Omega Oil & Gas Limited

ABN 45 644 588 787

Annual Report - 30 June 2023

OMEGA
OIL AND GAS LIMITED

Omega Oil & Gas Limited
Corporate directory
30 June 2023

Directors	Stephen Harrison Lauren Bennett (resigned 21 September 2023) Quentin Flannery Michael Sandy Andrew Hackwood (appointed 13 February 2023)
Company secretary	David Franks
Auditor	UHY Haines Norton
Solicitors	Sundaraj & Ker
Bankers	Commonwealth Bank of Australia
Stock exchange listing	Omega Oil & Gas Limited shares are listed on the Australian Securities Exchange (ASX code: OMA)
Website	https://omegaoilandgas.com.au/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Omega Oil & Gas 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 2023.

Directors

The following persons were directors of Omega Oil & Gas Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Harrison
Lauren Bennett (resigned 21 September 2023)
Quentin Flannery
Michael Sandy
Andrew Hackwood (appointed 13 February 2023)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Exploration and evaluation activities on Authority to Prospect 2037 and 2038 (ATP2037 and ATP2038 respectively), consisting of successfully drilling Canyon 1 and Canyon 2 wells. ATP 2037 and ATP 2038 are located approximately 30km west of Tara, in the Western Downs Region of Queensland, Australia. The consolidated entity holds 100% interest in these tenements.
- Development of the Bennett Oil project in Petroleum Lease 17 (PL17), located in the Bennett and Leichardt Fields, near the Surat Basin in Queensland, Australia. The consolidated entity holds 100% interest in this tenement.

Dividends

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

Review of results and operations

Review of results

The loss for the consolidated entity after providing for income tax amounted to $5,338,461 (30 June 2022: loss of $2,005,513). The current year loss includes a non-cash expense of $151,207 relating to share-based remuneration.

The consolidated entity spent $14,777,790 on exploration and evaluation in its Canyon drilling program and $692,611 on the development of the Bennett Oil project.

Review of operations

The consolidated entity's primary focus was the exploration and evaluation program on ATP 2037 and ATP 2038, specifically the Canyon drilling campaign.

The results of the Canyon drilling campaign confirmed hydrocarbon discoveries in Canyon-1 and 2 wells, proving the presence of both gas and liquids in the primary target Kianga Formation and secondary target, upper Back Creek Group. The results exceeded pre-drill expectations in terms of target interval thickness, quality and pressure. Following these positive results, a technical team has been engaged to fast-track hydraulic stimulation planning.

Also during the period, pre-production and development activities were completed on Bennett-1 and Bennett-4, which are two existing oil wells within PL17. Contractors were engaged to conduct extended well testing to ascertain the feasibility of bringing both wells into long term production. The result of testing proved the viability of bringing both wells into long term production. The consolidated entity will consider the option of long term production in conjunction with its other projects.

Significant changes in the state of affairs
On 21 October 2022, the company was admitted to the Official List of ASX. The company raised $15,070,000 from the issue of 75,350,000 shares at an issue price of $0.20 per share in the Initial Public Offering.

On 23 January 2023, 20,849,906 fully paid ordinary shares were issued at $0.20 per share to Tri-Star E&P Pty Ltd.

On 14 February 2023, Andrew Hackwood from Tri-Star E&P Pty Ltd joined the Board of Directors as a Non-Executive Director.

On 27 March 2023, 3,6799,696 fully paid ordinary shares were issued at $0.20 per share to Tri-Star E&P Pty Ltd.

On 23 May 2023, Trent Lockhart joined the company as Chief Financial Officer.

On 30 June 2023, Regie Estabillo completed his contract with the company as Chief Operating Officer.

Matters subsequent to the end of the financial year
On 3 July 2023, an announcement was made proposing the issue of 150,000 fully paid ordinary shares as part payment for Consulting Services for up to $30,000 in services, at a share price of $0.20.

On 3 July 2023, Trevor Brown joined the company as a strategic advisor.

On 8 August 2023, an announcement was made that the consolidated entity intended to offer the following share placement:
• Tranche 1: 23,896,315 new shares at an issue price of $0.18 per share (Tranche 1), utilising the company's existing placement capacity pursuant to ASX Listing Rule 7.1 and will rank equally with the company's existing fully paid ordinary shares. Completion of Tranche 1 of the Placement, totalling $4,301,337, completed 14 August 2023, and
• Tranche 2: 95,177,977 new shares at an issue price of $0.18 per share (Tranche 2). At the company's AGM on 2 November 2023 the company will seek to obtain shareholder approval under ASX Listing Rule 7.3 and 10.11 to approve the issue of Tranche 2 of the Placement. Completion of Tranche 2 of the Placement, totalling $17,132,036, is expected to occur shortly after approval, by mid November 2023.

The consolidated entity will apply the funds raised from the Placement towards future exploration and evaluation expenditure.

In addition to the above, the following securities will be issued, subject to shareholder approval, as part of the broker mandate:
• 1,298,058 shares as part consideration for the broker fundraising fee; and
• 10,000,000 options exercisable at $0.30, expiring two years from the date of issue.
Shares and options are in addition to a cash payment of $585,051.

On 21 September 2023, Lauren Bennett resigned from her position as Chief Executive Officer. She will continue to support the company in an advisory role until March 2024.

No other matter or circumstance has arisen since 30 June 2023 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 years.

Likely developments and expected results of operations
Well data gathered during the successful Canyon-1 drilling operation confirmed the presence of a thick, gas-bearing, Permian interval at the well location. At the completion of the drilling campaign, it was decided to suspend the Canyon-1 well, leaving the lowermost section of the well un-cased, to preserve the option of later re-entering the well and drilling a horizontal section. Analysis of data gathered from both the Canyon-2, and Canyon-1 wells has been integrated into Omega's regional geologic model and a comprehensive review of future work program options has been completed. The company has decided to re-enter the Canyon-1 well, drill a horizontal section into the Permian Kianga formation, and perform a multi-stage fracture-stimulation and flowback campaign. The aim of the program is to test whether the prospective, gas-bearing, tight-sand intervals of the Kianga formation can achieve commercial flow rates to surface.

The company is also currently progressing its submissions to apply for a tenure upgrade across a large portion of its exploration permits, ATP 2037 and ATP 2038, through seeking a Potential Commercial Area (PCA) licence to be granted over key areas of prospectivity. PCA's are typically granted for a longer term than an ATP licence and defer the requirement to relinquish a proportion of our acreage. If successful, this will enable Omega to maximise our understanding of the play prior to relinquishing any further acreage. Omega has a large and highly favourable position covering the Eastern flank of the Taroom Trough.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The consolidated entity conducts its operations in compliance with the Queensland Petroleum and Gas (Production and Safety) Act 2004. These activities are subject to relevant exploration licences, permits and environmental approvals which specify the environmental regulations applicable to the exploration, construction, and operations of petroleum activities as appropriate. Environmental considerations of any activities not already covered by a specific regulation or directive are reviewed with and approved by the Queensland Department of Environment and Science under the Environmental Protection Act 1994. The consolidated entity has not recorded and is not aware of any breaches of any of its environmental licence conditions nor has it been notified of any material environmental breaches by any government agency during the year.

