



**EMPEROR ENERGY**  
L I M I T E D

**Emperor Energy Limited**

**ABN 56 006 024 764**

**Annual Report - 30 June 2020**

## **Emperor Energy Limited**

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**30 June 2020**

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The Company's 2020 Corporate Governance Statement has been released to ASX on 30 September 2020 and is available on the Company's website.

**Emperor Energy Limited**  
**Corporate directory**  
**30 June 2020**

Directors	Carl Dumbrell Nigel Harvey Philip McNamara
Company secretary	Carl Dumbrell
Registered office & Principal place of business	Level 21, 201 Sussex Street Sydney NSW 2000 Ph 02 9275 8878
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 Telephone: 1300 288 664
Lawyer	Hopgood Gamin Level 27, Allendale Square, 77 St Georges Tce Perth, WA 6000
Auditor	ICP Assurance Services Pty Ltd Suite 2109, Level 21 223 Castlereagh Street Sydney NSW 2000
Stock exchange listing	Emperor Energy Limited shares are listed on the Australian Securities Exchange (ASX code: EMP)
Website	<a href="http://www.emperorenergy.com.au">www.emperorenergy.com.au</a>

## Review of Operations

### Highlights

- Agreement with APA Group for Pre-FEED Infrastructure Study
- Resource Statement – Vic/P47
- Dynamic Modelling Results – Vic/P47
- Appointment of AGR for Judith 2 Well Management
- Sale of Cyrano (R3)

### APA Group

On 19 May 2020 Emperor Energy announced that it had entered into a Binding Agreement with APA Group (ASX:APA) to progress with the Pre-Front End Engineering Design (Pre-FEED) for the provision of midstream infrastructure and services related to gas that will potentially be produced from the Judith Gas Field in the 100% Emperor Energy owned VIC/P47 Permit in the offshore Gippsland Basin, Victoria.

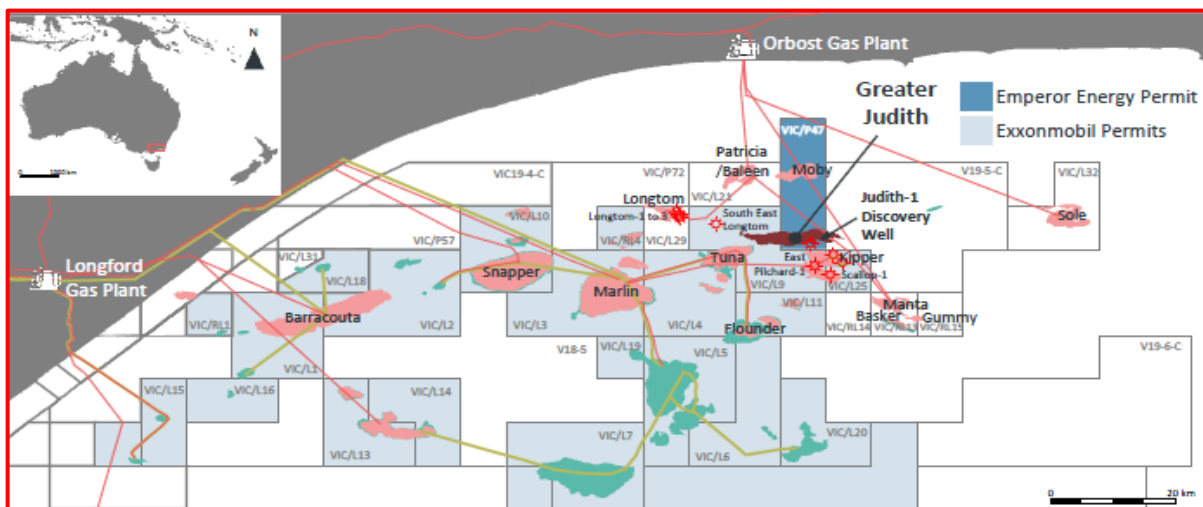
The Pre-FEED study will include:

- Pre-FEED design for a Gas Processing Plant to operate adjacent to and in parallel with the existing Orbest Gas Processing Plant owned by APA
- Pre-FEED concept design for a Subsea Pipeline approximately 40km in length from the Judith gas field to a shoreline crossing
- Pre-FEED design for an export pipeline to the Eastern Gas Pipeline located to the north of the Orbest Gas Plant
- Refinement of indicative project cost estimates and project scheduling

The Pre-FEED study then commenced in September 2020 requiring 4 months to complete. APA will carry out the work using a balanced combination of both in house and external expertise.

The design basis for the Pre-FEED is 80mmscf/d (90TJ/day) of sales gas across a 25-year project life with gas processing to meet the AS4564 gas sales specification.

Emperor Energy and APA had previously established a Memorandum of Understanding (MOU) relating to the Judith Gas Project in October 2019. The Pre-FEED Agreement is the first Binding Agreement progressing from the MOU.



**Figure 1: Location of 100% Emperor Energy owned VIC/P47 offshore Gippsland Basin showing regional permits along with oil and gas fields**

## Resource Statement

On 11 July 2019, Emperor Energy announced that an Independent Resource Statement had been completed by Consultants 3D-GEO for the Judith Gas Field with the 100% Emperor Energy owned Vic/P47 Exploration Permit located in the offshore Gippsland Basin, Victoria (Figure 1).

3D-GEO completed its assessment of Contingent and Prospective Resources for the Judith Field within VIC/P47 and conducted simulation flow modelling of the Greater Judith Structure. The resources presented are 100% attributable to VIC/P47 and have been apportioned in accordance with the Society of Petroleum Engineers' internationally recognised Petroleum Resources Management System (SPE-PRMS 2018). The results are provided below in Table 1.

Judith Gas Discovery		Contingent Resources		
		Low Estimate 1C	Best Estimate 2C	High Estimate 3C
GIIP	Bcf	180	278	386
Sales gas	Bcf	97	150	209
Condensate	MMbbl	1.4	2.2	3.2

Greater Judith Area		Unrisked Prospective Resources		
		P90	P50	P10
Judith Deep	Bcf	38	62	92
West	Bcf	83	127	176
Central	Bcf	37	333	628
North	Bcf	29	166	315
North East	Bcf	49	279	494
North West	Bcf	15	102	226
South	Bcf	14	157	565
<b>Total</b>	<b>Bcf</b>	<b>265</b>	<b>1226</b>	<b>2496</b>

Table 1: Summary of Contingent and Prospective Resources for Judith area of VIC/P47 (3D-GEO, July 2019)

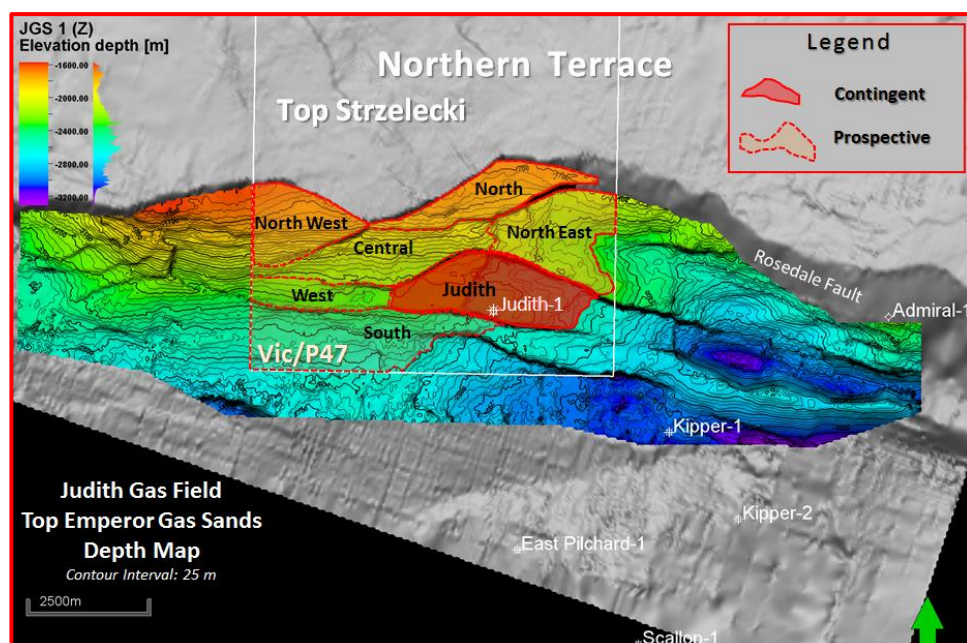


Figure 2: Judith Gas Field, and Greater Judith Compartments (3D-GEO, July 2019)

