



29 April 2024

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

MARCH 2024 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 will execute a Loan Conversion Agreement which will enable 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 have 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. During the Quarter BPH exercised 42 of these options by paying Clean Hydrogen a total exercise price of US\$126,000.

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.

On 22 February 2024 BPH announced that Clean Hydrogen had moved from proof of concept to production.

Clean Hydrogen cracks hydrocarbons from natural gas using a process called thermo-catalytic pyrolysis which combines heat, a catalyst and has no oxygen. Clean Hydrogen's feedstock is natural gases hydro-carbons. Importantly there are no CO₂ emissions from the core process since the carbon becomes a solid carbon composite product, thus rendering natural gas a clean (no CO₂ emissions) source of two products, turquoise hydrogen and solid carbon composite.

Turquoise Hydrogen is the industry term used for hydrogen sourced from natural gases hydrocarbons using thermo-catalytic pyrolysis. Since there are no CO₂ emissions the carbon becomes solid in the form of a fine black dust type material which in Clean Hydrogen's case is a carbon composite made from CNTs (Carbon Nanotubes) and Alumina (ceramics). Carbon Nanotubes have unusual mechanical properties to reinforce their Alumina composite, acting as a toughening agent. CNTs have a tensile strength greater than steel, conductivity greater than copper and thermal dissipation greater than diamonds. They also resist corrosion and fatigue (ref: <https://www.assemblymag.com/articles/93180-can-carbon-nanotubes-replace-copper>).

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The next steps for Clean Hydrogen are scaling their carbon composite and hydrogen production.

Capital

During the period:

- On 9 February 2024 the Company announced a Placement ("Placement") to raise \$2.25 million. The final number of securities issued under the Placement were 69,183,942 fully paid ordinary shares at an issue price of \$0.033 per share; and 34,591,979 listed options with an exercise price of \$0.03 each and expiry 30 September 2024. The Placement raised a total of \$2,283,070, of which \$72,000 related to the set-off of third-party invoices in relation to marketing and advertising costs, and \$2,211,070 was in cash (net fees) proposed to be used as follows: (i) \$1.71 million – funding for exploration and development of oil and gas investments. (ii) \$0.3 million – for working capital, including the costs of the offer; and (iii) \$0.2 million – funding for Cortical Dynamics. In addition, a total of 8,250,000 listed options with an exercise price of \$0.03 each and expiry 30 September 2024 (BHPOB) were issued to the joint Lead Managers (EverBlu and Sixty-Two Capital) for the Placement.
- 2,435,382 share options with an exercise price of \$0.03 per option were exercised
- 2,000 Cleansing Shares and 1,000 Cleansing Options were issued

Significant activities by the Company's investees' during the March 2024 quarter were as follows:

Advent Energy Limited ("Advent") (BPH 35.8% direct interest)

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%

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.

On 9 October 2023 NOPTA updated their website whereby the NEATS Public Portal Application Tracking has been updated to show Asset Energy's applications' status is now 'Under Assessment'. The Company understands that the next step in the application process is for the Joint Authority to make its decision on Asset Energy's 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.

On 6 February 2024 the New South Wales (NSW) government issued a media release saying they had given notice to "introduce legislation that will prohibit sea bed petroleum and mineral exploration and recovery in NSW coastal waters. The Bill will legislatively implement the Offshore Exploration and Mining Policy that was published in February 2022. The legislation aims to give our communities certainty and reaffirms the NSW Government's long held position of not supporting offshore mineral, coal or petroleum exploration or mining for commercial purposes in or adjacent to NSW coastal waters".

On 18 March 2024 BPH advised ASX that:

- For personal use only
- 1) The State of NSW and the NSW Government only have jurisdiction and the power to control exploration and extraction in coastal waters up to 3 nautical miles (4.83 km) offshore from the NSW coast. PEP 11 is beyond that 3 nautical mile limit and all such matters touching PEP 11 are under the jurisdiction of the Commonwealth of Australia (ie. the Australian Government). Gas exploration operations including safety and environment are controlled by NOPSEMA, a Commonwealth of Australia authority.
 - 2) The registered holders of PEP 11, including Bounty Oil & Gas NL (ASX:BUY), and the operator, Advent Energy (through Asset Energy Pty Ltd) are aware of the legislation and should it be enacted the titleholders will consider, if necessary, challenging the validity of the Bill under Sec 109 of the Commonwealth Constitution which provides: "When a law of a State is inconsistent with a law of the Commonwealth, the latter shall prevail, and the former shall, to the extent of the inconsistency, be invalid".
 - 3) The holders of PEP 11 intend to pursue gas exploration by drilling around 26 km offshore, well beyond the limit of NSW coastal waters. No "mining" or pipeline construction is proposed.
 - 4) Bounty and BPH fully support protecting the coastal and offshore marine environment and note that in respect of PEP 11 any activity undertaken in the permit area would require specific approval of the independent regulator NOPSEMA.

The media release set out below was made by the Resources Minister, the Honourable Madeline King dated 23 April 2024:

"The Albanese Government is one that respects proper process. We make decisions in a way that is orderly and appropriate.

The Minister for Resources and Minister for Northern Australia, the Hon Madeleine King MP, has recused herself from future decisions on Petroleum Exploration Permit 11 (PEP-11).

The Minister for Industry and Science, the Honourable Ed Husic MP, will take future decisions relating to PEP-11.

Minister Husic was appointed to administer the Department of Industry, Science and Resources upon being sworn-in as a Minister on 1 June 2022 and has the legal authority to take future decisions on PEP-11.

The Australian Government has been consistent in its position that it will not provide a running commentary on PEP-11 and this remains the case."

We note Minister King's decision to recuse herself as the decision maker with respect to the PEP-11 permit under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth). We note the Honourable Minister Husic as the Minister for Industry and Science will be making any future decision on modification and related extension of the PEP-11 permit.

The Joint Authority decision is a routine administrative decision. Any future authorisation related to drilling will require environmental approvals. Any issues around community or environmental impacts should be transparently managed by the designated independent expert regulator.

Offshore gas exploration in Australia has been undertaken safely and environmentally responsibly for more than 50 years.

The fact remains that NSW and Australia more broadly face a gas supply shortfall within the next four years, and gas will play a vital role in the clean energy transition.

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") (BPH 16.4% direct interest)

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.

There were no significant activities in Cortical to report during the Quarter.

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

Line 6.1 outflow of \$38,000: \$19,470 paid to directors as remuneration and net \$18,876 fees paid to Grandbridge Limited.

Line 6.2 outflow of \$407,000: Loans to the following companies:

Advent Energy Limited \$485,000 paid
Cortical Dynamics Limited: \$80,000 received
Grandbridge Limited: \$2,000 paid

Authorised by



David Breeze
Chairman

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")

MARCH 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(96)	(344)
(d) leased assets		
(e) staff costs and director fees	(19)	(94)
(f) administration and corporate costs	(141)	(398)
1.3 Dividends received (see note 3)		
1.4 Interest received	30	86
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	(226)	(750)
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 (9 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	(407)	(2,137)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(407)	(2,137)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,219	4,119
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	72	93
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(169)	(344)
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	2,122	3,868

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,106	5,614
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(226)	(750)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(407)	(2,137)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,122	3,868
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	6,595	6,595

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	6,595	5,106
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)	6,595	5,106

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	(38)
6.2	Aggregate amount of (payments to) related parties and their associates included in item 2	(407)
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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)	(226)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,595
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,595
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	29.1
<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: 29 April 2024

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.