parent entity information (continued)

Statement of financial position

	Parent 2021 $	2020 $
Total current assets	1,225,562	378,870
Total assets	5,206,271	3,861,597
Total current liabilities	826,628	698,047
Total liabilities	1,159,873	1,265,841
Equity		
Issued capital	28,649,535	26,533,090
Options reserve	267,870	267,870
Accumulated losses	(24,871,007)	(24,205,204)
Total equity	4,046,398	2,595,756

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	2020 %
OBL Backreef No.10 Pty Ltd	Australia	100.00	100.00
Canning Basin Oil Pty Limited	Australia	100.00	100.00
Shelf Oil Pty Ltd	Australia	100.00	100.00
Backreef Energy Pty Ltd	Australia	100.00	100.00

Note 26. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Emperor Energy Limited
Canning Basin Oil Pty Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Emperor Energy Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	**2021 $**	**2020 $**
Other income	13,518	696
Corporate expenses	(396,948)	(456,908)
Administration expenses	(8,822)	(31,229)
Employee benefits expense	(90,000)	(110,684)
Share based payments	(90,000)	(120,000)
Impairment of exploration assets	-	-
Net loss on financial derivatives	-	-
Finance costs	(93,551)	(47,810)
Loss before income tax benefit	(665,803)	(765,935)
Income tax benefit	-	(980,929)
Loss after income tax benefit	(665,803)	(1,746,864)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(665,803)	(1,746,864)

Equity – accumulated losses	**2021 $**	**2020 $**
Accumulated losses at the beginning of the financial year	(24,196,939)	(22,450,075)
Comprehensive income /(loss) for the year	(665,803)	(1,746,864)
Accumulated losses at the end of the financial year	(24,862,742)	(24,196,939)

Note 26. Deed of cross guarantee (continued)

Statement of financial position	2021 $	2020 $
Current assets		
Cash and cash equivalents	935,175	361,718
Trade and other receivables	45,435	-
Held-for-sale exploration asset	-	-
Other financial assets	244,952	17,152
	1,225,562	378,870
Non-current assets		
Available-for-sale financial assets	908	708
Petroleum exploration expenditure	3,986,927	3,489,145
	3,987,835	3,489,853
Total assets	5,213,397	3,868,723
Current liabilities		
Trade and other payables	826,628	698,047
	826,628	698,047
Non-current liabilities		
Other payables	333,245	567,794
	333,245	567,794
Total liabilities	1,159,873	1,265,841
Net assets	4,053,524	2,602,882
Equity		
Issued capital	28,649,547	26,533,102
Reserves	267,870	267,870
Accumulated losses	(24,863,893)	(24,198,090)
Total equity	4,053,524	2,602,882

Note 27. Events after the reporting period

The COVID-19 pandemic continues to cause significant disruption to business and economic activities. Due to the prolonged impact of COVID-19 and border closures, the National Offshore Petroleum Titles Regulatory (NOPTA) has extended the primary terms of the VICP47 by a period of 30 months out to 22 August 2023.

At the Extraordinary General Meeting held on 21 July 2021, the consolidated entity obtained shareholders' approval to issue shares to directors, consultants, and creditors. Shares were allotted on 28 July 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial year.

Note 28. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2021 $	2020 $
Loss after income tax benefit for the year	(665,803)	(1,746,864)
Adjustments for:		
Net fair value (gain)/loss on financial assets designated as FVTPL	(200)	60
Share based payments	230,500	120,000
Impairment of exploration assets	-	-
Interest accrual	57,051	46,420
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(40,735)	109,947
Decrease/(increase) in prepayments	3,200	(10,152)
Increase/(Decrease) in trade and other payables	(81,519)	895,923
Net cash used in operating activities	(497,506)	(584,666)

Note 29. Earnings per share

	Consolidated 2021 $	2020 $
Loss after income tax attributable to the owners of Emperor Energy Limited	(665,803)	(1,746,864)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	126,326,211	81,136,340
Weighted average number of ordinary shares used in calculating diluted earnings per share	126,326,211	81,136,340
	Cents	**Cents**
Basic earnings per share	(0.527)	(2.153)
Diluted earnings per share	(0.527)	(2.153)

Diluted Earnings Per Share

In the current year, the options held by option holders were not included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they did not meet the requirements for inclusion is AASB 133 "Earnings per Share". The options were non-dilutive as the consolidated entity generated a loss during the financial year.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Emperor Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 29. Earnings per share (continued)

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 30. Share-based payments

On 1 December 2020 the consolidated entity issued 13,706,898 fully paid ordinary shares at a deemed issue price of $0.029 per share to Directors and creditors as approved by shareholders at the company's general meeting held on 25 December 2020.

On 18 January 2021 the consolidated entity issued 3,500,000 fully paid ordinary shares at a deemed issue price of $0.033 to 3D- Geo in relation to the final payment of previously agreed delayed settlement terms.

