



For personal use only

Top End Energy Limited

ABN 73 650 478 774

ANNUAL REPORT

30 June 2022



Directors

Mr Emmanuel Correia - Non-Executive Director
Mr Oliver Oxenbridge - Managing Director (appointed 1 September 2021)
Mr Greg Lee - Executive Director
Mr Richard Lampe - Non-Executive Director (appointed 24 March 2022)
Dr Michael Fischer - Non-Executive Director (appointed 21 July 2022)

Company secretary

Mr Shane Hartwig (appointed 15 July 2021)

Registered office

Level 2
10 Outram Street
West Perth, WA 6005

Share register

Automic Registry Services
Level 1, 191 St Georges Terrace
Perth WA 6000
Ph: 1300 288 644
www.automic.com.au

Auditor

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
15 Milligan Street
Perth WA 6000

Stock exchange listing

Top End Energy Limited shares are listed on the Australian Securities Exchange (ASX code: TEE)

Website

www.topendenergy.com.au



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Top End 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 2022.

Directors

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

Mr Emmanuel Correia - Non-Executive Chairman
Mr Oliver Oxenbridge - Managing Director (appointed 1 September 2021)
Mr Gregory Lee - Executive Director
Mr Richard Lampe - Non-Executive Director (appointed 24 March 2022)
Dr Michael Fischer - Non-Executive Director (appointed 21 July 2022)

Principal activities

Top End Energy operates in the oil and gas industry with a focus on exploring for oil, gas and other associated, and potentially marketable, product streams (including Helium and Hydrogen) in Queensland and the Northern Territory. The Group intends to seek to minimise the Carbon footprint of its hydrocarbon activities through potential measures including, but not limited to, Carbon offsetting and Carbon capture and sequestration (CCS). The Company also intends to investigate the potential in the vicinity of its core assets for the development of complementary renewable energy revenue streams (including wind, solar, biomass and biogas).

Review of operations

The loss for the Group after providing for income tax and non-controlling interest amounted to \$4,720,908 (30 June 2021: \$32,962).

As the Company was incorporated on 25 May 2021, the comparative period presented in this report is for the period from incorporation to 30 June 2021.

The following is a summary of the activities of the consolidated entity for the financial year ended 30 June 2022. It is recommended that this annual report be read in conjunction with any public announcements made by the Company during this period.

Company Assets

ATP 1069 Project (QUEENSLAND)

The ATP 1069 Project comprises one awarded hydrocarbon exploration permit in Queensland and is located 130km north-west of Charleville in Central Queensland and covers an area of approximately 4,185km².

The Company has identified multiple plays across the Permit and intends primarily to pursue potential conventional natural gas prospectivity in the deeper Adavale Basin towards the southern part of the Permit. The Gilmore gas field, situated 50 km west of the Permit, has demonstrated commercial conventional gas production from the Lissoy Sandstone and Log Creek Formation of the Adavale Basin. Initial seismic interpretation suggests these formations may be present within ATP 1069, but no wells have been drilled to these depths on the Permit. The Company's ongoing and intended work program is targeted to better understand this potential conventional gas prospectivity and ultimately high-grade drillable prospects.

The Permit is strategically located in proximity to existing infrastructure and the east coast gas market, which is forecast to face significant near-term supply shortfall. Strong support for natural gas is expected in light of sustained underinvestment in supply, ongoing international geo-political tensions and a refocusing on security of energy supply.

The Company holds a 100% ownership interest in the Permit.

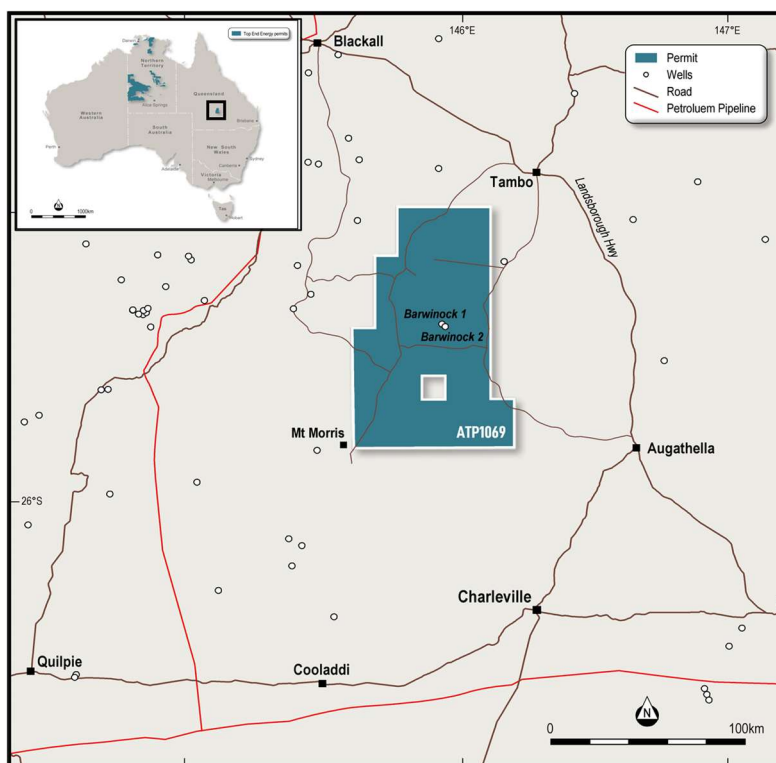


Figure 1: TEE's 100% owned permit in Queensland (ATP 1069)

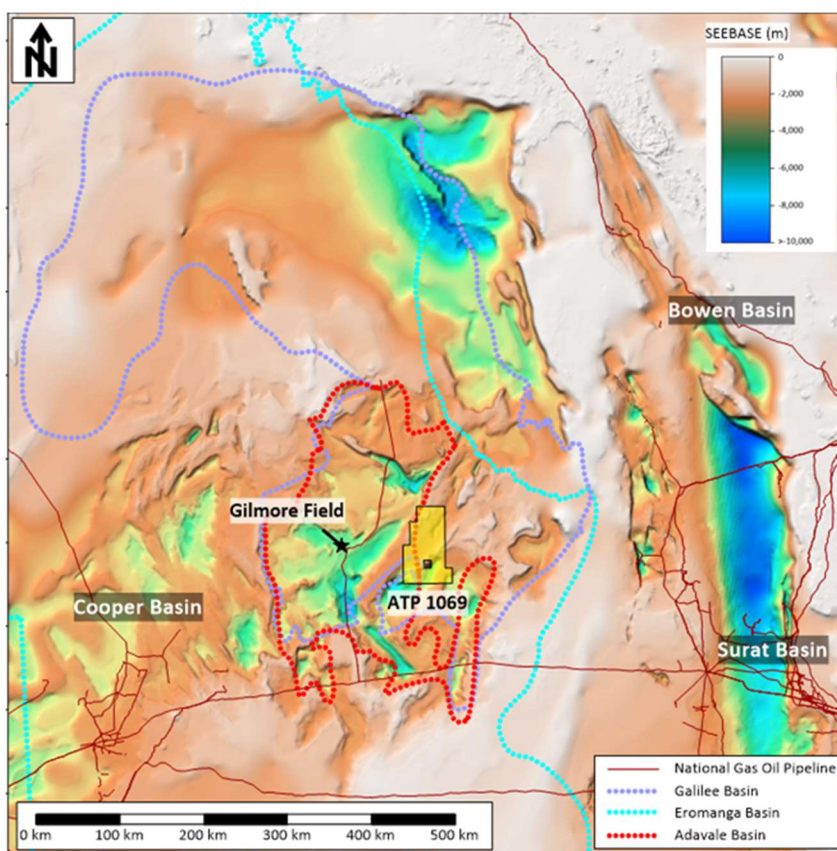


Figure 2: Location of ATP 1069 and underlying Galilee, Eromanga and Adavale Basins



Key activities undertaken on ATP 1069 during the year included:

- Ongoing assessment of prospectivity potential and refinement of forward work program to pursue conventional gas potential in the Adavale Basin portion of the permit.
- Scoping and preparation of existing 2D seismic data for reprocessing and interpretation ahead of engaging a third-party contractor to provide reprocessing services. The 2D seismic reprocessing exercise was completed post reporting period and the interpretation project will be completed during Q4 2022.
- Planning for a potential seismic acquisition of up to 120 km to be undertaken in H2 2022 subject to the outcome of the reprocessing and interpretation, including determination of seismic line locations and initiation of land access agreements and other approval workstreams.

TERRITORY GAS (TG) PROJECT (NORTHERN TERRITORY)

The Company holds a 50% beneficial interest in 30 permit applications across the Northern Territory, covering ~ 160,000km². The Company has prioritised key permits based on initial technical assessments of the available data. Of these key permits, the Company is engaging with the Northern Land Council ("NLC"), native title holders and traditional owners to reach exploration agreements ahead of the formal grant and work program approvals for EP 258 and potentially EP 259.

