



15 November 2021

ASX Market Announcements

Managing Director Address to 2021 Annual General Meeting

15th November, 2021

Dear Shareholders,

The 2021 financial year has been frustrating for our project activities which have been negatively impacted by the Covid-19 pandemic. Associated with that, the Philippine Government terminated Service Contract 44 ("SC 44") in breach of its terms. We have continued our search for Australian onshore new ventures and also achieved significant steps in our capital management plan.

Once the Covid-19 pandemic was declared governments in Australia, Philippines, Singapore, and France imposed various sanctions, including travel restrictions, border closures and lockdowns which negatively impacted our drilling operations and businesses activities. We have been more affected because of the cross border nature of our business activities.

In response to imposed Covid-19 sanctions that made us halt our Philippine drilling operations we had in March, 2020 invoked *Force Majeure* for SC 44 in the Philippines. This request was to allow for an extension of time to complete the Nuevo Malolos-1 well deepening operations of which we were in the middle of conducting at that time.

Inexplicably, the Philippine Department of Energy ("DOE") allowed the Technical Moratorium extension expiry date of SC 44 of 2nd September, 2020 to pass without a response to our request. In June, 2021 the DOE formally notified termination of SC 44 on the basis of failure of the Company to comply with all the requirements of the Technical Moratorium without reference to the *Force Majeure* request.

We formally sent a request (fully supported by the facts that justify the application of *Force Majeure* in our case) the DOE to reconsider their decision. This request was also rejected.

We have now written to the DOE and advised them that failure on their part to reinstate SC 44 for a period of time sufficient to allow the Company to complete drilling and testing operations will result in the Company referring the matter to the International Chamber of Commerce for Arbitration, as provided for under SC 44.

Our financial claim in January, 2020 of €34.35 million against the French Government for their unlawful actions on the St. Griede permit non-renewal has progressed slowly, likely the legal process in France is impacted by the various Covid-19 sanctions. Final submission to the Court closes on the 26th November 2021 for the matter to be judged. We are hopeful that a decision on this matter will follow shortly after that.

We are at advanced stages of negotiations with counter parties regarding farmin opportunities to acquire equity in onshore, oil and gas projects in Australia. The Australian Government in September, 2020 announced their strong support for the local gas and energy industry and this is also highlighted by the current very high gas sale price being achieved by gas producers in eastern Australia. We hope to announce participation in some new projects in the very near future.

In preparation for new projects and for working capital, we raised new capital totalling approximately \$2.5 million before costs by the issue of 665.6 million new ordinary shares when the equity market was buoyant in early 2021. A rights issue during the second quarter 2021 to all shareholders that closed after the financial year raised \$158,805 cash and as it was fully underwritten by the Directors, the shortfall of 1,992 million shares for \$5.97 million was taken up by the Directors against the loans, interest and fees owing to them, reducing substantially the liabilities of the Company.

We thank our shareholders for their continued support while we await the French tribunal decision on our claim and a fair decision from the DOE for us to continue exploration in Philippines, and we work to acquire new projects in Australia.

Dennis Morton
Managing Director

Authorised by:

Dennis Morton
Managing Director

Patrick Sam Yue
Executive Director/Company Secretary