

TOP END ENERGY LIMITED
ACN 650 478 774

REPLACEMENT PROSPECTUS

For an offer of 32,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,400,000 (Offer).

Lead Manager: Inyati Capital Pty Ltd
ACN: 642 351 193
Corporate Authorised Representative Number: 1287573



IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

This is a Replacement Prospectus dated 24 November 2021. It replaces a prospectus dated 10 November 2021 relating to the Shares of Top End Energy Limited (ACN 650 478 774).

IMPORTANT NOTICE

This Prospectus is dated 24 November 2021 and was lodged with the ASIC on that date. This Prospectus replaces the prospectus lodged by the Company on 10 November 2021 (**Original Prospectus**). The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Replacement Prospectus

The key differences between this Prospectus and the Original Prospectus are as follows:

- (a) the inclusion of additional information regarding the arm's length negotiations that took place in relation to entering into the Lead Manager Mandate;

- (b) the inclusion of additional information regarding Aboriginal Land and Native Title Risks in relation to the TG Project Permits;
- (c) further disclosure regarding the Company's proposed steps in achieving its clean energy aspirations;
- (d) the inclusion of additional information regarding risks in relation to McKam's interest in the Company;
- (e) the inclusion of additional information regarding overlapping tenure risks;
- (f) the inclusion of additional information regarding objections lodged against two of the applications for Permits;
- (g) an amendment to the classification of Mr Richard Lampe as an independent director;
- (h) the inclusion of an updated Solicitor's Report on Permits in relation to the TG Project; and
- (i) the inclusion of an updated Technical Advisor's Report.

No Applications

The Company confirms that since the lodgement of the Original Prospectus no Applications have been received or processed by the Company that would require the Company to consider allowing those applicants to withdraw their Application under section 724(2)(b) of the Corporations Act.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the United States;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- (d) it will not offer or resell the Shares in the United States or in any other jurisdiction outside Australia.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.topendenergy.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and

unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 08 6245 9836 during office hours or by emailing the Company at info@topendenergy.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section D of the Investment Overview as well as Section 6 for details relating to some of the

key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to the various risk factors set out in this prospectus that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company

are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without

having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 11.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant

contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 (0)412 305 554.

CORPORATE DIRECTORY

Directors

Emmanuel Correia
Non-Executive Chairman

Oliver Oxenbridge
Managing Director

Greg Lee
Technical Director

Proposed Director

Richard Lampe
Non-Executive Director

Company Secretary

Shane Hartwig

Proposed ASX Code

TEE

Registered Office

Ground Floor, 353 Rokeby Road
SUBIACO WA 6008
Telephone: + 61 8 6245 9836

Email: info@topendenergy.com.au
Website: www.topendenergy.com.au

Legal advisers to the Offer

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Legal advisers on Title Reports

Queensland
Hopgood Ganim
Level 8, Waterfront Place, 1 Eagle St,
BRISBANE CITY QLD 4000

Northern Territory
Cozens Johansen Lawyers
1/48-50 Smith Street
DARWIN CITY NT 0800

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Independent Expert

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Technical Advisor

ERCE Equipose Pte Ltd
Suite 35/4 Ventnor Avenue
WEST PERTH WA 6005

Lead Manager

Inyati Capital Pty Ltd
3/300 Rokeby Road,
SUBIACO WA 6008

Telephone: +61 408 718 440

Share Registry*

Automic Group
Level 2, 267 St Georges Terrace
PERTH WA 6000

Telephone: +61 2 9698 7164

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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1. CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors of Top End Energy Limited (**Company**), it gives me great pleasure to invite you to become a Shareholder of the Company.

At the time of listing on ASX, the Company will hold interests in the following projects:

- (a) a 100% interest in Authority to Prospect 1069 (**ATP 1069**) (a hydrocarbon permit in Queensland), acquired from Tri-Star Energy Company (ABN 86 089 539 695) (**Tri-Star**) (**Tri-Star Project**); and
- (b) a 50% beneficial interest in 30 oil and gas permit applications in the Northern Territory, acquired from Mckam Aust Pty Ltd (ACN 619 865 011) as trustee for the Charlotte Investment Trust (**McKam**) (**TG Project**),

(together, the **Projects**).

The Company's main objectives upon listing on ASX are:

- (a) focusing on hydrocarbon and helium opportunities on the Company's Projects that have the potential to deliver growth and value for Shareholders;
- (b) systematically explore and seek to develop the Company's Projects;
- (c) assess and conduct feasibility studies on the viability of one or more green energy projects within or proximate to the Company's Project areas; and
- (d) continue to pursue other acquisitions of and/or investments in assets that the Company considers are a strategic fit to its objectives.

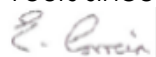
This Prospectus is seeking to raise \$6,400,000 via the issue of 32,000,000 Shares at an issue price of \$0.20 per Share under the Offer. The purpose of the Offer is to provide funds to implement the Company's business strategies as detailed in Section 5.

The Board have significant expertise and experience in the oil and gas industry and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's business.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely



Emmanuel Correia
Non-Executive Chairman

2. KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

Lodgement of Original Prospectus with the ASIC	10 November 2021
Exposure Period begins	10 November 2021
Lodgement of this Replacement Prospectus	24 November 2021
Opening Date	25 November 2021
Closing Date	7 December 2021
Issue of Shares under the Offer	16 December 2021
Despatch of holding statements	17 December 2021
Expected date for quotation on ASX	22 December 2021

- The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*
- If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.*

KEY STATISTICS OF THE OFFER

	Full Subscription (\$6,400,000) ¹
Offer Price per Share	\$0.20
Shares currently on issue	21,875,001
Options currently on issue ⁵	22,500,000
Shares to be issued under the Offer	32,000,000
Shares to be issued under the Acquisition Agreements ⁶	15,750,000
Options to be issued under the Offer	Nil
Gross Proceeds of the Offer	\$6,400,000
Shares on issue Post-Listing (undiluted)²	69,625,001
Market Capitalisation Post-Listing (undiluted)³	\$13,925,000.20
Lead Manager Options to be issued ⁵	4,800,000
Directors Options to be issued ⁵	500,000
Performance Rights on issue ⁴	3,000,000
Deferred Shares to potentially be issued under the Acquisition Agreements ⁶	19,500,000
Shares on issue Post-Listing (fully diluted)⁴	119,925,001
Market Capitalisation Post-Listing (fully diluted)³	\$23,985,000.20

Notes:

1. The Minimum and Maximum Subscriptions are both \$6,400,000 under the Offer.
2. Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 5.14 for a disclaimer with respect to the likely escrow position.
3. Assuming a Share price of \$0.20, however the Company notes that the Shares may trade above or below this price.
4. Refer to Section 9.4 for the terms of the Performance Rights issued to the Managing Director.
5. Refer to Section 9.3 for the terms of the Options.
6. Refer to Section 8.2 for a summary of the terms of the Acquisition Agreements, including the Deferred Shares.

3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Top End Energy Limited (ACN 650 478 774) (Company).	Section 5.1
Who is the Company?	The Company is an Australian unlisted public company, incorporated on 25 May 2021. Since incorporation, the Company has focused on pre-listing activities and the negotiation and execution of the Acquisition Agreements. The Company operates in the oil and gas industry with a focus on exploring for oil, gas and other associated, and potentially marketable, product streams (including helium and hydrogen) in Queensland and the Northern Territory. The Company intends to seek to minimise the carbon footprint of its hydrocarbon activities through potential measures including, but not limited to, carbon offsetting and carbon capture and sequestration (CCS). The Company also intends to investigate the potential in the vicinity of its core assets for the development of complementary renewable energy revenue streams (including wind, solar, biomass and biogas).	Section 5.1
What is the Company's interest in the Tri-Star and TG Projects?	At the time of listing on ASX, the Company will hold the following interests in the Projects: (a) 100% ownership interest in the Tri-Star Project; and (b) 100% of the issued shares in NT Territory Holdco Pty Ltd (ACN 650 696 610) (NT Holdco) (acquired from McKam), which, in turn via its subsidiary entities, owns a 50% right, title and interest in the TG Project.	Section 5.1 and Annexure A
What is some general background on the Tri-Star Project?	The Tri-Star Project comprises one granted petroleum ATP permit located in Queensland, ATP 1069.	Section 5.1, Annexure A and Annexure B

Item	Summary	Further information
	ATP 1069 is located 130km north-west of Charleville in Central Queensland, covering an area of approximately 4,185km². Petroleum Lease (PL) 65, the existing Gilmore Gas Field, is located 50km west of ATP 1069. The associated Gilmore-Blackall gas pipeline (Petroleum Pipeline License 15) is located approximately 15km to the west of ATP 1069. The Company will acquire ATP 1069 by way of transfer from Tri-Star at or prior to listing on ASX and will then be the sole titleholder, interest-holder and operator of ATP 1069. ATP 1069 is valid until 31 January 2025. The Company believes there is exploration and discovery upside in ATP 1069 for both conventional and unconventional hydrocarbons	
What is some general background on the TG Project?	The TG Project comprises 30 petroleum permit applications that cover ~161,748km² in the Northern Territory that are within or proximal to five basins prospective for oil and gas potential, both from a conventional and unconventional perspective. The permit applications are at various stages in the grant process, which is largely driven by the Native Title process in the Northern Territory. Subject to the completion of the TG Acquisition Agreement, the Company will own a 50% interest in the TG Project.	Sections 5.2, 5.7.3 and Annexure A and Annexure B
What are the key terms of the TG Project JV Agreement?	A summary of the terms of the TG Project JV Agreement are set out in Section 8.2.7.	Section 8.2.7
Who is McKam?	McKam is a private company that is 100% owned and controlled by Mr Paul Williams. Mr Paul Williams, the owner of McKam, has been operating for over 30 years in the identification, exploration and development of resources (including coal, oil and gas, and gold) and property development. Paul finds opportunities and builds them from their infancy and creates value by surrounding the projects with world class teams. Paul started his career underground opal mining in Lightning Ridge at the age of 15 and developed a knack for mining and contracting. Over	