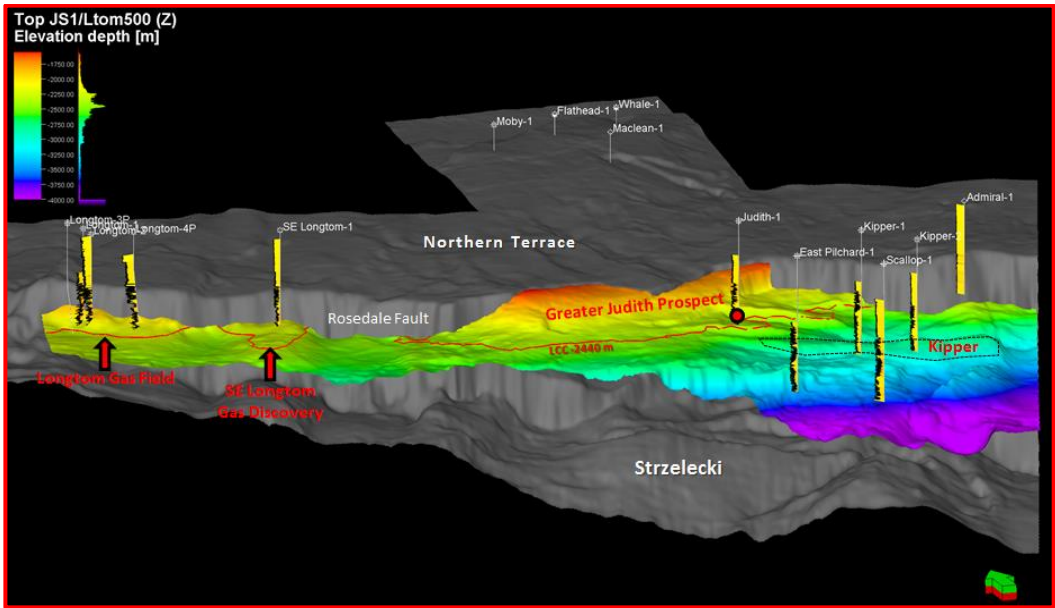


Figure 3: Judith Gas Sand 1 Depth Model - Longtom Gas Field to the Greater Judith Structure

### Dynamic Modelling

On 1 September 2020, Emperor Energy announced it had revised the Judith Gas Field production well simulation to include 4 x vertical production wells at project commencement with a 5th production well included in Project Year 15. Each modelled well has 7 perforation zones in gas bearing sands using 5 1/2” tubing in the bottom half of the well and a 7” production string to the surface.

Well-head pressures have been modelled and shown to be maintained above the required minimum of 7000kPa (1050psi) at a production rate of 80MMscfd (80 Million Standard Cubic Feet per Day) across a production cycle exceeding 25 years. Data from this modelling is now being used by APA for the Pre-FEED study.

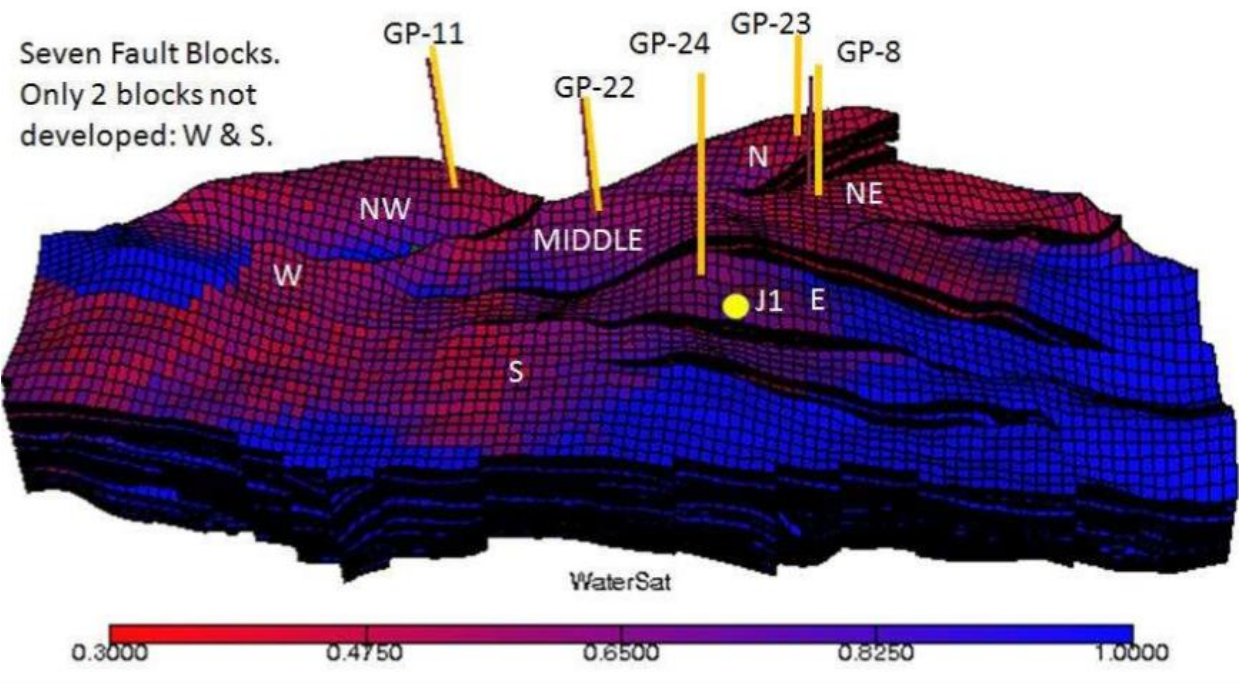


Figure 4: Dynamic Modelling (September 2020) showing well locations



### **Sale of Cyrano (R3)**

On 18 September 2019, the company announced that it had entered in a sale and purchase agreement to sell its offshore Retention Lease, Cryano R3.

The terms of the agreement are as follows:

Purchaser:	BR Cyrano Pty Ltd (A.C.N. 636 176 193)
Purchase price:	\$325,000
Settlement date:	21 January 2020
Royalty:	A Royalty of \$0.50 per Barrel of Oil Equivalent of Petroleum Products produced and recovered from the Title Area (Retention Lease R3).
Option to acquire	
Royalty:	The Purchaser may acquire the Royalty from EMP at any time within 48 months from the date of Settlement for a purchase price of \$1,500,000.00.

### **About Cyrano (R3)**

- Cyrano has Contingent Resource (2C) of 3.01 MMbbl of oil
- Additional Prospective Resources (P50) estimated at 0.928 MMbbl
- EMP is Operator and holds 100% of R3
- Permit Area – 81 km<sup>2</sup>
- The Cyrano Oil Field was discovered in 2003
- The field is defined by 4 vintage wells and 3D seismic
- The field is located in 17 m of water.
- Productive reservoirs commence at 600 m depth.
- Permit renewed for 5 years in early 2017

The sale successfully completed on 21 January 2020.

### **AGR Appointed to Commence Planning and Design for Judith 2 Exploration Well**

On 18 June 2020 Emperor Energy announced that it had engaged respected global well management company AGR to commence planning and design of the Judith 2 Exploration Well planned for the Judith Gas Field in the Company's 100% owned VIC/P47 Permit in the offshore Gippsland Basin, Victoria.

AGR is a leading well management, reservoir management, HSEQ, and field management service company with the necessary experience and expertise to deliver solutions for the entire Judith Gas Field life cycle.

AGR has globally completed more than 500 well projects spanning six continents. In Australia alone AGR has drilled over 40 offshore wells in all the major Basins in water depths ranging from 25m – 360m.

The scope of work to be initially completed by AGR includes:

- A Project Execution Plan outlining well operations, equipment, resources, regulatory approvals required and definition of the key dates;
- Development of a regulatory timeline which will map out the various stages of preparation of the Environmental Plan required for the well;
- A Drill Rig Expression of Interest to clearly identify opportunities for a rig sharing agreement to minimize mobilization costs;
- Preparation of a preliminary well design that can be further developed with detailed engineering;
- An analysis of well costs and well operation cost risks;
- The initial scope of work will commence in July and require 1 month to complete.

## Classification of Resources

### SPE-PRMS Society of Petroleum Engineer's Petroleum Resource Management System

Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations, resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework. PRMS provides guidelines for the evaluation and reporting of petroleum reserves and resources.

Under PRMS "**Reserves**" are those quantities of petroleum which are anticipated to be commercially recoverable from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

"**Contingent Resources**" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development or gaining access to existing infrastructure or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

"**Prospective Resources**" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

We thank shareholders for their ongoing support.

