Advent Energy Ltd

ACN 109 955 400

Annual Financial Report
30 June 2021

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Advent Energy Ltd and its controlled entities

Directors
David Breeze – Executive Chairman
Stephen Kelemen – Non-Executive Director
Steve James – Non-Executive Director
Tony Huston – Non-Executive Director
Tom Fontaine – Non-Executive Director

Company Secretary
David Breeze

Registered Office
14 View Street
North Perth
WA 6006

Principal Business Address
14 View Street
North Perth
WA 6006
Telephone: (08) 9328 8711
Facsimile: (08) 9328 8733
Website: www.adventenergy.com.au

Auditor
Moore Australia Audit (WA)
Level 15,
Exchange Tower
2 The Esplanade
PERTH WA 6000

Australian Business Number
39 109 955 400

DIRECTORS' REPORT
Advent Energy Limited and its Controlled Entities

The directors of Advent Energy Ltd ("Advent") or ("Company") present their report on the Company and its controlled entities ("consolidated entity" or "group") for the financial year ended 30 June 2021.

Directors

The names of directors in office at any time during or since the end of the year are:

David Breeze – Executive Chairman
Stephen Kelemen – Non-Executive Director
Steve James – Non-Executive Director
Tony Huston – Non-Executive Director
Tom Fontaine – Non-Executive Director

Company Secretary

The names of company secretaries in office at any time during or since the end of the year are:

David Breeze

Information on Directors

D Breeze
Executive Chairman (appointed 10 November 2005) and Company Secretary (appointed 6 August 2019)

David Breeze is a Corporate Finance Specialist with extensive experience in the stock broking industry and capital markets. He has been a corporate consultant to Daiwa Securities; and held executive and director positions in the stock broking industry. David has a Bachelor of Economics and a Masters of Business Administration, and is a Fellow of the Financial Services Institute of Australasia, and a Fellow of the Institute of Company Directors of Australia. He has published in the Journal of Securities Institute of Australia and has also acted as an Independent Expert under the Corporations Act. He has worked on the structuring, capital raising and public listing of over 70 companies involving in excess of $250M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology. In the past three years David has also held the following listed company directorships:

Grandbridge Limited (from December 1999 to present, the company was delisted from ASX in February 2020)
BPH Energy Limited (from February 2001 to present)
MEC Resources Limited (from April 2005)

David is also a director of Cortical Dynamics Limited, Molecular Discovery Systems Limited, Diagnostic Array Systems Limited, and Advent subsidiaries Asset Energy Pty Limited and Offshore Energy Pty Limited.

S Kelemen
Non-Executive Director (appointed 8 February 2018)

Stephen Kelemen has 40 years of experience in the upstream petroleum industry, primarily with Santos Ltd where he had leading roles involving exploration, development, field operations, reservoir engineering, drilling, geology, and mergers & acquisitions across conventional and unconventional assets. He oversaw Santos' investment in Bayu-Undan & DLNG, and was responsible for the company's entry into CSG and the concept of CSG to LNG. He has evaluated many of the Australian basins for the potential to deliver reserves.

Stephen is a Non-Executive Director for Galilee Energy, Elixir Energy as well as Advent Energy. He is also Adjunct Professor - Centre for Natural Gas at University of Queensland and Deputy Chair Petroleum - Queensland Exploration Council. Stephen has a BE from University of Adelaide.

T Huston
Non-Executive Director (*appointed 6 August 2019*)

Anthony (Tony) Huston has been involved for over 40 years in engineering and hydrocarbon industries for both on and off shore exploration/development. Early career experience commenced with Fitzroy Engineering Ltd, primarily working on development of onshore oil fields. During the 1990's Tony managed JFP NZ International, a Texas based exploration company that included a jack up rig operating in NZ waters. In 1994 Tony oversaw the environmental consent process required to drill a near inshore well that was drilled from "land" into the offshore basin during 1995. In 1996 Tony formed his own E&P Company to focus re-entry of onshore wells, primarily targeting shallow pay that had been passed or ignored from previous operations. This was successful and the two plays opened up 20 years ago are still in operation. Recent focus (12 years) has been to utilise new technology for enhanced resource recovery and has been demonstrated in various fields, including US, Mexico, Oman, Italy and Turkmenistan. During the last 3 years Tony has been a director of listed company BPH Energy Limited from June 2017 to present.

T Fontaine
Non-Executive Director (*appointed 6 August 2019)*

Tom is a reservoir engineer with over 25 years of experience in project evaluation management, development and capital raising. Tom has been part owner of petroleum engineering companies Epic Consulting in Canada and Focal Petroleum in Australia and has provided technical services to many companies worldwide. He is also primarily responsible for the startup and subsequent listing on ASX of Bounty Oil & Gas NL in 2002, and Coal Bed Methane Company Pure Energy Resources Pty Ltd in 2006 which was acquired in 2009 by BG Group Plc in a $1 billion takeover. Tom is also currently involved with several small exploration companies in Canada, Russia, Cuba, Nepal, Timor Leste and Africa.

During the last 3 years Tom has been a director of ASX listed company Kinetiko (ASX:KKO) from Feb.2021 to present.

S James
Non-Executive Director (appointed 6 August 2019)

Steve has over 30 years' experience in the financial services industry having worked for Australia's largest banks as well as European and American institutions. Steve has a thorough knowledge across foreign exchange trading, financial planning, capital raisings and stockbroking where he was a key figure in developing Australia's largest wholesale broking business.

Steve is a highly experienced company director across both listed and unlisted entities in diverse operations from sporting bodies, financial services organisations and the property industry. Steve holds a Masters Degree in Financial Services Law, a Master Stockbroker Qualification, a Diploma of Financial Markets and is a graduate of the Australian Institute of Company Directors.

During the last 3 years Steve has not held any listed company directorships.

Meetings of Directors

During the financial year, two meetings of directors was held. The Board meets regularly by telephone to make day-to-day decisions with respect to the business of the Company. Attendances by each director during the year were:

	Directors' Meetings	
	Number eligible to attend	Number attended
D Breeze	2	2
T Fontaine	2	2
S James	2	2
T Huston	2	2
S Kelemen	2	2

Indemnifying Officers or Auditors

During or since the end of the financial year the company has not given an indemnity or entered an agreement to indemnify Company officers or the auditors. The Company does not hold a Directors and Officers insurance policy.

Operating Results

The operating loss for the group after tax for the year was $426,659 (2020: profit $3,901,465).

Non-Audit Services

No fees for non-audit services were paid or payable to the external auditors during the year ended 30 June 2021 (2020: $Nil).

Dividends

The directors recommend that no dividend be paid in respect of the current period and no dividends have been paid or declared since the commencement of the period.

Financial Position

The net assets of the group have decreased by $262,560 to $9,636,277 at 30 June 2021.

Future Developments

The Company will continue to develop its investee portfolio projects including PEP11 and RL1 and may evaluate and invest in a range of resource projects.

Principal Activities

Company Focus and Developments

Advent Energy Ltd ("Advent") is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia. Advent's assets include PEP11 (85%) in the offshore Sydney Basin and RL1 (100%) in the onshore Bonaparte Basin in the Northern territory.