Information on directors

Name:	Stephen Harrison
Title:	Non-Executive Chairman
Experience and expertise:	Stephen brings to the Board extensive experience in the ASX listed environment being currently Chairman of both ASX-listed NobleOakLife Limited (ASX: NOL) and Aumake Limited (ASX: AUK). He also has extensive experience in the oil and gas industry, including having been a director of Blue Energy Limited (ASX: BLU) and Exoma Energy Limited, both of which hold or held assets in Queensland.
Other current directorships:	NobleOakLife Limited (ASX: NOL), Aumake Limited (ASX: AUK)
Former directorships (last 3 years):	Incentiapay Limited (ASX: INP)
Interests in shares:	822,302 fully paid ordinary shares held directly 422,596 ordinary shares escrowed for 24 months from the date of quotation, held directly
Interests in options:	750,000 unlisted options held directly

Name:	Lauren Bennett
Title:	Managing Director
Experience and expertise:	Lauren is a management professional with experience across varied industries including oil and gas, mining and resources, healthcare, telecommunications, and large-scale infrastructure. Lauren has held key technical and commercial roles in private companies and government agencies, as well as companies listed on the ASX and the Paris Stock Exchange, including Senex Energy, Air Liquide Healthcare, ANLEC R&D, Worley Parsons and TfNSW.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,011,010 fully paid ordinary shares held indirectly through Kom Co Pty Ltd 311,706 ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Kom Co Pty Ltd
Interests in rights:	3,474,984 performance rights held directly

Name:	Quentin Flannery
Title:	Non-Executive Director
Experience and expertise:	Quentin is the Chief Investment Officer of the Flannery family office and holds several family office vehicle directorships through this role. As well as this, Quentin is the Chairman of private medical device company Field Orthopaedics, is a Director of the Flannery Foundation and a proud corporate ambassador for the Act for Kids child abuse charity. Earlier in his career Quentin was the global head of Thermal Coal Sales for Yancoal Australia Limited (ASX:YAL).
Other current directorships:	None
Former directorships (last 3 years):	AuMake International (ASX:AUK)
Interests in shares:	1,294,273 fully paid ordinary shares held indirectly through Maximus Flannery Pty Ltd 358,578 ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Maximus Flannery Pty Ltd 41,604,369 fully paid ordinary shares held indirectly through Ilwella Pty Ltd 4,562,428 ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Ilwella Pty Ltd 1,001,000 fully paid ordinary shares held indirectly through Offelbar Pty Ltd 71,500 ordinary shares escrowed for 24 months from the date of quotation, held indirectly through Offelbar Pty Ltd
Interests in options:	5,559,975 unlisted options, held indirectly through Ilwella Pty Ltd 450,000 unlisted options, held indirectly through Offelbar Pty Ltd

Name:	Michael Sandy
Title:	Non-Executive Director
Experience and expertise:	Michael is a Non-Executive Director and brings with him extensive oil and gas experience across various companies, both listed and unlisted, across various jurisdictions. Michael is currently serving as a Non-Executive Director of Melbana Energy (ASX: MAY). Prior to Melbana Energy, Michael was involved in listing Novus Petroleum Ltd, he served as a Non-Executive Director of Tap Oil Limited (ASX: TAP), Hot Rock Ltd (ASX: HRL), Caspian Oil and Gas (ASX: CIG), and Pan Pacific Petroleum (ASX:PPP). He is also the ex-chairman of Burleson Energy Limited (ASX: BUR) and Non-Executive Chairman of MEC Resources (ASX: MEC).
Other current directorships:	Melbana Energy (ASX: MAY)
Former directorships (last 3 years):	
Interests in shares:	100,000 fully paid ordinary shares held indirectly through Cresta Vista Pty Ltd
Interests in options:	450,000 unlisted options held directly

Name:	Andrew Hackwood
Title:	Non-Executive Director
Experience and expertise:	Andrew is the Country Manager – Australia for the Tri-Star Group and has deep commercial expertise in all aspects of the east coast gas market and both domestic and international experience in principal investing in infrastructure and utilities. Andrew has held senior positions at Santos, including General Manager of Commercial for the $18.5 billion Santos GLNG project, and is a director of a non-listed minerals exploration company. Earlier in his career, Andrew was an investment banker with Macquarie Bank and a lawyer with Allens.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	None

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

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

Company secretary
David Franks from the Automic Group (appointed 3 June 2021).

David Franks is a Principal at the Automic Group and Director of Automic Finance Pty Ltd. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 20 years' experience in finance, governance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. Mr Franks is currently the Company Secretary for the following ASX Listed entities: Applyflow Limited, COG Financial Services Limited, Cogstate Limited, Dubber Corporation Limited, Evergreen Lithium Limited, Exopharm Limited, IRIS Metals Limited, IXUP Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, Omega Oil and Gas Limited, White Energy Company Limited and ZIP Co Limited. He was also a Non-Executive Director of JCurve Solutions Limited from 2014 to 2021.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Quentin Flannery	11	12
Stephen Harrison	12	12
Lauren Bennett	12	12
Michael Sandy	12	12
Andrew Hackwood	5	5

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

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, 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
- Service agreements
- 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 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 it is considered to conform to the market best practice for the 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
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity 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 Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

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 sustained growth in shareholder wealth, consisting of 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 and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was within the company constitution dated 21 October 2022, detailing a maximum annual aggregate remuneration of $500,000.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include shareholder value, asset performance, leadership contribution.

Consolidated entity performance and link to remuneration
The cash bonus and incentive payments are at the discretion of the Board.

Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

During the financial year ended 30 June 2023, the consolidated entity did not engage the services of remuneration consultants.

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.

The key management personnel of the consolidated entity consisted of the directors of Omega Oil & Gas Limited and key members of the management team:
- Stephen Harrison
- Lauren Bennett (resigned 21 September 2023)
- Quentin Flannery
- Michael Sandy
- Andrew Hackwood (appointed 13 February 2023)
- Trent Lockhart, Chief Financial Officer (appointed 23 May 2023)
- Regie Estabillo, Chief Operating Officer (resigned 30 June 2023)

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Cash $	Equity-settled* $	Total $
Non-Executive Directors:								
Stephen Harrison	72,000	-	-	-	-	-	55,012	127,012
Quentin Flannery	48,000	-	-	-	-	-	33,007	81,007
Michael Sandy	48,400	-	-	-	-	-	33,007	81,407
Andrew Hackwood	18,000	-	-	-	-	-	-	18,000
Executive Directors:								
Lauren Bennett	225,000	58,175	23,621	30,450	2,666	-	30,180	370,092
Other Key Management Personnel:								
Trent Lockhart	24,004	-	1,595	2,511	38	-	-	28,148
Regie Estabillo	225,490	65,000	(24,455)	24,042	(657)	103,773	-	393,193
	660,894	123,175	761	57,003	2,047	103,773	151,206	1,098,859

* Remuneration on equity-settled share-based payments comprises the proportion of the grant date fair value recognised during the financial year.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Stephen Harrison	-	-	-	-	-	72,000	72,000
Quentin Flannery	-	-	-	-	-	48,000	48,000
Executive Directors:							
Lauren Bennett	237,500	-	22,230	23,688	610	-	284,028
Other Key Management Personnel:							
Regie Estabillo	237,500	-	22,230	23,687	610	-	284,027
	475,000	-	44,460	47,375	1,220	120,000	688,055

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Lauren Bennett - resigned 21 September 2023
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	1 October 2021
Details:	$225,000 per annum excluding superannuation. 6 month notice period. Effective 1 July 2023, $300,000 per annum excluding superannuation.

Name:	Trent Lockhart
Title:	Chief Financial Officer
Agreement commenced:	23 May 2023
Details:	$220,000 per annum excluding superannuation. 6 month notice period.

Name:	Regie Estabillo - resigned 30 June 2023
Title:	Chief Operating Officer
Term of agreement:	1 October 2021
Details:	$225,000 per annum excluding superannuation. 6 month notice period.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Expiry date	Exercise price	Fair value per option at grant date
03/05/2021	21/10/2024	$0.30	$0.116
04/07/2022	21/10/2025	$0.30	$0.139
04/07/2022	21/10/2026	$0.30	$0.154
04/07/2022	21/10/2027	$0.30	$0.165

Options granted carry no dividend or voting rights.

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023 that vested.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Expiry date	Fair value per right at grant date
10/08/2022	21/10/2025	$0.200
10/08/2022	21/10/2025	$0.060
10/08/2022	21/10/2025	$0.036

Performance rights granted carry no dividend or voting rights.

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023 that vested.

Of the above performance rights issued to other key management personnel, half have been forfeited upon the resignation of a member of key management.

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

	30 June 2023
Share price at financial year end ($)	0.20
Basic earnings per share (cents per share)	(4.60)
Diluted earnings per share (cents per share)	(4.60)

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	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Directors					
Stephen Harrison	807,398	-	437,500	-	1,244,898
Lauren Bennett	540,216	-	782,500	-	1,322,716
Quentin Flannery	15,425,633	-	33,466,515	-	48,892,148
Michael Sandy	-	-	100,000	-	100,000
Key management personnel					
Regie Estabillo*	474,207	-	-	(474,207)	-
	17,247,454	-	34,786,515	(474,207)	51,559,762

* 'Disposals/other' reflects cessation of employment with the company.

