



18 July 2024

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

JUNE 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 have executed a Loan Conversion Agreement, which once implemented, 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.

As at the date of this Quarterly Report, the contemplated securities under the Loan Conversion Agreement have not been issued to the Purchasers, however, the Purchasers have an entitlement to these securities under the relevant Loan Conversion Agreement. For the reasons set out below, BPH will seek approval from its shareholders for the proposed issue of shares in Clean Hydrogen to BPH, in satisfaction of a debt owing from Advent energy Limited to BPH (Debt Forgiveness).

The ASX Listings Committee ('LC') considered the application of Listing Rule 10.1 to the proposed Debt Forgiveness. . The LC resolved that ASX would exercise its discretion such that Listing Rule 10.1 applies to the Debt Forgiveness.

In forming this decision, ASX had regard to the following:

1. In March 2022 ASX advised BPH that, should it seek to increase its shareholding in Advent, whether it be by way of maintaining its current percentage interest in the event Advent undertook a capital raising, increasing its percentage interest, or by way of a debt for equity conversion, BPH must approach ASX regarding the potential application of Listing Rule 10.1.5.
2. In December 2023, Advent lodged a disclosure document with ASIC in the form of an Offer Information Statement for its Entitlement Issue which contained disclosure regarding the discharge of funds loaned to it by BPH in exchange for the issue of equity shares in CHT to BPH. BPH did not approach ASX for determination on the application of Listing Rule 10.1.5 to this transaction.
3. In view of ASX having previously advised BPH to approach ASX in relation to any transactions between itself and Advent including any debt to equity conversion, and

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BPH having failed to do so in this instance, ASX has exercised its discretion to apply Listing Rule 10.1.5 to the issue of CHT shares to BPH in satisfaction of the debt owing to BPH by Advent. The forgiveness of debt may be a transfer in value from BPH to Advent. ASX has not been provided with sufficient information to conclude there is no possible transfer in value therefore ASX considers that Listing Rule 10.1.5 applies to the debt conversion/forgiveness.

As a result of ASX's decision to exercise its discretion under Listing Rule 10.1, BPH must seek shareholder approval for the Loan Conversion Agreement dated 10 October 2023 that has been executed between itself, Advent and Clean Hydrogen. The Company is in the process of preparing a Notice of Meeting which will be released as soon as possible. The Company anticipates that the shareholder meeting to approve the Loan Conversion will be held in August 2024.

For clarity, BPH will not and has not increased its shareholding in Advent as a result of the Debt Forgiveness.

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 24 of these options by paying Clean Hydrogen a total exercise price of US\$72,000.

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.

Capital

On 13 May 2024 the Company announced a Placement ("Placement") to raise \$1 million by the issue of 50,000,000 fully paid ordinary shares at an issue price of \$0.02 per share together with a 1 for 2 free listed option, being 25,000,000 listed options with an exercise price of \$0.03 each and expiry 30 September 2024. The Placement offer price of \$0.02 per share represents a 16.7% discount to BPH's closing price of \$0.024 per share on Thursday, 9 May 2024, and a 16.7 % discount to the 10-day VWAP of \$0.024 per share.

The Placement proceeds are proposed to be used as follows: (i) \$0.75 million – funding for exploration and development of oil and gas investments. (ii) \$0.1 million – for working capital, including costs of the offer; and (iii) \$0.15 million – funding for Cortical Dynamics. In addition, a total of 12,000,000 listed options with an exercise price of \$0.03 each and expiry 30 September 2024 (BHPOB) were issued to the joint Lead Managers (Oakley Capital Partners Pty Limited and Sixty-Two Capital) for the Placement.

Significant activities by the Company's investees' during the June 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 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.

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.

Asset have engaged Klarite Pty Ltd (Klarite) to initiate environmental management of the Seablue-1 exploration well, due to be drilled in PEP 11, pending the current application for licence variation, suspension and extension (Application), regulatory approvals and rig availability. Klarite are a Perth based turnkey environmental consultancy specialising in offshore development in Australia, who recently prepared a detailed Environmental Approvals Strategy for the Seablue-1 exploration drilling activity for Asset. Due to the critical need for new domestic supplies of gas as stated in the Federal Government's Future Gas Strategy (see below), Asset have decided to commence work necessary for environmental approvals in advance of the PEP 11 licence Application approval, in order to be prepared to drill the Seablue-1 well as soon as possible thereafter. Klarite will develop an Environmental Management process which will define Asset's consultation and negotiation basis with relevant persons and assess environmental impacts.

The Federal Government Future Gas Strategy (FGS) and supporting documents were released by Minister for Resources Madeleine King on 9 May 2024. The FGS confirms that that gas will have a role to play in the transition to net zero by 2050 and beyond. The FGS states that exploration and development should focus on optimising discoveries and infrastructure in producing basins where gas will be proximal to where it is needed and will be lower cost than relying on LNG imports.

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 three 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).

RL1 (Northern Territory)

On 3 May 2024 the Company announced that Advent has been offered a renewal of Retention Licence 1 (RL1) by the Northern Territory Government for a five-year term which it has accepted.

Advent, through its wholly owned subsidiary Onshore Energy Pty Ltd, holds a 100 % interest in RL1 and is operator of the Retention Licence in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basin is a highly prospective, petroliferous basin, with significant prospective potential for reserves of oil and gas. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore and is recognized as one of Australia's most prolific offshore hydrocarbon producing basin (after the Northern Carnarvon and Gippsland basins). Retention Licence RL1 in the Northern Territory is 166 square kilometres in area and covers the Weaber Gas Field, originally discovered in 1985.

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 \$59,000: \$29,470 paid to directors as remuneration and net \$29,958 fees paid to Grandbridge Limited.

Line 6.2 outflow of \$801,000: Loans to the following companies:

Advent Energy Limited \$405,000 paid
Cortical Dynamics Limited: \$400,000 paid
Grandbridge Limited: \$4,000 received

Authorised by

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

David Breeze
Chairman

For personal use only

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")

JUNE 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(98)	(442)
(d) leased assets		
(e) staff costs and director fees	(29)	(123)
(f) administration and corporate costs	(67)	(465)
1.3 Dividends received (see note 3)		
1.4 Interest received	16	102
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	(178)	(928)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments	(114)	(114)
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(801)	(2,938)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(915)	(3,052)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	992	5,111
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		93
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(70)	(414)
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	922	4,790
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,595	5,614
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(178)	(928)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(915)	(3,052)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	922	4,790
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	6,424	6,424

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	6,424	6,595
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)	6,424	6,595

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	(59)
6.2	Aggregate amount of (payments to) related parties and their associates included in item 2	(801)

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	86	86
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	86	86
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)	(178)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,424
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,424
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	36.1
<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: 18th July 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.