PEP 11 Oil and Gas Permit

Advent, through wholly owned subsidiary Asset Energy Pty Ltd "(Asset"), holds 85% of Petroleum Exploration Permit PEP 11 – an exploration permit prospective for natural gas located in the Offshore Sydney Basin.

PEP 11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs. Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

The offshore Sydney Basin has been lightly explored to date, including a multi-vintage 2D seismic data coverage and a single exploration well, New Seaclem-1 (2010). Its position as the only petroleum title offshore New South Wales provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title. It lies adjacent to the Sydney-Newcastle region and the existing natural gas network servicing the east coast gas market. The total P50 Prospective Resource calculated for the PEP11 prospect inventory is 5.9 Tcf with a net 5 Tcf to Advent (85%WI). The two largest prospects in the inventory are Fish and Baleen.

Advent has previously interpreted significant seismically indicated gas features in PEP11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones (HRDZ), Amplitude Versus Offset (AVO) anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples.

The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Importantly, "a recent review of more than 850 wildcat wells – all drilled after geochemical surveys – finds that 79% of wells drilled in positive anomalies resulted in commercial oil and gas discoveries." (Surface geochemical exploration for oil and gas: New life for an old technology, D. Schumacher, 2000, *The Leading Edge*).

Advent has demonstrated considerable gas generation and migration within PEP11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent has conducted a focused seismic campaign around a key drilling prospect in PEP11 at Baleen, in the offshore Sydney Basin. The high resolution 2D seismic survey covering approximately 200-line km was performed to assist in the drilling of the Baleen target approximately 30 km south east of Newcastle, New South Wales. A drilling target on the Baleen prospect at a depth of 2150 metres subsea has been identified in a review of previous seismic data. Intersecting 2D lines suggest an extrapolated 6000 acre (24.3 km2) seismic amplitude anomaly area at that drilling target. The report on this drilling target noted previous 2D seismic data showed that the Permian aged section of the Bowen Basin has producing conventional gas fields at a similar time and depth to PEP11 at the Triassic/Permian age boundary.

Advent's prior presentation 'Strategic Summary: Tactics to Success ' confirmed the strategy of "Complete current 2D seismic commitment to deliver shallow hazard survey work …to deliver 'drill ready' gas prospect ....for early drilling ,capturing near-term rig availability off Australia's coast."

The high resolution 2D seismic data over the Baleen prospect designed to evaluate (amongst other things) shallow geohazard indications including shallow gas accumulations that can affect future potential drilling operations. It is a drilling prerequisite that a site survey is made prior to drilling at the Baleen location. On 31 December 2018 MEC Resources Limited (ASX: MMR) announced that there were "no 'seismically defined shallow gas hazards "at the proposed well location on the Baleen Prospect.

Onshore Bonaparte Basin

Advent, through wholly owned subsidiary Onshore Energy Pty Ltd ("Onshore"), holds 100% of RL 1 in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basin is a highly prospective petroliferous basin, with significant reserves of oil and gas. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore.

In the Northern Territory, Advent holds Retention Licence RL1 (166 square kilometres in area), which covers the Weaber Gas Field, originally discovered in 1985. Advent has previously advised that the 2C Contingent Resources for the Weaber Gas Field in RL1 are 11.5 billion cubic feet (Bcf) of natural gas following an independent audit by RISC. Significant upside 3C Contingent Resources of 45.8 Bcf have also been assessed by RISC.

The current rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Area phase 2, the township of Kununurra, and numerous regional resource projects provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Market studies have identified a current market demand of up to 30.8 TJ per day of power generation capacity across the Kimberley region that could potentially be supplied by Advent Energy's conventional gas project RL1.

The prospectivity of the Bonaparte Basin is evident from the known oil and gas fields in both the offshore and onshore portions of the basin. Advent has identified significant shale areas in RL1.

Significant Changes in State Of Affairs

Advent has submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to enable the drilling of the Baleen drill target in the PEP11 permit offshore NSW. The PEP11 Joint Venture has reviewed the work program and now proposes to proceed with the drilling of a well at Baleen (to be called Seablue-1) subject to approvals from NOPTA and other regulatory authorities, and financing, and has made an application to NOPTA to change the current Permit conditions. The current permit expiry date is in February 2021. The permit remains in place during this review period. The application to NOPTA includes the extension of the permit title for up to two years to enable the drilling and includes an application for the removal of the requirement for a 500 sq. km 3D seismic program. NOPTA has confirmed that this application is now in the final decision phase.

On 5 February 2021 BPH Energy Limited (ASX: BPH) advised that investee Advent has on behalf of the PEP11 joint venture submitted to the National Offshore Petroleum Titles Administrator (NOPTA) a further application to suspend and extend the PEP11 permit offshore NSW. The application has been made under the COVID-19 -Work Bid Exploration Permits announcement released by the Federal Government on 20 April 2020. In that release the Government recognised the that the COVID-19 pandemic was having a significant impact on the offshore petroleum sector and that additional flexibility would be required to assist titleholders to manage the COVID -19 crisis. The Joint Authority confirmed in that release that it regarded the COVID-19 pandemic as a force majeure event. The application for a 24 month suspension of the Permit Year 4 work program commitments, with a corresponding 24 month extension of the permit term and was accepted for processing by NOPTA on 4 Feb 2021. BPH does not foresee this application interfering with the NOPTA application to extend the permit terms for PEP11.

The PEP 11 permit is in good standing as Advent's subsidiary, Asset Energy Pty Ltd (as the operator), continues preparations to drill the Baleen Gas Prospect including booking a semisubmersible drill rig for the program with the call for tender.

On 8 March 2021 BPH advised that it had appointed a Drilling Manager to facilitate the Preliminary Well Services Agreement with Add Energy relating to the preparation for drilling of the Baleen well to undertake a phased approach to provide technical support in the following areas: -

• Review of current well design documentation
• Develop a suitable well design and cost estimates
• Develop drilling schedule and define a ready to drill tentative window

The scope of work to be conducted included review of existing data and latest geological prognoses for the well, documentation of the subsurface well design envelope and compilation of a preliminary well design, project costs and schedule to complete the Seablue–1 Exploration well. The report received from Add Energy documents the Basis of Well Design (BOWD) and rationale for design of the well, the well cost compilation and the project schedule. The report addresses the revised drill target on the Baleen prospect initially announced with total depth of 2150 metres on seismic data line B4-18. Advent now intends, subject to approvals and funding, to undertake deeper drilling to also undertake evaluation of the Offshore Sydney Basin for carbon sequestration (storage). This has resulted in a revised specification of a well to target early Permian sandstones for both hydrocarbon and carbon sequestration potential with a revised total depth being set at 3150 metres.

Advent is proposing with its Joint Venture partner Bounty to use the drilling program at Baleen to investigate the potential for CCS - Carbon Capture and Storage (geo-sequestration of CO2 emissions) in PEP11. CCS can capture CO2 fossil fuel emissions. Both the International Energy agency and the Intergovernmental Panel on Climate change believe that CCS can play an important role in helping to meet global emission reduction targets. CCS is part of a suit of solutions with the potential to mitigate greenhouse gas emissions and help address climate change. The Sydney Basin is a major contributor to Australia's greenhouse gas emissions and contributes up to 34% of the total national emissions. Independent Government published research has indicated at least 2 TCF (Trillion Cubic Ft) of CO2 storage may be feasible in the offshore Sydney Basin.