Option holding
The number of options over ordinary 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	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Directors					
Stephen Harrison	-	750,000	-	-	750,000
Quentin Flannery	-	6,009,975	-	-	6,009,975
Michael Sandy	-	450,000	-	-	450,000
	-	7,209,975	-	-	7,209,975

Performance rights holding
The number of performance rights over ordinary 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	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Directors					
Lauren Bennett	-	3,474,984	-	-	3,474,984
Key management personnel					
Regie Estabillo*	-	3,474,984	-	(3,474,984)	-
	-	6,949,968	-	(3,474,984)	3,474,984

* 'Expired/forfeited/other' reflects forfeiture of performance rights due to cessation of employment on 30 June 2023.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Omega Oil & Gas Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
03/05/2021	21/10/2024	$0.30	11,119,950
04/07/2022	21/10/2025	$0.30	550,000
04/07/2022	21/10/2026	$0.30	550,000
04/07/2022	21/10/2027	$0.30	550,000
21/10/2022	21/10/2024	$0.30	2,500,000
			15,269,950

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under performance rights
Unissued ordinary shares of Omega Oil & Gas Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
10/08/2022	21/10/2025	$0.00	3,474,985

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Omega Oil & Gas Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Omega Oil & Gas Limited issued on the exercise of performance rights during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, 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 and executives 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 the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of 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
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of UHY Haines Norton
There are no officers of the company who are former partners of UHY Haines Norton.

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 immediately after this directors' report.

Auditor
UHY Haines Norton continues in office in accordance with section 327 of the Corporations Act 2001.

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

Stephen Harrison
Director

26 September 2023
Sydney

UHY Haines Norton
Chartered Accountants

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Auditor's Independence Declaration under section 307C of the Corporations Act 2001

To the Directors of Omega Oil & Gas Limited

As auditor for the audit of Omega Oil & Gas Limited for the year ended 30 June 2023,
I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Omega Oil & Gas Limited and the entity it controlled during the financial year.

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
Date: 26 September 2023

UHY Haines Norton
Chartered Accountants

General information

The financial statements cover Omega Oil & Gas Limited as a consolidated entity. The financial statements are presented in Australian dollars, which is Omega Oil & Gas Limited 's functional and presentation currency.

Omega Oil & Gas Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 3A	Suite 12.01, Level 12
243 Edward Street	25 Bligh Street
Brisbane QLD 4000	Sydney NSW 2000

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 26 September 2023. The directors have the power to amend and reissue the financial statements.

Omega Oil & Gas Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Revenue			
Revenue	4	78,454	-
Cost of sales	5	(40,396)	-
Gross profit		38,058	-
Other income	6	15,160	27,706
Expenses			
Administration expenses		(709,648)	(165,295)
Depreciation and amortisation expense	7	(52,482)	(32,908)
Employee benefits expense		(1,157,291)	(592,055)
Finance costs	7	(302,754)	(57,545)
Impairment of assets	12	(1,621,892)	-
Occupancy expenses		(66,854)	(62,793)
Other expenses		(221,993)	(49,122)
Professional fees		(1,107,558)	(977,501)
Share-based payment expense	35	(151,207)	(96,000)
Loss before income tax expense		(5,338,461)	(2,005,513)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Omega Oil & Gas Limited	22	(5,338,461)	(2,005,513)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Omega Oil & Gas Limited		(5,338,461)	(2,005,513)
		Cents	**Cents**
Basic earnings per share	34	(4.60)	(5.90)
Diluted earnings per share	34	(4.60)	(5.90)

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

Omega Oil & Gas Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents	9	2,154,670	2,317,677
Other current assets	10	324,255	987,355
Other receivables	11	1,084,820	159,800
		3,563,745	3,464,832
Non-current assets classified as held for sale	12	1,868,292	-
Total current assets		5,432,037	3,464,832
Non-current assets			
Property, plant and equipment		39,683	86,737
Right-of-use assets		95,974	-
Exploration and evaluation	13	17,974,452	2,341,006
Well site properties in development	14	1,522,902	-
Other receivables	11	348,545	157,963
Total non-current assets		19,981,556	2,585,706
Total assets		25,413,593	6,050,538
Liabilities			
Current liabilities			
Trade and other payables	15	3,263,750	388,646
Convertible note payable	17	-	2,937,650
Lease liabilities		32,200	-
Derivative financial instruments	18	-	753,940
Employee benefits		61,000	50,226
Loan payable	16	132,060	-
Total current liabilities		3,489,010	4,130,462
Non-current liabilities			
Lease liabilities		62,816	-
Employee benefits		3,596	-
Provisions	19	1,823,490	161,316
Total non-current liabilities		1,889,902	161,316
Total liabilities		5,378,912	4,291,778
Net assets		20,034,681	1,758,760
Equity			
Issued capital	20	28,243,563	5,280,388
Reserves	21	651,207	-
Accumulated losses	22	(8,860,089)	(3,521,628)
Total equity		20,034,681	1,758,760

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

Omega Oil & Gas Limited
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	**Issued capital $**	**Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2021	3,500,100	-	(1,571,115)	1,928,985
Loss after income tax expense for the year	-	-	(2,005,513)	(2,005,513)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,005,513)	(2,005,513)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	1,835,288	-	-	1,835,288
Share buyback (note 20)	(55,000)	-	55,000	-
Balance at 30 June 2022	5,280,388	-	(3,521,628)	1,758,760

Consolidated	**Issued capital $**	**Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2022	5,280,388	-	(3,521,628)	1,758,760
Loss after income tax expense for the year	-	-	(5,338,461)	(5,338,461)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(5,338,461)	(5,338,461)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	22,963,175	-	-	22,963,175
Share-based payments issued to Directors and management (note 21)	-	151,207	-	151,207
Options issued to broker (note 21)	-	500,000	-	500,000
Balance at 30 June 2023	28,243,563	651,207	(8,860,089)	20,034,681

Omega Oil & Gas Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		78,454	-
Payments to suppliers and employees (inclusive of GST)		(3,905,803)	(3,450,774)
		(3,827,349)	(3,450,774)
Interest received		7,105	160
Interest and other finance costs paid		(20,289)	(2,959)
Interest paid on lease liability		(3,094)	-
Deposit paid for financial surety on tenements held		(190,581)	-
Deposit paid for rental premises		(3,624)	-
Net cash used in operating activities	33	(4,037,832)	(3,453,573)
Cash flows from investing activities			
Payments for property, plant and equipment		(16,223)	-
Payments for exploration and evaluation		(12,592,458)	-
Payments for security deposits		-	-
Payments for well site development		(516,583)	-
Payments for assets held for sale		(2,507,448)	-
Net cash used in investing activities		(15,632,712)	-
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs	20	19,106,292	1,760,558
Proceeds from prior period unpaid shares		-	28,000
Share buyback	20	-	(55,000)
Proceeds from convertible notes	17	414,200	3,653,100
Repayment of lease liabilities		(12,955)	-
Net cash from financing activities		19,507,537	5,386,658
Net (decrease)/increase in cash and cash equivalents		(163,007)	1,933,085
Cash and cash equivalents at the beginning of the financial year		2,317,677	384,592
Cash and cash equivalents at the end of the financial year	9	2,154,670	2,317,677

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

Note 1. 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.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

During the year ended 30 June 2023, the consolidated entity incurred a net loss before tax of $5,338,461 and had a net cash outflow from operating activities of $4,037,832.

On 8 August 2023, the consolidated entity successfully raised $21,433,373 through the issuance of 119,074,292 shares across two tranches together with 10,000,000 options exercisable at $0.30, expiring two years from the date of issue, and 1,298,058 shares as part-consideration for the broker fundraising fee. The first tranche of 23,896,315 shares raised $4,301,337 and was received in August 2023. The second tranche of 95,177,977 shares raised $17,132,036 and is expected to be received mid November 2023, pending shareholder approval.