EP 258 and EP 259 are located on the edge of the Greater McArthur Basin, south of discoveries within the Velkerri and Kyalla Shales and the conventional Moroak and Bessie Creek Sandstone reservoirs. Although there are no seismic data on the permits, seismic lines ending north of the permits suggest that both the conventional Bessie Sandstone and unconventional Velkerri Shale play systems may be present within the deeper basin sections of the permits. The Velkerri Shale is a shale gas target for operators such as Santos, Origin and Empire Energy across the Beetaloo sub-basin.

The primary objective of the intended initial exploration activities, subject to receiving formal grant of permits, is to confirm the presence of the proven conventional Bessie Sandstone and unconventional Velkerri Shale formations.

While EP 258 and EP 259 are the near-term focus in the NT, the Company also continues to pursue other prioritised permit applications, targeting the formal grant of additional applications in 2023.

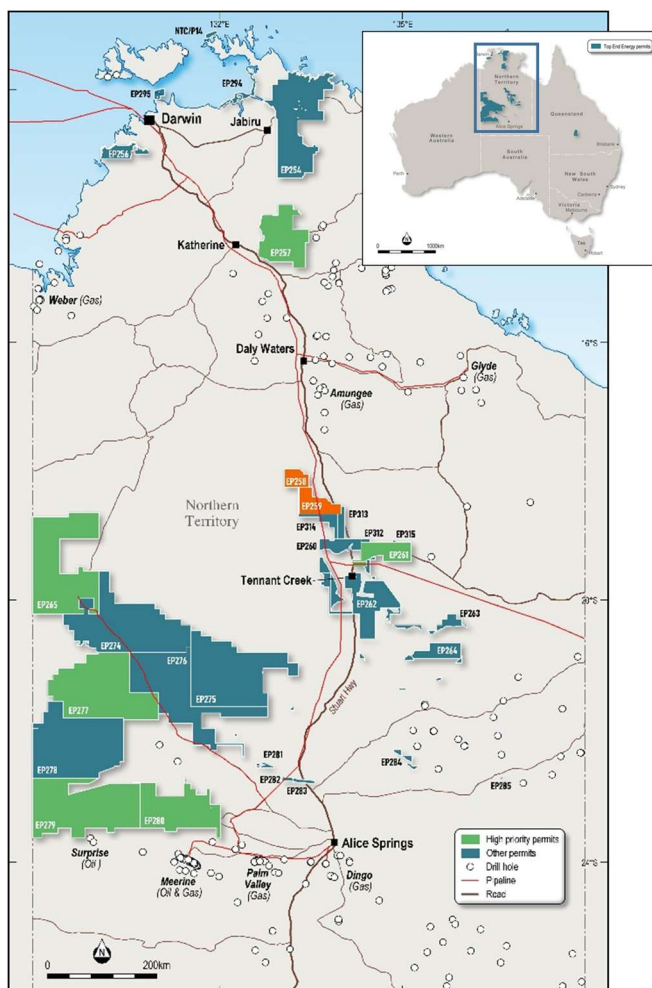


Figure 3: TEE's portfolio in the NT and prioritised permit applications

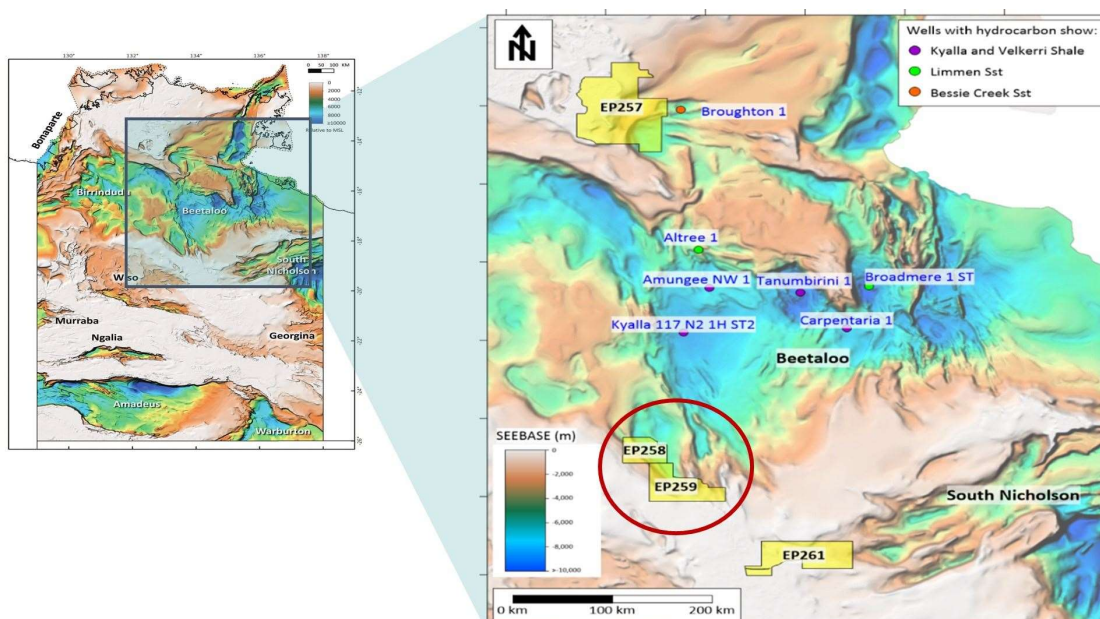


Figure 4: TEE's key permits in the Greater McArthur Basin



Key activities undertaken on the TG Project during the year included:

- Securing placeholder dates for on country meetings ("OCM") with the native title holders of EP 258 in Q3 2022.
- Ongoing negotiation with the NLC, on behalf of the native title holders of EP 258, of the terms of an exploration agreement ancillary to an agreement under section 31(1)(b) of the Native Title Act, to be agreed for the grant of the permit.
- Determination of seismic line location for the seismic acquisition campaign proposed to be undertaken in H1 2023 subject to achieving formal grant on EP 258.
- Initiated work on the environmental management plan and other approvals necessary for undertaking exploration activities post-grant.

Renewable / Transitional Energy Projects

The Company has also undertaken to explore the potential for viable clean energy projects on or in the vicinity of its existing asset base to contribute to achieving a corporate net-zero target and/or provide complimentary revenue streams.

Corporate

On 1 April 2022, TEE was admitted to the Official List of the ASX and official quotation of TEE's securities commenced on 4 April 2022. The Company's Initial Public Offering ("IPO") to raise \$6.4 million (before costs), through the issue of 32,000,000 new shares at an issue price of \$0.20 per share, was strongly supported.

Upon completion of the IPO, the Company completed the acquisition of a 100% interest in ATP 1069 (a hydrocarbon permit in Queensland) and a 50% beneficial interest in 30 oil and gas permit applications in the Northern Territory (TG Project). Refer to note 13 for further details.

The following key management personnel were appointed to their roles with the Company during the year:

- Oliver Oxenbridge was appointed as Managing Director of the Company. Mr Oxenbridge has over 10 years of experience in the international oil and gas and broader energy space across investment banking, private equity, and corporate development. He has been involved in numerous large and mid-cap M&A transactions as both advisor and investor, with global experience spanning deal sourcing, structuring, execution and asset management.
- Richard Lampe was appointed as a Non-Executive Director of the Company. Mr Lampe has over 15 years of experience across financial services, agribusiness and natural resources. His skillset includes asset identification, due diligence, stakeholder reporting, strategic and business planning, feasibility studies and business case development.



Significant changes in the state of affairs

During the period, the following significant changes occurred in the state of affairs:

- In July 2021, 15,000,000 shares with 15,000,000 free standing options were issued to seed capital investors at an issue price of \$0.02 per share, raising \$300,000 before transaction costs. The Options are exercisable at \$0.30 with an expiry date of 30 November 2025.
- On 1 July 2021, the Company issued 2,500,000 Options to Directors, exercisable at \$0.30 with an expiry date of 30 November 2025.
- On 5 November 2021, the Company acquired the ATP 1069 Project. The acquisition was conditional on ministerial approval from the Queensland Department of Resources, which was granted in March 2022.
- On 24 March 2022, the Company issued 15,750,000 Ordinary Shares to McKam Aust Pty Ltd as consideration to acquire a 50% beneficial interest in the TG Project.
- The Company raised \$6,400,000 (before costs) pursuant to the offer under its replacement prospectus dated 24 November 2021 as varied by the supplementary prospectus dated 9 February 2022 (together, the "Prospectus") by the issue of 32,000,000 shares at an issue price of \$0.20 per share.
- On 1 April 2022, the Company was admitted to the Official List of the ASX and official quotation of TEE's securities commenced on 4 April 2022.
- Issued 3,800,000 Options to the Lead Manager of the IPO on successful admission to the ASX Official List. The Options are exercisable at \$0.30 with an expiry date of 30 November 2025.
- Issued 500,000 Options to Mr Richard Lampe on appointment as Non-Executive Director of the Company. The Options are exercisable at \$0.30 with an expiry date of 30 November 2025.