Advent is a strong supporter of plans for Net Zero by 2050 and sees the company playing a direct role in achieving that target, especially in New South Wales. It aims to do this in two ways. First, by finding gas closest to Australia's biggest domestic energy market, gas which can be used to provide reliable back-up for increased uptake of renewable energy in NSW. Second, through its plans to explore for opportunities in offshore NSW for CCS, a key clean energy technology. The significance of the carbon storage objective in addition to gas has been highlighted by the report from The Australian Financial Review (7 April 2021) "Carbon prices tipped to surge" which references dramatic action in Europe's carbon markets with "carbon prices almost doubling in the last four months from Euro 23 (A$35) a tonne in November 2020 to Euro 41 (A$62) in March 2021 as more ambitious (carbon) markets aligned with net zero emissions goals to drive prices higher."

Advent has signed a Preliminary Well Services Agreement (Agreement) with Add Energy (https://addenergy.no). Under the Agreement Add Energy will initiate a review of rig availability and engagement terms for the Baleen well program. Add Energy will also develop a scope of supply for regulatory and environmental compliance and review the drilling campaign schedule including a review of the program for geosequestration drilling research as part of the Baleen drill project. Add Energy provides drilling and well engineering specialized consultancy services and solutions to the energy industry on a global scale, including well design and environmental services. Add Energy is headquartered in Stavanger, Norway and operates in every region of the world from 15 locations including Europe, the Middle East, the Americas and Australia.

Add Energy will deliver phased approach services to Advent Energy for the preparation and drilling of the Baleen Well PEP11. In the first stage of the phased approach, Add Energy will provide technical support in the following areas:

- Review of current well design documentation.
- Develop a suitable well design and cost estimates.
- Develop drilling schedule and define a ready to drill tentative window.

The initial report received from Add Energy documents the Basis of Well Design (BOWD) and rationale for design of the well, the well cost compilation and the project schedule. The report addresses the revised drill target on the Baleen prospect initially announced with total depth of 2,150 metres on seismic data line B4-18. As advised Advent now intends, subject to approvals and funding, to undertake deeper drilling to also undertake evaluation of the Offshore Sydney Basin for carbon sequestration (storage). This has resulted in a revised specification of a well to target early Permian sandstones for both hydrocarbon and carbon sequestration potential with a revised total depth being set at 3,150 m.

On 26 February 2021 BPH advised that Advent had confirmed the engagement with Add Energy for the Xodus Group to undertake a preliminary environmental screening assessment of the proposed Seablue-1 well in preparation for drilling of the Baleen well in offshore licence PEP11. Xodus Group are a leading global energy environmental consultancy with a strong track record in the Australian offshore sector where they are subject matter experts in environmental impact assessment and regulatory approvals. The report was facilitated by the pre-existing environmental information from the prior technical work in the licence including the Environmental Plan which was accepted by the authorities for a 2D Seismic survey which was commissioned by Advent and carried out in 2018. The report has confirmed the program required to undertake an environmental impact assessment to support the required approvals for the Seablue-1 well. The aims of the preliminary environmental impact assessment were to:

1. Produce a detailed summary of required technical inputs.
2. Produce a detailed summary of required environmental inputs.
3. Outline a proposed approach for stakeholder consultation; and
4. Identify key controls potentially required to manage the activity

Advent subsequently appointed Xodus under a lump sum contract to prepare the Environmental Plan for first submission to NOPSEMA. Xodus's appointment was based on their high quality of engagement, willingness to provide a staged lump sum proposal, and recent experience by their Principal Consultant in working for NOPSEMA.

Advent announced the appointment of Professor Peter Cook as an advisor on geosequestration for its project in the Offshore Sydney Basin. Professor Peter Cook is an eminent Australian and international earth scientist. He is a leader in the development and application of carbon capture and storage (CCS) technologies and has published more than 30 papers and articles on greenhouse gas technologies, including the books "Clean Energy Climate and Carbon" and "Geologically Storing Carbon", and was an IPCC Co-ordinating Lead Author. He first drew attention to Australia's CCS opportunity more than 20 years ago, then going on to establish national CCS programs and research facilities through the Petroleum CRC and the Cooperative Research Centre for Greenhouse Gas Technologies (CO2CRC). In 2011, the University of Melbourne established the Peter Cook Centre for CCS Research.

Advent has appointed Mr Andrew Hogan as Contracts Manager for its PEP 11 Baleen well project in the Offshore Sydney Basin. Mr Hogan holds geoscience degrees from Trinity College Dublin and National University of Ireland, Galway and comes with over 30 years of Operational and Commercial experience in the upstream sector of the Energy industry. Prior to relocating to Perth in 2009 he spent 18 years based in Aberdeen working in the UK sector of the North Sea. He is well known in the Drilling and Completion community across Australia and New Zealand, having spent 24 years with one of the major oilfield Service Companies and 5 years with a major global offshore Drilling Contractor and will bring his experience to bear to assist and advise the board of Advent Energy in the procurement of key equipment and services for the safe and efficient drilling of the Baleen well in PEP11.

Advent's 100% owned subsidiary, Asset, has issued a Call for Tender for the provision of subsea wellhead equipment, materials and associated services for the Baleen drilling program. This equipment provides the 'foundation' for the Seablue-1 well and is the first stage of well construction. This is an important step in the preparation and planning for the Seablue--1 well ensures that Asset will be ready to commence drilling after relevant approvals have been received. When the well has reached total depth and been fully evaluated, the well will be plugged and abandoned in line with pre-drill planning as an exploration well, and the well head and associated equipment well be removed from the seabed.

A Call for Tender for the provision of drilling rig services the Seablue-1 exploration well has also been issued. The tender has been issued to multiple drilling contractors who have semi-submersible drilling units in the region. The Seablue-1 well is planned to be drilled in 125m of water approximately 26 km offshore and approximately 30 km SSE of the City of Newcastle. The drilling of the well is subject to regulatory approvals and is expected to take around 40 days to reach total depth. The Seablue-1 well has two objectives: (i) a gas target and (ii) evaluation for Carbon Capture Storage, subject to funding.

Advent's 100% subsidiary Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore is following. Onshore has lodged an appeal against this decision with the State Administrative Tribunal (SAT).

On 30 December 2020 Advent lodged an Offer Information Statement with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of $0.05 (5 cents) per Share to raise up to $6,525,108. The Offer is partially underwritten by related party Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 517246) and sub-underwritten up to $2,271,450. Grandbridge Securities Pty Ltd is also Lead Manager to the Offer.

The Directors of MEC announced during the year that it had entered into a settlement agreement with both Advent and its subsidiary, Asset Energy Pty Ltd (Asset) in relation to writs and demands issued by both Advent and Asset. On 2 October 2020 MEC had announced entering into a Standstill Agreement the effect of which was to allow the parties time to negotiate a resolution of the pending claims. Following legal and audit consultation by MEC directors Douglas Verley and Andrew Jones, and further negotiations with Advent and Asset, a resolution and settlement has been reached.