On behalf of the board of directors.



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Carl Dumbrell

Company secretary/Director



**Emperor Energy Limited**  
**Directors' report**  
**30 June 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Emperor Energy Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

**Directors**

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

Carl Dumbrell (Non-Executive Director and Company Secretary)  
Nigel Harvey (Non- Executive Director)  
Philip McNamara (Non-Executive Director)  
Malcolm King (Non-Executive Director) – resigned 31 March 2020

**Principal activities**

During the financial year the principal activities of the consolidated entity consisted of investment in selected exploration, production and development opportunities in the upstream oil and gas sector.

**Dividends**

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

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,746,864 (30 June 2019: \$768,322).

A detailed review of operations is presented on the previous pages.

**Financial Position**

The net assets of the consolidated entity decreased by \$1,016,413 to \$2,602,861 as at 30 June 2020 (2019: \$3,619,274).

The consolidated entity's working capital position, (being current assets less current liabilities) was in deficit at 30 June 2020 by \$319,076 (2019: surplus \$313,272). During the period, the consolidated entity had negative cash flows from operating activities of \$584,666 (2019: \$361,895) and expended \$183,789 (2019: \$347,002) in relation to exploration and evaluation activities.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**

The COVID-19 pandemic has caused significant disruption to business and economic activities and there remains significant uncertainty as the situation continues to evolve. Due to the prolonged impact of COVID-19 and the closure of the State of Victoria, the company has applied to NOPTA for a 2.5 years suspension and extension of Year 3 of the Vic/P47 Permit Work Program. Emperor Energy's justification for the suspension and extension application is based on two (2) key factors:

1. The new 3D seismic acquisition completed by CGG in the Gippsland Basin and the improvement in Seismic data quality this will provide for the Judith Gas Field. The MC3D data will be initially for interpretation in the fourth quarter (Q4) of 2020 with the completed data available in Q3 2021.
2. The impact of COVID-19 on the offshore drilling industry and the flow on effect this has on access to drill rigs and well planning.

The consolidated entity announced that it intends to raise \$300,000 through Share Purchase Plan (SPP). Funds raised will be used for the company exploration & corporate activities.

The company has entered into a loan agreement with investors for \$231,000 for the purpose of securing a bank guarantee for engineering works to be completed for Vic/P47. The loan is for 12 months and pay interest of 7.5% pa.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial year.

### **Likely developments and expected results of operations**

The likely developments in the consolidated entity's operations in future years and the expected result from those operations are dependent on exploration success in the permit areas in which the consolidated entity currently holds an interest and the ability to fund the ongoing operations.

### **Information on directors**

**Name:** Carl Dumbrell  
**Title:** Non-Executive Director  
**Qualifications:** BCom MTAX CA FCA (England & Wales) CTA MAICD JP  
**Experience and expertise:** Carl is CEO of London Listed Herencia Resources Plc. He has been a partner of accounting firms for over 20 years in Australia and England. Carl has extensive experience with Mining, and Oil & Gas companies. He is actively involved in capital market transactions globally.

**Other current directorships:** Herencia Resources Plc (AIM: HER)  
**Former directorships (last 3 years):** Nil  
**Special responsibilities:** Nil  
**Interests in shares:** 5,834,531 fully paid ordinary shares

**Name:** Phil McNamara  
**Title:** Non-Executive Director  
**Qualifications:** BEng (Mining)  
**Experience and expertise:** Phil is a Mining Engineer with 36 Years of experience in the Resources Industry. He is a qualified Coal Mine Manager having managed 3 underground coal mines across a 13 year period. He has held corporate roles with Junior Exploration Companies across the last 10 Years and was the Founding CEO and Managing Director of ASX listed Armour Energy (ASX: AJQ).

Phil has been providing consulting services to Emperor Energy since 2016 and has played a key role in Emperor Energy's progress to redefine the Judith gas prospect in the Company's key Exploration Permit Vic/P47.

**Other current directorships:** Nil  
**Former directorships (last 3 years):** Nil  
**Special responsibilities:** Nil  
**Interests in shares:** 2,131,430 fully paid ordinary shares

**Name:** Nigel Harvey  
**Title:** Non-Executive Director  
**Qualifications:** BA (Hons) MAICD  
**Experience and expertise:** Nigel is an experienced ASX Director and has previously been a Director of Emperor Energy. He is Chairman of a mid sized not for profit organisation and holds a wholesale Australian Financial Services Licence. Nigel operates a market consulting practice predominantly on AFSL compliance.

Early in his career he was a business and finance journalist predominantly in London and the Middle East and subsequently worked as an investment banker in Sydney for several decades predominantly covering the Asia Pacific region for energy derivatives and hedging. He has held roles with large banks including JP Morgan and Macquarie.

He has undertaken the Australian Institute of Company Directors course including the two update courses.

**Other current directorships:** Nil  
**Former directorships (last 3 years):** Nil  
**Special responsibilities:** Nil  
**Interests in shares:** 1,337,679 fully paid ordinary shares

**Emperor Energy Limited**  
**Directors' report**  
**30 June 2020**

Name:	Malcolm King, resigned 31 March 2020
Title:	Non-Executive Director
Qualifications:	BSc, USQ (Applied Science) and MSc, Aberdeen University, Scotland (Petroleum Geology) MAICD
Experience and expertise:	<p>Malcolm has over 30 years' experience in the upstream oil &amp; gas industry in both technical and commercial leadership roles, most of this with Shell. During the first half of his career Malcolm worked as an exploration geologist with focus on opening new plays and developing new ventures across Australia, with a final technical role as Exploration Manager Timor Sea and Onshore Basins. During the second half of his career Malcolm led upstream business development and commercial teams in deal delivery, LNG marketing and joint venture management in Australia as well as in global roles across Asia. More recently Malcolm led the Commercial and then Business Development &amp; New Ventures functions at Senex Energy.</p> <p>A point to note in Malcolm's technical background (with reference to Emperor Energy) is that while at Shell he was part of the team who developed the Judith play in the Gippsland Basin, including acquiring the acreage from LASMO at the time, and was later the well-site geologist during the drilling of the Judith-1 discovery.</p>
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interest in shares:	1,067,515
Interest in options:	Nil

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

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

All shares and options noted in the directors' report are holdings at the date of this report.

*Geological Consultant*

The company's geological and geophysical technical team since the company's requote on the ASX in 2006 has been headed by Geoff Geary a consultant petroleum geologist (formerly with Oil Company of Australia and Mobil Oil) with over 30 years in the profession. He has had significant experience in company mergers, acquisitions, acreage promotion and farmouts in his career, both with junior, national and with major multi-nationals oil companies. He is experienced in sedimentary basin analysis, sequence stratigraphy, structural geology, seismic interpretation, basin modelling and oil and gas field evaluation and development.

**Company secretary**

Refer to C Dumbrell's bio in the information on directors above.

### **Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board Attended	Held
C Dumbrell	4	4
N Harvey	4	4
P McNamara	4	4
M King	2	2

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

### **Remuneration report (audited)**

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

#### ***Principles used to determine the nature and amount of remuneration***

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives ('program participants'). The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

*Non-executive directors remuneration*

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee.

*Executive remuneration*

The consolidated entity has no executives. Non-Executive directors, other key management personnel and other senior employees have been granted options over ordinary shares. The recipients of options are responsible for growing the Company and increasing shareholder value. The options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

*Director and senior management details*

The following persons acted as directors of the company during or since the end of the financial year:

- C Dumbrell
- N Harvey
- P McNamara

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year:

- C Dumbrell, Director / Company Secretary
- G Geary, Geological Consultant
- M King, Consultant – Appointed 31 March 2020
- P McNamara, Director / Engineering Consultant

*Voting and comments made at the company's 5 November 2019 Annual General Meeting ('AGM')*

The company received 92% of 'for' votes in relation to its remuneration report for the year ended 30 June 2019. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

***Details of remuneration***

*Amounts of remuneration*

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

**Emperor Energy Limited**  
**Directors' report**  
**30 June 2020**

	Short- term benefits	Post Employment Superannuation	Share based payments Equity Settled***	Total
	Cash salary and fees \$	\$	\$	\$
<b>2020</b>				
<i>Non-Executive Directors:</i>				
C Dumbrell**	55,000	-	40,518	95,518
M King^^	47,538	5,684	44,836	98,058
N Harvey	-	-	45,000	45,000
P McNamara****	43,350	-	45,000	88,350
Other Key Management				
G Geary *	102,525	-	-	102,525
	<u>248,413</u>	<u>5,684</u>	<u>175,354</u>	<u>429,451</u>

\* Amount consists of fees paid to Focus on Australia Pty Ltd in respect of Consulting services provided.