The Company confirms that it expects to utilise the funds raised under its Prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 22 July 2022, the Company announced the appointment of Dr Mike Fischer to the Board as a Non-Executive Director. Dr Fischer has almost 40 years of international experience having held senior executive and director roles in both large and small cap energy companies. The Company is proposing, subject to obtaining shareholder approval, to issue Dr Fischer 500,000 Options to purchase fully paid ordinary shares in the Company, exercisable at \$0.30 with an expiry date of 30 November 2025.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is subject to environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.



Information on directors

Name:	Emmanuel Correia
Title:	Non-Executive Chairman - appointed 25 May 2021 (length of service: 1 year 4 months)
Experience and expertise:	Mr. Correia has over 25 years' public company and corporate finance experience in Australia, North America and the United Kingdom and is a founding director of Peloton Capital and Peloton Advisory. Mr. Correia is an experienced public company director/officer and, prior to establishing Peloton Capital in 2011, he was a founder and major shareholder of Cardrona Capital which specialised in providing advisory services to the small/mid cap market in Australia.
Other current directorships:	BPM Minerals Limited from 11 September 2020, Pantera Minerals from 23 December 2020 and Ookami Limited from July 2021.
Former directorships (last 3 years):	Canyon Resources Limited (July 2016 – December 2020), Argent Minerals Limited (December 2017 - March 2021) and Orminex Limited (April 2018 to August 2019).
Interests in shares:	750,001
Interests in options:	1,750,000
Name:	Oliver Oxenbridge
Title:	Managing Director - appointed 1 September 2021 (length of service: 1 year 1 month)
Experience and expertise:	Mr Oliver Oxenbridge has over 10 years of experience in the international oil and gas and broader energy space across investment banking, private equity, and corporate development. He has been involved in numerous large and mid-cap M&A transactions as both advisor and investor, with global experience spanning deal sourcing, structuring, execution and asset management.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	250,000
Interests in options:	150,000
Interests in rights:	3,000,000
Name:	Gregory Lee
Title:	Executive Director - appointed 23 June 2021 (length of service: 1 year 3 months)
Experience and expertise:	Mr Lee is a Petroleum Engineer and has over 30 years of diversified oil and gas experience in both technical and managerial positions. The main focus of his responsibilities has been on acquisitions and divestments, project management, planning and supervision, oil and gas field development and operation, production technology and reservoir enhancement, field operations, drilling and completions activities, exploration, Carbon dioxide capture and storage.
Other current directorships:	Dorimex Plc from 29 September 2017
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	1,500,000



Name: Richard Lampe
 Title: Non-Executive Director - appointed 24 March 2022 (length of service: 6 months)
 Experience and expertise: Mr Lampe has over 15 years of experience across financial services, agribusiness and natural resources. He brings to the table many skills and capabilities including asset identification, due diligence, stakeholder reporting, strategic and business planning, feasibility studies and business case development.
 Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: 300,000
 Interests in options: 650,000

Name: Michael Fischer
 Title: Non-Executive Director - appointed 21 July 2022 (length of service: 2 months)
 Experience and expertise: Dr Fischer is a company director and board advisor with close to four decades of global oil and gas experience spanning Asia Pacific, Africa, and Europe. Dr Fischer has held senior executive positions in BP, Woodside, OMV, Ophir Energy, Nido Petroleum Ltd and Bangchak Corporation, encompassing extensive global experience in exploration and production (E&P) operations, business development and international portfolio management.
 Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: Nil
 Interests in options: Nil

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

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

Company secretary

Mr Shane Hartwig (*appointed 15 July 2021*)

Mr Hartwig is a Certified Practising Accountant and Chartered Company Secretary and holds a Bachelor of Business degree, majoring in Accounting and Taxation from Curtin University of Technology in Western Australia.

Mr Hartwig is involved in the areas of initial public offerings, capital raisings, prospectus and information memorandum preparation and project management, Company assessments and due diligence reviews, mergers and acquisitions and providing general corporate advice. Mr Hartwig has over 25 years' experience in the finance industry both nationally and internationally with exposure to both the debt and equity capital markets.



Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Emmanuel Correia	2	2
Oliver Oxenbridge	2	2
Gregory Lee	2	2
Richard Lampe	2	2

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

In addition to the two formal Board meeting's, the Board met regularly throughout the period to discuss the Company's activities and passed circular resolutions on all material matters.

Corporate governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Company's policies are consistent with the ASX Principles, and comparable to ASX listed entities of similar size and nature. The Company's detailed corporate governance policy statement can be found on the Company's web site at www.topendenergy.com.au.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, 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
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group'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 it is considered to conform to the market best practice for the 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
- performance linkage / alignment of executive compensation
- transparency

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.



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 sustained growth in shareholder wealth, raising capital for current and additional projects and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- 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 and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum annual aggregate remuneration was initially set at \$300,000 by the Board. Any variations in future periods will require an ordinary resolution of Shareholders at a general meeting.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the Group with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. No STI KPI's have been set for the year ended 30 June 2022.

The long-term incentives ('LTI') include long service leave and share-based payments. Share base payments are awarded to executives under the Company's Employee Securities Incentive Plan (Plan) and can include a Plan Share, Option, Performance Right or other Convertible Security.



The purpose of the Plan is to:

- assist in the reward, retention and motivation of eligible participants;
- link the reward of eligible participants to shareholder value and creation; and
- align the interests of eligible participants with shareholders of the Group by providing an opportunity to eligible participants to receive an equity interest in the Company in the form of Securities.

Use of remuneration consultants

The Board did not engage a remuneration consultant to make any recommendations in relation to its remuneration policies for any key management personnel for the Company during the financial year.

Voting and comments made at the Company's Annual General Meeting ('AGM')

As the Company was incorporated on 25 May 2021, it is yet to hold an AGM where voting on the adoption of the Remuneration Report is required.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Other*	Super-annuation	Long service leave	Equity-settled	Total
2022	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Emmanuel Correia	66,000	-	-	6,000	-	7,000	79,000
Richard Lampe	10,860	-	-	1,086	-	65,000	76,946
<i>Executive Directors:</i>							
Oliver Oxenbridge	145,833	-	12,340	14,583	-	233,135	405,891
Gregory Lee	77,500	-	-	-	-	10,500	88,000
	<u>300,193</u>	<u>-</u>	<u>12,340</u>	<u>21,669</u>	<u>-</u>	<u>315,635</u>	<u>649,837</u>

*Relates to movement in annual leave provisions for the year ended 30 June 2022.

As the Company was incorporated on 25 May 2021, no directors' remuneration was paid for the prior period ended 30 June 2021.

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i>						
Emmanuel Correia	100%	-	-	-	-	-
Richard Lampe	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Oliver Oxenbridge	57%	-	-	-	43%	-
Gregory Lee	100%	-	-	-	-	-

Top End Energy Limited
Directors' report
30 June 2022

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Oliver Oxenbridge
 Title: Managing Director
 Agreement commenced: 1 September 2022
 Term of agreement: The employment agreement may be terminated by either Mr Oxenbridge or the Company by providing two months' notice in writing.
 Details: Base salary: \$175,000 per annum, plus superannuation.
 The Company has issued Mr Oxenbridge 3,000,000 Performance Rights under the Company's Employee Securities Incentive Plan.

Name: Gregory Lee
 Title: Executive Director
 Agreement commenced: 15 August 2021
 Term of agreement: Petrotech Consulting Trust (Consultant) shall be engaged by the Company until such time as the engagement is terminated in accordance with the terms of the engagement letter. The engagement may be terminated by either the Consultant or the Company by providing two months' notice.
 Details: The Consultant will be paid a consulting fee of:
 (a) \$5,000 per calendar month; and
 (b) \$1,250 per day for any day worked in excess of (4) days per calendar month, based on an 8-hour day.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Emmanuel Correia	1,000,000	01/07/2021	30/11/2025	30/11/2025	\$0.30	\$0.007
Gregory Lee	1,500,000	01/07/2021	30/11/2025	30/11/2025	\$0.30	\$0.007
Richard Lampe	500,000	24/03/2022	30/11/2025	30/11/2025	\$0.30	\$0.130

Options granted carry no dividend or voting rights.



Performance rights

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Number of rights granted during the year 2022	Number of rights granted during the year 2021	Number of rights vested during the year 2022*	Number of rights vested during the year 2021
Oliver Oxenbridge	3,000,000	-	500,000	-

*The rights vested during the year are still subject to a minimum service condition of 24 months.

The Director Performance Rights will vest in five tranches, subject to the satisfaction of certain vesting conditions and a minimum service condition of 24 months. The terms and conditions of the Performance Rights affecting remuneration in the reporting period are set out below:

Tranche	Vesting Conditions
Tranche 1	The Tranche 1 Performance Rights will vest subject to the grant of an exploration permit in respect of the permit applications held by either NT Gas Pty Ltd and/or Territory Gas at the time the Company lists on the ASX within 18 months from the date of the Company's listing on the ASX.
Tranche 2	The Tranche 2 Performance Rights will vest subject to the Company undertaking and successfully completing a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on the ASX within 36 months from the date of the Company's listing on the ASX.
Tranche 3	The Tranche 3 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 150% of the IPO issue price for 20 consecutive trading days within 12 months from the date of the Company's listing on the ASX.
Tranche 4	The Tranche 4 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price for 20 consecutive trading days within 24 months from the date of the Company's listing on the ASX.
Tranche 5	The Tranche 5 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price for 20 consecutive trading days within 36 months from the date of the Company's listing on the ASX.