Key points to note are as follows;

- MEC holds a 47.6% interest in its investee company Advent, which is owed a total of $242,155 by MEC. Further, Advent owns 100% of Asset which is owed a total $593,343 plus interest and costs of $36,790 by MEC giving a total of $872,288 arising for outstanding loans owing (together knows as the Advent Debt). Advent has informed MEC of its intension to withdraw its prior request for an in-specie distribution subject to settlement of its claim total of $872,288.

  - Following advice from its legal advisor and the Company auditors MEC has acknowledged the Advent Debt.

  - MEC, Advent and Asset have agreed a debt for equity conversion for the Advent Debt pursuant to which the total $872,288 of the Advent Debt will convert to equity in the Company, subject to Shareholder approval (Advent Debt Conversion).

  - Under the Advent Debt Conversion, MEC has agreed (subject to Shareholder approval) to issue 198,237,045 Shares at a deemed issue price of $0.0044 per Share to Advent to settle $872,288 of the Advent Debt as a full and final settlement in the following manner (i) by issue of 124,708,409 Shares (subject to Shareholder approval) at a deemed issue price of $0.0044 per Share to clear $511,972 plus interest and costs of $36,790 of the Advent Debt; and (ii) by allowing Advent to participate in a future rights issue to the extent of 73,528,636 Shares at a deemed issue price of $0.0044 per Share to settle the remaining balance of the Advent Debt being $323,526.

  - The Advent Debt Conversion allows MEC to improve its balance sheet position and pay down $872,288 in outstanding debt which it would otherwise need to pay in cash.

MEC is currently in discussions with the ASX and concurrently working on a Notice of Meeting. MEC will release the Notice of Meeting once it is approved by the ASX.

During the year the Company issued 3,464,997 shares at $0.05 for $173,250 cash,

Subsequent Events

There have not been any other matters or circumstance that have arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Options

At the date of this report there were the following share options on issue:

Issued	Number	Exercise Price	Expiry Date
15/1/2020	10,000,000	$0.10	30/11/24

During the year ended 30 June 2021 no ordinary shares of Advent were issued on the exercise of options granted under the Advent Energy Limited Employee Option Plan (2020: Nil). No options have been granted since year end. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Environmental Issues

Advent Energy published its Environmental Performance Report for the PEP11 2D Baleen HR Seismic Survey which was undertaken in April 2018. The report confirmed that procedures were undertaken in accordance with the requirements of the *Environmental Protection and Biodiversity Conservation* (EPBC) *Act* Policy Statement 2.1 describing the interaction between offshore seismic exploration and whales. No non-compliance events were documented in relation to marine fauna interactions, mitigation or source operational procedures. No environmental matters have occurred in the period.

Advent subsequently appointed Xodus under a lump sum contract to prepare the Environmental Plan for first submission to NOPSEMA for the Seablue1 well at the Baleen drill target. Xodus Group are a leading global energy environmental consultancy with a strong track record in the Australian offshore sector where they are subject matter experts in environmental impact assessment and regulatory approvals.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 13.

Signed in accordance with a resolution of the Board of Directors.

David Breeze
Chairman
Dated this 27th day of August 2021

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ADVENT ENERGY LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

a) no contraventions of the auditor independence requirements as set out in 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.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 27th day of August 2021.

Consolidated Statement of Financial Position

as at 30 June 2021

Advent Energy Ltd and its controlled entities

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue	2	31,098	32
Other income		5,962	-
Finance costs		-	(25)
Administration expenses		(157,963)	(50,195)
Consulting and legal expenses		(82,173)	(15,292)
Director related fees		(223,313)	(243,806)
Exploration costs written off	9	-	(95,852)
Impairment reversal	3	-	4,580,247
Share based payments expense		-	(173,534)
Depreciation		-	(110)
Operating (loss) / profit before income tax		(426,659)	3,901,465
Income tax expense	8	-	-
Operating (loss) / profit from continuing operations		(426,659)	3,901,465
Other comprehensive Income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total comprehensive (loss) / profit		(426,659)	3,901,465
Basic and diluted (loss) / earnings per share (cents per share)	24	(0.2)	2.1

The accompanying notes form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Financial Position
as at 30 June 2021
Advent Energy Ltd and its controlled entities

	Note	Consolidated 2021 $	Consolidated 2020 $
Current Assets			
Cash and cash equivalents	6	158,804	24,349
Trade and other receivables	7	75,928	4,880
Other assets		23,348	21,411
Financial assets	10	872,742	796,971
Total Current Assets		1,130,822	847,611
Non-Current Assets			
Exploration and evaluation expenditure	9	14,335,995	14,010,190
Financial assets	11	50,000	50,000
Total Non-Current Assets		14,385,995	14,060,190
Total Assets		15,516,817	14,907,801
Current Liabilities			
Trade and other payables	10	362,513	179,637
Financial liabilities	13	554,725	5,004
Total Current Liabilities		917,238	184,641
Non-Current Liabilities			
Trade and other payables	10	802,167	702,168
Financial liabilities	13	4,161,135	4,122,155
Total Non- Current Liabilities		4,963,302	4,824,323
Total Liabilities		5,880,540	5,008,964
Net Assets		9,636,277	9,898,837
Equity			
Issued capital	14	43,198,137	43,034,038
Option reserve	12	965,553	965,553
Accumulated losses		(34,527,413)	(34,100,754)
Total Equity		9,636,277	9,898,837

The accompanying notes form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

Advent Energy Ltd and its controlled entities

	Consolidated			
	Issued Capital $	**Accumulated losses $**	**Option Reserve $**	**Total Equity $**
Balance at 30 June 2019 (restated)	42,196,146	(38,002,219)	792,019	4,985,946
Profit attributable to members of the consolidated entity	-	3,901,465	-	3,901,465
Total comprehensive profit	-	3,901,465	-	3,901,465
Transactions with owners in their capacity as owners:				
Shares issued in extinguishment of debt	667,892	-	-	667,892
Shares issued for cash	170,000	-	-	170,000
Share based payments expense	-	-	173,534	173,534
Balance at 30 June 2020	43,034,038	(34,100,754)	965,553	9,898,837
(Loss) attributable to members of the consolidated entity	-	(426,659)	-	(426,659)
Total comprehensive (loss)	-	(426,659)	-	(426,659)
Transactions with owners in their capacity as owners:				
Shares issued for cash	173,250	-	-	173,250
Share issue costs	(9,151)	-	-	(9,151)
Balance at 30 June 2021	43,198,137	(34,527,413)	965,553	9,636,277

The accompanying notes form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 June 2021
Advent Energy Ltd and its controlled entities

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash Flows From Operating Activities			
Payments to suppliers and employees		(325,351)	(100,190)
Finance costs		-	(25)
Interest Received		-	32
Net cash used in operating activities	15	(325,351)	(100,183)
Cash Flows From Investing Activities			
Exploration expenditure (net of reimbursements)		(254,015)	(49,938)
Loans received from other entities		549,722	5,004
Net cash provided by investing activities		295,707	(44,934)
Cash Flows From Financing Activities			
Loans repaid to MEC	15(b)	-	(40,759)
Proceeds from shares issued		173,250	170,000
Share issue costs		(9,151)	-
Net cash provided by financing activities		164,099	129,241
Net increase / (decrease) in cash held		134,455	(15,876)
Cash at the beginning of the financial year		24,349	40,225
Cash at the end of the financial year	6	158,804	24,349

The accompanying notes form part of and should be read in conjunction with these financial statements.