Due to the successful completion of this capital raise, the consolidated entity is confident that it has sufficient cash flow to fund its operations for at least 12 months from the date of signing the financial report for the year ended 30 June 2023 so that the consolidated entity can pay its debt, generated in the normal course of business if required, as and when they fall due.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

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 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Omega Oil & Gas Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Omega Oil & Gas Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Note 1. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

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.

Revenue
Pre-production sales to customers
The consolidated entity generates revenue during the from pre-production sales of brent crude oil to customers.

Revenue is recognised when control of the product has passed to the customer based upon the agreed cost, insurance and freight ('CIF') terms. For pre-production sales, revenue is recognised at the time of collection from the well site.

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

Other income
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.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 1. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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.

Other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Significant accounting policies (continued)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

Exploration and evaluation costs have also been capitalised where they are the result of an acquisition from a third party. The opportunity to capitalise internal costs may arise when internal resources can be directly attributable to developing the exploration and evaluation assets. When a decision to proceed to development is made, the exploration and evaluation costs capitalised to that area are transferred to well site properties in development. No depreciation or amortisation is expensed during the exploration and evaluation phase. All costs subsequently incurred to develop a well site prior to the start of operations within the area of interest are capitalised. These costs include expenditure to develop new segments within the area of interest, to define further prospective assets in existing areas of interest, to expand the capacity of a well site and to maintain production.

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated entity decides to exploit the area itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes, cost of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Well site properties in development
Development expenditure relates to costs incurred to access a mineral resource, the determination of technical feasibilities and conducting market studies. It represents those costs incurred after the technical and commercial viability of the identified project has been demonstrated and an identified mineral reserve or project is being prepared for production (but is not yet in production).

Development expenditure is capitalised as either a tangible or intangible asset depending on the nature of the costs incurred. Capitalisation of development expenditure ceases once the well site project is capable of commercial production, at which point it is transferred into the relevant category of Property, Plant and Equipment depending on the nature of the asset and depreciated over the useful life of the asset.

Development expenditure includes the direct costs of construction, pre-production costs, reclassified feasibility, exploration and evaluation assets (acquisition costs) and subsequent development expenditure on the reclassified project.

These costs are not amortised. The carrying value is assessed for indicators of impairment at least semi annually, or whenever the facts and circumstances suggest that the carrying amount of the asset may exceed the recoverable amount.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Share-based payments
Equity-settled share-based compensation benefits are awards of shares, or options over shares provided to directors and other parties as part of their compensation for services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, 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 directors to receive payment. No account is taken of any other vesting conditions.

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.

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 director, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or director 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.

If the fair value of equity instruments granted cannot be reliably measured at the measurement date, they are recorded at their intrinsic value. The intrinsic value is assessed at each reporting date, with movements in the intrinsic value being recognised in profit or loss. For a grant of share options, the share-based payment arrangement is settled when the options are exercised, are forfeited (e.g. upon cessation of employment) or lapse (e.g. at the end of the option's life).

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.

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 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Omega Oil & Gas 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.

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.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

An impairment assessment was conducted on the held for sale asset to determine its recoverable amount. The recoverable amount represents the higher of the fair value less costs of disposal and the value-in-use in accordance with *AASB 136 Impairment of assets*. Fair value less costs of disposal has been selected as the appropriate measure due to the equipment's limited application to the current strategy.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Well site rehabilitation provision
A provision has been made for the present value of anticipated costs for future rehabilitation and restoration of well sites. The provision includes future cost estimates associated with closure of the well sites. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the oil and gas resources. Key judgements are applied in considering costs to be capitalised, as costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant well site interest. Factors that could impact the future commercial production at the well site include the level of reserves and resources, future technology changes, which could impact the cost of operations, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into 1 operating segment. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 4. Revenue

	Consolidated	
	2023	**2022**
	$	**$**
Pre-production sales to customers	78,454	-

Accounting policy - pre-production sales to customers

The consolidated entity has generated revenue during the period from pre-production sales of brent crude oil to customers.

Revenue is recognised when control of the product has passed to the customer based upon the agreed cost, insurance and freight ('CIF') terms. For pre-production sales, revenue is recognised at the time of collection from the well site.

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

Note 5. Cost of sales

	Consolidated	
	2023	**2022**
	$	**$**
Cost of sales	40,396	-

Note 5. Cost of sales (continued)

Cost of sales has been estimated based on direct costs incurred on pre-production sales during the period, including contractor costs, equipment servicing costs, fuel and car hire.

Note 6. Other income

	Consolidated 2023 $	Consolidated 2022 $
Interest income	15,160	160
Net gain on disposal of property, plant and equipment	-	27,546
	15,160	27,706

Interest income includes $8,055 of accrued interest.

Note 7. Expenses

	Consolidated 2023 $	Consolidated 2022 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	6,683	32,908
Amortisation		
Buildings right-of-use assets	40,486	-
Rehabilitation asset	5,313	-
Total amortisation	45,799	-
Total depreciation and amortisation	52,482	32,908
Finance costs		
Interest and finance charges paid/payable on premium funding arrangement (note 16)	9,786	-
Interest and finance charges paid/payable on lease liabilities	3,094	-
Finance costs recognised using the effective interest method on convertible notes payable (note 17)	279,371	28,047
Transaction costs on derivative financial instrument	7,070	26,539
Bank fees	3,433	2,959
Finance costs expensed	302,754	57,545
Superannuation expense		
Defined contribution superannuation expense	65,123	47,375

Note 8. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(5,338,461)	(2,005,513)
Tax at the statutory tax rate of 25%	(1,334,615)	(501,378)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	694	-
Share-based payments	37,802	30,000
Unrealised foreign exchange	-	(120)
Other deductible expenses	-	(3,260)
	(1,296,119)	(474,758)
Temporary differences and tax losses not recognised	1,296,119	474,758
Income tax expense	-	-

	Consolidated 2023 $	Consolidated 2022 $
Unrecognised deferred taxes		
Unused tax losses	1,361,139	691,548
Unused tax credit benefit (research and development offsets carried forward)	216,176	-
Other deferred taxes	503,209	(35,163)
	2,080,524	656,385

Note 9. Cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Cash at bank	2,154,670	2,317,677

Note 10. Other current assets

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Prepayments	320,631	4,595
Security deposits	3,624	-
Advance payments to suppliers	-	982,760
	324,255	987,355

Prepayments comprised of funds paid in advance for services yet to be received such as annual permits for tenements, general insurance, software licences and directors & officers insurance.

Advance payments to suppliers comprised funds paid in advance for exploration-related expenditures on the tenements held.

Note 11. Other receivables

	Consolidated	
	2023	**2022**
	$	**$**
Current assets		
Other receivables	133,494	81
GST receivable	951,326	159,719
	1,084,820	159,800
Non-current assets		
Other receivables	348,545	157,963

Non-current other receivables
The consolidated entity holds funds in term deposits and with the Queensland Government for the purpose of funding financial surety on tenements held. These deposits are subject to regulatory restrictions and are therefore not available for general use by the consolidated entity. The term deposit of $133,000 had an average interest rate of 4.20% p.a. and matures on 1 March 2024. The consolidated entity intends to renew this deposit on maturity. The remaining $215,545 is held with the Queensland Government and is not entitled to interest. These funds must be held in term deposits or with the Queensland Government until the tenement is either rehabilitated or relinquished.

Refer to note 24 for further information on financial instruments.

Note 12. Non-current assets classified as held for sale

	Consolidated	
	2023	**2022**
	$	**$**
Current assets		
Equipment held for sale	1,868,292	-

During the financial year, the consolidated entity purchased equipment for use in its drilling campaign. Subsequently, the consolidated entity refined its strategy and determined that the equipment was no longer optimal for use in current operations. The equipment has hence been classified as held for sale at 30 June 2023.

An impairment assessment was conducted on the held for sale asset to determine its recoverable amount. The recoverable amount represents the higher of the fair value less costs of disposal and the value-in-use in accordance with *AASB 136 Impairment of assets*. Fair value less costs of disposal has been selected as the appropriate measure due to the equipment's limited application to the current strategy. The held for sale asset has been impaired to reflect its presently justifiable realisable value in current market conditions.