\*\* Includes amounts in respect of company secretarial fees.

\*\*\* The equity settled remuneration above relates to shares issued in lieu of directors fees as approved by shareholders throughout the year. Share based payments noted above includes \$55,354 of Directors fees accrued as at 30 June 2019 and \$120,000 expensed in 30 June 2020

\*\*\*\* Amount consists of fees paid to McNamara Advisory in respect of Consulting services provided.

^^ Amount consists of consulting fees paid to Malcolm King in respect of consulting services provided.

Total performance fees paid to related parties for the year ended 30 June 2020 was nil (2019: nil)

	Short- term benefits	Share based payments Equity Settled***	Total
	Cash salary and fees \$	\$	\$
<b>2019</b>			
<i>Non-Executive Directors:</i>			
C Dumbrell**	45,518	80,000	125,518
P McNamara****	65,772	-	65,772
J Peters ^^	-	80,000	80,000
V Hovanessian ^	-	80,000	80,000
M King	14,836	-	14,836
N Harvey	15,000	-	15,000
Other Key Management			
G Geary *	72,025	-	72,025
	<u>213,151</u>	<u>240,000</u>	<u>453,151</u>



**Emperor Energy Limited**  
**Directors' report**  
**30 June 2020**

- \* Amount consists of fees paid to Focus on Australia Pty Ltd in respect of Consulting services provided.
- \*\* Includes amounts in respect of company secretarial fees.
- \*\*\* The equity settled remuneration above relates to shares issued in lieu of directors fees as approved by shareholders throughout the year. Share based payments noted above includes \$91,555 of Directors fees accrued as at 30 June 2018 and \$148,455 expensed in 30 June 2019
- \*\*\*\* Amount consists of fees paid to McNamara Advisory in respect of Consulting services provided.
- ^ V Hovanessian has been overpaid by \$4,482
- ^^ J Peters has been overpaid by \$4,975

Total performance fees paid to related parties for the year ended 30 June 2019 was nil (2018: nil)

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

Name	Fixed remuneration		At risk - STI	
	2020	2019	2020	2019
<i>Non-Executive Directors:</i>				
C Dumbrell	100%	100%	-	-
M King	100%	100%	-	-
N Harvey	100%	100%	-	-
P McNamara	100%	100%	-	-
<i>Other Key Management Personnel:</i>				
G Geary	100%	100%	-	-

### **Share-based compensation**

#### *Issue of shares*

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Date	Shares	Issue price	\$
C Dumbrell	11 November 2019	964,724	\$0.042	40,518
M King	11 November 2019	1,067,515	\$0.042	44,836
N Harvey	11 November 2019	1,071,429	\$0.042	45,000
P McNamara	11 November 2019	1,071,429	\$0.042	45,000

On 5 November 2019 shareholders approved the issue of shares to directors in lieu of directors' fees at the company's 2019 Annual General Meeting of which a total of 4,175,097 fully paid shares were issued as noted above.

#### *Options*

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2020.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2020.

**Additional information**

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
Revenue (Including other income)	756	1,988	26,245	49,142	540,607
Net loss before tax	(765,935)	(768,322)	(1,171,544)	(2,451,403)	(2,367,411)
Net loss after tax	(1,746,864)	(768,322)	(1,171,544)	(1,549,207)	(2,367,411)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year start (\$)	0.003	0.003	0.003	0.006	0.003
Share price at financial year end (\$)	0.026	0.003	0.003	0.003	0.006
Basic earnings per share (cents per share)	(2.153)	(0.081)	(0.178)	(0.717)	(2.055)

**Additional disclosures relating to key management personnel**

*Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Share Consolidation	Received as part of remuneration	Dispos- als	Additions	Balance at the end of the year
<b>Ordinary shares</b>						
C Dumbrell	72,247,101	(67,430,626)	964,724	-	53,334	5,834,533
N Harvey	3,993,750	(3,727,500)	1,071,429	-	-	1,337,679
M King	-	-	1,067,515	-	-	1,067,515
P McNamara	15,000,000	(13,999,999)	1,071,429	-	60,000	2,131,430
G Geary	5,000,000	(4,666,666)	-	-	-	333,334
	<u>96,240,851</u>	<u>(89,824,791)</u>	<u>4,175,097</u>	<u>-</u>	<u>113,334</u>	<u>10,704,491</u>

***This concludes the remuneration report, which has been audited.***

**Shares issued on the exercise of options**

There were no ordinary shares of Emperor Energy Limited issued due to the exercise of options during the year ended 30 June 2020 and up to the date of this report.

**Indemnity and insurance of officers**

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

**Indemnity and insurance of auditor**

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former partners of ICP Assurance Services**

There are no officers of the company who are former partners of ICP Assurance Services.

**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 on the following page.

**Auditor**

ICP Assurance Services continues in office in accordance with section 327 of the *Corporations Act 2001*.

**Rounding of amounts**

Emperor Energy Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Carl Dumbrell  
Non-Executive Director

30 September 2020



## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Board of Directors of Emperor Energy Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ICP Assurance Services Pty Ltd

A handwritten signature in black ink, appearing to read 'Christopher Wong'.

Christopher Wong  
Director

30 September 2020

Sydney NSW 2000

Liability limited by a Scheme approved under Professional Standards Legislation

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**A:** Suite 2109, Level 21 233 Castlereagh Street, Sydney, NSW 2000

**Emperor Energy Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
Other income	5	756	1,848
Net fair value gain/(Loss) on financial assets designated as FVTPL	12	(60)	140
<b>Expenses</b>			
Corporate expenses		(456,908)	(399,308)
Administration expenses		(31,229)	(46,008)
Employee benefits expense	6	(110,684)	(55,353)
Share based payments	6	(120,000)	(148,445)
Finance costs		(47,810)	(4,271)
Impairment of exploration assets	13	-	(116,925)
		(765,935)	(768,322)
<b>Loss before income tax benefit</b>			
Income tax benefit/(expense)	7	(980,929)	-
<b>Loss after income tax benefit for the year attributable to the owners of Emperor Energy Limited</b>		(1,746,864)	(768,322)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of available-for-sale financial assets, net of tax		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Emperor Energy Limited</b>		<u>(1,746,864)</u>	<u>(768,322)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	30	(2.153)	(0.081)
Diluted earnings per share	30	(2.153)	(0.081)

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

**Emperor Energy Limited**  
**Statement of financial position**  
**As at 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	357,018	155,376
Trade and other receivables	9	4,799	114,746
Other financial assets	10	17,152	7,000
Held-for-sale exploration asset	11	-	325,000
Total current assets		<u>378,969</u>	<u>602,122</u>
<b>Non-current assets</b>			
Financial assets designated as FVTPL	12	620	680
Petroleum exploration expenditure	13	3,489,111	3,305,322
Total non-current assets		<u>3,489,731</u>	<u>3,306,002</u>
<b>Total assets</b>		<u>3,868,700</u>	<u>3,908,124</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	698,045	288,850
Total current liabilities		<u>698,045</u>	<u>288,850</u>
<b>Non-current liabilities</b>			
Trade and other payables	14	567,794	-
Total non-current liabilities		<u>567,794</u>	<u>-</u>
<b>Total liabilities</b>		<u>(1,265,839)</u>	<u>(288,850)</u>
<b>Net assets</b>		<u>2,602,861</u>	<u>3,619,274</u>
<b>Equity</b>			
Issued capital	15	26,533,090	25,802,639
Reserves	16	267,870	267,870
Accumulated losses		<u>(24,198,099)</u>	<u>(22,451,235)</u>
<b>Total equity</b>		<u>2,602,861</u>	<u>3,619,274</u>

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



**Emperor Energy Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

<b>Consolidated</b>	<b>Contributed equity</b> \$	<b>Accumulated losses</b> \$	<b>Reserves</b> \$	<b>Total equity</b> \$
Balance at 1 July 2018	25,082,639	(21,681,753)	266,710	3,667,596
1 July 2018 (AASB 9 Implementation)		(1,160)	1,160	-
Amended position as at 1 July 2018	25,082,639	(21,682,913)	267,870	3,667,596
Loss after income tax benefit for the year	-	(768,322)	-	(768,322)
Total comprehensive income for the year	-	(768,322)	-	(768,322)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	720,000	-	-	720,000
Balance at 30 June 2019	<u>25,802,639</u>	<u>(22,451,235)</u>	<u>267,870</u>	<u>3,619,274</u>

