

Basin Energy Limited

ABN 46 655 515 110

Half-Year Financial Statements - 31 December 2022

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Directors	Blake Steele - Non-Executive Chairman Andrew (Peter) Moorhouse - Managing Director Peter Bird - Non-Executive Director Ben Donovan - Non-Executive Director Jeremy Clark - Non-Executive Director Cory Belyk - Non-Executive Director
Company secretary	Ben Donovan
Registered office	Level 1, 3 Ord Street West Perth WA 6005
Principal place of business	Level 1, 3 Ord Street West Perth WA 6005
Auditor	William Buck Audit (WA) Pty Ltd Level 3, 15 Labouchere Road South Perth WA 6151
Solicitors	Hamilton Locke Pty Ltd Level 27, 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Basin Energy Limited shares are listed on the Australian Securities Exchange (ASX code: BSN)

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The Directors present their report, together with the financial statements, on the consolidated entity ("Group") consisting of Basin Energy Limited ("Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were Directors of Basin Energy Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Blake Steele - Non-Executive Chairman
Andrew (Peter) Moorhouse - Managing Director - appointed 22 August 2022
Peter Bird - Non-Executive Director
Ben Donovan - Non-Executive Director
Jeremy Clark - Non-Executive Director
Cory Belyk - Non-Executive Director

Company Secretary

The following persons were Company Secretary of the Group during the whole of the half-year and up to the date of this report, unless otherwise stated:

Ben Donovan

Principal activities

During the half-year the principal activities of the Group consisted of:

- Completion of the Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX).
- Completion of the tenement acquisition from CanAlaska Uranium Ltd.
- Exploration for uranium in Saskatchewan.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$930,833 (31 December 2021: \$958).

Significant changes in the state of affairs

The Company completed preparations for an IPO on the ASX. A prospectus was finalised on 22 August 2022 and was met with heavy demand resulting in an oversubscribed offer, raising the maximum of \$9 million (before costs) by issuing 45,000,000 ordinary shares at \$0.20 per share.

The Company was successfully admitted to the ASX on the 30 of September 2022, and commenced trading on 4 October 2022.

Upon successful completion of its IPO, the Company issued 16,229,694 ordinary shares at issue price of \$0.20 each to CanAlaska for the acquisition of the following projects:

- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the Geikie Project;
- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the North Millennium Project; and
- 5,409,898 ordinary shares (6.6% of issued capital) for 100% interest in the Marshall Project.

The following options over ordinary shares were issued during the half-year:

- 2,000,000 options exercisable at \$0.25 each on or before 23 September 2025 issued to Director Andrew (Peter) Moorhouse on appointment.
- 5,000,000 options exercisable at \$0.25 each and expiring 23 September 2025 to Discovery Capital Partners (or its nominees) as partial consideration for lead manager services for the IPO.
- 300,000 options exercisable at \$0.25 each and expiring 23 September 2025 to Camps Bay Pty Ltd (or its nominees) as partial consideration for recruitment services.

The following subsidiary companies were incorporated in Canada during the half-year:

- Basin Energy Geiki Corp.
- Basin Energy North Millennium Corp.
- Basin Energy Marshall Corp.

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

Matters subsequent to the end of the half-year

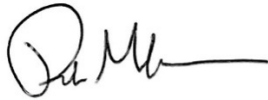
No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter Moorhouse
Managing Director

8 March 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BASIN ENERGY LIMITED

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM
Conley Manifis
Director

Dated this 8th day of March 2023

Basin Energy Limited
 Consolidated statement of profit or loss and other comprehensive income
 For the half-year ended 31 December 2022



	Note	31 Dec 2022 \$	23 Nov 2021 to 31 Dec 2021 \$
Revenue			
Other income	5	45,502	-
Expenses			
Corporate and administration expenses	6	(486,797)	(958)
Employee benefits expense		(219,679)	-
Share-based payments expense	16	(269,790)	-
Depreciation and amortisation expense		(69)	-
Loss before income tax expense		(930,833)	(958)
Income tax expense		-	-
Loss after income tax expense for the half-year / period attributable to the owners of Basin Energy Limited		(930,833)	(958)
Other comprehensive income for the half-year / period, net of tax		-	-
Total comprehensive loss for the half-year / period attributable to the owners of Basin Energy Limited		(930,833)	(958)
		Cents	Cents
Basic earnings per share		(1.75)	(31,933)
Diluted earnings per share		(1.75)	(31,933)