1. Statement of Significant Accounting Policies

Corporate Information

The financial report includes the consolidated financial statements and the notes of Advent Energy Ltd and its controlled entities ('consolidated entity' or 'group'). Advent Energy Ltd is an unlisted public company, incorporated and domiciled in Australia. The financial report was authorised for issue on 27 August 2021 by the board of directors.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Advent Energy Ltd is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The consolidated financial statements of the Advent Energy Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Financial Position / Going Concern

The group has incurred a net loss before tax for the year ended 30 June 2021 of $426,659 (2020: profit of $3,901,465) and has a net current asset surplus of $213,584 (2020: surplus of $662,970) (refer note14 (b)) at that date.

Included in non-current liabilities are loans payable to MEC of $4,122,155 which will be recoverable by MEC only by the following means and only in the following circumstances; one month prior to the scheduled commencement date for the drilling of a well within the PEP 11 Permit Area, Advent will issue to MEC ordinary shares to the face value of the debt calculated at 80% of: (a) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or (b) if as at that date Advent shares are not listed on any securities exchange, the price at which ordinary shares in Advent were last issued.

Included in trade and other payables are balances totalling $913,516 (2020: $764,200) payable to current and former directors. The directors have reviewed their expenditure and commitments for the consolidated entity and have implemented methods of costs reduction. The directors, as a part of their cash monitoring, have voluntarily suspended cash payments for their directors' fees to conserve cash resources until such time that the consolidated entity has sufficient cash resources.

1. Statement of Significant Accounting Policies (continued)

Financial Position / Going Concern (continued)

The directors have prepared cash flow forecasts that indicate that the group will have sufficient cash flows to meet its non-exploration commitments and a portion of exploration commitments for a period of at least 12 months from the date of this report. Based on the cash flow forecasts and the monitoring of operational costs, the directors are satisfied that, the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

On 30 December 2020 Advent lodged an Offer Information Statement with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of $0.05 (5 cents) per Share to raise up to $6,525,108. The Offer is partially underwritten by related party Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 517246) and sub-underwritten up to $2,271,450. Grandbridge Securities Pty Ltd is also Lead Manager to the Offer.

In February 2021 BPH raised $9 million in a share placement. BPH advised ASX that approximately $5.75 million of the proceeds of the placement will be used by BPH primarily to invest in Advent to progress well planning, engineering and environmental approvals for drilling at the Baleen drill target in the PEP11 offshore permit in NSW.

Should the consolidated entity not be successful in raising additional funds through the issue of new equity, should the need arise there is a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

1. Statement of Significant Accounting Policies (continued)

Accounting Policies

(a) Principles of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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 group. They are deconsolidated from the date that control ceases.

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The purchase method of accounting is used to account for business combinations by the group (see Note 1 (b) below).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial performance.

(b) Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

1. Statement of Significant Accounting Policies (continued)

(b) Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the statement of financial position date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or unused tax losses or tax credits can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Advent Energy Ltd and its wholly-owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation regime on 1 July 2010.

1. Statement of Significant Accounting Policies (continued)

(d) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where right of tenure of the area of interest is current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from Intangible assets to mining property and development assets within property, plant and equipment. Should exploration be successful and result in a project, costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(e) Impairment of Assets

The group reviews non-financial assets, other than deferred tax assets, at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. Statement of Significant Accounting Policies (continued)

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Revenue and Other Income

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract. All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to statement of financial position. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

1. Statement of Significant Accounting Policies (continued)

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Share based payments

Share based compensation benefits are provided to employees via the Company's Employee Option plan.

The fair value of options granted under the Company's Employee Option Plan is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the group revises its estimate of the number of options that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(m) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Judgments —Impairment of capitalised and carried forward exploration expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at statement of financial position date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(d).

1. Statement of Significant Accounting Policies (continued)

(n) Application of New and Revised Accounting Standards

Standards and Interpretations in issue not yet adopted

The Directors have reviewed new accounting standards and interpretations that have been published that are not mandatory for 30 June 2021 reporting periods. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is likely to company accounting policies.

Standards and Interpretations applicable to 30 June 2021

In the 12 month period ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

1. Statement of Significant Accounting Policies (continued)

(o) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

• amortised cost
• fair value through profit or loss (FVTPL)
• equity instruments at fair value through other comprehensive income (FVOCI)
• debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

1. Statement of Significant Accounting Policies (continued)

(o) Financial Instruments (continued)

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment. The group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(iii) Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

(iv) Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI. The group accounts for financial assets at FVOCI if the assets meet the following conditions:

• they are held under a business model whose objective it is to "hold to collect" the associated cash flows and sell financial assets; and

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

1. Statement of Significant Accounting Policies (continued)

(o) Financial Instruments (continued)

Impairment of financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Recognition of credit losses is no longer dependent on the group first identifying a credit loss event. Instead the group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and

• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').

• 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

	Consolidated	
	2021 $	2020 $

2. Revenue

	2021 $	2020 $
Interest Revenue	31,098	32
	31,098	32

3. Expenses

	2021 $	2020 $
Impairment (reversal) / impairment		
Impairment reversal PEP11 (i)	-	(6,882,247)
Provision against EP386 exploration costs (ii)	-	2,302,000
	-	(4,580,247)

(i) In a prior year capitalised costs were assessed for impairment by reference to the value implied for PEP 11 by virtue of a conditional farmin agreement entered into with RL Energy Pty Ltd. Based on this assessment the asset was considered to be impaired and an adjustment to the fair value was booked at 30 June 2018. This farmin agreement was terminated on 17 September 2019 and therefore the writedown of $18,780,680 booked to the fair value at 30 June 2018 was pre-emptive. The directors assessed the valuation of the PEP 11 permit against what they considered a comparable transaction with the result that the June 2018 year PEP 11 impairment was reversed to the extent of $6,882,247 in the 30 June 2020 year.

(ii) Onshore Energy ("Onshore") made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision. Onshore lodged an appeal against that decision with the WA State Administrative Tribunal (SAT). The appeal process is ongoing. The Directors consider it prudent to make an impairment provision against the permit exploration costs at this time.

	Consolidated	
	2021 $	2020 $

4. Auditors' Remuneration

	2021 $	2020 $
Remuneration of the auditor of the parent entity for:		
Moore Australia Audit (WA)	8,000	19,424
	8,000	19,424

5. Key Management Personnel Compensation

Names and positions held of consolidated entity key management personnel in office at any time during the financial year are as follows. They were appointed for the whole year unless stated otherwise:

Key Management Personnel

David Breeze – Executive Chairman
Stephen Kelemen – Non-Executive Director
Steve James – Non-Executive Director
Tony Huston – Non-Executive Director
Tom Fontaine – Non-Executive Director

Directors	Amount Owing 30 June 2021 ($)	Short Term Benefit 2021 – Fees ($)	Share based payment expense - 2021($)	Amount Owing 30 June 2020 ($)	Short Term Benefit 2020 – Fees ($)	Share based payment expense - 2020($)
D Breeze	288,449	97,000	-	219,881	89,863	-
S Kelemen	84,932	25,000	-	59,932	25,000	34,707
T Fontaine	53,385	82,188	-	22,637	22,637	34,707
T Huston	22,637	30,000	-	22,637	22,637	34,707
S James	47,637	25,000	-	22,637	22,637	34,707
Previous directors	416,476	-	-	416,476	-	-
	913,516	259,188	-	764,200	247,806	138,828

David Breeze has a holding in the Company of 2,000,000 shares. There was no share based payments expense in the current year. Share based payments in the prior period to each person listed represent 2 million options each with an exercise price of $0.10 per share and an expiry date of 30 November 2024.