An impairment loss of $1,621,892 has been recognised in the statement of profit or loss for the financial year relating to the held for sale asset. The impairment loss represents the difference between the carrying amount of the asset being $3,490,184 and its fair value less costs of disposal of $1,868,292.

Management have determined the impairment loss through comparison to a similar market transaction, sold at a fair value decrement from cost price of 38%. For prudency and to account for the specialised nature of the asset, management have applied a further risk premium of 15% to the discounted price.

Management is proactively pursuing potential buyers and is committed to achieving a recovery amount that surpasses the asset's current carrying value.

Note 12. Non-current assets classified as held for sale (continued)

Equipment held for sale is a level 3 asset and has been valued using a combination of similar arm's length transactions and the estimates of directors and management to determine the recoverable amount.

Refer to note 1 for accounting policies on:
- Fair value measurement; and
- Non-current assets or disposal groups classified as held for sale.

Note 13. Exploration and evaluation

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Exploration and evaluation - at cost	16,818,796	2,341,006
Exploration and evaluation rehabilitation asset	1,155,656	-
	17,974,452	2,341,006

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

Consolidated	**Exploration and evaluation - at cost $**	**Exploration and evaluation rehabilitation asset $**	**Total $**
Balance at 1 July 2021	2,341,006	-	2,341,006
Balance at 30 June 2022	2,341,006	-	2,341,006
Additions	-	1,155,656	1,155,656
Expenditure during the year	14,777,790	-	14,777,790
Transfers out to well site properties in development (note 14)	(300,000)	-	(300,000)
Balance at 30 June 2023	16,818,796	1,155,656	17,974,452

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

The consolidated entity performed an impairment indicators assessment as at 30 June 2023, with the assessment giving rise to no indicators of impairment.

Additions to the Exploration and evaluation rehabilitation asset have arisen through managements estimate performed on 30 June 2023, upon completion of the canyon drilling campaign.

Note 14. Well site properties in development

	Consolidated 2023 $	2022 $
Non-current assets		
Well site development assets - at cost	952,215	-
Well site development rehabilitation asset	576,000	-
Less: Accumulated amortisation	(5,313)	-
	570,687	-
	1,522,902	-

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

Consolidated	Well site development assets - at cost $	Well site development rehabilitation asset $	Total $
Balance at 1 July 2021	-	-	-
Balance at 30 June 2022	-	-	-
Transfer from exploration and evaluation assets	300,000	-	300,000
Transfer from property, plant and equipment	-	28,104	28,104
Additions	-	667,834	667,834
Reversal of prior year rehabilitation provision	-	(119,938)	(119,938)
Expenditure during the year	692,611	-	692,611
Inventories sold during the year	(40,396)	-	(40,396)
Amortisation expense	-	(5,313)	(5,313)
Balance at 30 June 2023	952,215	570,687	1,522,902

Additions to the well site development rehabilitation asset have arisen through managements revised estimate of rehabilitation costs from work performed on the Bennett wells during the financial year.

Note 15. Trade and other payables

	Consolidated 2023 $	2022 $
Current liabilities		
Trade payables	2,304,489	76,679
Other payables	123,721	49,455
Accrued expenses	835,540	262,512
	3,263,750	388,646

Refer to note 24 for further information on financial instruments.

Note 16. Loan payable

	Consolidated	
	2023	2022
	$	$
Current liabilities		
Premium funding arrangement loan	132,060	-

The consolidated entity entered into a premium funding arrangement during the financial year, enabling insurance payments to be paid via instalments. The arrangement carries an interest rate of 3.28% per annum and matures on 19 September 2023.

Note 17. Convertible note payable

	Consolidated	
	2023	2022
	$	$
Current liabilities		
Convertible notes payable	-	2,937,650

The consolidated entity issued unsecured convertible notes ('notes') payable to Directors, shareholders and other noteholders that converted on the date of the Initial Public Offering ('IPO'), being 21 October 2022. The notes were issued at a face value of $100 per note, with total notes on issue being 41,839. The notes converted at $0.16, being a 20% discount to the IPO price per share of $0.20 (refer note 20).

The total amount of notes received in cash during the period were $414,200 (30 June 2022: $3,653,100), with an additional $116,600 in non-cash convertible notes issued prior to 30 June 2022 as settlement of accrued director fees.

The transaction costs incurred in relation to the notes during the period ended 30 June 2023 were $35,348 (30 June 2022: $132,696). These costs were allocated to the convertible note payable and the derivative financial liability in proportion to their respective fair values. The portion allocated to the convertible note payable was amortised from issuance to maturity at the effective interest rate, whereas the amount allocated to the derivative financial liability was reflected as an upfront finance cost in the consolidated statement of profit or loss (refer note 7).

Refer to note 24 for further information on financial instruments.

Note 18. Derivative financial instruments

	Consolidated	
	2023	2022
	$	$
Current liabilities		
Derivative financial liability	-	753,940

Refer to note 17 for further information on convertible notes issued in the prior year and the conversion to fully paid ordinary shares in the current year.

Derivative financial liabilities are a level 2 financial instrument and have been valued using the consolidated entity's fixed price on Initial Public Offering. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Refer to note 24 for further information on financial instruments.

Note 19. Provisions

	Consolidated 2023 $	2022 $
Non-current liabilities		
Well site rehabilitation provision - exploration and evaluation assets	1,155,656	-
Well site rehabilitation provision - well site development assets	667,834	161,316
	1,823,490	161,316

Well site rehabilitation provision
The provision represents the present value of estimated costs of the remediation work that will be required to comply with environmental and legal obligations.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2023	**Well site rehabilitation provision - exploration and evaluation assets $**	**Well site rehabilitation provision - well site development assets $**	**Total $**
Carrying amount at the start of the year	-	161,316	161,316
Additional provisions recognised	1,155,656	510,954	1,666,610
Unwinding of discount	-	(4,436)	(4,436)
Carrying amount at the end of the year	1,155,656	667,834	1,823,490

Note 20. Issued capital

	Consolidated 2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares	163,528,977	35,000,000	28,243,563	5,280,388

Note 20. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	23,624,889		3,500,100
Issue of ordinary shares	24 September 2021	10,760,227	$0.11	1,134,455
Issue of ordinary shares to Directors	24 September 2021	708,747	$0.11	74,730
Issue of ordinary shares	06 October 2021	5,938,024	$0.11	626,103
Share buyback	14 January 2022	(6,031,887)	$0.01	(55,000)
Balance	30 June 2022	35,000,000		5,280,388
Issue of ordinary shares from Initial Public Offering ('IPO')	25 October 2022	75,350,000	$0.20	15,070,000
Issue of ordinary shares to broker	25 October 2022	2,500,000	$0.20	500,000
Convertible notes conversion to ordinary shares upon IPO	25 October 2022	26,149,375	$0.20	4,183,900
Issue of ordinary shares to Tri-Star E&P Pty Ltd	23 January 2023	20,849,906	$0.20	4,169,981
Issue of ordinary shares to Tri-Star E&P Pty Ltd	27 March 2023	3,679,696	$0.20	735,939
Transaction costs and interest expense on convertible notes, reclassified to issued capital on conversion				172,983
Costs of capital raising				(1,869,628)
Balance	30 June 2023	163,528,977		28,243,563

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.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is 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.

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 company'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.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 21. Reserves

	Consolidated 2023 $	2022 $
Share-based payments reserve	651,207	-

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to directors and management as part of their remuneration, and other parties as part of their compensation for services.

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

Consolidated	Share-based payment reserve $	Total $
Balance at 1 July 2021	10,600	10,600
Director fees accrued	132,400	132,400
Ordinary shares issued to Director	(26,400)	(26,400)
Director fees issued as convertible notes (note 17)	(116,600)	(116,600)
Balance at 30 June 2022	-	-
Options issued to Broker in connection with IPO	500,000	500,000
Options issued to Directors in connection with IPO	121,027	121,027
Performance rights issued to Management in connection with IPO	30,180	30,180
Balance at 30 June 2023	651,207	651,207

Note 22. Accumulated losses

	Consolidated 2023 $	2022 $
Accumulated losses at the beginning of the financial year	(3,521,628)	(1,571,115)
Loss after income tax expense for the year	(5,338,461)	(2,005,513)
Share buyback	-	55,000
Accumulated losses at the end of the financial year	(8,860,089)	(3,521,628)

Refer to note 20 for share buyback that occurred in the prior year.