Item	Summary	Further information
	the years he has started and owned various mining, contracting and development companies which lead him to upstream resources projects. Over the past 10 years, Paul has had the foresight to acquire greenfield projects including iron ore projects in the Pilbara and Mid-West on top of the 30 oil and gas projects in Territory Gas throughout the Northern Territory. Paul additionally held a coal portfolio over the past 15 years.	
What are the Company's green energy aspirations?	In line with the global push to reduce emissions and transition to renewable energy sources, the Company is fully committed to investigate, develop and progress its current options and any future technology advances regarding the implementation of renewable energy generation, CCS and carbon offsets to complement its hydrocarbons business. The Company's primary objective is to be a net zero emissions (Scope 1 and Scope 2) energy producer. For the purpose of achieving the objective of net zero emissions on a Scope 1 and Scope 2 basis, the Company intends to explore the potential in the vicinity of its core assets in Queensland and the Northern Territory for renewable energy and carbon abatement projects. The Company intends to factor the cost of offsetting Scope 1 and Scope 2 emissions into all business activities, including when budgeting for exploration activities and in economic assessments of potential future development activities or potential asset acquisitions. To the extent the Company cannot offset its Scope 1 and Scope 2 emissions organically, it will seek to address any shortfall by procuring Australian Carbon Credit Units (ACCUs) or other relevant carbon offset mechanisms from third party providers. In addition to offsetting any Scope 1 and Scope 2 emissions produced by the Company in its activities, the Company also intends to investigate the potential for the generation of net revenue from renewable energy projects and any possible associated product streams.	Section 5.2
Has the Company granted any	As part of the consideration for the acquisition of ATP 1069 from Tri-Star, Tomorrow Energy Corporation Pty Ltd	Section 8.2

Item	Summary	Further information
royalties in respect of the Projects?	(ACN 649 704 370) (Tomorrow Energy) (a wholly owned subsidiary of the Company): (a) has granted Tri-Star an overriding royalty on any future production derived from the permit area; and (b) taken an assignment of a royalty that is payable to Seymour Energy Pty Ltd (ACN 132 928 897) (Seymour Energy). A detailed explanation of the royalty arrangements are provided at Sections 8.2.3 and 8.2.4.	
B. Business Model		
What is the Company's business model?	Following completion of the Offer, the Company's proposed business model will be to further explore and develop the Projects as per the Company's intended exploration programs. The Company proposes to fund its exploration and feasibility activities over the first two years following listing as outlined in the table at Section 5.11. A detailed explanation of the Company's business model is provided at Section 5.9 and a summary of the Company's proposed exploration programs is set out at Section 5.10.	Section 5.9
What are the key business objectives of the Company?	The Company's main objectives on completion of the Offer and ASX listing are: (a) focus on hydrocarbon and helium opportunities and develop projects that have the greatest potential to deliver growth and value for shareholders; (a) systematically explore and seek to develop the Company's Projects; (b) assess and conduct feasibility studies on the viability of carbon abatement and green energy projects within or proximate to the Project area; (c) continue to pursue other acquisitions of and/or investments in assets that the Company considers are a strategic fit to its objectives; and (d) ensure that all activities of the Company are conducted with the highest levels of integrity and ethical standards and with utmost	Section 5

Item	Summary	Further information
	attention to safety, sustainability, and socially responsible execution.	
What are the key dependencies of the Company's business model?	The key dependencies of the Company's business model include: (a) completing the acquisition of the Projects; (b) securing grant and maintaining title to the most prospective permits within the Projects; (c) exploration success on the Projects and, thereafter, feasibility studies, drilling and production; (d) retaining and recruiting key personnel skilled in the energy resources sector; (e) sufficient worldwide demand for hydrocarbon and helium opportunities and green energy assets; (f) completion of initial and ongoing feasibility studies in relation to possible green energy projects in or around the Project area; and (g) the market commodity price remaining higher than the Company's costs of any future production (assuming successful exploration by the Company).	Section 5.9

C. Key Advantages

What are the key advantages of an investment in the Company?	The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages: (a) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its objectives as set out in this Prospectus, which includes exploration activities on the Projects which have the ability to unlock value for Shareholders; (b) an extensive portfolio of quality assets in the oil and gas sector, which the Company believes are highly prospective, together with opportunities in the green energy space; (c) a highly credible and experienced board and	Section 5
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Item	Summary	Further information
	management team with significant energy resources, project execution, inorganic growth and financial experience to progress exploration and accelerate potential development of the Projects, applying international best practices throughout all operations; (d) the Northern Territory government, the Queensland government and the Federal Government are highly supportive of gas exploration and development; and (e) proximity to existing pipelines and infrastructure for part of the asset portfolio.	

D. Key Risks

Limited History	The Company was incorporated recently and has limited operating history and historical financial performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration of the Projects or other assets that are acquired.	Section 6.2
Exploration and development risks	Hydrocarbon exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. The Company is subject to customary risks associated with an exploration company, such as dry wells or sub-commercial discoveries, the volatility of commodity prices and exchange rates, exploration costs, unanticipated operational and technical difficulties, native title and Aboriginal heritage and risks with respect to the holding of exploration tenure.	Section 6.2
Grant of Permit Applications	All of the permits on the TG Project are ungranted (i.e. they are applications). The applications for the TG Project Permits were lodged approximately 10 years ago. As detailed in the Solicitor's Report on Tenements in Annexure B, the reason these applications have not been granted is likely a result of the prior owner's approach to pursuing negotiations in relation to	Section 6.2

Item	Summary	Further information
	agreements with the relevant Aboriginal organisations. Section 5 provides more information on the status of these applications and next steps for progressing the applications to grant. The Company has commenced the process of grant for the priority permits in Northern Territory under the native title process and intends to actively pursue negotiations over reasonable terms and conditions with the relevant Aboriginal Organisations. Following initial discussions with the Northern Land Council, the Company expects that the first permits may be granted during the course of 2022. However, if those permits are not granted by the relevant government authority, the Company will lose the benefit of the areas of those permits for its exploration activities. As at the date of this Prospectus, the Minister responsible for the Petroleum Act has not caused an advertisement of the applications for EP294, EP295, EP314 and EP315 (all part of the TG Project) to be issued in accordance with section 18(1) of the Petroleum Act on the basis that an assessment of those applications had not been completed. Based on that assessment, the Minister may elect not to advertise those applications for EP294, EP295, EP314 and EP315, in which case the Minister may also refuse to grant those Applications. Please refer to the Solicitor's Report on Permits in Annexure B of this Prospectus for further details.	
Counterparty Exposure and Joint Venture Risk	The financial performance of the Company is subject to its various counterparties or, in the case of TG Project, joint venture partner McKam, to perform its obligations under the relevant contracts and the TG Project JV Agreement. If one of its counterparties or McKam fails to perform their contractual obligations, it may result in loss of earnings, termination of other related contracts,	Section 6.2

Item	Summary	Further information
	disputes and/or litigation of which could impact on the Company's financial performance.	
Interest of McKam	On completion of the Offer and the issue of Shares pursuant to the TG Acquisition Agreement, McKam will hold an interest of 22.2% of the Shares on issue in the Company. The presence of McKam as a substantial Shareholder may detract from the attractiveness of the Company as a takeover target and, accordingly, Shareholders may potentially be foregoing any future control premium in any Shares they hold in the Company. As a substantial shareholder and joint venture partner to the TG Project JV Agreement, McKam will also have the power to exert significant control and influence over the operations of the Company, specifically the TG Project. The Company, does not view McKam's interest in the Company as a substantial risk to the operation of the Company, given the Company will hold an equal interest in the TG Project (plus also have control under the TG Project JV Agreement) and the interests of McKam and the Shareholders are clearly aligned as a consequence of the Deferred Consideration Shares. The Deferred Consideration Shares will only be issued to McKam upon achievement of the specified Milestones, which are directly linked to the operational and financial outcomes attaching to the exploration success at the TG Project.	Section 6.2
Growth Strategy and reduced carbon Emissions Risk	There is a risk that the Company may not be able to execute its proposed growth strategy, which includes: (a) failure of exploration activities to find suitable drilling targets and commercial discoveries in the Northern Territory and Queensland assets; (b) de-risking the potential prospective resources when identified within its highly prospective acreage in the Northern Territory and Queensland; and/or	Section 6.2

Item	Summary	Further information
	(c) failure to adopt sustainable practices including the company's vision of achieving net zero emissions (Scope 1 and Scope 2). Failure to achieve growth strategies are subject to internal and external influences and could be caused by legal, regulatory and policy developments, failure to discover and commercially extract resources or other risks which are identified in section 6. In addition, the Company's planned achievement of becoming a net zero emissions (Scope 1 and Scope 2) producer of hydrocarbons will depend on the Company being able to sustainably and financially manage its carbon emissions, these plans could be impacted by availability of future revenues to fund various zero carbon initiatives, technological developments affecting operations, market pricing of carbon offsets and costs of implementing planned sustainable practices. In the event of a failure to execute its growth strategy either in part or as a whole, the Company's business and growth prospects may be adversely impacted.	
Land Access Risk	Immediate access to the licences in which the Company has an interest, cannot in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons (including government authorities) or groups with an interest in the real property encompassed by the licences. Compensation may be required to be paid by the Company to stakeholders to allow the Company to carry out activities. Although the Company has budgeted compensation payments, there is no guarantee that additional amounts may not be required. Judicial or regulatory decisions and legislation could also unforeseeably restrict or delay land access. The Company specifically will be required under the Petroleum Act to obtain a written land access agreement with any relevant landowners prior to carrying out "regulated petroleum operations" on pastoral lease land, Crown lease land or freehold land in the Northern Territory. In	Section 6.2

Item	Summary	Further information
	the event that a written land access agreement cannot be reached through negotiations with the landowner then there is provision in the regulations for a determination by the NT Civil and Administrative Tribunal to allow regulated petroleum operations to be carried out.	
Permit Risk	The Company is required to comply with a range of laws to retain its Permits and periodically renew them. Each Permit also has its own specific exploration and expenditure requirements that the Company must satisfy. Even if specific requirements are met, there is no certainty that an application for grant or renewal of a permit will be approved at all, or on satisfactory terms or within expected timeframes. The laws relating to permits are complex and subject to changes in interpretation. Noncompliance with them could lead to the revocation of the Company's Permits and the Company cannot guarantee current Permits will be renewed or future permits will be granted. The Northern Territory Government has recently introduced a requirement for any entity (including the directors of the entity) that applies for a permit or licence, including an exploration permit, under the Petroleum Act to satisfy an "appropriate person test" (as determined by the Minister) in order to hold the permit or licence. Although the applications comprising the TG Project were made before the appropriate person test was introduced, it is possible that the Minister will require the Company to satisfy the appropriate person test prior to grant of the applications comprising the TG Project.	Section 6.2
Regulatory Risk	The Company must comply with relevant laws and regulations in each jurisdiction in which it operates as it applies to the environment, tenure, land access, landholders and native title holders. Non-compliance with these laws and regulations and any special licence conditions could result in suspension of operations, loss of permits or financial penalties. Noncompliance may impact the Company's ability to commercialise or	Section 6.2