Valuation Assumptions	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Number of performance rights	750,000	750,000	500,000	500,000	500,000
Underlying share price	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	Nil	Nil	Nil	Nil	Nil
20-day VWAP barrier	N/A	N/A	\$0.30	\$0.40	\$0.50
Expected share price volatility	110%	110%	110%	110%	110%
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free rate	0.055%	0.195%	0.055%	0.055%	0.195%
Fair value at grant date per right	\$0.200	\$0.200	\$0.134	\$0.150	\$0.160
Value per tranche	\$150,000	\$150,000	\$67,000	\$75,000	\$80,000

The Performance Rights have been valued using the Black-Scholes model and a trinomial barrier up-and-in option pricing model.

The Performance Rights over ordinary shares are granted under the Company's Employee Securities Incentive Plan for nil cash consideration and carry no dividend or voting rights. When exercised, each Performance Right will be converted into one ordinary share.

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 Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Emmanuel Correia	1	-	750,000	-	750,001
Richard Lampe	150,000	-	150,000	-	300,000
Oliver Oxenbridge	-	-	250,000	-	250,000
Gregory Lee	-	-	-	-	-
	<u>150,001</u>	<u>-</u>	<u>1,150,000</u>	<u>-</u>	<u>1,300,001</u>



Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Emmanuel Correia	-	1,750,000	-	-	1,750,000
Richard Lampe	-	650,000	-	-	650,000
Oliver Oxenbridge	-	150,000	-	-	150,000
Gregory Lee	-	1,500,000	-	-	1,500,000
	-	<u>4,050,000</u>	-	-	<u>4,050,000</u>

	Vested and exercisable	Vested and unexercisable*	Balance at the end of the year
<i>Options over ordinary shares</i>			
Emmanuel Correia	75,000	1,675,000	1,750,000
Richard Lampe	75,000	575,000	650,000
Oliver Oxenbridge	75,000	75,000	150,000
Gregory Lee	-	1,500,000	1,500,000
	<u>225,000</u>	<u>3,825,000</u>	<u>4,050,000</u>

*Vested options are in escrow until 30 November 2025.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Emmanuel Correia	-	-	-	-	-
Richard Lampe	-	-	-	-	-
Oliver Oxenbridge	-	3,000,000	-	-	3,000,000
Gregory Lee	-	-	-	-	-
	-	<u>3,000,000</u>	-	-	<u>3,000,000</u>

Transactions with Key Management Personnel

The aggregate value of transactions and outstanding balances relating to key management personnel, including close family members and entities over which they have control or significant influence, were as follows:



- A nominee on behalf of Cardrona Energy Pty Ltd (an entity which Mr Emmanuel Correia is a director of), acquired 750,000 shares through a seed capital raise with 750,000 free attaching options. The shares and options were issued in July 2021. An additional 1,000,000 options were issued to Mr Correia on 1 July 2021 for nil consideration for services performed. Refer to note 31 for terms of options.
- Peloton Advisory Pty Ltd, a company of which Mr Correia is a director, charged the Company for services in relation to pre-IPO management activities performed and in relation to the Company's Initial Public Offering totalling \$145,000. No balance (2021: \$nil) was outstanding at year end.
- The Company entered into an executive services agreement with Mr Oliver Oxenbridge on 1 September 2021. Mr Oxenbridge will be paid a base salary of \$175,000 per annum and was granted 3,000,000 Performance Rights for nil consideration on 1 September 2021. Mr Oxenbridge acquired 150,000 shares through a seed capital raise with 150,000 free attaching options. The shares and options were issued in September 2021. Refer to note 31 for terms of options and Performance Rights. A related party of Mr Oxenbridge acquired 100,000 shares in the Company during the year.
- Petrotech Consulting Trust, a trust that Mr Greg Lee is a beneficiary of, charged the Company for director and consulting fees of \$77,500 (2021: \$nil). A balance of \$13,125 (2021: \$nil) was outstanding at period end. In July 2021, 1,500,000 options were issued to Mr Greg Lee for nil consideration for services performed. Refer to note 31 for terms of options.
- On 24 March 2022, the Company issued Mr Richard Lampe 500,000 Options on appointment as a Director of the Company for nil consideration. Refer to note 31 for terms of options.
- During the year, the Company entered into a sublease agreement for the rent of the corporate office with Pantera Minerals Limited (Pantera), a Company of which Mr Correia is a director. Pantera charged the Company a total of \$2,906 and no balance remains outstanding at year end.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Top End Energy Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
01/07/2021	30/11/2025	\$0.30	2,500,000
06/07/2021	30/11/2025	\$0.30	15,000,000
03/09/2021	30/11/2025	\$0.30	5,000,000
24/03/2022	30/11/2025	\$0.30	500,000
24/03/2022	30/11/2025	\$0.30	3,800,000
			<u>26,800,000</u>

The Options were issued for nil cash consideration. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.



Shares under performance rights

Unissued ordinary shares of Top End Energy Limited under performance rights at the date of this report are as follows:

Tranche	Expiry Date	Exercise price	Number under rights
Tranche 1	31/08/2023	\$0.00	750,000
Tranche 2	31/08/2023	\$0.00	750,000
Tranche 3	31/08/2023	\$0.30	500,000
Tranche 4	31/08/2023	\$0.40	500,000
Tranche 5	31/08/2024	\$0.50	500,000
			<u>3,000,000</u>

The above Performance Rights were issued on 1 September 2021.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of Options

There were no ordinary shares of Top End Energy Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Shares issued on the exercise of Performance Rights

There were no ordinary shares of Top End Energy Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, 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 and executives 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 the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of 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

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.



The directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of BDO Audit (WA) Pty Ltd

There are no officers of the Company who are former partners of BDO Audit (WA) Pty Ltd.

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 immediately after this directors' report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument 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

Emmanuel Correia
Non-Executive Chairman

29 September 2022
Perth, Western Australia



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF TOP END ENERGY LIMITED

As lead auditor for the audit of Top End Energy Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Top End Energy Limited and the entity it controlled during the period.

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth
29 September 2022



Top End Energy Limited
Contents
30 June 2022

Statement of profit or loss and other comprehensive income	22
Statement of financial position	23
Statement of changes in equity	24
Statement of cash flows	25
Notes to the financial statements	26
Directors' declaration	48
Independent auditor's report to the members of Top End Energy Limited	49
Corporate Governance Statement	53
Shareholder information	70

Top End Energy Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022



	Note	Consolidated 2022 \$	2021 \$
Income			
Other income		29	-
Expenses			
Professional fees	6	(536,289)	(32,962)
ASIC and ASX fees		(103,504)	-
Employee benefits expense		(173,842)	-
Director fees		(144,470)	-
Depreciation and amortisation expense		(67,500)	-
Insurance		(28,710)	-
Exploration expense	12,13	(3,227,143)	-
Share based payments expense	31	(315,635)	-
Other expenses		(112,109)	-
Finance costs		(1,451)	-
Loss before income tax expense		(4,710,624)	(32,962)
Income tax expense	7	-	-
Loss after income tax expense for the year		(4,710,624)	(32,962)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(4,710,624)</u>	<u>(32,962)</u>
Loss for the year is attributable to:			
Non-controlling interest		10,284	-
Owners of Top End Energy Limited		<u>(4,720,908)</u>	<u>(32,962)</u>
		<u>(4,710,624)</u>	<u>(32,962)</u>
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		-	-
Owners of Top End Energy Limited		<u>(4,710,624)</u>	<u>(32,962)</u>
		<u>(4,710,624)</u>	<u>(32,962)</u>
		Cents	Cents
Basic loss per share	21	(12.85)	-
Diluted loss per share	21	(12.85)	-

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

Top End Energy Limited
Statement of financial position
As at 30 June 2022



	Note	Consolidated 2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	8	5,407,795	275,001
Trade and other receivables	10	38,317	1,246
Prepayments	11	195,634	16,883
Total current assets		<u>5,641,746</u>	<u>293,130</u>
Non-current assets			
Exploration and evaluation	12	171,343	-
Prepayments	11	140,625	-
Total non-current assets		<u>311,968</u>	<u>-</u>
Total assets		<u>5,953,714</u>	<u>293,130</u>
Liabilities			
Current liabilities			
Trade and other payables	14	133,064	51,091
Borrowings	15	3,870	-
Funds received for unissued seed capital	16	-	275,000
Other	17	225,000	-
Total current liabilities		<u>361,934</u>	<u>326,091</u>
Total liabilities		<u>361,934</u>	<u>326,091</u>
Net assets/(liabilities)		<u>5,591,780</u>	<u>(32,961)</u>
Equity			
Issued capital	18	9,524,131	1
Reserves	19	810,635	-
Accumulated losses		(4,753,870)	(32,962)
Equity/(deficiency) attributable to the owners of Top End Energy Limited		5,580,896	(32,961)
Non-controlling interest	20	10,884	-
Total equity/(deficiency)		<u>5,591,780</u>	<u>(32,961)</u>