Note 23. Dividends

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

Note 24. Financial instruments

Financial risk management objectives
The consolidated entity's financial assets consist primarily of deposits held with banks and therefore, it is exposed to market risk (interest rate risk), credit risk and liquidity risk.

Note 24. Financial instruments (continued)

Market risk

Interest rate risk
The consolidated entity's only interest rate risk arises from deposits held with Australian regulated financial institutions. No borrowings are owing at period end. The consolidated entity is not deemed to have material exposure to interest rate risk.

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 does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity, other than deposits with Australian regulated banks.

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 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.

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables		2,304,489	-	-	-	2,304,489
Accrued expenses		835,540	-	-	-	835,540
Other payables		123,721	-	-	-	123,721
Interest-bearing - variable						
Lease liability	8.90%	39,662	42,081	29,155	-	110,898
Loan payable	3.28%	127,866	-	-	-	127,866
Total non-derivatives		3,431,278	42,081	29,155	-	3,502,514

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables		76,679	-	-	-	76,679
Accrued expenses		262,512	-	-	-	262,512
Other payables		49,455	-	-	-	49,455
Convertible note payable*		3,769,700	-	-	-	3,769,700
Total non-derivatives		4,158,346	-	-	-	4,158,346

Note 24. Financial instruments (continued)

*Convertible note payable disclosed above includes the Derivative financial instrument as disclosed in note 18.

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 25. Key management personnel disclosures

Directors
The following persons were directors of Omega Oil & Gas Limited during the financial year:

Stephen Harrison	
Quentin Flannery	
Lauren Bennett	(resigned 21 September 2023)
Michael Sandy	
Andrew Hackwood	(appointed 13 February 2023)

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:

Trent Lockhart	(Chief Financial Officer - appointed 23 May 2023)
Regie Estabillo	(Chief Operating Officer - resigned 30 June 2023)

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

	Consolidated	
	2023 $	2022 $
Short-term employee benefits	784,830	519,460
Post-employment benefits	57,003	47,375
Long-term benefits	2,047	1,220
Termination benefits	103,773	-
Share-based payment	151,206	120,000
	1,098,859	688,055

Annual leave has been reclassified from 'Other long-term benefits' to 'Short-term employee benefits' in the comparative period to align with expected usage of the benefit.

Note 26. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by UHY Haines Norton, the auditor of the company:

	Consolidated 2023 $	Consolidated 2022 $
Audit services - UHY Haines Norton		
Audit of the financial statements	38,000	27,500
Review of the interim financial statements	22,000	15,000
	60,000	42,500
Other services - UHY Haines Norton		
Independent accountant review in connection with the IPO	43,266	-

Note 27. Contingent liabilities

The consolidated entity has a contingent liability with Tag Oil Ltd, the previous owner of Cypress Petroleum Pty Ltd ('Cypress'), to receive a 3% gross overriding royalty on future production from all liquids produced from the permits under Cypress' control. This contingent liability arose upon the acquisition of Cypress (30 October 2020) and the amount of the obligation cannot be measured with sufficient reliability so as to give rise to a provision. At 30 June 2023, $6,232 royalties payable has been accrued relating to sales of pre-production oil.

Other than the above, the consolidated entity has no further contingent liabilities at 30 June 2023.

Note 28. Commitments

Refer to capital commitments in note 10. At 30 June 2023, capital commitments are nil (30 June 2022: $2,135,869).

Note 29. Related party transactions

Parent entity
Omega Oil & Gas Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2023 $	Consolidated 2022 $
Expenses relating to goods and services:		
Office premises rental and administrative staff support from Ilwella Pty Ltd*	42,000	42,000
Consulting fees expensed for entity with significant influence, Tri-Star E&P Pty Ltd**	98,565	-

*Quentin Flannery (Director) is a Director of Ilwella Pty Ltd, an entity with significant influence over the consolidated entity. The service relates to an office lease which is conducted on an arms' length basis.

Note 29. Related party transactions (continued)

** Tri-Star E&P Pty Ltd holds 15% of ordinary shares in the company at 30 June 2023 and Andrew Hackwood (Director) is an employee of Tri-Star E&P Pty Ltd. The services accrued at 30 June 2023 relate to Director fees, contractor costs and cost reimbursements, which were conducted on an arms' length basis.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023	2022
	$	$
Current payables:		
Payable to Ilwella Pty Ltd	-	51,665
Accrued fees payable to Tri-Star E&P Pty Ltd	98,565	-

There were no trade receivables from related parties at the current and previous reporting date.

Loans and other payables to/from related parties
As detailed in note 17, convertible notes payable comprise partly of funds received from Directors, management and their related parties. These transactions were entered into on an arms' length basis and are on commercial terms.

There were no other loans and other payables 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 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	$	$
Loss after income tax	(5,284,670)	(1,945,454)
Total comprehensive loss	(5,284,670)	(1,945,454)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent 2023 $	Parent 2022 $
Total current assets	5,621,103	3,460,438
Total assets	23,719,747	6,010,438
Total current liabilities	3,469,311	4,157,904
Total liabilities	3,538,816	4,159,218
Equity		
Issued capital	28,243,563	5,280,388
Share-based payments reserve	651,207	-
Accumulated losses	(8,713,839)	(3,429,168)
Total equity	20,180,931	1,851,220

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 2023.

Contingent liabilities
The parent entity had no contingent liabilities other than as disclosed for the consolidated entity (note 27) as at 30 June 2023.

Capital commitments - property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 (30 June 2022: $2,135,869).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates 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 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Cypress Petroleum Pty Limited	Australia	100.00%	100.00%

Note 32. Events after the reporting period

On 3 July 2023, an announcement was made proposing the issue of 150,000 fully paid ordinary shares as part payment for Consulting Services for up to $30,000 in services, at a share price of $0.20.

On 3 July 2023, Trevor Brown joined the company as a strategic advisor.

Note 32. Events after the reporting period (continued)

On 8 August 2023, an announcement was made that the consolidated entity intended to offer the following share placement:
• Tranche 1: 23,896,315 new shares at an issue price of $0.18 per share (Tranche 1), utilising the company's existing placement capacity pursuant to ASX Listing Rule 7.1 and will rank equally with the company's existing fully paid ordinary shares. Completion of Tranche 1 of the Placement, totalling $4,301,337, completed 14 August 2023, and
• Tranche 2: 95,177,977 new shares at an issue price of $0.18 per share (Tranche 2). At the company's AGM on 2 November 2023 the company will seek to obtain shareholder approval under ASX Listing Rule 7.3 and 10.11 to approve the issue of Tranche 2 of the Placement. Completion of Tranche 2 of the Placement, totalling $17,132,036, is expected to occur shortly after approval, by mid November 2023.

The consolidated entity will apply the funds raised from the Placement towards future exploration and evaluation expenditure.

In addition to the above, the following securities will be issued, subject to shareholder approval, as part of the broker mandate:
• 1,298,058 shares as part consideration for the broker fundraising fee; and
• 10,000,000 options exercisable at $0.30, expiring two years from the date of issue.
Shares and options are in addition to a cash payment of $585,051.

On 21 September 2023, Lauren Bennett resigned from her position as Chief Executive Officer. She will continue to support the company in an advisory role until March 2024.

No other matter or circumstance has arisen since 30 June 2023 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 years.