<b>Consolidated</b>	<b>Contributed equity</b> \$	<b>Accumulated losses</b> \$	<b>Reserves</b> \$	<b>Total equity</b> \$
Balance at 1 July 2019	25,802,639	(22,451,235)	267,870	3,619,274
Loss after income tax expense for the year	-	(1,746,864)	-	(1,746,864)
Total comprehensive income for the year	-	(1,746,864)	-	(1,746,864)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	730,451	-	-	730,451
Balance at 30 June 2020	<u>26,533,090</u>	<u>(24,198,099)</u>	<u>267,870</u>	<u>2,602,861</u>

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

**Emperor Energy Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(431,977)	(359,472)
Interest received		756	1,848
Interest and other finance costs paid		(1,390)	(4,271)
Other receipts		-	-
Income taxes paid		(152,055)	-
Net cash used in operating activities	29	(584,666)	(361,895)
<b>Cash flows from investing activities</b>			
Receipts/ (Payments for) for other financial assets		-	250,000
Receipts of sale of exploration assets		325,000	-
Payments for exploration and evaluation		(183,789)	(347,002)
Net cash used from investing activities		141,211	(97,002)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity securities		579,771	385,000
Payments of share issue costs		(24,674)	-
Net proceeds from borrowings		100,000	-
Repayment of borrowings		(10,000)	-
Net cash from financing activities		645,097	385,000
Net (decrease)/ increase in cash and cash equivalents		201,642	(73,897)
Cash and cash equivalents at the beginning of the financial year		155,376	229,273
Cash and cash equivalents at the end of the financial year	8	<u>357,018</u>	<u>155,376</u>

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

### **1. General information**

Emperor Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The address of the registered office and principal place of business is Level 21, 201 Sussex Street, Sydney, NSW 2000.

The principal activities of the consolidated entity consisted of investment in selected exploration, production and development opportunities in the upstream oil and gas sector

A description of the nature of the consolidated entity'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 30 September 2020. The directors have the power to amend and reissue the financial statements.

### **2. Presentation of financial statements**

The financial statements cover Emperor Energy Limited as a consolidated entity consisting of Emperor Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements have been presented in Australian dollars (\$) as this is the currency of the primary economic environment that the group operates in.

### **3. Summary of significant accounting policies**

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

#### **Adoption of new and revised Accounting Standards**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

Any new and revised Standards or Interpretations that are not yet mandatory have not been early adopted.

#### **Standard/Interpretation**

*AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15,  
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15, and  
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15  
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based  
Payment Transactions*

#### **AASB16 Leases**

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. Under AASB 16, right-of-use assets and lease liabilities need to be recognised in the Statement of Financial Position, initially measured at the present value of the future lease payments. Depreciation of right-of-use assets and interest on lease liabilities will subsequently be recognised in profit and loss accounts.

The AASB 16 has not had material impact on the Company's financial position and performance as it did not have operating leases with terms over 12 months during the period

### 3. Summary of significant accounting policies (continued)

#### Standards and Interpretations issued not yet effective – IASB and IFRIC Interpretations

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations (for which Australian equivalent Standards and Interpretations have not yet been issued) were in issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Amendments to References to the Conceptual Framework in IFRS Standards.	1 January 2020	30 June 2021

#### 3.1 Basis of preparation – general purpose financial statements

These financial statements have been prepared in accordance with International financial Reporting standards (IFRSs) as adopted by Australian Accounting Standard Board (AASB) and the *Corporations Act 2001*. The financial statements have been prepared on the historical cost basis except for certain assets which are stated at their fair value.

#### 3.2 Going concern

The consolidated financial statements have been prepared on the going concern basis.

During the financial year ended 30 June 2020, the consolidated entity incurred a loss after tax of \$1,746,864 and had net cash outflows from operating and exploration activities of \$768,455. The consolidated entity's current liabilities exceeded current assets by \$319,076 as at 30 June 2020. At 30 June 2020 the consolidated entity had net assets of \$2,602,861.

In considering the appropriateness of this basis of preparation, the directors have reviewed the Company's working capital forecasts for a minimum of 12 months from the date of the approval of this financial statement. At 30 June 2020, the Group had \$357,018 of available cash.

During and since the end of the last financial year, the directors have taken a number of actions to ensure the consolidated entity can continue to fund its operations and further explore and develop the consolidated entity's tenements. These steps comprise:

1. Capital raising in October 2019 and May 2020;
2. Payment of directors' fees in shares;
3. Completing work across each of our permits in accordance with the approved work programs;
4. Sale of Cyrano R3;
5. Commencing a Share Purchase Plan (SPP) on 29 September 2020 in order to raise \$300,000;
6. Retirement of one company director at the end of his 12-month term;
7. Overall review of all operational costs as a result of the Covid-19 Pandemic;
8. Global search to secure a farm-in partner for Vic/P47.

The directors have prepared a detailed cash flow forecast through to 30 June 2021 and based on the budgeted expenditure the consolidated entity will be required to raise additional funds (through the methods set out above) with a minimum overall raising of approximately \$1,000,000 (before costs) to fund the budgeted exploration plan as well as corporate operating costs.

The consolidated entity currently does not have any production income and in order to continue as a going concern is reliant on achieving on achieving a capital raising of at least \$1,000,000 over the 12 months to 30 June 2021.

Based on the current management plan, management believes that these funds will be sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis of preparation.

In the event that the consolidated entity is unsuccessful in the matters set out above, there is material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

### **3. Summary of significant accounting policies (continued)**

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

#### **3.3 Basis of consolidation**

The consolidated financial statements comprise the financial information of the Company and its subsidiaries (the "Group") made up to the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements present the results of the Company and its subsidiaries and joint arrangements as if they formed a single entity. Inter-company transactions and balances between group companies are therefore eliminated in full. The financial information of subsidiaries is included in the Group's financial statements from the date that control commences until the date that control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI). When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### **3.4 Property, plant & equipment**

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

#### **3.5 Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

#### **3.6 Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

##### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### *Other Revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### 3. Summary of significant accounting policies (continued)

#### 3.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### *Financial assets*

Financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

##### **Classification of Financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

##### *Initial measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.



### 3. Summary of significant accounting policies (continued)

#### 3.7 Financial instruments (Continued)

##### *Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at FVTPL

##### *(i). Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

##### *(ii) Debt instruments at fair value through other comprehensive income (Debt FVTOCI)*

Debt FVTOCI initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

##### *(iii) Equity instruments at fair value through other comprehensive income (Equity FVTOCI)*

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

##### *(iv) Financial assets at fair value through profit or loss (FVTPL)*

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "Net gain/(loss) arising on financial assets measured at FVTPL" line.

##### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

##### *Trade and other receivables and contract assets*

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

##### *Financial liabilities*

Financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. All financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 3. Summary of significant accounting policies (continued)

#### 3.7 Financial instruments (Continued)

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 3.8 Petroleum exploration and evaluation expenditures

Petroleum exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
  - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - (b) exploration and evaluation activities in the area of interest have not, at the 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.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) 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 in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

#### 3.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported on comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group and its subsidiaries operate by the end of the financial period.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

### 3. Summary of significant accounting policies (continued)

#### 3.10 Share based payments

The Company has applied AASB 2 Share-based Payment for all grants of equity instruments. Fair value is measured using an appropriate fair value model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

#### Note 4. Operating segments

The consolidated entity is organised into one segment: petroleum exploration and investment within Australia. The operating segment is based on the internal reports that are reviewed by the directors (who are identified as Chief Decision Makers) in assessing performance and allocation of resources.

##### *Accounting policy for operating segments*

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

#### Note 5. Other income

	Consolidated 2020 \$	2019 \$
Interest	756	1,848
Other income	756	1,848

#### Note 6. Expenses

	Consolidated 2020 \$	2019 \$
Loss before income tax includes the following specific expenses:		
<i>Employment Benefits:</i>		
Post employment benefit - Contribution plans	5,684	-
Other employee benefits	-	-
Consultant fees	105,000	55,353
Total Employment Benefits	110,684	55,353
<i>Share-based payments</i>		
Equity settled share based payments	120,000	148,445

The share-based payments listed above relate to shares issued to directors in lieu of directors fees as approved by shareholders at the company's Annual General Meeting held on 5 November 2019.