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

Top End Energy Limited
Statement of changes in equity
For the year ended 30 June 2022



Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total deficiency in equity \$
Balance at 25 May 2021	-	-	-	-	-
Loss after income tax expense for the year	-	-	(32,962)	-	(32,962)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(32,962)	-	(32,962)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 18)	1	-	-	-	1
Balance at 30 June 2021	1	-	(32,962)	-	(32,961)

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2021	1	-	(32,962)	-	(32,961)
Profit/(loss) after income tax expense for the year	-	-	(4,720,908)	10,284	(4,710,624)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	(4,720,908)	10,284	(4,710,624)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 18)	9,524,370	-	-	-	9,524,370
Share-based payments (notes 19, 31)	-	810,395	-	-	810,395
Acquisition of non-controlling interest (note 13)	-	-	-	600	600
Balance at 30 June 2022	9,524,371	810,395	(4,753,870)	10,884	5,591,780

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

Top End Energy Limited
Statement of cash flows
For the year ended 30 June 2022



	Note	Consolidated 2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(972,942)	-
Payment for exploration and evaluation		<u>(72,281)</u>	<u>-</u>
Net cash used in operating activities	9	<u>(1,045,223)</u>	<u>-</u>
Cash flows from investing activities			
Financial Provisioning Cash Surety payment		(105,250)	-
Financial Provisioning Cash Surety refund		<u>81,443</u>	<u>-</u>
Net cash used in investing activities		<u>(23,807)</u>	<u>-</u>
Cash flows from financing activities			
Cash from issue of share on incorporation	18	-	1
Cash from unissued seed capital	16,18	-	275,000
Proceeds from issue of shares - Seed Capital	18	525,000	-
Proceeds from issue of shares - IPO	18	6,400,000	-
Share issue transaction costs		(691,252)	-
Repayment of borrowings		<u>(31,924)</u>	<u>-</u>
Net cash from financing activities		<u>6,201,824</u>	<u>275,001</u>
Net increase in cash and cash equivalents		5,132,794	275,001
Cash and cash equivalents at the beginning of the financial year		<u>275,001</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>5,407,795</u></u>	<u><u>275,001</u></u>

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



Note 1. General information

The financial statements cover Top End Energy Limited as a Group consisting of Top End Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Top End Energy Limited's functional and presentation currency.

A description of the nature of the Group'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 29 September 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Comparatives

As Top End Energy Limited was incorporated on 25 May 2021, the comparative period presented in this financial report is for the period from incorporation to 30 June 2021.

Note 3. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The financial statements are presented in Australian dollars with all values rounded to the nearest dollar unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

Historical cost convention

The financial statements have been prepared under the historical cost convention unless otherwise disclosed.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Top End Energy Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Top End Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.



Note 3. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance. The Group's non-controlling interest is recognised as its share of net assets of the subsidiaries disclosed in note 30.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.



Note 3. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Leases

During the year the Group entered into a lease of its office premises and has elected to apply the recognition exemption for short-term leases available under AASB 16 *Leases*. The recognition exemption allows for the right-of-use asset and lease liability not to be recognised on commencement date of the lease. The Group will recognise the payments associated with the lease as an expense on a straight-line basis over the lease term.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



Note 3. Significant accounting policies (continued)

New Accounting Standards and Interpretations 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 early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of disturbed areas and abandonment of wells. The Group's exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for restoration activities in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, reserve estimates and discount rates could affect the carrying amount of this provision.

Impairment of Exploration and Evaluation Assets

The Directors assess at each reporting date whether there is an indication that an asset has been impaired. Exploration and evaluation assets capitalised in relation to an area of interest are impaired when the criteria set out in note 12 is no longer met or when a project or area of interest is abandoned.



Note 4. Critical accounting judgements, estimates and assumptions (continued)

Control of entities

The Group holds a 50% interest in Territory Gas Aust Pty Ltd, NT Gas Aust Pty Ltd and Territory Gas Aust Pty Ltd through its wholly owned subsidiary, NT Territory Holdco Pty Ltd. The Directors have concluded that the Group controls the 50% owned subsidiaries as the Company has the power to direct the relevant activities of these entities.

Note 5. Operating segments

The Group has identified one operating segment being the exploration for natural gas in Australia. The determination of operating segments is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Reportable segments disclosed are on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure; and
- investment being focused on the same resource or type of resource.

All amounts reported to the Board of Directors as the CODM during the year were on a consolidated Group basis.

Note 6. Professional fees

	Consolidated 2022	2021
	\$	\$
Audit and accounting fees	169,534	20,000
Legal fees	217,790	12,962
Consulting fees	148,965	-
	<u>536,289</u>	<u>32,962</u>

Note 7. Income tax expense

	Consolidated 2022	2021
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(4,710,624)	(32,962)
Tax at the statutory tax rate of 25% (2021: 30%)	(1,177,656)	(9,889)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-allowable items	12,535	5,679
Revenue losses not recognised	258,573	4,210
Other deferred tax balances not recognised	827,639	-
Share-based payments	78,909	-
Income tax expense	<u>-</u>	<u>-</u>



Note 7. Income tax expense (continued)

	Consolidated	
	2022	2021
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carry forward revenue losses	316,396	5,679
Capital raising costs	382,773	7,163
Provisions and accruals	<u>17,665</u>	<u>6,000</u>
Total deferred tax assets not recognised	<u><u>716,834</u></u>	<u><u>18,842</u></u>

The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

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.

Tax Consolidation

For the purpose of income taxation, the Company and its 100% Australian controlled eligible entities have formed a tax consolidated group effective from 26 April 2021.

Note 8. Cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Cash at bank	<u><u>5,407,795</u></u>	<u><u>275,001</u></u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes 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. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2022 \$	2021 \$
Loss after income tax expense for the year	(4,710,624)	(32,962)
Adjustments for:		
Depreciation and amortisation	67,500	-
Share-based payments (note 31)	315,635	-
Non-cash exploration expense for asset acquisition (note 13)	3,150,000	-
Change in operating assets and liabilities:		
Decrease in prepayments	71,277	-
Increase in trade and other payables	60,989	32,962
Net cash used in operating activities	<u>(1,045,223)</u>	<u>-</u>

Note 10. Trade and other receivables

	Consolidated 2022 \$	2021 \$
<i>Current assets</i>		
Other receivables	23,807	-
GST receivable	14,510	1,246
	<u>38,317</u>	<u>1,246</u>

Accounting policy for trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.



Note 11. Prepayments

	Consolidated 2022 \$	2021 \$
<i>Current assets</i>		
Prepayments	195,634	16,883
<i>Non-current assets</i>		
Prepayments	140,625	-

On 9 November 2021, the Company entered into an agreement with S3 Consortium Pty Ltd ('S3'), whereby S3 will provide marketing services over a two-year period following completion of the IPO ('S3 Agreement'). The services have been measured at the fair value of the 1,875,000 fully paid ordinary shares issued (which is determined to be \$0.20 per share). The issue of the shares represents a prepayment for services provided and will be recognised as a marketing expense over the two year contract period. \$140,625 of the balance of prepayments relates to the prepayment for digital marketing services (30 June 2021: nil) in excess of twelve months from the date of the period ended 30 June 2022.

Note 12. Exploration and evaluation

	Consolidated 2022 \$	2021 \$
<i>Non-current assets</i>		
Exploration and evaluation ATP 1069	13,843	-
Exploration and evaluation - restoration costs	225,000	-
Less: Accumulated amortisation	(67,500)	-
	157,500	-
	171,343	-

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 Consolidated 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 12. Exploration and evaluation (continued)

Expenditure capitalised includes net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. The costs of acquiring interests in new exploration and evaluation licences are capitalised if the rights to tenure of the acquired licences are current.

Costs incurred prior to a licence being granted are expensed in the Statement of profit or loss and other comprehensive income in the period in which they are incurred.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil and gas properties.

Note 13. Asset acquisitions

ATP 1069 Project

On 5 November 2021, the Company, through its wholly-owned subsidiary Tomorrow Energy Corporation Pty Ltd, entered into an agreement to acquire ATP 1069. Under the terms of the acquisition, the consideration payable by the Company to Tri-Star Energy Company (Tri-Star) comprises cash consideration of \$1, granting Tri-Star an overriding royalty pursuant to the Royalty Deed and entering into the Deed of Covenant and Royalty Mortgage. The acquisition was conditional on ministerial approval from the Queensland Department of Resources, which was received in March 2022.

The Royalty Deed relates to the grant of a 2% royalty on the sale of all petroleum produced from ATP 1069, with the volume and value of the petroleum to be measured and determined at the delivery point. The Royalty may give rise to a contingent liability in future periods, which is payable upon when the wells to which the permit relates start producing petroleum. Until such time, no liability has been recognised.