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

	Note	31 Dec 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents		7,554,465	722,870
Other receivables		35,574	12,814
Other		29,734	-
Total current assets		7,619,773	735,684
Non-current assets			
Property, plant and equipment	7	2,409	-
Exploration and evaluation	8	4,115,356	-
Total non-current assets		4,117,765	-
Total assets		11,737,538	735,684
Liabilities			
Current liabilities			
Trade and other payables		78,204	100,996
Provisions		12,137	-
Total current liabilities		90,341	100,996
Total liabilities		90,341	100,996
Net assets		11,647,197	634,688
Equity			
Issued capital	9	12,007,055	920,003
Reserves	10	1,123,123	266,833
Accumulated losses		(1,482,981)	(552,148)
Total equity		11,647,197	634,688

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

Basin Energy Limited
 Consolidated statement of changes in equity
 For the half-year ended 31 December 2022



	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 23 November 2021	-	-	-	-
Loss after income tax expense for the period	-	-	(958)	(958)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(958)	(958)
Balance at 31 December 2021	-	-	(958)	(958)
	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	920,003	266,833	(552,148)	634,688
Loss after income tax expense for the half-year	-	-	(930,833)	(930,833)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(930,833)	(930,833)
<i>Transactions with owners in their capacity as owners:</i>				
Issued capital (note 9)	9,000,000	-	-	9,000,000
Shares issued for exploration project (note 8)	3,245,939	-	-	3,245,939
Share-based payments – capital raising (note 16)	(586,500)	586,500	-	-
Share-based payments – others (note 16)	-	269,790	-	269,790
Capital raising costs	(572,387)	-	-	(572,387)
Balance at 31 December 2022	12,007,055	1,123,123	(1,482,981)	11,647,197

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

	Note	31 Dec 2022 \$	23 Nov 2021 to 31 Dec 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(734,118)	-
Interest received		9,995	-
Net cash used in operating activities		(724,123)	-
Cash flows from investing activities			
Payments for property, plant and equipment	7	(2,478)	-
Payments for exploration and evaluation	8	(869,417)	-
Net cash used in investing activities		(871,895)	-
Cash flows from financing activities			
Proceeds from issue of shares	9	9,000,000	-
Share issue transaction costs		(572,387)	-
Net cash from financing activities		8,427,613	-
Net increase in cash and cash equivalents		6,831,595	-
Cash and cash equivalents at the beginning of the half-year/period		722,870	-
Cash and cash equivalents at the end of the half-year/period		7,554,465	-

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

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Note 1. General information

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

Basin Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 3 Ord Street
West Perth WA 6005

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 8 March 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompass expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation expenditure includes expenditure in relation to drilling, metallurgy, technical oversight, environmental work, maintenance of tenure and the approval of work programmes on the Group's licences including landholder access costs, legal fees and community and public relations costs.

For each area of interest, expenditure incurred in the exploration and acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - (a) Such costs are expected to be recouped through successful development and exploration of area of interest, or alternatively, by its sale; or
 - (b) Exploration and evaluation activities in the area have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Note 2. Significant accounting policies (continued)

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

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. There was no resulting impact on the financial report.

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

Note 3. 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 an appropriate pricing option 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.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will continue the exploration work. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Operating segments

The Group is managed primarily on the basis of its exploration projects. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating tenements and permits where the tenements and permits are considered to form a single project.

Note 4. Operating segments (continued)

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the financial statements of the Group.

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Operating segment information

	Exploration (Canada) \$	Unallocated (Corporate) \$	Total \$
31 Dec 2022			
Interest revenue	-	45,502	45,502
Other expenses	-	(976,335)	(976,335)
Loss before income tax expense	-	(930,833)	(930,833)
Income tax expense			-
Loss after income tax expense			(930,833)
Assets			
Segment assets	4,115,356	7,622,182	11,737,538
Total assets			11,737,538
Liabilities			
Segment liabilities	-	90,341	90,341
Total liabilities			90,341
	Exploration (Canada) \$	Unallocated (Corporate) \$	Total \$
23 Nov 2021 to 31 Dec 2021			
Other expenses	-	(958)	(958)
Loss before income tax expense	-	(958)	(958)
Income tax expense			-
Loss after income tax expense			(958)
30 June 2022			
Assets			
Segment assets	-	735,684	735,684
Total assets			735,684
Liabilities			
Segment liabilities	15,990	85,006	100,996
Total liabilities			100,996