Item	Summary	Further information
	retain its assets, which may in turn impact its operational and financial performance. Changes to these requirements (including, for example, new requirements relating to climate change, environmental protection and energy policy) may restrict or affect the Company's right or ability to conduct its exploration and development activities. No assurance can be given that such title and access rights are not subject to unregistered, undetected or other claims or interests which could be materially adverse to the Company's Projects. Further titles or access rights may be disputed, which could result in costly litigation or disruption of the Company's operations. The exploration of the Company's Projects is dependent upon the maintenance (including renewal) of the relevant permits. Maintenance of the Permits is dependent on, among other things, meeting the Permit conditions imposed by the relevant authorities including compliance with work program and expenditure requirements. No assurance can be given that such work program and expenditure requirements have been met prior to the Company acquiring the Permits.	
Native Title and Aboriginal Land Risk	The Company's activities in Australia are subject to the Native Title Act 1993 (Cth) (Native Title Act) and the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) (ALRA). The former recognises the rights and interests of Indigenous Australians in land and waters according to their traditional laws and customs. The latter establishes freehold rights over certain lands for the benefit of Aboriginal traditional owners of those lands. Under either regime, the relevant Aboriginal persons land must be consulted about proposed activities on the land and formal agreement is for required for certain acts, including the grant of petroleum permits. If a native title claim is registered or native title rights are determined over areas covered by the Company's Permit applications or Permits, exploration and production activities can be significantly	Section 6.2

Item	Summary	Further information
	delayed and made more costly be the requirements to consult and reach agreement with Aboriginal traditional owners. The same is true for Aboriginal freehold, although the Aboriginal owners of those lands may also veto applications for exploration permits. A number of the TG Project Permits are located on "Aboriginal Land" and will not be granted unless the requirements of Part IV of ALRA are satisfied including that the relevant Land Council, acting for the benefit of the traditional Aboriginal owners in respect of such Aboriginal land, consents to the grant of the relevant Application by the Northern Territory. A number of the TG Project Permits are located on land that is or may be the subject of native title rights and interests. Those Permits will not be granted unless the requirements of regime of the Native Title Act 1993 (Cth) are complied with including by reaching agreement to the terms of the grant or, if agreement cannot be reached, then by determination of the National Native Title Tribunal, in respect of each of the Permits. The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving permits in which the Company has or may have an interest. Please refer to the Solicitor's Report on Permits in Annexure B of this Prospectus for further details.	
Other risks	For additional specific risks and other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 6.2, 6.3 and 6.4.	Sections 6.2, 6.3 and 6.4
E. Directors and Key Management Personnel		
Who are the Directors and proposed Directors?	Upon admission of the Company to the Official List, the Board will consist of: (a) Emmanuel Correia – Non-Executive Chairman; (b) Oliver Oxenbridge – Managing Director; and	Section 7.1

Item	Summary	Further information
	(c) Greg Lee – Technical Director; and (d) Richard Lampe as a Non-Executive Director. The profiles of each of the Directors and the proposed Director are set out in Section 7.1.	
What experience do the Directors and proposed Directors have?	The biographies and qualifications of the Directors and proposed Director are set out in Section 7.1.	Section 7.1
What are the significant interests of Directors and proposed Directors in the Company?	The interests of the Directors and proposed Director are set out in Section 7.2.	Section 7.2
What are the significant interests of advisors to the Company?	The interests of Inyati Fund Pty Ltd (an entity associated with the Lead Manager) are as follows: (a) 5,625,000 Shares; and (b) 5,625,000 unlisted Options exercisable at \$0.30 per Option expiring 30 November 2025.	Section 5.13
Employee Securities Incentive Plan	The Company has adopted an Employee Incentive Securities Plan to allow eligible participants to be granted Securities in the Company. The principle terms of the Employee Incentive Securities Plan are summarised in Section 9.6.	Section 9.6
What related party agreements are the Company party to?	The Company has entered into the following related party contracts: (a) letters of appointments as non-executive directors with each of Emmanuel Correia and Richard Lampe; (b) a consultancy letter of appointment as an executive director and technical director with Petrotech Consulting Trust (an entity associated with Greg Lee); and (c) an executive services agreement with Oliver Oxenbridge.	Section 8.3
F. Financial Information		
How has the Company been performing?	As the Company was only recently incorporated, it has limited financial	Annexure C

Item	Summary	Further information
	performance and has no operating history. As a result, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma balance sheet which is included in the Independent Limited Assurance Report set out in Annexure C.	
What is the financial outlook for the Company?	Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Annexure C
G. Offer		
What is the Offer?	The Offer is an offer of 32,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,400,000 (before costs).	Section 4.1
Is there a minimum subscription under the Offer?	The minimum subscription for the Offer is \$6,400,000 (32,000,000 Shares).	Section 4.2
What are the purposes of the Offer?	The purposes of the Offer are to facilitate an application by the Company for admission to the Official List and, to position the Company to seek to achieve the objectives stated at Section B of this Investment Overview Section.	Section 4.7
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 4.4
Who is the lead manager to the Offer?	Inyati Capital Pty Ltd has been appointed as lead manager to the Offer and will be entitled to receive the following fees (in aggregate) in connection with the IPO: (a) 6% of the total gross proceeds raised under the IPO capital raising (i.e. \$384,000); and (b) 4,800,000 Options (exercisable at \$0.30 per option expiring 30 November 2025). The Lead Manager and/or its associates may also participate in the IPO. The Options to be issued to the Lead Manager have been valued using the	Section 4.5

Item	Summary	Further information
	Black-Scholes option pricing model at a range of \$0.053 to \$0.137 each, for a total value range of \$254,400 to \$657,600. Please refer to Section 4.5 for further details.	
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.12
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.8
What is the allocation policy?	The Company retains an absolute discretion to allocate Shares under the Offer and will be influenced by the factors set out in Section 4.9. There is no assurance that any applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 4.9
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on completion of the Offer is set out in Section 5.12.	Section 5.12
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 9.2.	Section 9.2
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow. However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that the Company will have shares subject to escrow, the details of which are set out in Section 5.14. During the period in which restricted Shares are prohibited from being	Section 5.14

Item	Summary	Further information
	transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX. The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 52%.	
Who are the current Shareholders of the Company and on what terms were their Shares issued?	The Company issued one Share on incorporation and since that time Shareholders of the Company have consisted of participants in the Company's two separate pre-IPO financing rounds: (a) initially the Company raised \$300,000 via the issue of 15,000,000 Shares at \$0.02 each (together with a one (1) for one (1) free Option); and (b) a subsequent capital raise of 5,000,000 Shares at \$0.10 each to raise \$500,000 (together with a one (1) for one (1) free attaching Option). The Shares and Options set out above were issued to sophisticated and professional investors. The Company has also issued 1,875,000 Shares to S3 Consortium Pty Ltd pursuant to the S3 Services Agreement summarised in Section 8.4. The Company has also issued 2,500,000 free Options to Directors as part of their remuneration packages and proposes to issue a further 500,000 Options to the proposed director, Richard Lampe, upon his appointment. Details of substantial holders are set out in Section 5.13 of this Prospectus.	Section 5.13
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to	Section 4.10

Item	Summary	Further information
	ASX no later than 7 days after the date of the Original Prospectus.	
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 4.8
Are there any conditions to the Offer?	The Offer is conditional upon the Company raising the Minimum Subscription, obtaining ASX approval for quotation of the Shares and completion of the Acquisition Agreements.	Section 4.6
H. Use of funds		
How will the proceeds of the Offer be used?	The Offer proceeds and the Company's existing cash reserves will be used for: (a) implementing the Company's business objectives in relation to the Projects as set out in Part C of Investment Overview; (b) expenses of the Offer; (c) corporate and administration costs; and (d) working capital, further details of which are set out in Section 5.11.	Section 5.11
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out the immediate objectives of the Company as stated in this Prospectus, over the first two years following admission of the Company to the Official List of ASX.	Section 5.11
I. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer. However, the Company will pay to the Lead Manager the fees set out in Section 8.1.	Section 8.1
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 4.15

Item	Summary	Further information
What are the tax implications of investing in Shares?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	Section 4.14
What is the Company's Dividend Policy?	The Company anticipates that significant expenditure will be incurred in the exploration, evaluation and development of the Projects. These activities, together with the possible acquisition of interests in other projects are expected to dominate at least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 5.16
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (Recommendations). The Company's main corporate governance policies and practices and the Company's compliance are outlined in Section 7.4. Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.	Section 7.4
Why is the Independent	Section 13 of ASX Guidance Note 19 requires the Independent Expert's Report	Annexure D

Item	Summary	Further information
Expert's Report on Deferred Consideration and Performance Rights included in the Prospectus?	on Deferred Consideration and Performance Rights to be included in this Prospectus to assist non-participating security holders of the Company in understanding whether the proposed issues of the Deferred Consideration Securities and Performance Rights are fair and reasonable. The Independent Expert has concluded that the issue of the Deferred Consideration Shares and the Performance Rights are not fair but reasonable to non-associated Shareholders. Please refer to the Independent Expert's Report on Deferred Consideration and Performance Rights at Annexure D for more information.	
Where can I find more information?	(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser. (b) By contacting the Share Registry on + 61 2 9698 7164.	

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is an initial public offering of 32,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,400,000 (**Maximum Subscription**).

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 9.2.

4.2 Minimum subscription

The minimum subscription for the Offer is \$6,400,000 (32,000,000 Shares) (**Minimum Subscription**). i.e. the same as the Maximum Subscription.

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.3 Oversubscriptions

No oversubscriptions above the Maximum Subscription are intended to be accepted by the Company under the Offer.

4.4 Underwriter

The Offer is not underwritten.

4.5 Lead Manager

The Company has appointed Inyati Capital Pty Ltd (the **Lead Manager**) as lead manager to the Offer. In consideration for their services, the Company has agreed to pay the following fees to the Lead Manager:

- (a) a lead management fee of 6% of all proceeds raised under the Offer (i.e. \$384,000); and
- (b) success fees (upon the successful completion of the Offer) of 4,800,000 unlisted Options exercisable at \$0.30 on or before 30 November 2025. These Options have been valued at a range between \$0.053 (using a Black-Scholes valuation model assuming an underlying share price of \$0.20, a 50% volatility rate and a 0% risk free rate) and \$0.137 (using a Black & Scholes valuation model assuming an underlying share price of \$0.20, a 110% volatility rate and a 1.37% risk free rate) per Option.

The total value of all fees payable to the Lead Manager in connection with the Offer based on a 50% volatility rate and an option value of \$0.053 is \$638,400.

The total value of all fees payable to the Lead Manager in connection with the Offer based on a 110% volatility rate and an option value of \$0.131 is \$1,041,600.

The Company agreed to pay the fees to the Lead Manager set out above following arm's length negotiations with the Lead Manager. Specifically, the Company considered the following in deciding to issue the Lead Manager 4,800,000 Options as a success fee:

- (a) the exercise price of the Options represents a premium of 150% of the Offer price;
- (b) the grant of the Options has no immediate cash impact for the Company and will have no long-term impact on the capital structure of the Company unless the Options are exercised; and
- (c) any exercise of the Options would result in additional funds being raised by the Company upon which no further fees or commissions are payable.