Territory Gas Project

On 24 March 2022, the Company issued 15,750,000 Consideration Shares with a fair value of \$0.20 per share (value of \$3,150,000) to acquire 100% of the issued capital of NT Territory Holdco Pty Ltd, which in turn owns 50% of the issued capital of Territory Gas Pty Ltd (Territory Gas). The acquisition costs of the oil and gas properties acquired have been expensed on the basis that all permits held by Territory Gas are in application.

Under the terms of the acquisition, the consideration payable to the vendor also includes 19,500,000 Deferred Shares. The Deferred shares will convert into ordinary shares of the Company following satisfaction of the following milestones;

- EPA 257, EPA 258 and EPA 259 are granted within 18 months of settlement;
- Completion of an independent estimate of prospective resources of 5 trillion cubic feet of gas or greater on the Permits (as verified by an independent competent person) within two years of settlement; and
- Spudding of at least one well on the Permits within four years of settlement.

As at 30 June 2022, no deferred consideration has been recognised in relation to the Deferred Shares as at balance date there is insufficient reasonable grounds on which to assess the probability of the milestones being met.



Note 14. Trade and other payables

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	59,411	14,208
Accrued liabilities	41,050	36,883
Other payables	32,603	-
	<u>133,064</u>	<u>51,091</u>

Refer to note 22 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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 15. Borrowings

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Insurance funding loan	<u>3,870</u>	<u>-</u>

Refer to note 22 for further information on financial instruments.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 16. Funds received for unissued seed capital

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Funds received for unissued seed capital	<u>-</u>	<u>275,000</u>



Note 17. Other

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Provision for restoration and rehabilitation	<u>225,000</u>	<u>-</u>

Accounting policy for restoration and rehabilitation provisions

The provision for restoration and rehabilitation as at 30 June 2022 relates to the future estimated costs in undertaking the plug and abandon of the Barwinock 2 Well. The obligation was assumed upon the acquisition of ATP 1069.

Note 18. Issued capital

	2022		Consolidated		2022		2021
	Shares		Shares		\$		\$
Ordinary shares - fully paid	<u>69,625,001</u>		<u>1</u>		<u>9,524,131</u>		<u>1</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	30 June 2021	<u>1</u>		<u>1</u>
Balance	1 July 2021	1		1
Issued capital - seed investors	6 July 2021	15,000,000	\$0.02	300,000
Issued capital - seed investors	3 September 2021*	5,000,000	\$0.10	500,000
Issued capital - payment for digital marketing services	9 November 2021	1,875,000	\$0.20	375,000
Issued capital - IPO	9 February 2022	32,000,000	\$0.20	6,400,000
Issued capital - consideration shares	24 March 2022	15,750,000	\$0.20	3,150,000
Share issue costs, net of tax		<u>-</u>		<u>(1,200,870)</u>
Balance	30 June 2022	<u>69,625,001</u>		<u>9,524,131</u>

*The funds under the second seed capital raise were received during August 2021 when the share price of the Company was deemed to be \$0.10 per share.

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 Group's objectives when managing capital is 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.



Note 18. Issued capital (continued)

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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group 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 19. Reserves

	Consolidated	
	2022	2021
	\$	\$
Share-based payments reserve	810,635	-

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 20. Non-controlling interest

	Consolidated	
	2022	2021
	\$	\$
Reserves	10,884	-

The Company, through its wholly owned subsidiary, NT Territory Holdco Pty Ltd, holds 50% direct interest in Territory Gas Pty Ltd (Territory Gas). Territory Gas is considered a subsidiary as the Company has full management rights.

Note 21. Loss per share

	Consolidated	
	2022	
	\$	
Loss after income tax	(4,710,624)	
Non-controlling interest	(10,284)	
Loss after income tax attributable to the owners of Top End Energy Limited	<u>(4,720,908)</u>	



Note 21. Loss per share (continued)

	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>36,751,031</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>36,751,031</u>
	Cents
Basic loss per share	(12.85)
Diluted loss per share	(12.85)

At 30 June 2022, 26,800,000 options (30 June 2021: nil) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Accounting policy for earn/(loss) per share

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit or loss attributable to the owners of Top End 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.

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) 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 22. Financial instruments

Financial risk management objectives

The Group'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 Group's overall risk management program focuses on minimising potential adverse effects on the financial performance of the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk management is carried out by the Board of Directors ('the Board'). Risk management procedures include identification and analysis of the risk exposure of the Group and implementing appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate exposure relates to funds on deposit with banking institutions. Accordingly, the Group does not hedge its interest rate exposure.



Note 22. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk.

The Group is not exposed to any material credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Group 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 Group 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 Group'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 - 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	92,015	-	-	-	92,015
Insurance funding loan	4.54%	3,870	-	-	-	3,870
Total non-derivatives		95,885	-	-	-	95,885

Consolidated - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	14,208	-	-	-	14,208
Total non-derivatives		14,208	-	-	-	14,208

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 23. Fair value measurement

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 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd (and its related entities), the auditor of the Company:

	Consolidated	
	2022	2021
	\$	\$
<i>Audit services - BDO Audit (WA) Pty Ltd</i>		
Audit or review of the financial statements	51,780	18,000
<i>Other services - BDO Corporate Finance (WA)</i>		
Independent limited assurance report	29,355	-
Guidance Note 19 Performance Securities Report	36,050	-
	65,405	-
	117,185	18,000

Note 25. Key management personnel disclosures

Compensation

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

	Consolidated	
	2022	2021
	\$	\$
Short-term employee benefits	312,533	-
Post-employment benefits	21,669	-
Share-based payments	315,635	-
	649,837	-



Note 26. Related party transactions

Parent entity

Top End Energy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

A number of related companies transacted with the Company during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel, including close family members and entities over which they have control or significant influence, were as follows:

- A nominee on behalf of Cardrona Energy Pty Ltd (an entity which Mr Emmanuel Correia is a director of), acquired 750,000 shares through a seed capital raise with 750,000 free attaching options. The shares and options were issued in July 2021. An additional 1,000,000 options were issued to Mr Correia on 1 July 2021 for nil consideration for services performed. Refer to note 31 for terms of options.
- Peloton Advisory Pty Ltd, a company of which Mr Correia is a director, charged the Company for services in relation to pre-IPO management activities performed and in relation to the Company's Initial Public Offering totalling \$145,000. No balance (2021: \$nil) was outstanding at year end.
- The Company entered into an executive services agreement with Mr Oliver Oxenbridge on 1 September 2021. Mr Oxenbridge will be paid a base salary of \$175,000 per annum and was granted 3,000,000 Performance Rights for nil consideration on 1 September 2021. Mr Oxenbridge acquired 150,000 shares through a seed capital raise with 150,000 free attaching options. The shares and options were issued in September 2021. Refer to note 31 for terms of options and Performance Rights. A related party of Mr Oxenbridge acquired 100,000 shares in the Company during the year.
- Petrotech Consulting Trust, a trust that Mr Greg Lee is a beneficiary of, charged the Company for director and consulting fees of \$77,500 (2021: \$nil). A balance of \$13,125 (2021: \$nil) was outstanding at period end. In July 2021, 1,500,000 options were issued to Mr Greg Lee for nil consideration for services performed. Refer to note 31 for terms of options.
- On 24 March 2022, the Company issued Mr Richard Lampe 500,000 Options on appointment as a Director of the Company for nil consideration. Refer to note 31 for terms of options.
- During the year, the Company entered into a sublease agreement for the rent of the corporate office with Pantera Minerals Limited (Pantera), a Company of which Mr Correia is a director. Pantera charged the Company a total of \$2,906 and no balance remains outstanding at year end.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

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



Note 27. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	\$
Loss after income tax	(1,444,456)	(32,962)
Total comprehensive loss	(1,444,456)	(32,962)

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	5,625,938	293,129
Total assets	8,984,730	293,129
Total current liabilities	127,381	326,091
Total liabilities	127,382	326,091
Equity		
Issued capital	9,524,131	-
Share-based payments reserve	810,635	-
Accumulated losses	(1,477,418)	(32,962)
Total equity/(deficiency)	8,857,348	(32,962)

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 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates 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.

Top End Energy Limited
Notes to the financial statements
30 June 2022

Note 28. Commitments

There are no material commitments as at 30 June 2022 (30 June 2021: Nil).