	Consolidated 2021 $	Consolidated 2020 $
6. Cash and cash equivalents		
Cash at bank and in hand	158,804	24,349

The average effective interest rate on short-term bank deposits was 1.25%: (2020: 1.25%)

7. Trade and other receivables

	2021 $	2020 $
Current		
Other receivables	75,928	4,880
	75,928	4,880

8. Income Tax Expense

	Consolidated 2021 $	Consolidated 2020 $
a. *The prima facie tax benefit on (loss)/ profit from ordinary activities before income tax is reconciled to the income tax as follows:*		
(Loss) / profit from ordinary activities before income tax	(426,659)	3,901,465
Prima facie tax benefit on (loss) / profit from ordinary activities before income tax at 26% (2020: 27.5%)	(110,931)	1,072,903
Add tax effect of:		
- Other non-assessable items	-	(1,259,568)
- Revenue losses and other deferred tax balances not recognised	110,931	186,665
Income tax expense	-	-
b. Deferred tax recognised at 26% (2020: 27.5%):		
Deferred tax liabilities:		
Exploration expenditure	3,727,359	3,852,802
Deferred tax assets:		
Carry forward revenue losses	(3,727,359)	(3,852,802)
Net deferred tax	-	-
c. Unrecognised deferred tax assets at 26% (2020: 27.5%):		
Carry forward losses	12,291,940	9,022,928
Exploration expenditure	(3,727,359)	(3,852,802)
	8,564,581	9,022,928

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits

9. Exploration and Evaluation Expenditure

	Consolidated 2021 $	2020 $
Exploration and evaluation expenditure	14,335,995	14,010,190
	14,335,995	14,010,190

Reconciliation of the movement during the year:

	2021 $	2020 $
Opening balance at 1 July	14,010,190	9,475,857
Impairment reversal – PEP 11 (i)	-	6,882,247
Capitalised expenditure – PEP 11, net of reimbursements	302,379	6,829
Capitalised expenditure – EP 386 / RL 1	23,426	43,109
Impairment provision - EP 386 (ii)	-	(2,302,000)
Exploration costs written off – EP325 (iii)	-	(95,852)
Balance at 30 June	14,335,995	14,010,190

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of natural gas. Capitalised costs net of reimbursements amounting to $254,015 (2020: $49,939) have been included in cash flows from investing activities in the statement of cash flows.

(i) In a prior year capitalised costs were assessed for impairment by reference to the value implied for PEP 11 by virtue of a conditional farmin agreement entered into with RL Energy Pty Ltd. Based on this assessment the asset was considered to be impaired and an adjustment to the fair value was booked at 30 June 2018. This farmin agreement was terminated on 17 September 2019 and therefore the writedown of $18,780,680 booked to the fair value at 30 June 2018 was pre-emptive. In the prior period the directors assessed the valuation of the PEP 11 permit against what they considered a comparable transaction with the result that the June 2018 year PEP 11 impairment has been reversed to the extent of $6,882,247 in the 30 June 2020 financial year.

(ii) Onshore Energy ("Onshore") made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore is following. Onshore has lodged an appeal against that decision with the WA State Administrative Tribunal (SAT). The appeal process is ongoing. The Directors consider it prudent to make an impairment provision against the permit exploration costs at this time.

(iii) The consolidated entity no longer has title to this permit and the exploration costs have been written off.

Refer to Note 23 for capital expenditure commitments at period end.

9. Evaluation Exploration Expenditure (continued)

On 30 December 2020 Advent lodged an Offer Information Statement with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of $0.05 (5 cents) per Share to raise up to $6,525,108. The Offer is partially underwritten by related party Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 517246) and sub-underwritten up to $2,271,450. Grandbridge Securities Pty Ltd is also Lead Manager to the Offer.

In February 2021 BPH raised $9 million in a share placement. BPH advised ASX that approximately $5.75 million of the proceeds of the placement will be used by BPH primarily to invest in Advent to progress well planning, engineering and environmental approvals for drilling at the Baleen drill target in the PEP11 offshore permit in NSW.

The directors have confidence that a suitable outcome will be achieved however there is no certainty at this stage of further funding being made available. Asset Energy Pty Ltd has invested over $25 million in the PEP11 title and, along with its JV partner Bounty Oil and Gas NL, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for each of PEP11 and RL1 each of these permits are at risk.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivables and its investment in Advent in the ordinary course of business.

	Consolidated	
	2021	**2020**
	$	**$**
10. Trade and other payables		
Current:		
Trade payables – unsecured- unrelated	213,737	94,603
Trade payables – unsecured- related	111,349	62,032
Sundry payables and accrued expenses - unsecured	37,427	23,002
	362,513	179,637
Non-current:		
Sundry payables and accrued expenses - unsecured - related	802,167	702,168
	802,167	702,168

The average credit period on trade payables is 120 days (2020: 105 days).

	Consolidated 2021 $	2020 $
11. Financial Assets		
Current		
Loan and related costs receivable from MEC (i)	872,742	796,971
	872,742	796,971
Non-Current		
Cash held as security (i)	50,000	50,000
	50,000	50,000

(i) The Directors of MEC announced during the year that it had entered into a settlement agreement with both Advent and its subsidiary, Asset Energy Pty Ltd (Asset) in relation to writs and demands issued by both Advent and Asset. On 2 October 2020 MEC had announced entering into a Standstill Agreement the effect of which was to allow the parties time to negotiate a resolution of the pending claims. Following legal and audit consultation by MEC directors Douglas Verley and Andrew Jones, and further negotiations with Advent and Asset, a resolution and settlement has been reached.

Key points to note are as follows;

- MEC holds a 47.6% interest in its investee company Advent, which is owed a total of $242,155 by MEC. Further, Advent owns 100% of Asset which is owed a total $593,343 plus interest and costs of $36,790 by MEC giving a total of $872,288 arising for outstanding loans owing (together knows as the Advent Debt). Advent has informed MEC of its intension to withdraw its prior request for an in-specie distribution subject to settlement of its claim total of $872,288.

- Following advice from its legal advisor and the Company auditors MEC has acknowledged the Advent Debt.

- MEC, Advent and Asset have agreed a debt for equity conversion for the Advent Debt pursuant to which the total $872,288 of the Advent Debt will convert to equity in the Company, subject to Shareholder approval (Advent Debt Conversion).