In the event that all Options to which the Lead Manager is entitled are exercised, an additional \$1,440,000 will be raised by the Company and an additional 4,800,000 Shares will be issued.

In the event the Minimum Subscription is raised, all 4,800,000 Options issued to the Lead Manager are exercised and no other Shares are issued, the Lead Manager would hold 14.97% of the total Shares on issue (being the maximum potential voting power of 14.97%). It should be noted that a portion of the Options to be allocated to the Lead Manager may be granted to other parties that assist with raising funds under the Offer, and the potential maximum voting power of the Lead Managers of 14.97% will reduce to the extent this occurs.

4.6 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- (a) the Minimum Subscription to the Offer being reached;
 - (b) ASX granting conditional approval for the Company to be admitted to the Official List; and
 - (c) successful completion of the Acquisition Agreements,
- (together, the **Conditions**).

If the Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

4.7 Purpose of the Offer

The primary purposes of the Offer are to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- (b) provide the Company with additional funding for:
 - (i) the proposed exploration programs at the Projects (as further detailed in Section 5.10);
 - (ii) considering acquisition opportunities that may be presented to the Board from time to time; and
 - (iii) the Company's working capital requirements while it is implementing the above; and

- (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Offer.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.11.

4.8 Applications

Applications for Shares under the Offer must be made by using the relevant Application Form as follows:

- (a) using an online Application Form at www.topendenergy.com.au and pay the application monies electronically; or
- (b) completing a paper-based application using the Application Form attached to, or accompanying, this Prospectus or a printed copy of the Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to **"Top End Energy Limited – Share Offer"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 2 December 2021.

If paying by BPAY®, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is process by their financial institution on or before the day prior to the Closing Date of the Offer. You do not need to return any documents if you have made payment via BPAY.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offer early.

4.9 Allocation policy under the Offer

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors in conjunction with the Lead Manager will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for a spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.10 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of the Original Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three (3) months after the date of the Original Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.11 Issue

Subject to the to the Conditions set out in Section 4.6 being met, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors in conjunction with the Lead Manager will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.9). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for CHESS holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

4.12 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

4.13 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

4.14 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.15 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

5. COMPANY AND PROJECTS OVERVIEW

5.1 Background

The Company is an Australian unlisted public company incorporated in Western Australia on 25 May 2021 as a private company limited by shares. The Company was converted to a public company limited by shares on 27 August 2021.

The Company was formed for the purpose of acquiring, exploring and developing hydrocarbon and helium projects, together with potentially developing other green energy assets that encompass carbon abatement solutions (including renewable power generation, hydrogen and carbon sequestration), within Australia and overseas.

Since incorporation, the Company has:

- (a) undertaken pre-listing activities (including due diligence and contract negotiation) and seed raisings; and
- (b) entered into:
 - (i) a sale and purchase agreement, through its wholly owned subsidiary Tomorrow Energy, to acquire ATP 1069 from Tri-Star (**Tri-Star Sale and Purchase Agreement**); and
 - (ii) a binding heads of agreement with McKam to acquire 100% of the shares in NT Holdco, which in turn owns 50% of the shares in Territory Gas Pty Ltd (ACN 639 119 734) (**Territory Gas**) – which in turn owns 100% of the shares in two subsidiaries (NT Gas Aust Pty Ltd (ACN 153 719 781) (**NT Gas Aust**) and Territory Gas Aust Pty Ltd (ACN 153 719 772) (**Territory Gas Aust**), the applicants for the TG Project (**TG Acquisition Agreement**),

(together, the **Acquisition Agreements**).

The Company now wishes to proceed to completion under each of the Acquisition Agreements and pursue admission to the official list of ASX.

5.2 The Company's Vision

The Company seeks to become a significant player in the Australian (and potentially international) energy industry, with the intention to provide natural gas to structurally short domestic markets on a net zero emissions (Scope 1 and Scope 2¹) basis..

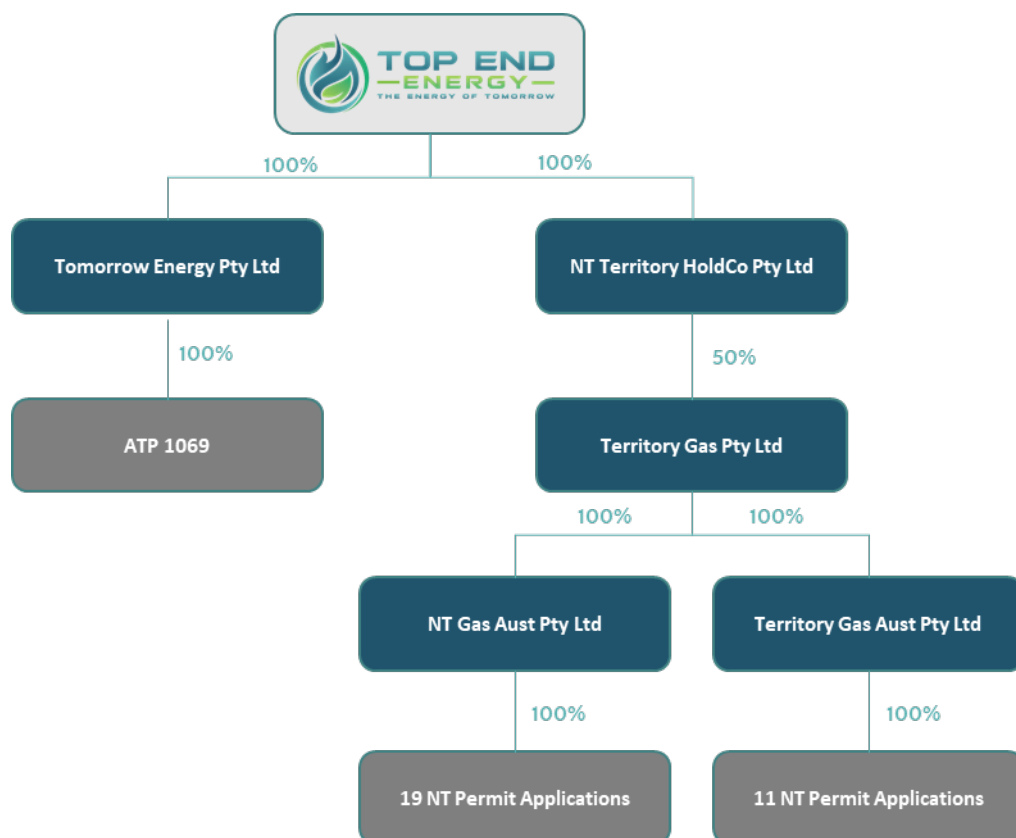
For the purpose of achieving the objective of net zero emissions on a Scope 1 and Scope 2 basis, the Company intends to explore the potential in the vicinity of its core assets in Queensland and the Northern Territory for renewable energy and carbon abatement projects. The Company intends to factor the cost of offsetting Scope 1 and Scope 2 emissions into all business activities, including in budgeting for exploration activities and in economic assessments of potential future development activities or potential asset acquisitions. To the extent the Company cannot offset its Scope 1 and Scope 2 emissions

¹ The GHG Protocol Corporate Standard classifies a company's GHG emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (Greenhouse Gas Protocol).

organically, it will seek to address any shortfall by procuring Australian Carbon Credit Units (ACCUs) or other relevant carbon offset mechanisms from third party providers.

5.3 The Company's Group Structure

On listing on the ASX, the Company's group structure will be as follows:



* McKam owns the other 50% of Territory Gas Pty Ltd.

5.4 Overview of the Main Business Activities

The Company's main business activity is acquiring, exploring and developing hydrocarbon and helium projects, together with potentially developing other green energy assets (including renewable power generation and hydrogen) and carbon sequestration opportunities, within Australia and overseas. On completion of the Acquisition Agreements, the Company's main business activities will comprise:

- the appraisal of the CSG potential of ATP 1069 and exploration related to the deeper conventional potential in the Adavale Basin area of the Company's Queensland permit;
- progressing the grant process for several of its applications in the Northern Territory, with studies related to the existing aeromagnetic, gravity and SEEBASE data over the application areas; and
- assessing the potential for carbon abatement and renewable energy projects on or in the vicinity of the Company's assets.

The Company's ATP1069 permit will be the Company's flagship project until the Northern Territory applications are granted and a complete geological review has been undertaken over the entire portfolio. Activity in both the Queensland and Northern Territory gas sector has recently increased due to, among other factors,

the lifting of the moratorium in the Northern Territory as well as the Federal Government's 'Gas Led Recovery' program, which aims to mitigate the looming gas shortage on the East Coast of Australia.

5.5 Sustainability Plan and ESG Reporting

The Company recognises the importance of operating in an inclusive and sustainable manner in order to minimise impact on the environment, respect the interests of all stakeholders, and maximise long-term value shared and sustained for shareholders.

The Company has initiated Environmental, Social and Governance (ESG) reporting by making disclosures against the World Economic Forum (WEF) Stakeholder Capitalism Metrics framework. The WEF framework is a set of common metrics for sustainable value creation captured in 21 core ESG disclosures. The Company has adopted this universal ESG framework to align the Company's mainstream reporting on performance against ESG indicators.

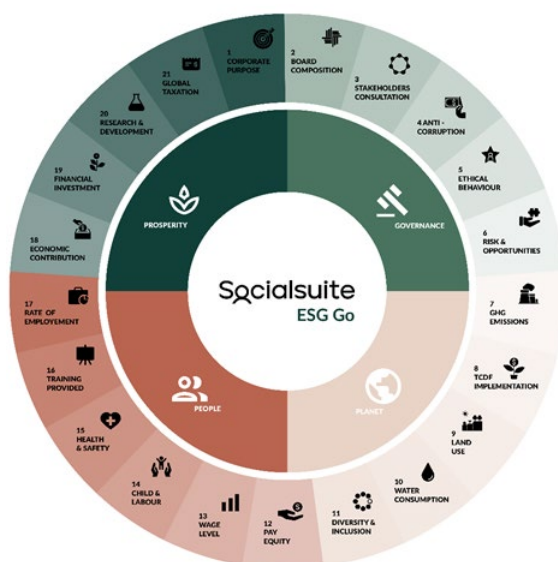
By including ESG metrics in the Company's mainstream reporting and integrating them into governance, business strategy, and performance management process, the Company sets out to demonstrate that it diligently considers all pertinent risks and opportunities in running the Company's business. The Company will demonstrate ongoing commitment to ESG by sharing the progress it makes toward ESG disclosures in quarterly updates in combination with making disclosures transparently available in the public domain.

The Company has engaged impact measurement service provider Socialsuite to assist with setting clear ESG objectives and communicating the Company's progress in achieving these to the market.