Note 29. Contingent liabilities

The Group has contingent liabilities in relation to its asset acquisitions during the year, refer to note 13 for further details. There were no material contingent liabilities as at 30 June 2021.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 3:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Tomorrow Energy Corporation Pty Ltd	Australia	100.00	100.00
NT Territory Holdco Pty Ltd	Australia	100.00	-

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 3:

Name	Principal place of business / Country of incorporation	Principal activities	Parent Ownership interest		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
Territory Gas Pty Ltd	Australia	Exploration	50.00	-	50.00	-
NT Gas Aust Pty Ltd	Australia	Exploration	50.00	-	50.00	-
Territory Gas Aust Pty Ltd	Australia	Exploration	50.00	-	50.00	-

Note 31. Share-based payments

Set out below are summaries of options granted under the Company's Employee Incentive Securities Plan and to Inyati Capital Pty Ltd ('Inyati') as compensation for Lead Manager services for the Company's IPO:

2022							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/07/2021	30/11/2025	\$0.30	-	2,500,000	-	-	2,500,000
06/07/2021	30/11/2025	\$0.30	-	15,000,000	-	-	15,000,000
03/09/2021	30/11/2025	\$0.30	-	5,000,000	-	-	5,000,000
24/03/2022	30/11/2025	\$0.30	-	500,000	-	-	500,000
24/03/2022	30/11/2025	\$0.30	-	3,800,000	-	-	3,800,000
			-	26,800,000	-	-	26,800,000



Note 31. Share-based payments (continued)

On 6 July and 3 September 2021, the Company issued one free-attaching option for every one share issued in connection with the seed capital raises, exercisable at \$0.30, with an expiry date of 30 November 2025 to seed capital investors. No financial adjustment has been made for the issue of the options on the basis that the fair value is reflected in the price of the seed raisings and offered to all equity participants.

The table below summarises the inputs used to value the Options using the Black Scholes method:

	Existing Director Options	Lead Manager Options	New Director Options
Number of options	2,500,000	3,800,000	500,000
Underlying share price	\$0.020	\$0.020	\$0.020
Exercise price	\$0.300	\$0.300	\$0.300
Expected share price volatility	110%	110%	110%
Expiry date	30-Nov-25	30-Nov-25	30-Nov-25
Life of the options	4.42 years	3.61 years	3.61 years
Expected dividends	nil	nil	nil
Risk-free rate	0.765%	1.750%	1.750%
Value per option	\$0.007	\$0.130	\$0.130
Value per tranche	\$17,500	\$495,000	\$65,000

The Director Options, Lead Manager Options and New Director Options vest on issue, therefore the full value is recognised as a share-based payment expense for the year ended 30 June 2022.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.42 years.

Performance rights

On 1 September 2021, the Company issued 3,000,000 performance rights to the Managing Director. The Director Performance Rights will vest in five tranches, subject to the satisfaction of certain vesting conditions and a minimum service condition of 24 months. The Director Performance Rights have been valued at \$522,000 using the Black-Scholes model and a trinomial barrier up-and-in option pricing model. The fair value is allocated as a share-based payment expense to each reporting period evenly over the performance measurement period.

On vesting, each right automatically converts to one ordinary share. Prior to their conversion into ordinary shares, rights do not entitle the holder to any dividends.

The terms and conditions of the Performance Rights affecting remuneration for the reporting period are set out below:

	Number of rights 2022
Outstanding at the beginning of the financial year	-
Granted	<u>3,000,000</u>
Outstanding at the end of the financial year	<u>3,000,000</u>



Note 31. Share-based payments (continued)

Tranche	Vesting Conditions
Tranche 1	The Tranche 1 Performance Rights will vest subject to the grant of an exploration permit in respect of the permit applications held by either NT Gas Pty Ltd and/or Territory Gas at the time the Company lists on the ASX within 18 months from the date of the Company's listing on the ASX.
Tranche 2	The Tranche 2 Performance Rights will vest subject to the Company undertaking and successfully completing a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on the ASX within 36 months from the date of the Company's listing on the ASX.
Tranche 3	The Tranche 3 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 150% of the IPO issue price for 20 consecutive trading days within 12 months from the date of the Company's listing on the ASX.
Tranche 4	The Tranche 4 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price for 20 consecutive trading days within 24 months from the date of the Company's listing on the ASX.
Tranche 5	The Tranche 5 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price for 20 consecutive trading days within 36 months from the date of the Company's listing on the ASX.

Valuation Assumptions	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Number of performance rights	750,000	750,000	500,000	500,000	500,000
Underlying share price	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	Nil	Nil	Nil	Nil	Nil
20-day VWAP barrier	N/A	N/A	\$0.30	\$0.40	\$0.50
Expected share price volatility	110%	110%	110%	110%	110%
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free rate	0.055%	0.195%	0.055%	0.055%	0.195%
Fair value at grant date per right	\$0.200	\$0.200	\$0.134	\$0.150	\$0.160
Value per tranche	\$150,000	\$150,000	\$67,000	\$75,000	\$80,000

As at 30 June 2022, the Director's assess the non-market vesting conditions for Tranche 1 and 2 as 100% likely to be achieved.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.30 years.

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.



Note 31. Share-based payments (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees 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 Group 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.

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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.



Note 32. Events after the reporting period

On 22 July 2022, the Company announced the appointment of Dr Mike Fischer to the Board as a Non-Executive Director. Dr Fischer has almost 40 years of international experience having held senior executive and director roles in both large and small cap energy companies. The Company is proposing, subject to obtaining shareholder approval, to issue Dr Fischer 500,000 Options to purchase fully paid ordinary shares in the Company, exercisable at \$0.30 with an expiry date of 30 November 2025.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

For personal use



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 Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Emmanuel Correia
Non-Executive Chairman

29 September 2022
Perth, Western Australia



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Top End Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Top End Energy Limited (the Company) and its subsidiaries (The Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Top End Energy Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; 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 Company 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 (including Independence Standards)* (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.



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, and we do not provide a separate opinion on these matters.

Share-based payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 31, a share-based payment expense was recognised for the rights, options and shares that were granted in the current year as those which were granted in prior periods and continued to be expensed over their vesting period.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing relevant documentation to obtain an understanding of the contractual nature, terms and conditions of the share based payment arrangements; • Testing management's methodology for calculating the fair value of the performance rights including assessing the valuation inputs using internal specialists where required; • Reviewing the reasonableness of volatility rates used in the valuations; • Evaluating management's assessment of the likelihood of meeting the performance conditions attached to the performance rights • Assessing the allocation of the share-based payment expense over management's expected vesting period; and • Assessing the adequacy of the related disclosures in the financial report.



Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 30 June 2022, but does not include the financial report and the 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 the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 17 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Top End Energy Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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.

BDO Audit (WA) Pty Ltd

BDO


Phillip Murdoch

Director

Perth

29 September 2022



TOP END ENERGY LIMITED
ACN 650 478 774
(COMPANY)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 29 September 2022 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company, as at 29 September 2022 follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Plan is available on the Company's website at www.topendenergy.com.au.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 (a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chair and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.</p>
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a Director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. 	YES	(a) The Company has guidelines for the appointment and selection of the Board and senior executives in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. In the event of an unsatisfactory check, a Director is required to submit their resignation.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		(b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has had written agreements with each of its Directors and senior executives for the current financial year.
Recommendation 1.4 The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: 	PARTIALLY	<ul style="list-style-type: none"> (a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. (b) The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to continually monitor both the objectives if any have been set and the Company's progress in achieving them.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p>(c) The measurable diversity objectives for each financial year (if any), and the Company's progress in achieving them, will be detailed in the Company's Annual Report and the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed in the Company's Annual Report.</p> <p>(i) Due to the Company's stage of development and number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. Consequently, the Company will not initially comply with Recommendation 1.5 in full.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	PARTIALLY	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. Given the Company has only been a listed entity since March 2022, the Company proposes to complete the performance evaluations in respect of the Board, its committees (if any) and individual Directors in FY 2023 in accordance with the above process.
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	YES	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) Given the Company has only been a listed entity since March 2022, the Company proposes to complete the performance evaluations in respect of its senior executives, in FY 2023 in accordance with the above process.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 2: Structure the Board to be effective and add value		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	PARTIALLY	<p>(a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Nomination Committee as the Board considers that the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <ul style="list-style-type: none"> (i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.</p>	YES	<p>Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues.</p> <p>The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy is available on the Company's website.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available on the Company's website.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	YES	<p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers three of four Board members (Emmanuel Correia, Richard Lampe and Mike Fischer) are independent Directors.</p> <p>(b) Not applicable.</p> <p>(c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.	YES	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of five (5) directors, of whom three of them are considered to be independent. As such, independent directors currently do comprise the majority of the Board.</p>
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	YES	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Company is an independent Director and is not the CEO/Managing Director.</p>
Recommendation 2.6 A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.	YES	<p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.</p>
Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	YES	<p>(a) The Company and its subsidiary companies (if any) are committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		(b) The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website. All employees are given appropriate training on the Company's values and senior executives will continually reference such values.
Recommendation 3.2 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its Directors, senior executives and employees; and (b) ensure that the Board or a committee of the Board is informed of any material breaches of that code. 	YES	<ul style="list-style-type: none"> (a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.
Recommendation 3.3 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (a) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy. 	YES	The Company's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.
Recommendation 3.4 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy. 	YES	The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 4: Safeguard the integrity of corporate reports		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the Chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	PARTIALLY	(a) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: (i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.
Recommendation 4.2	YES	The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms. The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>		
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	YES	<p>The Company has included in each of its (to the extent that the information contained in the following is not audited or reviewed by an external auditor):</p> <ul style="list-style-type: none"> (a) annual reports or on its website, a description of the process it undertook to verify the integrity of the information in its annual directors' report; (b) quarterly reports, or in its annual report or on its website, a description of the process it undertook to verify the integrity of the information in its quarterly reports; (c) integrated reports, or in its annual report (if that is a separate document to its integrated report) or on its website, a description of the process it undertook to verify the integrity of the information in its integrated reports; and (d) periodic corporate reports (such as a sustainability or CSR report), or in its annual report or on its website, a description of the process it undertook to verify the integrity of the information in these reports.
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p>	YES	<p>(a) The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.		(b) The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	Under the Company's Continuous Disclosure Policy (which forms part of the Corporate Governance Plan), all members of the Board receive material market announcements promptly after they have been made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	YES	All substantive resolutions at securityholder meetings are to be decided by a poll rather than a show of hands.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>Recommendation 6.5</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	<p>The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p>	PARTIALLY	<p>(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. A copy of the Corporate Governance Plan is available on the Company's website.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>		<p>(b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework:</p> <p>(i) the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures; and</p> <p>(i) if required, engagement of external, third party experts and advisers where required to ensure the Company's risk management framework is upheld.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	PARTIALLY	<p>(c) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. Given the Company has only been a listed entity since March 2022, the Company proposes to complete the review of its risk management framework, in FY 2023 in accordance with the above process.</p> <p>(d) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the Company's risk management framework has taken place.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	PARTIALLY	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. See 7.2 above.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the Company's risk management framework has taken place.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management to determine whether the Company has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risk.</p> <p>Where the Company does not have material exposure to environmental or social risks, report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers.</p> <p>The Company will disclose this information in its Annual Report and/or the Company's website as part of its continuous disclosure obligations.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: <ul style="list-style-type: none"> (a) have a remuneration committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	PARTIALLY	<ul style="list-style-type: none"> (a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. (b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <ul style="list-style-type: none"> (i) the Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives; (ii) if required, engagement of external advisers to ensure remuneration for Directors and senior executives is commensurate with the industry in which the Company operates, having regard to the Company's size and operations.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's Annual Report as well as being disclosed on the Company's website.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	NO	<p>(a) The Company has an equity-based remuneration scheme. Given the current size of the Company, the Company does not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p>
Additional recommendations that apply only in certain cases		
Recommendation 9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		Not applicable
Recommendation 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		Not applicable
Recommendation 9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		Not applicable