**Note 7. Income tax benefit**

	Consolidated 2020 \$	2019 \$
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(765,935)	(768,322)
Tax at the statutory tax rate of 27.5% (2019: 27.5%)	(210,632)	(211,289)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	33,000	40,822
Other permanent differences	92	444
Movements in prepayments	2,792	-
Movements in accrued expenditure	15,572	(11,289)
Capitalised deductible exploration expenditure	-	-
Capital raising costs	(13,966)	16,853
Unrealised market value movement in FVTPL assets	17	-
Impairment of exploration asset	-	32,154
	(173,126)	(132,303)
Current year tax losses not recognised	173,126	132,303
Benefit of prior year losses recognised	-	-
Under provision of prior years' income tax expense	980,929	-
Income tax benefit/(expense)	<u>980,929</u>	<u>-</u>

	Consolidated 2020 \$	2019 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	23,345,225	22,579,290
Potential tax benefit @ 27.5%	6,419,937	6,209,305

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated 2020 \$	2019 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	6,419,937	6,209,305
Temporary differences	37,506	(333,261)
Total deferred tax assets not recognised	<u>6,457,443</u>	<u>5,876,044</u>

**Note 7. Income tax benefit (continued)**

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.

(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law, and

(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

**Note 8. Current assets - cash and cash equivalents**

	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
Cash at bank	<u>357,018</u>	<u>155,376</u>

*Accounting policy for cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Note 9. Current assets - trade and other receivables**

	<b>Consolidated 2020 \$</b>	<b>2019 \$</b>
Other receivables	99	250
GST receivable / (payable)	-	19,496
Share application receivable	<u>4,700</u>	<u>95,000</u>
	<u><u>4,799</u></u>	<u><u>114,746</u></u>

The average credit period on trade and other receivables is 30 days. Due to the short term nature of the receivables their carrying value is assumed to approximate their fair value. No collateral or security is held. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

*Accounting policy for trade and other receivables*

Other receivables are recognised at amortised cost, less any provision for impairment.

**Note 10. Other financial assets**

	Consolidated 2020 \$	2019 \$
Prepayments	17,152	7,000
	<u>17,152</u>	<u>7,000</u>

**Note 11. Held-for-sale exploration assets**

	Consolidated 2020 \$	2019 \$
Held-for-sale exploration assets – fair value	-	325,000
	<u>-</u>	<u>325,000</u>

**Note 12. Non-current assets – Financial assets designated as FVTPL**

Investment in Strategic Energy Resources Limited (ASX: SER)	500	600
Investment in Octanex N.L (ASX : OXX)	120	80
	<u>620</u>	<u>680</u>

*Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	680	540
Revaluation increment/ (decrement)	<u>(60)</u>	<u>140</u>
Closing fair value	<u>620</u>	<u>680</u>

Refer to note 19 for further information on fair value measurement.

Investments in SER and OXX held by the consolidated entity at fair value are valued in accordance AASB 13, using Level 1 of the fair value hierarchy - quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair values of the financial assets held have been determined by reference to the quoted price on the ASX at 30 June 2020 and 30 June 2019.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.



**Note 13. Non-current assets - Petroleum exploration expenditure**

	Consolidated 2020 \$	2019 \$
Petroleum Exploration Expenditure	<u>3,489,111</u>	<u>3,305,322</u>

*Reconciliations*

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

Consolidated	Petroleum Exploration \$
Balance at 1 July 2018	3,400,245
Add: Expenditure during the year	347,002
Less: Impairment of exploration assets	(116,925)
Less: Less exploration asset held for sale	<u>(325,000)</u>
Balance at 30 June 2019	<u>3,305,322</u>
Add : Expenditure during the year	<u>183,789</u>
Balance at 30 June 2020	<u>3,489,111</u>

*Accounting policy for exploration and evaluation assets*

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

**Note 14. Trade and other payables**

Current liabilities	Consolidated 2020 \$	2019 \$
Trade payables	156,331	210,476
Other payables	<u>541,714</u>	<u>78,374</u>
	698,045	288,850

Non- Current liabilities	Consolidated 2020 \$	2019 \$
Other payables	<u>567,794</u>	-
	567,794	-

Refer to note 18 for further information on financial instruments.

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

**Note 14. Current liabilities - trade and other payables (continued)**

*Accounting policy for trade and other payables*

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 15. Equity - Issued Capital**

	2020 Shares	Consolidated 2019 Shares	2020 \$	2019 \$
Ordinary shares - fully paid	99,757,511	1,134,459,728	26,533,090	25,802,639

*Movements in ordinary share capital*

Details	Date	Shares	\$
Balance	01 Jul 2019	1,134,459,728	25,802,639
Share consolidation (1 for 15 split)	08 Aug 2019	(1,058,828,801)	-
Issue of shares	15 Oct 2020	1,777,444	\$0.045 79,985
Issue of shares in lieu of directors' fees (non-cash)	07 Nov 2020	4,175,096	\$0.042 175,354
Issue of shares	29 May 2020	18,174,044	\$0.027 499,786
Less Cost of capital raising	29 May 2020	-	- (24,674)
Balance	30 June 2020	99,757,511	26,533,090

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### Note 15. Equity - issued capital (continued)

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

##### *Accounting policy for issued capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Note 16. Equity – reserves

	Consolidated 2020 \$	2019 \$
Options reserve	267,870	267,870
	<u>267,870</u>	<u>267,870</u>

##### *Available-for-sale reserve*

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

##### *Movements in reserves*

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

Consolidated	Options reserve \$	Total \$
Balance at 30 June 2019	267,870	267,870
Movement	-	-
Balance at 30 June 2020	<u>267,870</u>	<u>267,870</u>

#### Note 17. Equity - dividends

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

## Note 18. Financial instruments

### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the directors under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks.

### Market risk

#### Price risk

The consolidated entity is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes.

Consolidated - 2020	Average price increase		Average price decrease	
	% change	Effect on equity	% change	Effect on equity
Available-for-sale investments carried at fair value - quoted shares	10%	<u>62</u>	10%	<u>(62)</u>
Consolidated - 2019	Average price increase		Average price decrease	
	% change	Effect on equity	% change	Effect on equity
Available-for-sale investments carried at fair value - quoted shares	10%	<u>68</u>	10%	<u>(68)</u>

#### Interest rate risk

The consolidated entity's main interest rate risk arises from cash deposits. The consolidated entity has no borrowings, and during the year held cash in accessible current accounts for liquidity purposes.

As at the reporting date, the consolidated entity had the following variable interest rates:

Consolidated	2020		2019	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash at bank	0.30%	357,018	1.40%	155,376
Net exposure to cash flow interest rate risk		<u>357,018</u>		<u>155,376</u>

The impact would not be material on bank balances held at 30 June 2020 or 30 June 2019.

**Note 18. Financial instruments (continued)**

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

**Liquidity risk**

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Remaining contractual maturities**

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %(p.a)	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2020</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	698,045	300,000	267,794	-	1,265,839
Total non-derivatives		698,045	300,000	267,794	-	1,265,839
	Weighted average interest rate %(p.a)	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2019</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade and other payables	-	288,850	-	-	-	288,850
Total non-derivatives		288,850	-	-	-	288,850

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Note 19. Fair value measurement

### *Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated – 2020</b>				
<i>Assets</i>				
Ordinary shares	620	-	-	620
Total assets	620	-	-	620
<b>Consolidated – 2019</b>				
<i>Assets</i>				
Ordinary shares	680	-	-	680
Total assets	680	-	-	680

There were no transfers between levels during the financial year.

### *Accounting policy for fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## Note 20. Key management personnel disclosures

### Directors

The following persons were directors of Emperor Energy Limited during the financial year:

C Dumbrell  
N Harvey  
P McNamara  
M King, resigned 31 March 2020

### Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr C Dumbrell (Company Secretary)  
Mr G Geary (Geological Consultant)  
Mr M King (Consultant)  
Mr P McNamara (Engineering Consultant)

### Compensation

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

	Consolidated 2020 \$	2019 \$
Short-term employee benefits	360,524	213,151
Post-employment benefits	5,684	-
Share-based payments	175,354	240,000
	<u>541,562</u>	<u>453,151</u>

## Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by ICP Assurance Services (2019: Deloitte Touche Tohmatsu), the auditor of the company:

	Consolidated 2020 \$	2019 \$
Audit services – <i>Deloitte Touche Tohmatsu</i>		
Audit or review of the financial statements	2,525	45,207
Audit services – <i>ICP Assurance Services</i>		
Audit or review of the financial statements	30,000	-
	<u>32,525</u>	<u>45,207</u>

## Note 22. Contingent liabilities

The consolidated entity had no contingent liabilities at 30 June 2020.