The Company uses Socialsuite's "ESG Go" platform to track disclosure progress, demonstrate ESG performance against the WEF ESG framework, and share the journey of building robust ESG credentials (example below).

ESG Disclosure Progress

The Company's ESG progress and disclosures are captured under the four pillars of the WEF ESG framework: Governance, Planet, People, and Prosperity. The ESG Go baseline report shows the starting point of the Company's ESG journey and highlights the indicators the Company is progressing to disclose.



ESG Go Quarterly Progress Report

Action E Explanation D Development R Reported V Verified A Audited

Baseline (23/09/21)

			PRIORITY	TIMEFRAME	DISCLOSURE	MATURITY				
						A1	A2	A3	A4	A5
GOVERNANCE 	GO-01-A	Setting purpose		Q4 2021	D	D	D	D	D	D
	GO-02-A	Governance body composition		Q4 2021	D	D	D	D	D	D
	GO-03-A	Material issues impacting stakeholders		Q4 2021	D	D	D	D		
	GO-04-A	Anti-corruption practices		Q4 2021	D	D				
	GO-04-B	Mechanisms to protect ethical behaviour		Q4 2021	D	D	D			
	GO-05-A	Integrating risk and opportunity into business process		Q4 2021	D	D	D	D		
PLANET 	PL-01-A	GHG emissions		Q2 2022	D	D	D	D		
	PL-01-B	TCFD implementation		H2 2022	D	D				
	PL-02-A	Land use and ecological sensitivity		Q2 2022	D	D	D	D	D	
	PL-03-A	Water consumption		-	E	E	E	E	E	E
PEOPLE 	PE-01-A	Diversity and inclusion		Q4 2021	D	E	E	E	D	D
	PE-01-B	Pay equality		Q4 2021	D	E	E	E	D	
	PE-01-C	Wage level		-	E	E	E			
	PE-01-D	Child, forced or compulsory labour		H1 2022	D	D				
	PE-02-A	Health and safety		Q1 2022	D	D	D			
	PE-03-A	Training provided		-	E	E	E			
PROSPERITY 	PR-01-A	Rate of employment		-	E	E	E			
	PR-01-B	Economic contribution		Q1 2022	D	D	D			
	PR-01-C	Financial investment contribution		Q1 2022	D	D	D			
	PR-02-A	Total R&D expenses		Q1 2022	D	D				
	PR-03-A	Total tax paid		Q1 2022	D	D				

The WEF Stakeholder Capitalism Metrics include the following disclosures.

GOVERNANCE

- (a) Disclosing a corporate purpose which captures how a company creates solutions to economic, environmental and social issues in a way that creates value for all stakeholders, including shareholders;
- (b) Disclosing the composition, capabilities and perspectives of the board in making robust decisions on an ongoing basis, with a focus on competencies relating to economic, environmental and social topics;
- (c) Disclosing material issues impacting stakeholders, to ensure that organisational impact and long-term value align with the interests of a

GOVERNANCE

- broad range of stakeholders and provide the foundation for trust in the business;
- (d) Disclosing anti-corruption policies, training, initiatives, and incidents as well as a company's ongoing ability to both prevent and remedy ethical issues; and
 - (e) Disclosing company-specific risks and opportunities (including material economic, environmental and social issues), board oversight, and management of the corporate response over time as they change.

PLANET

- (a) Disclosing greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.) in metric tonnes of carbon dioxide equivalent (tCO₂e) for Scope 1 and Scope 2 emissions, and where appropriate material upstream and downstream (Scope 3) emissions;
- (b) Disclosing a timeline for full implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and whether or not the business has set, or committed to set, GHG emissions targets in line with the goals of the Paris Agreement;
- (c) Disclosing land use and ecological sensitivity for companies with operations in or adjacent to protected areas and/or key biodiversity areas (KBA); and
- (d) Disclosing water consumption for companies that depend for long-term value creation on significant water consumption and withdrawal in water-stressed areas.

PEOPLE

- (a) Disclosing diversity and inclusion metrics, pay equality, and wage level ratios to demonstrate and promote social and economic inclusion, equal pay, and fair compensation and benefits;
- (b) Disclosing the risk for incidents of child, forced or compulsory labour to demonstrate identification of significant human rights risks and approaches to risk management;
- (c) Disclosing work-related injuries and rate of fatalities to demonstrate strong standards of health, and safety; and
- (d) Disclosing the average hours of training and development per full-time employee and average expenditure to demonstrate invest in training, education, skilling and reskilling of the workforce.

PROSPERITY

- (a) Disclosing rate of new employee hires and rate of employee turnover as indicator of employee satisfaction or dissatisfaction;
- (b) Disclosing the direct economic value generated and distributed as a basic indication of how a company has created wealth for stakeholders;
- (c) Disclosing total capital expenditures, investment and returns of capital to shareholders strategy to demonstrate the company's capacity to expand its operations and create additional employment;
- (d) Disclosing total costs related to research and development as a basic indication of innovation, new offerings, and generation of social or environmental benefits; and

GOVERNANCE

- (e) Disclosing total tax paid to demonstrate the company's contribution to governmental revenues through the different forms of taxation.

Please refer to the Company's Corporate Governance Plan for the Company's ESG Policy. The Corporate Governance Plan is published on the Company's website www.topendenergy.com.au. All other disclosures related to the Company's engagement with ESG matters will be published on a dedicated ESG section of the website.

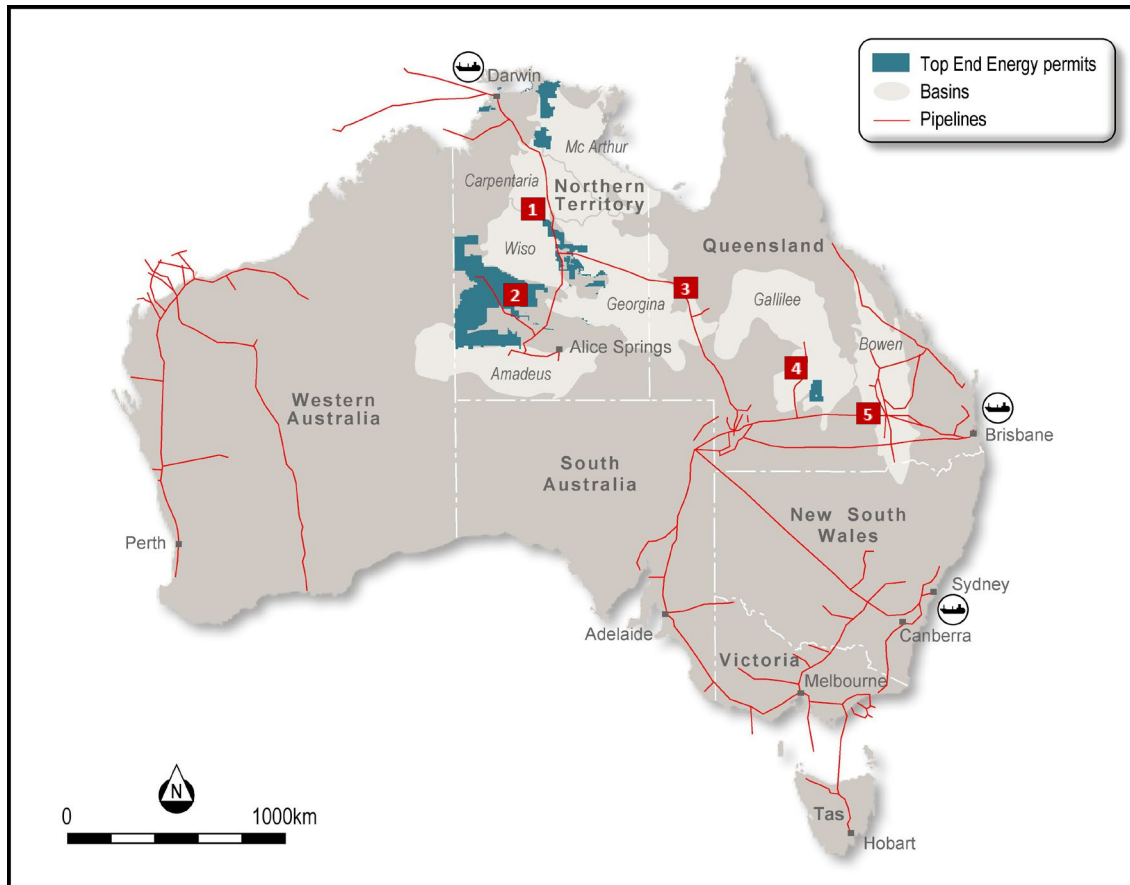
The Company will also form an ESG Committee which will be responsible for, among other responsibilities, reporting to the Company's Board on the Company's assessment and reporting of Scope 1 and Scope 2 emissions, and the Company's measures to offset these emissions.

The Company will provide additional disclosure to the market on its net zero emission strategy at the appropriate time. As highlighted in Section 6, there is a risk that the Company may not achieve its net zero emissions target.

5.6 Market Overview and Supportive Trends

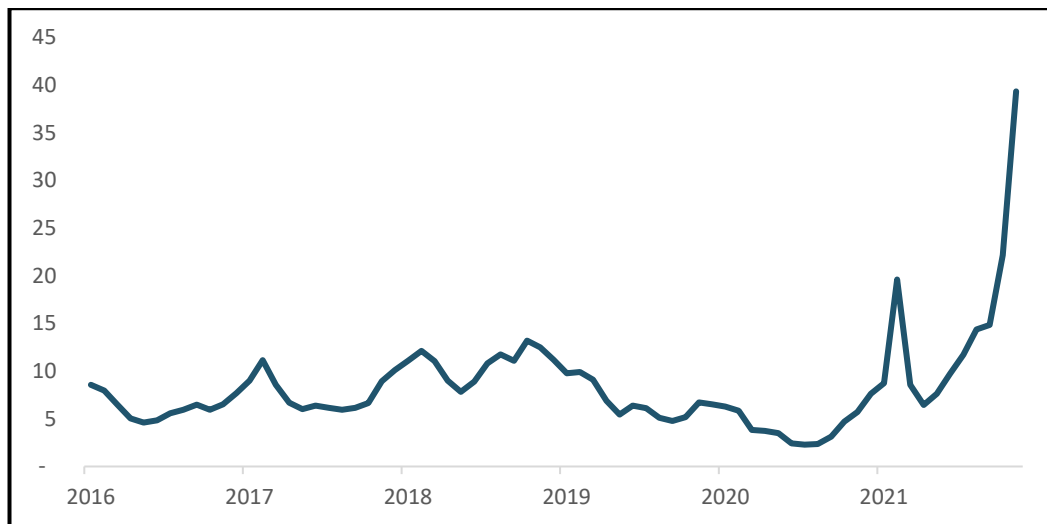
The Company believes the current political, regulatory and market environment represents a favourable context to be pursuing the Company's business activities. Supportive trends and dynamics include, but are not limited to, the following:

- (a) Federal and State government support. The Federal government has made gas development in parts of both Queensland and the Northern Territory a cornerstone of its gas-led recovery (ref. North Bowen and Galilee Strategic Basin Plan and Beetaloo Strategic Basin Plan). The government is also providing financial support to companies engaging in gas development in the territory, including grants for both seismic and drilling activities, as well as tax incentives for the application of innovative technologies in the undertaking of gas exploration activities;
- (b) In 2018, a moratorium on the use of hydraulic fracture stimulation in the Northern Territory was lifted following the regional government's acceptance of all the recommendations contained in the *Final Report of the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory* commissioned by Justice Rachel Pepper;
- (c) Proximity of key permits to existing gas infrastructure in both Queensland and the Northern Territory. To the extent the Company is successful in exploring for commercial hydrocarbons, it will benefit from potentially low costs required to tie discovered volumes into the gas network. Existing infrastructure represents potential to connect potential gas resource in ATP 1069 to the eastern and south-eastern gas markets by way of the Cheepie to Barcaldine and south west Queensland pipelines. Potential commercial gas volumes in the Company's Northern Territory permits have the potential to be connected to gas markets in both Northern and east and south-eastern gas markets by way of the Amadeus, Tanami and northern gas pipelines. Access to existing infrastructure will be subject to reaching necessary agreements with infrastructure operators. Additionally, the Company will explore establishing partnerships with potential stakeholders and sponsors of future infrastructure;

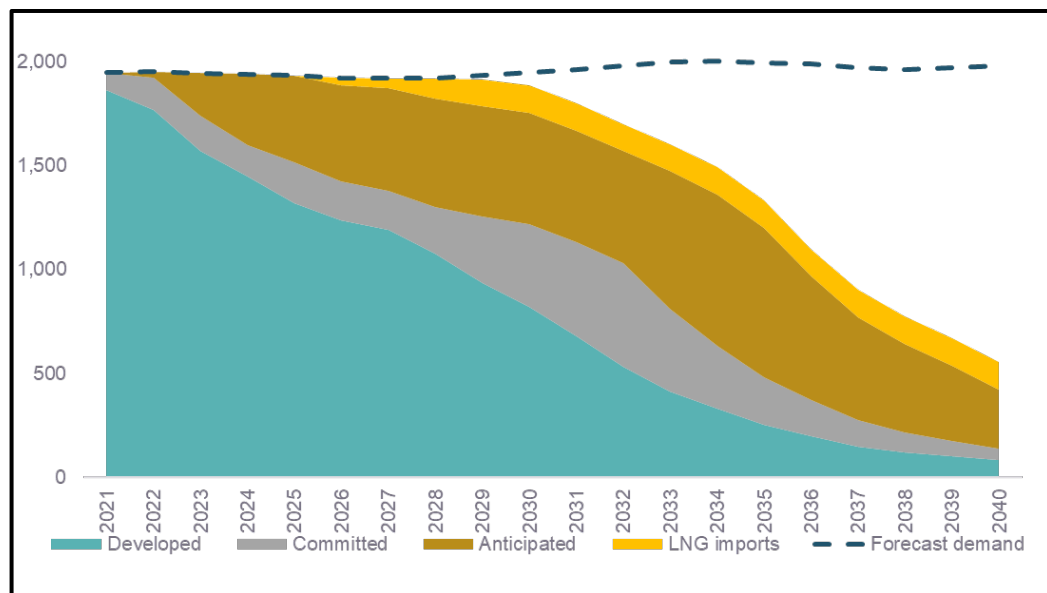


	Pipeline	Operator	Diameter (mm)	Capacity (TJ/day)
1	Amadeus Pipeline	APA	406	120
2	Tanami Gas Pipeline	AGIG	203	13
3	Northern Gas Pipeline	Jemena	305	106
4	Cheepie to Barcaldine Gas Pipeline	OSD Pipelines	n/a	3-12
5	South West Queensland Pipeline	APA	400/450	404

- (d) Structurally short end-gas markets. The east coast gas market has been strongly influenced by LNG-netback prices since the commissioning of the east coast LNG export facilities. Demand and pricing for gas on the east coast is expected to remain high as supply pressure domestically and in the international LNG market is forecasted to increase over the coming decade. The Australian Energy Market Operator (AEMO) forecasts an increasing disconnect between gas supply and demand on the east coast over the next two decades and sustained high gas pricing of between approximately A\$9-14/GJ (residential and commercial delivered prices). In the north, in addition to Northern Territory domestic gas demand, there is also likely to be future opportunity to backfill the existing LNG export facilities (Darwin LNG and Ichthys LNG) as existing gas feedstock supply declines or additional LNG trains are developed; and



East coast LNG netback gas pricing (A\$/GJ) (ACCC LNG net back price series – 1 November 2021)

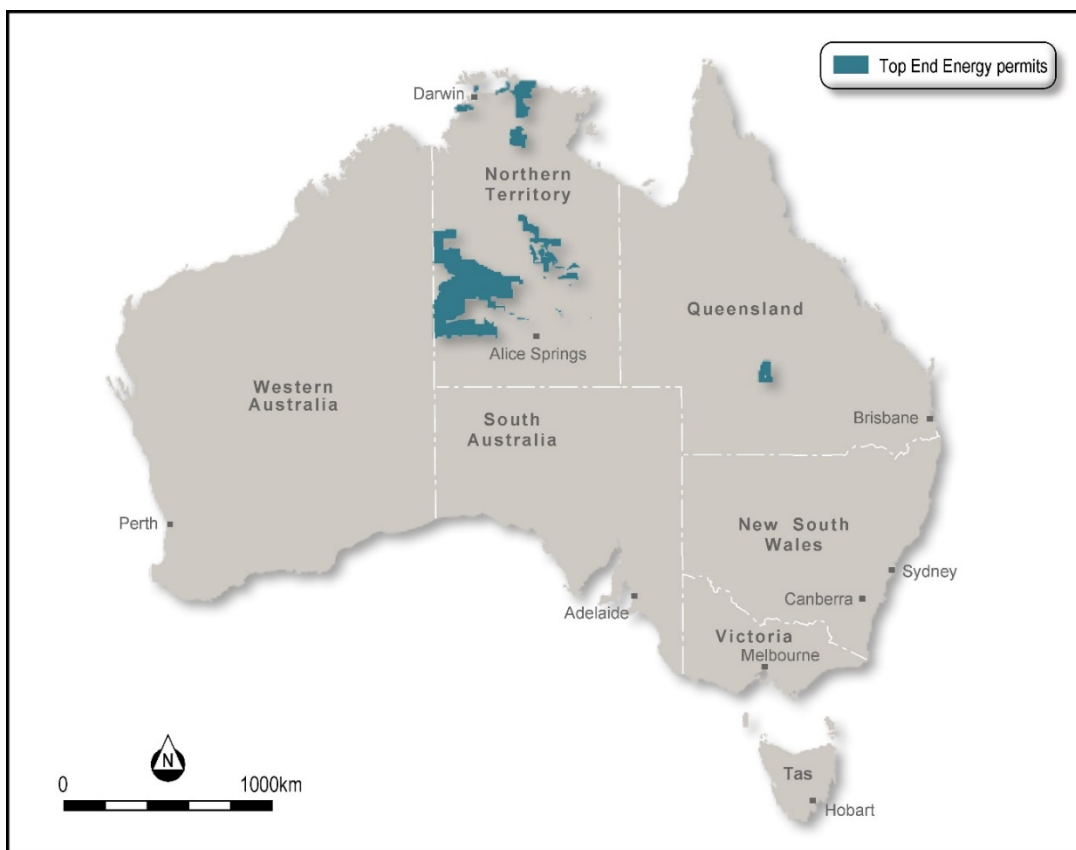


AEMO East coast supply / demand forecast (PJ/annum) (AEMO Gas Statement of Opportunities – For eastern and south-eastern Australia (March 2021))

- (e) Sustained and growing support for transitioning to cleaner, lower carbon sources of energy. The Company will look to leverage its existing footprint to explore the potential for viable clean energy solutions to complement the development of gas as the primary “transition fuel”.

5.7 The Company's Assets

5.7.1 Location of the Company's Assets



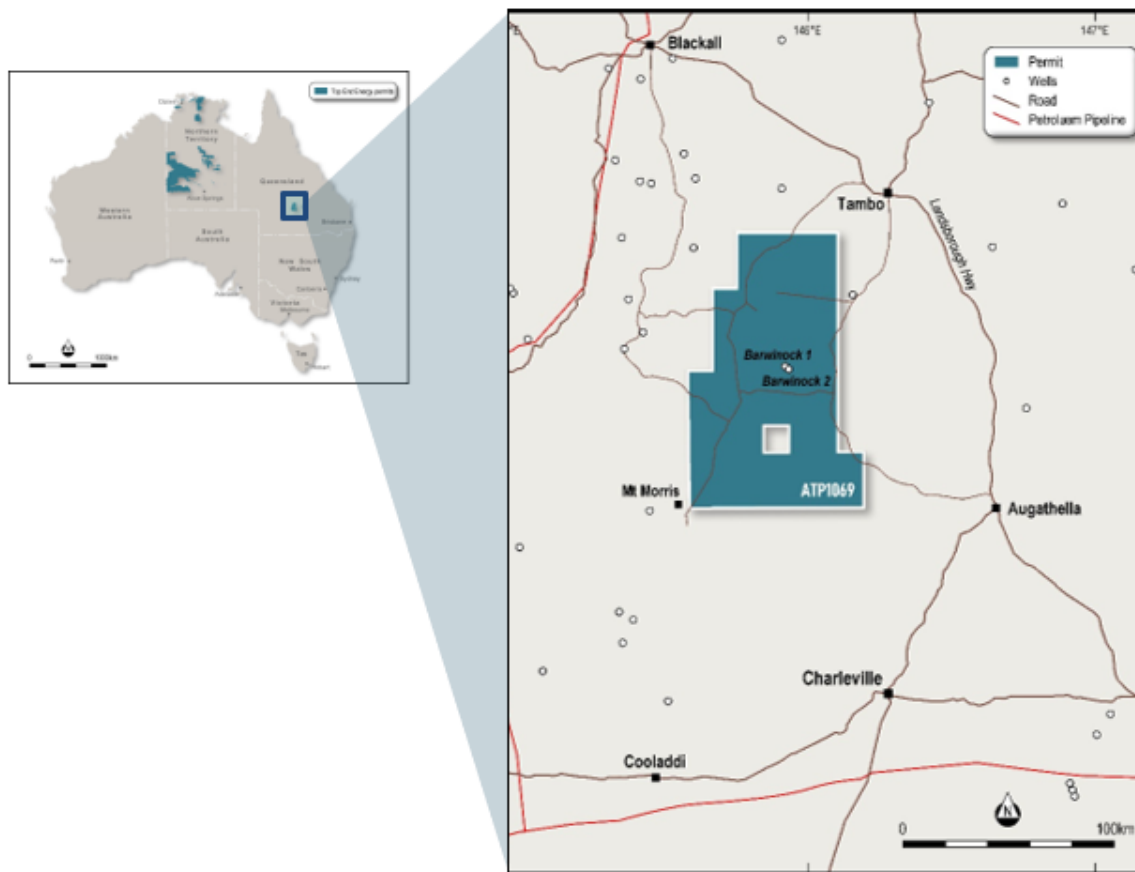
5.7.2 Tri-Star Project

The Tri-Star Project (ATP 1069) comprises one granted hydrocarbon permit located in Queensland.