Note 33. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2023 $	2022 $
Loss after income tax expense for the year	(5,338,461)	(2,005,513)
Adjustments for:		
Depreciation and amortisation	52,482	32,908
Share-based payments	151,207	-
Director fees	-	120,000
Shares issued to Director in lieu of fees	-	74,730
Write-off of assets	1,621,892	-
Finance costs recognised using the effective interest method on convertible notes payable	279,371	28,047
Transaction costs on derivative financial instrument	7,070	26,539
Other	-	11,090
Change in operating assets and liabilities:		
Increase in other receivables	(990,243)	(78,716)
Increase in other assets	(320,045)	(937,544)
Increase/(decrease) in trade and other payables	645,843	(777,922)
(Decrease)/increase in provisions	(146,948)	52,808
Net cash used in operating activities	(4,037,832)	(3,453,573)

Note 34. Earnings per share

	Consolidated	
	2023 $	2022 $
Loss after income tax attributable to the owners of Omega Oil & Gas Limited	(5,338,461)	(2,005,513)

Note 34. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	115,997,891	34,006,660
Weighted average number of ordinary shares used in calculating diluted earnings per share	115,997,891	34,006,660

	Cents	Cents
Basic earnings per share	(4.60)	(5.90)
Diluted earnings per share	(4.60)	(5.90)

Potential ordinary shares are treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Options and performance rights outstanding would decrease the loss per share reported above and hence, have been treated as antidilutive. The number of options outstanding at 30 June 2023 would convert to 15,269,950 ordinary shares if exercised. The number of performance rights outstanding at 30 June 2023 would convert to 3,474,984 ordinary shares if exercised.

Refer to note 35 for details on options and performance rights outstanding at 30 June 2023.

Note 35. Share-based payments

During the period, the following options were issued:
- On 04/07/2022, 550,000 options were granted to Directors as share-based payment expenses with an exercisable price of $0.30, expiring 3 years from the Initial Public Offering ('IPO'), being 21/10/2025. These will vest upon 1 year of continuous service with the consolidated entity from the IPO date.
- On 04/07/2022, 550,000 options were granted to Directors as share-based payment expenses with an exercisable price of $0.30, expiring 4 years from the IPO, being 21/10/2026. These will vest upon 2 years of continuous service with the consolidated entity from the IPO date.
- On 04/07/2022, 550,000 options were granted to Directors as share-based payment expenses with an exercisable price of $0.30, expiring 5 years from the IPO, being 21/10/2027. These will vest upon 3 years of continuous service with the consolidated entity from the IPO date.
- On 21/10/2022, 2,500,000 options were granted to the Lead Advisors as capital raising costs with an exercisable price of $0.30, expiring 2 years from the IPO, being 21/10/2024. These vested on the IPO date for the provision of advisory services.

During the period, the following performance rights were issued:
- On 10/08/2022, 2,779,988 performance rights were granted to Management as share-based payment expenses with an exercisable price of $nil, expiring 2 years from the IPO, being 21/10/2025. These will vest upon the consolidated entity achieving of 0.1 mmscf/d measured gas to surface for 5 days, with at least 70% methane and heavier hydrocarbons content within the first 12 months after IPO. On 30/06/2023, 1,389,994 of these performance rights were forfeited. The remaining 1,389,994 have no impact to the statement of profit or loss as the satisfaction of the performance condition is deemed as not probable at 30/06/2023.
- On 10/08/2022, 2,779,988 performance rights were granted to Management as share-based payment expenses with an exercisable price of $nil, expiring 2 years from the IPO, being 21/10/2025. These will vest upon the 30-day VWAP of the company’s share price being 100% higher than the IPO offer price for a period of 3 months. On 30/06/2023, 1,389,994 of these performance rights were forfeited.
- On 10/08/2022, 1,389,992 performance rights were granted to Management as share-based payment expenses with an exercisable price of $nil, expiring 2 years from the IPO, being 21/10/2025. These will vest upon the 30-day VWAP of the company’s share price being 200% higher than the IPO offer price for a period of 3 months. On 30/06/2023, 694,996 of these performance rights were forfeited.

Prior period options that remain outstanding are as follows:
- Share call option deeds are in place for the consolidated entity for founding Directors, Quentin Flannery (via Ilwella Pty Ltd) and Luke Donovan (via Lizarb Pty Ltd) to remunerate them for sourcing the exploration and evaluation assets and time involved in their Directorship of the company pre-IPO, with no performance or service conditions attached.

Key terms of the agreements are as follows:
- Grant date: 3 May 2021
- Share price: $0.20
- Exercise price: $0.30
- Number of options: 5,559,975 each
- Expiry date: 21/10/2024

These options have been valued using the intrinsic value method, as the fair value of the equity instruments could not be measured reliably at grant date. At the grant date, the uncertainty surrounding the IPO price and number of ordinary shares on issue after IPO gave rise to no reliable measurement method. In the current period, the options remain out-of-the-money. Therefore, the value of the options is nil (30 June 2022: nil).

Set out below are summaries of options granted under the plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
03/05/2021	21/10/2024	$0.30	11,119,950	-	-	-	11,119,950
04/07/2022	21/10/2025	$0.30	-	550,000	-	-	550,000
04/07/2022	21/10/2026	$0.30	-	550,000	-	-	550,000
04/07/2022	21/10/2027	$0.30	-	550,000	-	-	550,000
21/10/2022	21/10/2024	$0.30	-	2,500,000	-	-	2,500,000
			11,119,950	4,150,000	-	-	15,269,950

Note 35. Share-based payments (continued)

Weighted average exercise price			$0.30	$0.30	$0.00	$0.00	$0.30

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.54 years (30 June 2022: 1.2 years).

Set out below are summaries of performance rights granted under the plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
10/08/2022	21/10/2025	$0.00	-	2,779,988	-	(1,389,994)	1,389,994
10/08/2022	21/10/2025	$0.00	-	2,779,988	-	(1,389,994)	1,389,994
10/08/2022	21/10/2025	$0.00	-	1,389,992	-	(694,996)	694,996
			-	6,949,968	-	(3,474,984)	3,474,984
Weighted average exercise price			$0.00	$0.00	$0.00	$0.00	$0.00

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.32 years.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/07/2022	21/10/2025	$0.20	$0.30	124.48%	-	3.24%	$0.139
04/07/2022	21/10/2026	$0.20	$0.30	124.48%	-	3.44%	$0.154
04/07/2022	21/10/2027	$0.20	$0.30	124.48%	-	3.44%	$0.165

For the 2,500,000 options granted to the Lead Advisors, the value was determined by reference to the contracted fair value of services rendered of $500,000 using the share price at IPO of $0.20.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/08/2022	21/10/2025	$0.20	$0.00	124.48%	-	2.83%	$0.200
10/08/2022	21/10/2025	$0.20	$0.00	124.48%	-	2.83%	$0.060
10/08/2022	21/10/2025	$0.20	$0.00	124.48%	-	2.83%	$0.036

Share-based payments during the financial year are comprised of:
- Options and performance rights issued to directors and management - $151,207
- Shares issued to broker recognised as costs of capital raising - $500,000 (note 20)
- Options issued to broker recognised as costs of capital raising - $500,000 (note 21)

No options or performance rights were exercisable at 30 June 2023.

Omega Oil & Gas Limited
Directors' declaration
30 June 2023

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 1 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 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

____
Stephen Harrison
Director

26 September 2023
Sydney

UHY Haines Norton
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Omega Oil & Gas Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Omega Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying 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 2023 and of its financial performance for the year ended on that date; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

EXPLORATION AND EVALUATION ASSETS

Why a key audit matter	How our audit addressed the risk
The Group conducted exploration and evaluation works at new wells (Canyon 1 and Canyon 2) at ATPs. The Group has capitalised all exploration and evaluation expenditures of $17.8 million incurred during the year. Per AASB6. para 17 – *"An exploration and evaluation asset shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation assets shall be assessed for impairment, and any impairment loss recognised, before reclassification to Development assets."* Per AASB6. para 18 – *"Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount."* This was considered a key audit matter because of the "*commercial viability"* is the key category in determining the accounting treatment of exploration and evaluation expenditures, and the significant judgment involved in determining whether any impairment indicators.	Our audit procedures included, amongst others: • Discussed with management what stage the exploration was at for the new wells, and the plan for ongoing E&E activities. • Enquired of management if the outcome of the drilling of the new wells has been determined. • Noted the Group's view of the impairment indicators and assessed if management's assessment was reasonable. • Obtained evidence that the Group has current rights to the tenure of its interest at these wells. • Obtained the list of exploration and evaluation expenditures incurred during the year, and performed vouching to the supporting documentation. • Reviewed the nature of the expenditures to ascertain that these costs relates to exploration, development or production activities. • Discussed with management the accounting policies for capitalising or expensing its exploration and evaluation expenditures. • Assessed whether the accounting treatment is in line with Australian Accounting Standards • Assessed the reasonability and completeness of the Group's financial statements disclosures.

