



27 October 2023

Companies Announcements Office
ASX Limited
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

SEPTEMBER 2023 QUARTER ("QUARTER") OPERATIONS REPORT

Clean Hydrogen Technologies

On 2 August 2022 BPH announced that, following its shareholders' meeting on 21 June 2022 at which shareholders voted unanimously to approve an investment in hydrogen technology company Clean Hydrogen Technologies Corporation ("Clean Hydrogen" or "Vendor" or "Borrower"), BPH and its investee Advent Energy Ltd ("Advent" or "Lender"), together the "Purchasers", settled for the acquisition of a 10% interest in Clean Hydrogen for US\$1,000,000 ("Cash Consideration") (8% BPH and 2 % Advent.

The Purchasers had a first right of refusal to invest further in Clean Hydrogen to a maximum of a further US\$1,000,000 for an additional 10% interest. The Purchasers loaned a further US\$950,000 ("Additional Cash Consideration") under this agreement and the Purchasers and Clean Hydrogen have now executed a Loan Conversion Agreement which enabled the conversion of the US\$950,000 loan into the relevant Subscription Shares Tranche 2, representing the Purchasers further 9.5% interest in Clean Hydrogen.

BPH now has an interest of 15.6% and Advent has an interest of 3.9% interest in Clean Hydrogen. Clean Hydrogen has also issued 760 share options to BPH and 190 share options to Advent, with an exercise price of USD\$3,000 each, exercisable immediately, with the option to convert into shares in Clean Hydrogen expiring ten years from the date of issue.

The parties acknowledge and agree that the Cash Consideration and Additional Cash Consideration shall be used by Clean Hydrogen to design, build, produce and test a reactor that can produce a minimum of 3.2kgs and as high as 15kgs of hydrogen per hour and to submit at least 2 new patents in an agreed geography, relevant to the production of hydrogen from proprietary technology.

Capital

On 11 September 2023 the Company announced that it had received binding commitments to raise \$1.9 million (before costs) ("Placement") comprising the issue of 95,000,000 new fully paid ordinary shares ("Placement Shares") in the Company at an issue price of \$0.02 per share. The Placement was well supported by new and existing investors and upsized to accommodate strong demand.

Placement participants will receive one (1) free Attaching Option for every two (2) Placement Shares, exercisable at \$0.03 each with an expiry date of 30 September 2024 ("Attaching Options"). The Attaching Options, the issue of which are subject to shareholder approval at the Company's November 2023 Annual General Meeting, will be quoted on the ASX.

Everblu Capital Corporate Pty Ltd ("Everblu") and 62 Capital Limited ("62 Capital") acted as joint Lead Managers for the Placement. Everblu and 62 Capital will be paid a cash fee of 6% on funds

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raised under the Placement and issued 1 Broker Option for every 3 shares issued. The Broker Options have the same exercise price and expiry date as the Attaching Options.

The intended use of funds will be:

- \$0.2 million - Further Investment in Clean Hydrogen technology
- \$1.5 million - Funding for exploration and development of oil and gas investments
- \$0.1 million - Working capital including costs of the offer
- \$0.1 million -Funding for Cortical Dynamics

2,000 Cleansing Shares and 1,000 Cleansing Options were also issued during the quarter.

Significant activities by the Company's investees' during the September 2023 quarter were as follows:

Advent Energy Limited ("Advent")

PEP 11 Permit

Advent Energy Limited's (BPH 35.8% direct interest) 100% subsidiary Asset Energy Pty Ltd is a participant in the PEP11 Joint Venture with partner Bounty Oil and Gas NL (ASX:BUY). PEP 11 interests are:

Advent Energy 85 %
Bounty Oil and Gas 15%

On 14 July 2023 the Hon Chris Bowen, Minister for Climate Change and Energy, gazetted/designated an area of the Pacific Ocean area off the Hunter Region of NSW as suitable for offshore wind energy development and that it would be open for industry to develop wind farms (Declared Wind Area). It will become Australia's second official offshore wind energy zone. Having reviewed the PEP 11 seismic data and the drill data from the Seaclem 1 well the Declared Wind Area does not materially impact the PEP 11 Title or the main PEP 11 target areas.

The Company welcomes this declaration/gazetal as it reinforces our belief that decarbonising the global energy system will require the use of a mixture of technologies encompassing renewable energy resources, carbon sequestration and natural gas. There are and will be offshore areas where wind, gas and carbon sequestration activities will overlap and it is the Company's' belief that a holistic approach should and will be taken to ensure that clean energy is produced in a reliable and cost effective manner. In April 2023 of this year Assets' parent company Advent Energy made a submission to the consultation website of the Department of Climate Change, Energy, the Environment and Water on the proposed Hunter offshore wind development area. Advent has had preliminary discussions to explore synergies with one of the wind technology companies who are planning to tender for and develop part of the Declared Wind Area and has scheduled further consultation.

Asset Energy continues to progress the joint venture's applications for the variation and suspension of work program conditions and related extension of PEP-11. This application follows from the fact that in February 2023 a decision by the previous Commonwealth-NSW Joint Authority to refuse the application was quashed by the Federal Court of Australia. Asset has provided additional updated information to the Commonwealth-NSW Joint Authority and the National Offshore Petroleum Titles Administrator ("NOPTA") in relation to its applications.