Note 5. Other income

	31 Dec 2022 \$	23 Nov 2021 to 31 Dec 2021 \$
Interest received	45,502	-

Note 6. Corporate and administration expenses

	31 Dec 2022 \$	23 Nov 2021 to 31 Dec 2021 \$
Corporate compliance costs	274,823	-
Contractors and consultancy	31,600	-
Legal fees	40,963	897
Audit fees	9,042	-
Insurance	11,521	-
Investor relations	48,207	-
Travel and conference costs	28,983	-
Other	41,658	61
	486,797	958

Note 7. Property, plant and equipment

	31 Dec 2022 \$	30 June 2022 \$
<i>Non-current assets</i>		
Office equipment - at cost	2,478	-
Less: Accumulated depreciation	(69)	-
	2,409	-

Reconciliations

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

	Office equipment \$
Balance at 1 July 2022	-
Additions	2,478
Depreciation expense	(69)
Balance at 31 December 2022	2,409

Note 8. Exploration and evaluation

	31 Dec 2022	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation	4,115,356	-

Reconciliations

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

	\$
Balance at 1 July 2022	-
Additions*	3,245,939
Expenditure during the half-year	869,417
Balance at 31 December 2022	4,115,356

* Relates to the issuance of 16,229,694 of shares to CanAlaska for the Marshall, North Millennium and Geikie projects.

The ultimate recovery of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest at an amount greater than or equal to carrying value.

Note 9. Issued capital

	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	81,229,697	20,000,003	12,007,055	920,003

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Incorporation	23 November 2021	3	\$1.00	3
Capital Raising	14 March 2022	12,000,000	\$0.01	120,000
Capital Raising	20 May 2022	8,000,000	\$0.10	800,000
Balance	30 June 2022	20,000,003		920,003
Capital Raising - Initial Public Offering	23 September 2022	45,000,000	\$0.20	9,000,000
Shares issued for exploration acquisition (note 8)	23 September 2022	16,229,694	\$0.20	3,245,939
Less: Capital raising costs				(1,158,887)
Balance	31 December 2022	81,229,697		12,007,055

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.

Note 9. Issued capital (continued)

Share buy-back

There is no current on-market share buy-back.

Note 10. Reserves

	31 Dec 2022	30 June 2022
	\$	\$
Share-based payments reserve	1,123,123	266,833

Share-based payments reserve

The Company may provide benefits to employees (including directors) and non-employees of the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

Rights over shares (options) using an option pricing model takes into account the exercise price, the term of the option, 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. The fair value of the options granted is adjusted to, exclude the impact of any non-market and service vesting conditions. Non-market vesting and service conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Shares issued in lieu of payment are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

Movements in reserves

Movements in each class of reserve during the current half-year and previous period are set out below:

	Share-based payments \$
Balance at 23 November 2021	-
Options issued to directors	133,032
Options issued to founders	133,801
Balance at 30 June 2022	266,833
Options issued to advisors for capital raising	586,500
Options issued to advisors for consultancy	35,190
Options issued to Directors	234,600
Balance at 31 December 2022	1,123,123

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous half-year/period.

Note 12. Contingent liabilities

There were no contingent liabilities as at 31 December 2022, the contingent liabilities as at 30 June 2022 are now a commitment as disclosed in note 13.

Note 13. Commitments

The Group has the following commitments in regards to the Property Option Agreements with CanAlaska Uranium Ltd. ("CanAlaska") for the Geikie, North Millennium and Marshall Projects:

Geikie and North Millennium Projects

The Group acquired 40% interests in the Geikie and North Millennium Projects from CanAlaska upon successful listing on the ASX. The Group also has the option to increase its interest based on the following terms:

- (i) 60% - incur a minimum \$2.5m of expenditures on each project on or before 24 months after the listing date;
- (ii) 80% - incur \$5.0m of additional expenditures on each project on or before 48 months after the listing date and issue CanAlaska additional shares up to a deemed value of \$450,000.