- Under the Advent Debt Conversion, MEC has agreed (subject to Shareholder approval) to issue 198,237,045 Shares at a deemed issue price of $0.0044 per Share to Advent to settle $872,288 of the Advent Debt as a full and final settlement in the following manner (i) by issue of 124,708,409 Shares (subject to Shareholder approval) at a deemed issue price of $0.0044 per Share to clear $511,972 plus interest and costs of $36,790 of the Advent Debt; and (ii) by allowing Advent to participate in a future rights issue to the extent of 73,528,636 Shares at a deemed issue price of $0.0044 per Share to settle the remaining balance of the Advent Debt being $323,526.

- The Advent Debt Conversion allows MEC to improve its balance sheet position and pay down $872,288 in outstanding debt which it would otherwise need to pay in cash.

MEC is currently in discussions with the ASX and concurrently working on a Notice of Meeting. MEC will release the Notice of Meeting once it is approved by the ASX.

(ii) The cash security deposit is held in trust by Department of Primary Industry and Resources.

12. Reserves

Option Reserve

The option reserve records items recognized as expenses on the valuation of director, employee and consultant share options.

	Consolidated 2021 $	Consolidated 2020 $
Opening balance 1 July	965,533	792,019
Share based payments expense	-	173,534
Closing balance 30 June	965,533	965,533

13. Financial liabilities

	Consolidated 2021 $	Consolidated 2020 $
Current		
Unsecured loan payable to BPH Energy Limited	554,725	5,004
	554,725	5,004
Non-Current		
Unsecured loan payable to MEC Resources Ltd (a)	4,161,135	4,122,155
	4,161,135	4,122,155

(a) Unsecured loans – MEC

As part of a 6 August 2019 legal settlement loans of $4,122,155 owed by Advent to MEC will be recoverable by MEC only by the following means and only in the following circumstances: One month prior to the scheduled commencement date for the drilling of a well within the PEP 11 Permit Area, Advent will issue to MEC ordinary shares to the face value of the debt calculated at 80% of: (a) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or (b) if as at that date Advent shares are not listed on any securities exchange, the price at which ordinary shares in Advent were last issued.

14. Issued Capital

197,818,231 (2020: 194,353,234) fully paid ordinary shares of no par value

	2021	2020	2021	2020
(a) Ordinary Shares	**$**	**$**	**Number**	**Number**
1 July	43,034,038	42,196,146	194,353,234	177,595,414
Shares issued on conversion of debt	-	667,892	-	13,357,820
Shares issued for cash	173,250	170,000	3,464,997	3,400,000
Share issue costs	(9,151)	-	-	-
30 June	43,198,137	43,034,038	197,818,231	194,353,234

Fully Paid Ordinary Share Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Capital risk management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern. The focus of the group's capital risk management is the current working capital position against the requirements of the group to meet corporate overheads. The group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the group at 30 June 2021 and 30 June 2020 is as follows:

	Consolidated	
	2021	**2020**
	$	**$**
Cash and cash equivalents	158,804	24,349
Trade and other receivables	75,928	4,880
Other assets	23,348	21,411
Financial assets	872,742	796,971
Trade and other payables	(362,513)	(179,637)
Financial liabilities	(554,725)	(5,004)
Working capital position	213,584	662,970

Refer to Note 1 for disclosure on financial position.

15. Cash Flow Information

	Consolidated 2021 $	Consolidated 2020 $
a) Reconciliation of cash flow from operations with (loss) / profit after income tax		
Operating (loss) / profit after income tax	(426,659)	3,901,465
Non-cash items:		
Impairment reversal of intangibles	-	(4,580,247)
Exploration expenditure written off	-	95,852
Non-cash income	(36,790)	-
Share based payments	-	173,534
Depreciation	-	110
Changes in net assets and liabilities		
(Increase) in trade and other receivables	(20,749)	(24,721)
Increase in trade payables and accruals	158,847	333,824
Net cash outflow from operating activities	(325,351)	(100,183)
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	158,804	24,349

	2021 $	2020 $
(b) Changes in liabilities arising from financing activities – unsecured borrowings		
Balance 1 July	522,155	562,914
Net cash repaid to MEC	-	(40,759)
Transfer to receivable	38,980	-
Balance 30 June	561,135	522,155

16. Financial Instruments

a) Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and loans to and from other parties. The main purpose of non-derivative financial instruments is to raise finance for group operations.

i. Financial Risks

The main risks that the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The group's financial assets that are affected by interest rate risk are the group's cash and cash equivalents and term deposits held. The group's financial liabilities are currently not exposed to interest rate risk as the group has no variable rate interest bearing financial liabilities.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, for recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations.

Foreign currency risk

The group is not exposed to any material risks in relation to fluctuations in foreign exchange rates at balance date, however as the Company develops the PEP 11 permit the Company may have an exposure to US$ expenditures.

Equity price risk

The group is not currently exposed to any risks in relation to equity prices.

16. Financial Instruments (continued)

b) Financial Instruments

i. Interest rate risk
The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Consolidated

2021	Effective Average Interest Rate %	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets				
Cash and cash equivalents	-	158,804	-	158,804
Trade and other receivables	-	-	75,928	75,928
Other assets	-	-	23,348	23,348
Financial assets	-	-	922,742	922,742
		158,804	1,022,018	1,180,822
Financial Liabilities				
Trade and other payables	-	-	1,164,680	1,164,680
Financial liabilities	-	-	4,715,860	4,715,860
		-	5,880,540	5,880,540

2020	Effective Average Interest Rate %	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets				
Cash and cash equivalents	1.25	24,349	-	24,349
Trade and other receivables	-	-	4,880	4,880
Other assets	-	-	21,411	21,411
Financial assets	-	-	846,971	796,971
		24,349	873,262	897,611
Financial Liabilities				
Trade and other payables	-	-	881,805	881,805
Financial liabilities	-	-	4,127,159	4,127,159
		-	5,008,964	5,008,964

16. Financial Instruments (continued)

b) Financial Instruments (continued)

ii. Fair Values
The fair values of:

- Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form. Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	158,804	158,804	24,349	24,349
Trade and other receivables	75,928	75,928	4,880	4,880
Other assets	23,348	23,348	21,411	21,411
Financial assets	922,742	922,742	846,971	846,971
	1,180,822	1,180,822	897,611	897,611
Financial Liabilities				
Financial liabilities	4,715,860	4,715,860	4,127,159	4,127,159
Trade and other payables	1,164,680	1,164,680	881,805	881,805
	5,880,540	5,880,540	5,008,964	5,008,964

iii. Sensitivity Analysis

Interest Rate Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2021	2020
Change in profit		
— Increase in interest rate by 1%	1,588	743
— Decrease in interest rate by 0.5%	-	(371)

16. Financial Instruments (continued)

b) Financial Instruments (continued)

iv. Liquidity risk

Liquidity is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities at the end of the reporting period of financial liabilities.