Additional information required by ASX Limited and not shown elsewhere in this report is as follows. This information is current as at 15 September 2022.

Distribution of equitable securities

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

	Ordinary shares		Options over ordinary shares		Performance Rights	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued	Number of holders	% of total securities issued
1 to 1,000	12	0.01	-	-	-	-
1,001 to 5,000	197	0.80	-	-	-	-
5,001 to 10,000	81	1.01	-	-	-	-
10,001 to 100,000	269	17.07	6	1.49	-	-
100,001 and over	109	81.11	32	98.51	1	100.00
	668	100.00	38	100.00	1	100.00
Holding less than a marketable parcel	55	9.82	-	-	-	-



Equity security holders

Twenty largest quoted equity security holders

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

	Number held	Ordinary shares % of total shares issued
MCKAM AUST PTY LTD CHARLOTTE INVESTMENT A/C	15,750,000	22.62
INYATI FUND PTY LTD INYATI FUND NO2 UNIT A/C	5,062,500	7.27
S3 CONSORTIUM PTY LTD	1,875,000	2.69
AFL CORPORATE PTY LTD	1,750,000	2.51
S3 CONSORTIUM HOLDINGS PTY LTD NEXTINVESTORS DOT COM A/C	1,575,000	2.26
MASSIF HOLDINGS PTY LTD	1,000,000	1.44
ALEXANDER HOLDINGS (WA) PTY LTD	1,000,000	1.44
PULNER PTY LTD SATOBE A/C	925,000	1.33
PETERLYN PTY LTD RPC SALMON SUPER FUND A/C	850,000	1.22
DIDCAL PTY LTD AB CHAPMAN FAMILY S/F A/C	830,000	1.19
CARDRONA ENERGY PTY LTD	750,000	1.08
MRS LOUISE JANE HARTWIG	750,000	1.08
JEC CAPITAL PTY LTD JEC CAPITAL A/C	700,000	1.01
VALOREM CAPITAL PTY LTD	677,783	0.97
MELBOR PTY LTD RJW FAMILY A/C	675,000	0.97
CULLODEN INVESTMENTS PTY LTD GEOFF TAYLOR FAMILY A/C	600,000	0.86
BLUE COASTERS PTY LTD	600,000	0.86
PHEAKES PTY LTD SENATE A/C	593,750	0.85
PHEAKES PTY LTD SENATE A/C	562,500	0.81
WESTBELLE PTY LTD THE STATION A/C	550,000	0.79
	<u>37,076,533</u>	<u>53.25</u>

Unquoted equity securities

There are no unquoted equity securities.

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
INYATI FUND PTY LTD (INYATI FUND NO2 UNIT A/C)	\$0.30 Options, expiring 30/11/2025	9,425,000
S3 CONSORTIUM HOLDINGS PTY LTD (NEXTINVESTORS DOT COM A/C)	\$0.30 Options, expiring 30/11/2025	1,750,000
AFL CORPORATE PTY LTD	\$0.30 Options, expiring 30/11/2025	1,750,000
GREGORY JONATHAN LEE (PETROTECH CONSULTANTS)	\$0.30 Options, expiring 30/11/2025	1,500,000
MCKAM AUST PTY LTD CHARLOTTE INVESTMENT A/C	Escrowed Shares	15,750,000
INYATI FUND PTY LTD INYATI FUND NO2 UNIT A/C	Escrowed Shares	5,062,500
S3 CONSORTIUM PTY LTD	Escrowed Shares	1,875,000
S3 CONSORTIUM HOLDINGS PTY LTD	Escrowed Shares	1,575,000
NEXTINVESTORS DOT COM A/C		



Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
MCKAM AUST PTY LTD CHARLOTTE INVESTMENT A/C	15,750,000	22.62
INYATI FUND PTY LTD INYATI FUND NO2 UNIT A/C	5,062,500	7.27
	Options over ordinary shares	
	Number held	% of total options issued
INYATI FUND PTY LTD INYATI FUND NO2 UNIT A/C	5,625,000	20.99
INYATI FUND PTY LTD INYATI FUND NO2 UNIT A/C	3,800,000	14.18
S3 CONSORTIUM HOLDINGS PTY LTD NEXTINVESTORS DOT COM A/C	1,750,000	6.53
AFL CORPORATE PTY LTD	1,750,000	6.53
GREGORY JONATHAN LEE PETROTECH CONSULTANTS	1,500,000	5.60

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.

Options and Performance Rights

No voting rights attached until conversion into ordinary shares.

There are no other classes of equity securities.



Tenements

Permit / Application	Location	Interest %
ATP 1069	Queensland	100.00
EP(A) 254*	Northern Territory	50.00
EP(A) 256*	Northern Territory	50.00
EP(A) 257*	Northern Territory	50.00
EP(A) 258*	Northern Territory	50.00
EP(A) 259*	Northern Territory	50.00
EP(A) 260*	Northern Territory	50.00
EP(A) 261*	Northern Territory	50.00
EP(A) 262*	Northern Territory	50.00
EP(A) 263*	Northern Territory	50.00
EP(A) 264*	Northern Territory	50.00
EP(A) 265*	Northern Territory	50.00
EP(A) 274*	Northern Territory	50.00
EP(A) 275*	Northern Territory	50.00
EP(A) 276*	Northern Territory	50.00
EP(A) 277*	Northern Territory	50.00
EP(A) 278*	Northern Territory	50.00
EP(A) 279*	Northern Territory	50.00
EP(A) 280*	Northern Territory	50.00
EP(A) 281*	Northern Territory	50.00
EP(A) 282*	Northern Territory	50.00
EP(A) 283*	Northern Territory	50.00
EP(A) 284*	Northern Territory	50.00
EP(A) 285*	Northern Territory	50.00
EP(A) 294*	Northern Territory	50.00
EP(A) 295*	Northern Territory	50.00
EP(A) 312*	Northern Territory	50.00
EP(A) 313*	Northern Territory	50.00
EP(A) 314*	Northern Territory	50.00
EP(A) 315*	Northern Territory	50.00
NTC/(A) 14*	Northern Territory	50.00

*The Company's petroleum tenements in the Northern Territory are permit applications. Grant of applications is subject to reaching agreements with traditional owners and native title holders pursuant to the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) and the Native Title Act 1993 (Cth).

Use of Funds

The Company has used the funds that it had at the time of admission in a way consistent with its initial business objectives.

For personal use only

Level 2, 10 Outram Street
West Perth WA 6005
www.topendenergy.com.au
info@topendenergy.com.au