A net smelter return (NSR) royalty of 2.75% is also payable on all products derived from the projects once an 80% interest is achieved. The Group also has the option to exercise a buy-back right of the NSR royalty for 0.5% for consideration of \$500,000 for each project.

Marshall Project

The Group acquired 100% interest in the Marshall Project from CanAlaska upon successful listing on the ASX.

A NSR royalty of 2.75% is also payable on all products derived from the assets. The Group also has the option to exercise a buy-back right of the NSR royalty for 0.5% for consideration of \$500,000.

Note 14. Related party transactions

Transactions with related parties

There were no transactions with related parties during the current and previous half-year/period, except as disclosed below:.

The following transactions occurred with related parties:

	31 Dec 2022	23 Nov 2021 to 31 Dec 2021
	\$	\$
Payment for goods and services:		
Payment to Argus Corporate Partners Pty Ltd (i)	20,000	-

16,229,694 ordinary shares at issue price of \$0.20 each were issued to CanAlaska (ii) for the acquisition of the following projects:

- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the Geikie Project;
- 5,409,898 ordinary shares (6.6% of issued capital) for 40% interest in the North Millennium Project; and
- 5,409,898 ordinary shares (6.6% of issued capital) for 100% interest in the Marshall Project.

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	31 Dec 2022	30 June 2022
	\$	\$
Current payables:		
Trade payables to Argus Corporate Partners Pty Ltd (i)	5,500	-

Terms and conditions

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

Note 14. Related party transactions (continued)

- (i) Ben Donovan is a Director and Shareholder of Argus Corporate Partners Pty Ltd for the provision of Company Secretarial services.
(ii) Cory Belyk is the Chief Executive Officer and Executive Vice President of CanAlaksa Uranium Ltd.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 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.

Note 16. Share-based payments

Set out below are summaries of options granted during the period:

	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the half-year	6,000,000	\$0.25
Granted	7,300,000	\$0.25
Outstanding at the end of the half-year	13,300,000	\$0.25
Exercisable at the end of the half-year	13,300,000	\$0.25

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
13/04/2022	23/09/2025	\$0.25	2,333,334	-	-	-	2,333,334
02/05/2022	23/09/2025	\$0.25	3,000,000	-	-	-	3,000,000
22/06/2022	23/09/2025	\$0.25	666,666	-	-	-	666,666
23/09/2022	23/09/2025	\$0.25	-	7,300,000	-	-	7,300,000
			6,000,000	7,300,000	-	-	13,300,000

The weighted average exercise price during the half-year was \$0.25.

The weighted average remaining contractual life of options outstanding at the end of the half-year was 2.75 years.

The Company issued 2,000,000 options to Director Andrew (Peter) Moorhouse exercisable at \$0.25 on or before 23 September 2025, an amount of \$234,600 was expensed to share-based payments.

On completion of the Company's IPO the following options were issued to advisors:

- 5,000,000 options to Discovery Capital Partners Pty Ltd (or its nominees) exercisable at \$0.25 each and expiring 23 September 2025 as partial consideration for lead manager services, an amount of \$586,500 was recognised as a cost of the capital raise.
- 300,000 options to Camps Bay Pty Ltd (or its nominees) exercisable at \$0.25 each and expiring 23 September 2025 as partial consideration for corporate recruitment services, an amount of \$35,190 was expensed to share-based payments.

Note 16. Share-based payments (continued)

For the options granted during the current half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Valuation date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
23/09/2022	23/09/2025	\$0.20	\$0.25	100.00%	-	2.80%	\$0.117

The value of the options issued to directors and advisors has been recorded as a share-based payment expense:

	31 Dec 2022 \$	23 Nov 2021 to 31 Dec 2021 \$
Director options	234,600	-
Advisor options	35,190	-
	269,790	-

The value of the options issued to advisors has been recorded as a cost of capital raising:

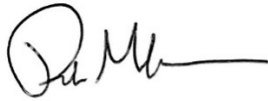
	31 Dec 2022 \$	23 Nov 2021 to 31 Dec 2021 \$
Advisor options	586,500	-

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-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.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter Moorhouse
Managing Director

8 March 2023

Independent auditor's review report to the members of Basin Energy Limited

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Basin Energy Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (WA) Pty Ltd
ABN: 67 125 012 124

CM

Conley Manifis
Director

Dated this 8th day of March 2023

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