## Note 23. Commitments

	Consolidated 2020 \$	2019 \$
<i>Petroleum exploration commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	725,000	1,550,000
One to five years	26,250,000	36,300,000
More than five years	75,000	75,000
	<u>27,050,000</u>	<u>37,925,000</u>

The consolidated entity has interests in exploration and evaluation permits. These interests give rise to expenditure commitments.

### *Backreef area*

The company own 100% of the Backreef block in the Canning Basin, Western Australia. Backreef-1 was drilled in October 2010 to a depth of 1800m. Oil was discovered in porous and permeable Laurel dolomites. The well is currently cased and suspended at 1155m.

### *Vic/P47*

The consolidated entity has a 100% interest in Vic/P47 and is the operator. Judith-1 was drilled and operated by Shell Company of Australia in 1989 and is contained within the VIC/P47 Permit held 100% by Emperor Energy and located within close proximity of the Kipper Gas Field operated by Esso (Exxon Mobil).

On 22 February 2018 Emperor Energy announced that the VIC/P47 permit had been renewed for 5 years with a work program including drilling of an exploration well in the Judith North Structure by early 2021.

3D-GEO has since reviewed the November 2018 Resource Statement and conducted further technical assessments, leading to submission of a revised Resource Statement to Emperor Energy on the 5 July 2019 which highlighted:

- **2C Contingent Gas Resource of 150 Bcf**
- **P50 Unrisked Prospective Gas Resource of 1.226 Tcf**

Judith Gas Discovery		Contingent Resources		
		Low Estimate 1C	Best Estimate 2C	High Estimate 3C
GIIP	Bcf	180	278	386
Sales gas	Bcf	97	150	209
Condensate	MMbbl	1.4	2.2	3.2

*(Summary of Contingent and Prospective Resources for Judith area of VIC/P47 (3D-Geo, July 2019))*



**Note 23. Commitments (continued)**

Greater Judith Area		Unrisked Prospective Resources		
		P90	P50	P10
Judith Deep	Bcf	38	62	92
West	Bcf	83	127	176
Central	Bcf	37	333	628
North	Bcf	29	166	315
North East	Bcf	49	279	494
North West	Bcf	15	102	226
South	Bcf	14	157	565
<b>Total</b>	<b>Bcf</b>	<b>265</b>	<b>1226</b>	<b>2496</b>

The permit was renewed by NOPTA on 21 February 2018 for a period of five years. In September 2020 the Company applied to NOPTA to extend the work program due to Covid-19 and the closures of the Victoria borders.

The revised work program is outlined below:

Permit year	Exploration Activity	Estimated Cost
1. February 2018 – February 2019	Geology Studies including detailed resource assessment, preliminary reservoir engineering, target selection and well planning	\$400,000
2. February 2019 – February 2020	Confirmation of drilling target/s and detailed well planning and preparation	\$1,300,000
3. February 2022 – February 2023	Drill one (1) Exploration Well	\$25,000,000
4. February 2023 – February 2024	Post-well evaluation studies	\$500,000
5. February 2024 – February 2025	Geology Studies including commerciality assessment	\$300,000

The group will need to raise capital, or identify a farm-in a partner before permit year 3 to fund all the planned activities above.

**Note 24. Related party transactions**

*Parent entity*

Emperor Energy Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 26.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

**Note 24. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Payment for goods and services:		
Payments to CD & TL Accountants & Advisors	65,000	50,000
Payments to McNamara Advisory	43,350	33,975
Payments to Malcolm King	47,538	-
	<u>155,888</u>	<u>83,975</u>

During the year the consolidated entity paid \$65,000 to CD & TL Accountants & Advisors (an entity associated with C Dumbrell) for accounting and tax services performed during the year.

During the year the consolidated entity paid \$43,350 to McNamara Advisory (an entity associated with P McNamara) for management & exploration services performed during the year.

During the year the consolidated entity paid \$47,538 to Malcolm King for consulting services performed during the year.

*Receivable from and payable to related parties*

There were no trade receivables from related parties at the current and previous reporting date. As 30 June 2020 the company had trade payable to directors and their associated entities C Dumbrell \$13,171, P McNamara \$27,004 and M King \$5,775.

*Loans to/from related parties*

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

*Terms and conditions*

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

**Note 25. Parent entity information**

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

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	<u>(1,746,864)</u>	<u>(768,322)</u>
Total comprehensive income	<u>(1,746,864)</u>	<u>(768,322)</u>

**Note 25. Parent entity information (continued)**

*Statement of financial position*

	<b>Parent 2020 \$</b>	<b>2019 \$</b>
Total current assets	378,870	601,872
Total assets	3,861,597	3,901,021
Total current liabilities	698,047	288,850
Total liabilities	1,265,841	288,850
Equity		
Issued capital	26,533,090	25,802,639
Options reserve	267,870	267,870
Accumulated losses	(24,205,204)	(22,458,338)
Total equity	<u>2,595,756</u>	<u>3,612,171</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2020 and 30 June 2019.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 26. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
OBL Backreef No.10 Pty Ltd	Australia	100.00	100.00
Canning Basin Oil Limited	Australia	100.00	100.00
Wantok Oil Limited	Papua New Guinea	100.00	100.00
Shelf Oil Pty Ltd	Australia	100.00	100.00
Backreef Energy Pty Ltd	Australia	100.00	100.00

## Note 27. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Emperor Energy Limited  
Canning Basin Oil Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Emperor Energy Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2020 \$	2019 \$
<b>Statement of profit or loss and other comprehensive income</b>		
Other income	696	1,988
Corporate expenses	(456,908)	(399,308)
Administration expenses	(31,229)	(46,008)
Employee benefits expense	(110,684)	(55,353)
Share based payments	(120,000)	(148,445)
Impairment of exploration assets	-	(116,925)
Net loss on financial derivatives	-	-
Finance costs	(47,810)	(4,271)
<b>Loss before income tax benefit</b>	(765,935)	(768,322)
Income tax benefit	(980,929)	-
<b>Loss after income tax benefit</b>	(1,746,864)	(768,322)
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<u>(1,746,864)</u>	<u>(768,322)</u>
<b>Equity – accumulated losses</b>		
Accumulated losses at the beginning of the financial year	(22,450,075)	(21,681,753)
Comprehensive income /(loss) for the year	<u>(1,746,864)</u>	<u>(768,322)</u>
Accumulated losses at the end of the financial year	<u>(24,196,939)</u>	<u>(22,450,075)</u>

**Note 27. Deed of cross guarantee (continued)**

	2020 \$	2019 \$
<b>Statement of financial position</b>		
<b>Current assets</b>		
Cash and cash equivalents	361,718	250,376
Trade and other receivables	-	19,496
Held-for-sale exploration asset	-	325,000
Other financial assets	17,152	7,000
	<u>378,870</u>	<u>601,872</u>
<b>Non-current assets</b>		
Available-for-sale financial assets	708	919
Petroleum exploration expenditure	3,489,145	3,305,333
	<u>3,489,853</u>	<u>3,306,252</u>
<b>Total assets</b>	<u>3,868,723</u>	<u>3,908,124</u>
<b>Current liabilities</b>		
Trade and other payables	698,047	288,850
	<u>698,047</u>	<u>288,850</u>
<b>Non-current liabilities</b>		
Other payables	567,794	-
	<u>567,794</u>	<u>-</u>
<b>Total liabilities</b>	<u>1,265,841</u>	<u>288,850</u>
<b>Net assets</b>	<u>2,602,882</u>	<u>3,619,274</u>
<b>Equity</b>		
Issued capital	26,533,102	25,802,639
Reserves	267,870	267,870
Accumulated losses	(24,198,090)	(22,451,235)
<b>Total equity</b>	<u>2,602,882</u>	<u>3,619,274</u>

**Note 28. Events after the reporting period**

The COVID-19 pandemic has caused significant disruption to business and economic activities and there remains significant uncertainty as the situation continues to evolve. Due to the prolonged impact of COVID-19 and the closure of the State of Victoria, the company has applied to NOPTA for a 2.5 years suspension and extension of Year 3 of the Vic/P47 Permit Work Program. Emperor Energy's justification for the suspension and extension application is based on two (2) key factors:

1. The new 3D seismic acquisition completed by CGG in the Gippsland Basin and the improvement in Seismic data quality this will provide for the Judith Gas Field. The MC3D data will be initially for interpretation in the fourth quarter (Q4) of 2020 with the completed data available in Q3 2021.
2. The impact of COVID-19 on the offshore drilling industry and the flow on effect this has on access to drill rigs and well planning.