Mineral Location and Tenure

ATP 1069 is located 130km north-west of Charleville in Central Queensland, covering an area of approximately 4,185km². The existing Gilmore Gas Field (PL 65), is located 50km west of the ATP. The associated Gilmore-Blackall gas pipeline (Petroleum Pipeline License (PPL) 15) is located approximately 15km to the west of the tenure.

ATP 1069 Location



The Company will acquire ATP 1069 by way of transfer from Tri-Star at the time of listing on the ASX and will then be the sole titleholder, interest-holder and operator of ATP 1069.

ATP 1069 is valid until 31 January 2025.

Project History

Tri-Star identified potential for a CSG reservoir within Permian coals in the Betts Creek Beds based on review of the Barwinock 1 well data set. Barwinock 1 was drilled in 1988 and though coal seams were not a primary target, the well intersected approximately 11m of net coal within the Permian sequence.

Barwinock 2 was a planned twin of Barwinock 1 and was positioned by Tri-Star approximately 1.5km away from Barwinock 1 in an area interpreted to potentially have improved permeability based on seismic interpretation. In 2019, Barwinock 2 was successfully drilled to the target formation on prognosis and collected 20.62m of core through the coal section. The well was drilled to a total depth of 1,720mRT. An extensive wireline evaluation program was completed including multiple wireline formation tests. Interpretation of the results indicate the coals have low permeability and low gas saturations within the coal measures, likely due to being flushed by formation fluids in the overlying Clematis Sandstone.

Notwithstanding the fact that the Barwinock 2 well was not considered commercial at that stage, the two wells, Barwinock 1 and 2, are located very close to one another and show considerable thickening of the coal seams with increasing quality. The Company believes there is considerable potential for more prospective coals elsewhere in the permit, which is extensive in area. Additionally,

neither well was located or drilled to test the deeper potential of the permit and the Adavale basin potential, which is regionally evidenced by the nearby Gilmour Gas Field.

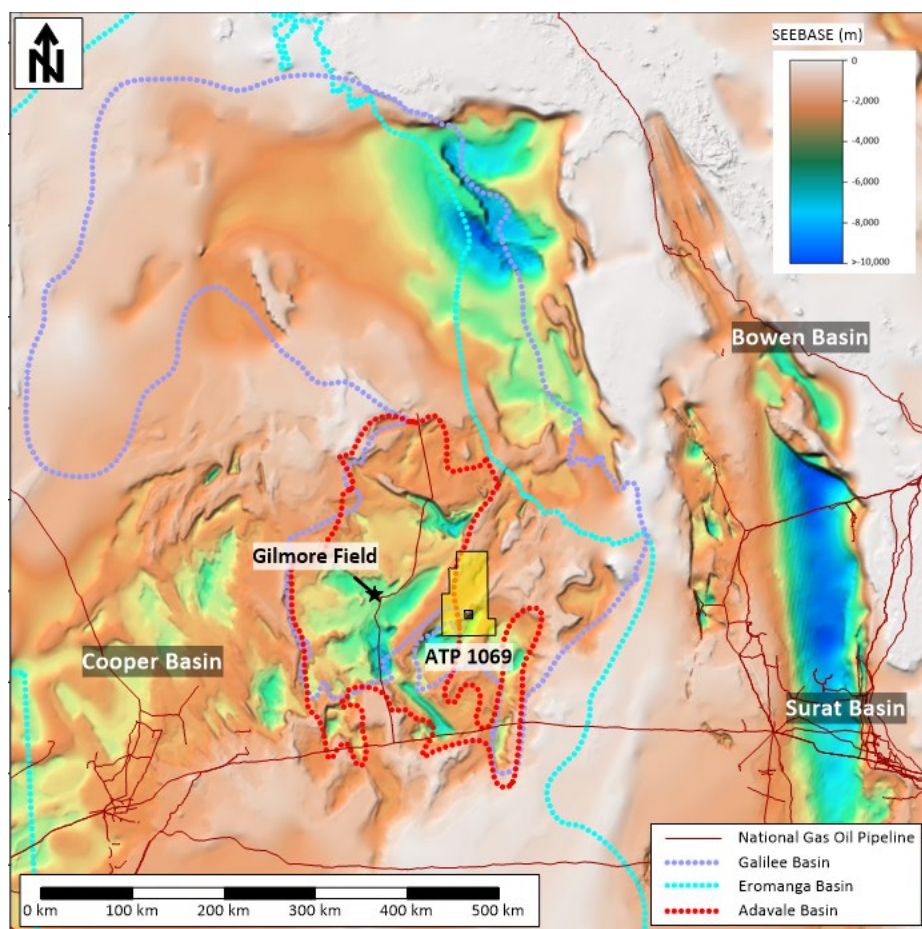
Prior to Barwinock 2, no specific coal seam gas exploration wells had been drilled on the Springsure Shelf within the Galilee Basin. Exploration north of the Barcaldine Ridge intersected coals ranging in net thickness from 16m to 19m. Average gas contents have been reported between 4.3m³t – 5.3 m³t with highs of 7.3m³t. Gas saturations have been measured up to 76% with >99% methane content. The closest Coal Seam Gas well, Beta 1, was completed by Origin Energy in ATP668 approximately 190km north northeast of the Barwinock 2 location.

The Barwinock 2 well cost approximately \$2.2m. There is a plug and abandonment liability for this well (estimated at \$225,000) that the Company will assume as part of the transaction with Tri-Star.

Regional Geology

The basin sequence over the project site includes the Devonian Adavale Basin, the Late Carboniferous to Middle Triassic Galilee Basin and the Late Triassic to Mid Cretaceous Eromanga Basin.

The project area is located over the eastern region of the Adavale Basin, an elongated northeast trending basin which underlies the Galilee Basin.



Source: SEEBASE regional structure map (Geognostics Australia Pty Ltd, 2021) and regional outline of the Adavale Basin

The Adavale Basin

The Devonian Adavale Basin system underlies the younger Galilee Basin (Late Carboniferous to Middle Triassic) and Eromanga Basin (Early Jurassic to Cretaceous). The basement is defined as the Silurian-Devonian Gumbardo Formation which consists of volcanics in the northwest and redbeds and volcanics in the south. The subsequent basin infill comprises fluvial siliclastic sedimentary rocks (Eastwood Beds, Etonvale Formation, Lissoy Sandstone, Buckabie Formation) with marine transgressions affecting eastern parts of the basin (Log Creek Formation, Bury Limestone).

In the Mid-Carboniferous, a second period of major tectonism occurred, involving left-lateral wrench faulting and resulting in orogenic uplift. This marked the end of the deposition of the Adavale Basin Sequence.

Since the Mid-Carboniferous orogeny, further uplift and erosion has occurred during the Permian, early Triassic and late Triassic, resulting in low-angle unconformities within the sequence. A final period of tectonism took place in the Tertiary and resulted in the gentle structuring of the entire section, as well as the reactivation of some of the early fault systems.

The Galilee Basin

Deposition recommenced in the Late Carboniferous, beginning with the Lake Galilee Sandstone. By Early Permian, Jochmus Formation consisting of fluvial sandstones, shales and coals were deposited. In the Late Permian, Betts Creek beds consisting of interbedded siltstone, mudstone, coal and sandstone deposited in fluvial and coastal plain environments were deposited. The Betts Creek beds are thought to be correlated with the Bandanna Formation in Bowen Basin. The Permian sequence thins to the south due to widespread erosion. Unconformably overlying the Permian sequence is a massive fluvial sand unit equivalent to the Triassic Clematis Sandstone, and overlying that is a sandstone, siltstone, shale sequence equivalent to the Moolayember Formation. The Triassic sequence has also been deeply eroded in the south, now only occurring in the northern and eastern portions of the area.

Eromanga Basin

The Jurassic/Cretaceous Eromanga Basin sequence unconformably overlies the Galilee Basin. The basal unit comprises a lower thick fluvial sandstone and an upper unit of lacustrine/fluvial sandstone, siltstone and shale. This sequence is time equivalent to the Precipice Sandstone/Evergreen Formation of the northern Surat Basin. Overlying this Basal Jurassic unit is the fluvial Hutton Sandstone which in turn is overlain by the lacustrine to fluvial siltstone and sandstone of the Birkhead Formation.

This is overlain by the Westbourne Formation consisting of carbonaceous shales, siltstones and minor coals, which in turn is followed by stacked fluvial sands of the Hooray Sandstone. A major transgression at the Cretaceous/Jurassic boundary deposited the overlying Cretaceous marine sands and shales including the Toolebuc Formation.

Prospective Intervals & Petroleum System

The primary exploration target in the permit is the Permian coals occurring within the Galilee Basin. The Permian coals are possibly equivalent to the Bandanna Formation in the adjacent Bowen Basin. Strong reflections within the seismic data on the block can be interpreted as showing thick and laterally continuous Permian

coal occurring within the ATP 1069 permit. Well data and core samples confirm the extent of the coals. The presence of gas has been indicated in historical mudlogs, and gas desorption analysis was performed on core samples, however these showed low gas contents.

The Toolebuc Formation is present in the subsurface of the Eromanga and Carpentaria Basins across most of western Queensland and is a potential source rock in the ATP 1069 permit. About 12 metres of shale in of Toolebuc Formation is penetrated by Wells Barwinock-2 in the permit area.

The gas-to-oil mature deep marine shales of the Log Creek Formation have been speculated as the gas source for the producing, conventional gas Gilmore field, located 50 km west of the permit area. The Log Creek Formation may extend onto the permit.