Set out below are summaries of options granted:

2021
There were no options on issue for the year ended 30 June 2021.

2020

Grant date	Expiry date	Exercise Price	Balance at the stat of the year	Issued	Exercis-ed	Consolidati-on	Expired/ forfeited/ other	Balance at the end of the year
9/11/17	31/3/20	$ 0.005	518,051,398		-	34,536,760	(34,536,760)	-
26/6/19	31/3/20	$ 0.005	116,600,000		-	7,773,333	(7,773,333)	-
28/8/19	31/3/20	$ 0.005		1,777,444	-	118,496	(118,496)	-
			634,651,398	**1,777,444**	**-**	**42,428,589**	**(42,428,589)**	**-**

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to directors and other key management personnel as part of compensation during the year.

Equity-settled transactions are awards of shares, or options over shares that are provided to directors and other key management personnel in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 31. Share-based payments (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 26 to the financial statements.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001.*

On behalf of the directors

Carl Dumbrell, Director

30 September 2021

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Independent Auditor's Report to the Members of Emperor Energy Limited

Report on the Audit of the consolidated Financial Report

Opinion

We have audited the financial report of Emperor Energy Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 3.2 in the consolidated financial report, which indicates that the Group incurred a net loss after tax of $665,803 and had net cash outflows from operating and exploration activities of $995,288 during the year ended 30 June 2021. As stated in Note 3.2, these events or conditions, along with other matters as set forth in Note 3.2, indicate that a material uncertainty exists that may cast significant doubt regarding the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, however we do not provide a separate opinion on these matters.

Key audit matter	**How our audit addressed the key audit matter**
Accounting for Exploration and Evaluation Costs	
Refer to Note 12 in the consolidated financial report At 30 June 2021, the carrying value of Exploration and Evaluation Assets totals $3,986,893. This includes exploration and evaluation expenditure capitalised in current financial year of $497,782. As all the tenements held by the Group are in the exploration stage, exploration expenditure is capitalised in accordance with Australian Accounting Standard *AASB 6 Exploration for and Evaluation of Mineral Resources*. Any impairment losses are then measured in accordance with *AASB 136 Impairment of Assets*. Management is required to exercise judgement in assessing the carrying value of exploration and evaluation assets including: • whether the conditions for capitalising exploration and evaluation expenditures are satisfied; • which elements of exploration and evaluation expenditures qualify for capitalisation; and • whether facts and circumstances indicate that the carrying value of exploration and evaluation assets may exceed their recoverable amount, and then measuring any impairment loss.	Our procedures, amongst others, included: • Obtaining an understanding of the internal processes which govern the allocation of exploration and evaluation costs between capital and expenses; • Selecting a sample of capitalised exploration and evaluation expenditure and obtaining documentation to ensure the classification between assets and expenses is appropriate in accordance with AASB 6; • Reviewing management's assessment of impairment indicators for the capitalised exploration and evaluation costs; • assessing management's plans for the development and exploitation of the relevant areas of interest and confirming the group holds current rights to tenure over these areas of interest; • Reviewing the recent valuation report prepared by an independent expert to ensure the carrying values do not exceed the recoverable amounts at 30 June 2021.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 18 of the Annual Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Emperor Energy Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

ICP Assurance Services Pty Ltd

Christopher Wong
Director

30 September 2021
Sydney NSW 2000

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The shareholders information set out below was applicable as at 30 September 2021.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	% Issued Share Capital
1 to 1,000	134	0.01%
1,001 to 5,000	28	0.03%
5,001 to 10,000	35	0.16%
10,001 to 100,000	356	7.87%
100,001 and over	232	91.93%
	785	100.00%
Holding less than a marketable parcel	197	

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

		Ordinary Shares Number held	% of total shares issued
1	Citicorp Nominees Pty Limited	14,497,444	7.76%
2	BNP Paribas Nominees Pty Ltd	10,948,962	5.86%
3	Carl Dumbrell & Controlled Holdings	10,109,936	5.41%
4	Slade Technologies Pty Ltd	8,000,000	4.28%
5	Scintilla Strategic Investments Limited	6,750,000	3.61%
6	Phil McNamara & Controlled Holdings	6,190,396	3.31%
7	Nigel Harvey & Controlled Holdings	5,406,645	2.89%
8	Gotha Street Capital Pty Ltd	5,268,137	2.82%
9	Hix Corp Pty Ltd	3,530,000	1.89%
10	Zen88 Pty Limited	3,350,000	1.79%
11	Sama Zaraah Pty Ltd	3,257,000	1.74%
12	Daniel J Peters	3,064,197	1.64%
13	Littlejohn Embrey Engineering Pty Ltd	3,000,000	1.61%
14	Benjamin Gordon Price	2,389,797	1.28%
15	Craig Graeme Chapman	2,333,333	1.25%
16	Malcolm Ross King	2,084,756	1.12%
17	Eric Frank Frescher	1,863,045	1.00%
18	Buduci Fond Pty Ltd	1,748,746	0.94%
19	Tomlin Sales Pty Ltd	1,715,000	0.92%
20	Craig Graeme Chapman & Joanne Chapman	1,666,667	0.89%

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Citicorp Nominees Pty Limited	14,497,444	7.76%
BNP Paribas Nominees Pty Ltd	10,948,962	5.86%
Carl Dumbrell & Controlled Holdings	10,109,936	5.41%
Slade Technologies Pty Ltd	8,000,000	4.28%

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.