The consolidated entity announced that it intends to raise \$300,000 through Share Purchase Plan (SPP). Funds raised will be used for the company exploration & corporate activities.

The company has entered into a loan agreement with investors for \$231,000 for the purpose of securing a bank guarantee for engineering works to be completed for Vic/P47. The loan is for 12 months and pay interest of 7.5% pa.

**Note 29. Reconciliation of loss after income tax to net cash used in operating activities**

	Consolidated 2020 \$	2019 \$
Loss after income tax benefit for the year	(1,746,864)	(768,322)
Adjustments for:		
Net fair value (gain)/loss on financial assets designated as FVTPL	60	(140)
Share based payments	120,000	148,445
Impairment of exploration assets	-	116,925
Interest accrual	46,420	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	109,947	293
Decrease/(increase) in prepayments	(10,152)	9,575
Increase/(Decrease) in trade and other payables	895,923	131,329
Net cash used in operating activities	<u>(584,666)</u>	<u>(361,895)</u>

**Note 30. Earnings per share**

	Consolidated 2020 \$	2019 \$
Loss after income tax attributable to the owners of Emperor Energy Limited	<u>(1,746,864)</u>	<u>(768,322)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	81,136,340	953,260,824
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>81,136,340</u>	<u>953,260,824</u>
	Cents	Cents
Basic earnings per share	(2.153)	(0.081)
Diluted earnings per share	(2.153)	(0.081)

**Diluted Earnings Per Share**

In the current year, the options held by option holders were not included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they did not meet the requirements for inclusion is AASB 133 "Earnings per Share". The options were non-dilutive as the consolidated entity generated a loss during the financial year.

*Accounting policy for earnings per share*

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Emperor Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### Note 30. Earnings per share (continued)

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### Note 31. Share-based payments

On 7 November 2019 the consolidated entity issued 4,175,096 fully paid ordinary shares at a deemed issue price of \$0.042 (0.42 cents) per share to Directors in lieu of directors fees as approved by shareholders at the company's general meeting held on 5 November 2019.

Set out below are summaries of options granted:

Grant date	Expiry date	Exercise Price	Balance at the start of the year	Issued	Exercised	Consolidation	Expired/ forfeited/ other	Balance at the end of the year
9/11/17	31/3/20	\$ 0.005	518,051,398		-	34,536,760	(34,536,760)	-
26/6/19	31/3/20	\$ 0.005	116,600,000		-	7,773,333	(7,773,333)	-
28/8/19	31/3/20	\$ 0.005		1,777,444	-	118,496	(118,496)	-
			<b>634,651,398</b>	<b>1,777,444</b>	<b>-</b>	<b>42,428,589</b>	<b>(42,428,589)</b>	<b>-</b>

#### 2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/11/2015	17/11/2018	\$0.047	6,700,000			(6,700,000)	-
09/11/2017	31/03/2020	\$0.005	518,051,398	-	-	-	518,051,398
26/06/2019	31/03/2020	\$0.005	-	116,600,000	-	-	116,600,000
			<b>524,751,398</b>	<b>116,600,000</b>	<b>-</b>	<b>(6,700,000)</b>	<b>634,651,398</b>

#### *Accounting policy for share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to directors and other key management personnel as part of compensation during the year.

Equity-settled transactions are awards of shares, or options over shares that are provided to directors and other key management personnel in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

**Note 31. Share-based payments (continued)**

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.



**Emperor Energy Limited**  
**Directors' declaration**  
**30 June 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27 to the financial statements.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Carl Dumbrell, Director

30 September 2020



## Independent Auditor's Report to the Members of Emperor Energy Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Emperor Energy Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 3.2 in the financial report, which indicates that the Group incurred a net loss after tax of \$1,746,864 and had net cash outflows from operating and exploration activities of \$768,455 during the year ended 30 June 2020. The Group's current liabilities exceeded current assets by \$319,076 as at 30 June 2020. As stated in Note 3.2, these events or conditions, along with other matters as set forth in Note 3.2, indicate that a material uncertainty exists that may cast significant doubt regarding the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, however we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Accounting for Exploration and Evaluation Costs</b></p> <p>Refer to Note 13 in the financial report.</p> <p>At 30 June 2020, the carrying value of Exploration and Evaluation Assets totalled \$3,498,111. This includes exploration and evaluation expenditure capitalised in the current financial year of \$183,789.</p> <p>As all the tenements held by the Group are in the exploration stage, exploration expenditure is capitalised in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. Any impairment losses are then measured in accordance with AASB 136 <i>Impairment of Assets</i>.</p> <p>Management is required to exercise judgement in assessing the carrying value of exploration and evaluation assets including:</p> <ul style="list-style-type: none"> <li>• whether the conditions for capitalising exploration and evaluation expenditure are satisfied;</li> <li>• which elements of exploration and evaluation expenditure qualify for capitalisation; and</li> <li>• whether facts and circumstances indicate that the exploration and evaluation assets may exceed its recoverable amount, and then measuring any impairment loss.</li> </ul>	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the internal processes which govern the allocation of exploration and evaluation costs between capital and expenses;</li> <li>• Selecting a sample of capitalised exploration and evaluation expenditure and obtaining documentation to ensure the classification between assets and expenses is appropriate and in accordance with AASB 6;</li> <li>• Reviewing management's assessment of impairment indicators for the capitalised exploration and evaluation costs;</li> <li>• assessing management's plans for the development and exploitation of the relevant areas of interest and confirming the group holds current rights to tenure over these areas of interest;</li> <li>• Reviewing the recent valuation report prepared by an independent expert to ensure the carrying values do not exceed the recoverable amounts at 30 June 2020.</li> </ul>

## Other matter

The financial report of Emperor Energy Limited for the year ended 30 June 2019 was audited by Deloitte Touche Tohmatsu who expressed an unmodified opinion on 30 September 2019.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt regarding the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included on pages 11 to 15 of the financial report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Emperor Energy Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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ICP Assurance Services Pty Ltd

A handwritten signature in black ink, appearing to read 'Chris Wong', written over a light pink rectangular background.

Christopher Wong  
Director

30 September 2020

Sydney NSW 2000

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**Emperor Energy Limited**  
**Shareholder information**  
**30 June 2020**

The shareholders information set out below was applicable as at 29 September 2020.

**Distribution of equitable securities**

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

	<b>Number of holders of ordinary shares</b>
1 to 1,000	128
1,001 to 5,000	33
5,001 to 10,000	9
10,001 to 100,000	244
100,001 and over	147
	<hr/>
	561
	<hr/> <hr/>
Holding less than a marketable parcel	170
	<hr/> <hr/>

## Equity security holders

*Twenty largest quoted equity security holders*

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

		Ordinary shares	
		Number held	% of total shares issued
1	Citicorp Nominees Pty Limited	8,126,718	8.15%
2	Scintilla Strategic Investments Limited	4,000,000	4.01%
3	Craig Graeme Chapman	3,406,666	3.41%
4	Sama Zaraah Pty Ltd	3,257,000	3.26%
5	Daniel J Peters	3,064,197	3.07%
6	Anthony De Nicola & Tanya Louise De Nicola	3,000,000	3.01%
7	Bond Street Custodians Limited	2,916,474	2.92%
8	ZLD Holdings Pty Ltd	2,431,391	2.44%
9	The Australian Special Opportunity Fund LP	2,222,223	2.23%
10	Slade Technologies Pty Ltd	1,828,334	1.83%
11	Littlejohn Embrey Engineering Pty Ltd	1,798,973	1.80%
12	Paul Gregory Brown & Jessica Oriwia Brown	1,500,000	1.50%
12	Gavin Jeremy Dunhill	1,500,000	1.50%
12	Energy Trader Pty Ltd	1,500,000	1.50%
13	Buduci Fond Pty Ltd	1,471,175	1.47%
14	Harness Pty Ltd	1,341,667	1.34%
15	H&M Investments Pty Ltd	1,283,502	1.29%
16	Philip McNamara & Gina McNamara	1,261,905	1.27%
17	Arlam Pty Ltd	1,234,541	1.24%
18	Ronald William Billyard & Ms Fiona Currey	1,217,273	1.22%
19	Mark Stephen O'leary	1,200,000	1.20%
20	Nishant Kumar Misra	1,144,445	1.15%



**Substantial holders**

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Citicorp Nominees Pty Limited/The Australian Special Opportunity Fund LP	8,126,718	8.15%
Carl Dumbrell/Zen88 Pty LTD / Bond Street Custodian/ZLD Holdings	5,834,533	5.85%
Scintilla Strategic Investments Limited	4,000,000	4.01%

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.