IMPAIRMENT OF DEVELOPMENT ASSETS

Why a key audit matter	How our audit addressed the risk
As at 30 June 2023, the Group's balance sheet included Development assets of $1.5 million. The assessment of the existence of impairment indicators and testing for impairment of Development assets is an audit risk given the material amount of the asset.	Our procedures included, amongst others: • Discussed with management the current status of the development assets. • Noted the Group's view of the impairment indicators. • Obtained evidence that the Group has current right to the tenure of its interest at PL17. • Obtained and reviewed management's discounted cash flows calculation supporting the recoverability of development assets. • Assessed the key forecast assumptions, including discount rates, production quantity, oil price, operational costs. • Compared the net present value of these assets to the book value, to assess if there is impairment. • Assessed the reasonability and completeness of the Group's financial statements disclosures.

CASINGS

Why a key audit matter	How our audit addressed the risk
During the year, the Group purchased casings for the Canyon drilling campaign but were ultimately not required as the Group opted for a different drilling strategy. The casings have been marketed for resale. As at 30 June 2023, the casings were recorded as Asset held for sale of $1.9 million (after the impairment provision of $1.6 million). The recoverability of casings is a key audit matter due to the size of the asset and the high level of management judgement used in determining the impairment provisions.	Our procedures included, amongst others: • Obtained the list of casings purchased and vouched to supporting documents. • Enquired of management their plan for using the casings including the resale of the casings on the secondary market, or repurpose the casings for use in exploration and evaluation activities. • Obtained management's summary paper relates to casings. • Reviewed management's assessment of the impairment and relevant calculation to support the recoverable amount of the casings. • Discussed with management their impairment estimate and assessed the reasonableness of the estimate.

	• Tested the sales of casings subsequent to year end. • Assessed whether the recognition is in line with Australian Accounting Standards. • Assessed the reasonability and completeness of the Group's financial statements disclosures.

DECOMMISSIONING LIABILITIES

Why a key audit matter	How our audit addressed the risk
There is inherent uncertainty in the estimation of decommissioning costs and the scope for subjectivity in judgments made by the Group in determining their remediation work that will be required to comply with the Group's environmental and legal obligations. In addition, the Group drilled two new wells Canyon 1 and Canyon 2, and conducted development works at PL17 during the year. There is a risk that decommissioning costs may be understated.	Our audit procedures included, amongst others: • Enquired of management whether the drilling at the two new wells at ATPs (Canyon 1 and Canyon 2) and the development at PL17 will result in additional decommissioning liabilities. • Obtained and assessed the reasonableness of the rehabilitation calculation prepared by the Group's well engineer. • Assessed the competence of the well drilling expert who was responsible for reviewing the rehabilitation calculation. • Obtained the review memorandum prepared by the expert documenting his review and his conclusion on the rehabilitation calculation. • Assessed the appropriateness of the Group's assumptions used in the calculation. • Assessed the reasonability and completeness of the Group's financial statements disclosures.

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 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 have 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 the 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 this 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.

- 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 on 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 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, actions taken to eliminate threats or safeguards applied.

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 year 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 in pages 6 to 11 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Omega Oil & Gas Limited for the year ended 30 June 2023, 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.

M Nicholaeff

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
Date: 26 September 2023

UHY Haines Norton
Chartered Accountants

Omega Oil & Gas Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 22 September 2023.

Corporate governance statement

The company’s corporate governance statement is located at the company’s website:

https://omegaoilandgas.com.au/

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

	Ordinary shares		Options and rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	19	0.01	-	-
1,001 to 5,000	141	0.25	1	0.03
5,001 to 10,000	122	0.54	-	-
10,001 to 100,000	274	5.81	1	0.13
100,001 and over	128	93.39	10	99.84
	684	100.00	12	100.00
Holding less than a marketable parcel at $0.16 per share	88	0.09	-	-

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
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,247,845	14.00
TRI-STAR E&P PTY LTD	24,529,602	13.09
ILWELLA PTY LTD	20,711,532	11.05
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	10,000,000	5.34
JAF CAPITAL PTY LTD	7,083,553	3.78
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,944,444	3.71
SHADBOLT FUTURE FUND (TOTTENHAM) PTY LTD	6,150,000	3.28
BLAMNCO TRADING PTY LTD	5,000,000	2.67
BNP PARIBAS NOMS PTY LTD <DRP>	4,669,731	2.49
CROCODILE CAPITAL OFFSHORE FUND	4,650,731	2.48
METAL TIGER PLC	4,538,889	2.42
CHEMBANK PTY LIMITED <CABAC SUPER FUND A/C>	4,208,201	2.25
MR PHILIP ROY PALMISANO	3,320,241	1.77
CITICORP NOMINEES PTY LIMITED	2,410,851	1.29
MR EDWARD MALOUF	2,250,000	1.20
JOMALCO PTY LTD	2,150,000	1.15
UBS NOMINEES PTY LTD	1,770,297	0.94
JAMPHO PTY LTD	1,678,218	0.90
MAXIMUS FLANNERY PTY LTD <FINCO INVESTMENT A/C>	1,652,851	0.87
KOM CO PTY LTD <IAN AND LAUREN SMSF A/C>	1,322,716	0.70
	141,289,702	75.38

Unquoted equity securities

	Number on issue	Number of holders
Options and rights over ordinary shares issued	18,744,934	12

The following person holds 20% or more of unquoted equity securities:

Unlisted options exercisable at $0.30 expiring 21 October 2024: 13,619,950 options, held by:
● Ilwella Pty Ltd: 5,559,975 options (40.82%)
● Lizarb Pty Ltd {Campos Pty Ltd}: 5,559,975 options (40.82%)

Unlisted options exercisable at $0.30 expiring 21 October 2025: 550,000 options, held by:
● Stephen Harrison: 250,000 options (45.45%)
● Michael Sandy: 150,000 options (27.27%)
● Offelbar Pty Ltd: 150,000 options (27.27%)

Unlisted options exercisable at $0.30 expiring 21 October 2026: 550,000 options, held by:
● Stephen Harrison: 250,000 options (45.45%)
● Michael Sandy: 150,000 options (27.27%)
● Offelbar Pty Ltd: 150,000 options (27.27%)

Unlisted options exercisable at $0.30 expiring 21 October 2027: 550,000 options, held by:
● Stephen Harrison: 250,000 options (45.45%)
● Michael Sandy: 150,000 options (27.27%)
● Offelbar Pty Ltd: 150,000 options (27.27%)

Unlisted performance rights: 3,474,984 performance rights (note 35), held by:
● Lauren Bennett

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
ILWELLA PTY LTD	48,892,148	26.09
TRI-STAR E&P PTY LTD	24,529,602	13.09
ANDREW CARR & ASSOCIATED PARTIES	9,316,683	5.83

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.

Restricted securities

Of the 187,425,292 shares on issue:
- 10,604,837 shares are escrowed until 21 October 2024.

Of the 15,269,950 options on issue:
- 15,269,950 options are escrowed until 21 October 2024.

Of the 3,474,984 performance rights on issue:
- 3,474,984 performance rights are escrowed until 21 October 2024.

On-market buy back

There is no current on-market buyback.

Use of funds

Since admission to the ASX on 21 October 2022, the company has used its cash in a way that is consistent with its business objective.

Annual General Meeting

The company advises that the Annual General Meeting (AGM) of the company is scheduled for 2 November 2023. Details of the meeting will be provided at a later date. Further to Listing Rule 3.13.1 and Listing Rule 14.3, nomination for election of directors at the AGM must be received not less than 35 business days before the meeting, being no later than 13 September 2023.