30 June 2021	Carrying amount	Total	2 mths or less	2-12 mths	2-5 years
Financial liabilities					
Trade and other payables	1,164,680	1,164,680	362,513	-	802,167
Unsecured loan	554,725	554,725	554,725	-	-
Unsecured loans (i)	4,161,135	4,161,135	-	-	4,161,135
	5,880,540	5,880.540	917,238	-	4,963,302

(i) Refer to Note 13(a) with respect to the conversion rights attaching to these loans

30 June 2020	Carrying amount	Total	2 mths or less	2-12 mths	2-5 years
Financial liabilities					
Trade and other payables	881,805	881,805	179,637	-	702,168
Unsecured loan	5,004	5,004	5,004	-	-
Unsecured loans (i)	4,122,155	4,122,155	-	-	4,122,155
	5,008,964	5,008,964	184,641	-	4,824,323

17. Subsequent Events

There have not been any other matters or circumstance that have arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

18. Related Party Transactions

(a) Key Management Personnel Remuneration & Equity Holdings

Details of key management personnel remuneration and retirement benefits are disclosed in note 5 to the financial statements.

(b) Related Entities

Refer to notes 11 and 13 in respect of financial asset and financial liability balances with related parties.

A director, David Breeze, is the Managing Director Grandbridge Limited ("GBA"). Advent has entered into a Services Agreement with GBA effective 6 August 2019 at a rate of $10,720 per month for an initial term of three years, with the potential for the monthly fee to increase based on certain capital raising parameters. Should Advent terminate the Services Agreement at any time it will be liable for a 12 month termination fee to GBA.

A director, David Breeze, is the sole director of Grandbridge Securities Pty Ltd, a 100% subsidiary of GBA. On 30 December 2020 Advent lodged an Offer Information Statement with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of $0.05 (5 cents) per Share to raise up to $6,525,108. The Offer is partially underwritten by related party Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 517246) and sub-underwritten up to $2,000,000. Grandbridge Securities Pty Ltd is also Lead Manager to the Offer.

Advent has entered into an agreement with Trandcorp Limited ("Trandcorp") effective 6 August 2019 for the provision of Mr David Breeze as Managing Director at a rate of $6,000 per month for an initial term of two years, with the potential for the issue of 3 million share options based on certain capital raising parameters. Should Advent terminate the agreement with Trandcorp it will be liable for a termination / notice period fee to Trandcorp of up to 18 months. The Term will be automatically extended for a further period of 2 years, unless either the Company or the Consultant give notice of termination prior to the expiry of each term, in accordance with its terms

Trade creditors at period end include $105,600 (2020: $62,032) owing to Trandcorp.

A director, David Breeze, is the Managing Director of BPH. BPH lent the Advent group unsecured funds of $549,722 during the period.

(c) Parent Entity

The parent entity in the group is Advent Energy Ltd.

(d) Ultimate parent Entity

The company with majority ownership in the economic entity is MEC Resources Limited.

19. Controlled Entities

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest % 2021	Ownership Interest % 2020
Parent Entity				
Advent Energy Ltd	Oil and Gas exploration	Australia		
Subsidiaries of Advent Energy Ltd				
Asset Energy Pty Ltd	Oil and Gas exploration	Australia	100	100
Onshore Energy Pty Ltd	Oil and Gas exploration	Australia	100	100

20. Share-Based Payments

The movement in unlisted options over the period is as follows:

	2021		2020	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
1 July	10,000,000	0.10	-	-
Issued	-	-	10,000,000	0.10
30 June	10,000,000	0.10	10,000,000	0.10
Exercisable at year-end	10,000,000	0.10	10,000,000	0.10

The following share-based payment arrangements existed at 30 June 2021:

Total number	Grant Date	Exercise price	Fair value at grant date	Expiry date
10,000,000	15 January 2020	$0.10	$0.017	30 November 2024

21. Parent Entity Disclosures

	2021 $	2020 $
Financial Position		
Assets		
Current assets	398,059	268,524
Non-current assets	16,937,699	16,664,964
Total asset	17,335,758	16,933,488
Liabilities		
Current liabilities	750,536	152,736
Non-current liabilities	4,963,303	4,863,303
Total liabilities	5,713,839	5,016,039
Issued Capital	43,198,137	43,034,038
Accumulated Losses	(32,541,771)	(32,082,142)
Option Reserve	965,553	965,553
Total equity	11,621,919	11,917,449
Financial Performance		
(Loss) / profit for the year	(459,629)	3,903,123
Other comprehensive income	-	-
Total comprehensive income	(459,629)	3,903,123

22. Contingent Liabilities

The Company and consolidated entity have no contingent liabilities.

23. Commitments

In order to maintain an interest in the exploration tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted. Capital expenditure forecasted for at the reporting date but not recognised as liabilities as follows:

	Consolidated 2021 $	Consolidated 2020 $
Work Program Commitments – Exploration permits		
Payable:		
Within one year	1,200,000	1,200,000
Greater than one year less than five years	20,000,000	17,025,000
Total	21,200,000	18,225,000

An application has been made to NOPTA for the extension of the permit title for up to two years to enable drilling of PEP11 including an application for the removal of the requirement for a 500 sq. km 3D seismic program. The application is currently pending approval .The permit continues until a decision is made. The permit remains in good standing.

24. Earnings per Share

	Consolidated 2021 $	Consolidated 2020 $
Total (loss) / earnings attributable to ordinary equity holders of the Company	(426,659)	3,901,465
(Loss) / earnings used in the calculation of basic earnings per share and diluted earnings per share	(426,659)	3,901,465
(Loss) / earnings per share (cents per share)		
From continuing operations	(0.2)	2.1
Total basic earnings per share and diluted earnings per share	(0.2)	2.1
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculating EPS	195,317,522	184,641,466

Directors' Declaration
Advent Energy Ltd and its controlled entities

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 45 are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated entity;

2. the Financial Statements and Notes comply with International Accounting Standards as disclosed in Note 1;

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to S295(5) of the Corporations Act 2001.

D. Breeze.

……………………………………………………

David Breeze
Chairman

Dated this 27th day of August 2021

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVENT ENERGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Advent Energy Limited (the Company) and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying 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 2021 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

In forming our opinion on the Group financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the Group's ability to continue as a going concern. The Group is dependent upon the deferral of specified amounts payable to directors and various funding initiatives to provide working capital sufficient to discharge its liabilities in the normal course of business. This condition as explained in Note 1 to the financial statements indicates the existence of a material uncertainty which casts significant doubt about the Group's ability to continue as a going concern. The Group financial statements do not include any adjustments, which might be material, that would result if the Group were unable to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADVENT ENERGY LIMITED (CONTINUED)

Material Uncertainty Regarding Carrying Value of Exploration Expenditure

The ability to realise the carrying value of exploration and evaluation assets is dependent upon the Company's ability to do all things necessary to maintain tenure of the underlying tenements and to successfully develop and or sell its interest in the tenements. We also draw attention to Note 9 to the financial statements which describes the uncertainty around the basis of continuing to recognise the carrying value of exploration and evaluation assets. These matters and uncertainties may affect the ability of the Group to realise the carrying value of the exploration and evaluation assets in the ordinary course of business and at amounts recorded in the accounts. Our opinion is not modified in respect of this matter.

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 2021 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.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADVENT ENERGY LIMITED (CONTINUED)

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, international omissions, misrepresentation, 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, related safeguards.

Neil Pace	Moore Australia
NEIL PACE PARTNER	MOORE AUSTRALIA AUDIT (WA) CHARTERED ACCOUNTANTS

Signed at Perth this 27th day of August 2021.