While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered by NOPTA, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in the first half of 2024.

PEP-11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth).

Cortical Dynamics Limited (“Cortical”)

Investee Cortical Dynamics Limited is an Australian based medical device neurotechnology company that is developing BARM™, an industry leading EEG (electrical activity) brain function monitor. BARM™ is being developed to better detect the effect of anaesthetic agents on brain activity under a general operation, aiding anaesthetists in keeping patients optimally anaesthetised, and complemented by CORDYAN™ (Cortical Dynamics Analytics), a proprietary deep learning system/App focusing on anaesthesiology.

The Australian manufactured and designed, electroencephalographically based (EEG-based), BARM™ system is configured to efficiently image and display complex information related to the clinically relevant state of the brain. When commercialized the BARM™ system will be offered on a stand-alone basis or integrated into leading brand operating room monitors as “plug and play” option.

In September 2023 Cortical secured FDA 510(k) clearance in the USA for its flagship technology, the Brain Anaesthesia Response Monitor or BARM™ system version 1. The Food and Drug Administration (“FDA”) is the federal agency of the United States Department of Health and Human Services which regulates the sale of medical device products (including diagnostic tests) in the U.S. and monitors the safety of all regulated medical products. FDA approval is a necessary precursor for sales of BARM™ to commence in the USA.

The clearance is a result of two years' work post submission with the US Food and Drug Administration (FDA) in 2021, Cortical being ably assisted by MCRA, a leading Washington based medical global full-service medical device, diagnostics, and biologics CRO and consulting advisory firm. The 510(k) clearance for BARM™ version 1 in the USA is complemented by existing regulatory approvals in Australia (TGA), Europe (CE) and South Korea (KMFDS).

The BARM™ Pec “plug and play “version 1 was approved compatible by Philips with its IntelliView operating room monitors earlier this year. Cortical is working on an enhanced version of BARM™ with its partner AIT (the Austrian Institute of Technology) based in Vienna which will include upgrades to the software, hardware and firmware.

BPH and Cortical Director, Mr David Breeze stated that “the 510 (k) clearance by the FDA is a major milestone in the development of the Company which lays the foundation for the commercialisation of the BARM™ system in the USA”.

Additionally, building on the technical and regulatory developments in the Company, Cortical has recently appointed Dr Sunil Nagaraj PhD as its new Chief Scientist. Dr. Sunil Belur Nagaraj obtained his Master's Degree from the University of Victoria in Canada in 2010 and Doctoral Degree from University College Cork, Ireland in 2015. His doctoral research centered around the development of AI-based real-time brain monitoring, utilising EEG recordings to monitor brain activity.

After a role as a postdoctoral fellow at the Harvard Medical School/Massachusetts General Hospital in the USA. Dr Nagaraj assumed the position of an Assistant Professor of medicine at the University Medical Centre Groningen in The Netherlands for two years. Concurrently, he dedicated three years to working as a scientist at Royal Philips, where he specialised in sleep disorders at the Innovation Forum, highlighting its potential to provide future insights into heart-brain connectivity. Throughout his career, Dr. Nagaraj has demonstrated exceptional research acumen, with a patent and 21 high-impact journal articles to his name, amassing over 650 pioneering research papers and has been recognised through several national and international grants, enabling him to conduct cutting-edge studies that contribute significantly to the advancement of medical technology.

Item 1 and 2 details of payments to / receipts from related parties (Appendix 4C)

Line 6.1 outflow of \$72,000: \$55,790 paid to directors as remuneration and net \$16,113 fees paid to Grandbridge Limited.

Line 6.2 outflow of \$945,000: Loans to the following companies:

Advent Energy Limited \$820,000

Cortical Dynamics Limited \$120,000

Molecular Discovery Systems Limited \$5,000

Authorised by

A handwritten signature in black ink, appearing to read 'D. Breeze', is enclosed within a thin black rectangular border.

David Breeze
Chairman

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BPH ENERGY LIMITED

ABN

41 095 912 002

Quarter ended ("current quarter")

SEPTEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(146)	(146)
(d) leased assets		
(e) staff costs and director fees	(56)	(56)
(f) administration and corporate costs	(181)	(181)
1.3 Dividends received (see note 3)		
1.4 Interest received	28	28
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (settlement of ex-directors' fees)		
1.9 Net cash from / (used in) operating activities	(355)	(355)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities	(945)	(945)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(945)	(945)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,811	1,811
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	1	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(138)	(138)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Proceeds from equity securities not issued		
3.10	Net cash from / (used in) financing activities	1,674	1,674
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,614	5,614
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(355)	(355)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(945)	(945)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,674	1,674
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	5,988	5,988

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,988	5,614
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,988	5,614

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of (payments to) related parties and their associates included in item 1	(72)
6.2	Aggregate amount of (payments to) related parties and their associates included in item 2	(945)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	88	88
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	88	88
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The facilities shown above are owing to Grandbridge Limited by a BPH subsidiary. The balance is unsecured and interest free.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(355)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,988
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,988
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	16.9
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2023

Authorised by: David Breeze (Director)
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.