ATP 1069 Prospectivity

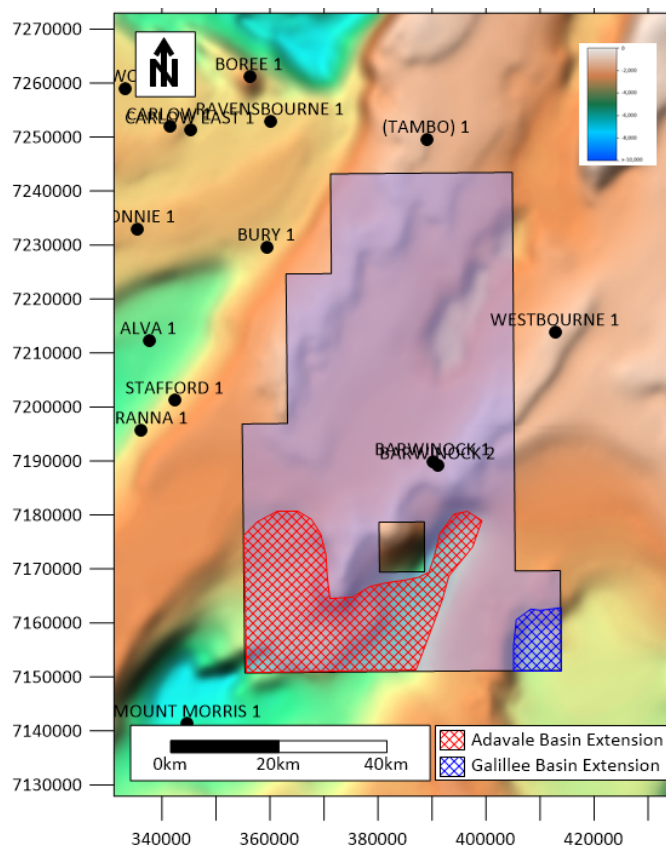
ATP 1069 has possible prospectivity for conventional gas, unconventional CSG and shale oil.

There is the potential for gas prospectivity within all three of the underlying basins. The Gilmore Gas Field, situated 50 km West of the Permit, has demonstrated commercial conventional gas production from the Lissoy Sandstone and Log Creek Formation of the Adavale Basin. Seismic interpretation suggests these formations may be present within the permit. However, no surrounding wells have been drilled to these depths. Both Barwinock wells have intercepted the Betts Creek Coals of the Galilee Basin, from which Galilee Energy have demonstrated coal seam gas production further north in the basin. The Toolebuc formation, an exploration target for shale oil and shale gas is also intercepted by the Barwinock-2 well.

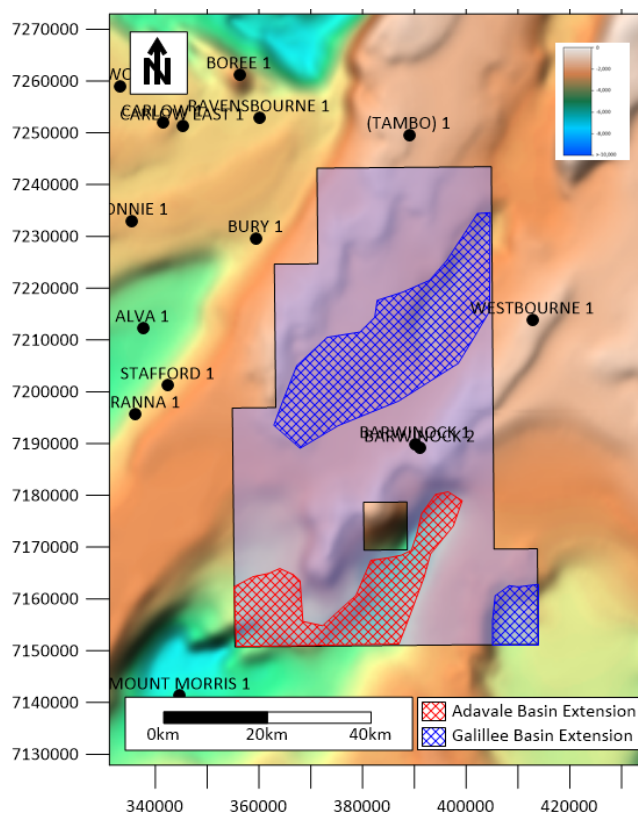
There is the potential for coal seam gas in the Northern portion of the block with some 763 km² of prospective area and in the southern area there is an additional 484 km² of prospective area. There is also over 890 km² of a possible conventional hydrocarbon play in the permit that has potential for conventional hydrocarbon accumulations analogous to the Gilmore Field. Neither Barwinock wells were located or drilled to test the deeper potential of the permit and the Adavale basin potential, which is regionally evidenced by the nearby Gilmour Gas Field.

There is potential prospectivity for shale oil in the Toolebuc formation in ATP 1069, with a possible 1,247 km² of Toolebuc shale in the permit.

ATP 1069 is a permit with significant exploration potential.



ERCE's estimate of potential prospective areas for conventional play (Evaluation of the Prospectivity of Certain Exploration Permits, Queensland and the Northern Territory, Australia (ERCE))



ERCE's estimate of potential prospective areas for unconventional play Evaluation of the Prospectivity of Certain Exploration Permits, Queensland and the Northern Territory, Australia (ERCE)

Please refer to the Technical Advisor's Report (Annexure A) prepared by ERC Equipoise Pte Ltd (**ERCE**) for more information.

Resource

There are currently no defined hydrocarbon resources on the Tri-Star Project. In due course, the Company plans to prepare an independent prospective resource report when it is able to do so.

Planned Exploration Program

The planned exploration program consists of an in-depth review of the existing seismic and well data over the permit as well as regionally. Most of the work done to date in relation to the permit has been focused on the CSG potential and the Company believes that significant conventional gas potential has been overlooked. If the detailed review supports this thesis, then reprocessing of existing seismic and / or acquisition of new seismic data would be the next step to identifying drillable prospects. In the event that drillable prospects are identified, then an appropriate drilling program will be proposed.

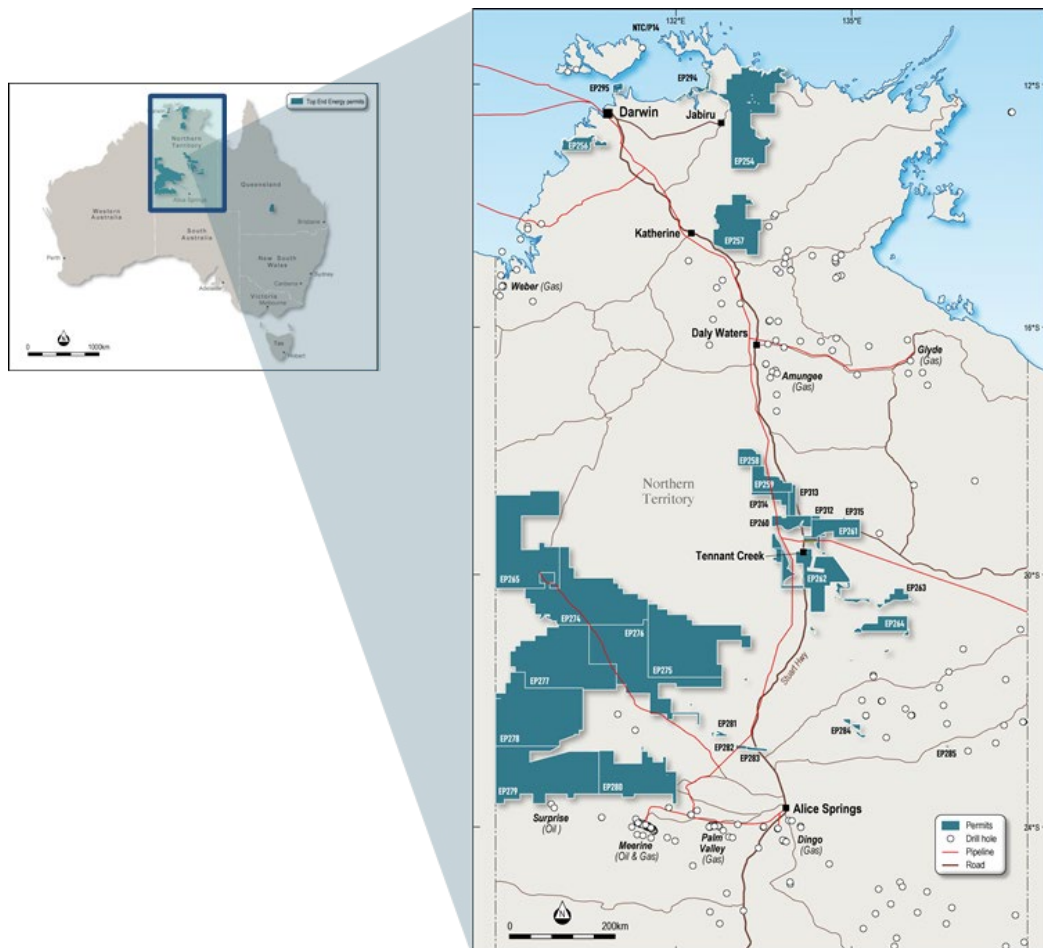
Subject to technical review, the Company will look to shoot up to approximately 120km of seismic lines in the next 12 months.

5.7.3 TG Project

On completion of the Acquisitions, the Company will hold 50% of the TG Project (through holding 50% of the shares in NT Holdco which is the owner of 100% of the shares in Territory Gas, which in turn owns 100% of the shares in NT Gas Aust and Territory Gas Aust where the tenement applications are held). The Company will progress the tenements through the grant process on a prioritised basis determined by a prospectivity review.

Locality and Mineral Tenure

The TG Project consists of 30 applications that cover ~160,000km² in the Northern Territory that are within or proximal to five basins prospective for oil and gas potential, both from a conventional and unconventional perspective.



Territory Gas Application Locations

A summary of the key permits within the TG Project portfolio is set out below:

McArthur Basin (Maiwok Sub Basin): EP257, EP254

The majority of the EP257 and EP254 and parts of EP 258 and 259 applications are situated over strata of the Palaeoproterozoic to Mesoproterozoic (1800 – 1430Ma) aged sediments of the McArthur Basin which covers a large portion of the northern area of the Territory. This basin is considered to be highly prospective for hydrocarbons, with the discovery of solid and liquid hydrocarbons as well as pockets of gas in mineral drill holes.

The southwestern part of the EP257 permit, together with several small outliers towards the east overlie rocks of the younger (Jurassic to Cretaceous, 205 – 65 MA) aged rocks of the Carpentaria Basin, an intra-cratonic basin that is sporadically exposed across the northeastern Northern Territory, and offshore under the Gulf of Carpentaria. It unconformably overlies the sedimentary rocks of the McArthur Basin and Georgina Basins amongst others.

Wiso Basin: EP258, EP259, EP314, EP260, EP262

These applications are situated over strata of the Neoproterozoic to Palaeozoic (1000 – 540Ma) aged sediments of the Wiso Basin which once was part of the extensive Super Basin that covered much of Central Australia. This basin is considered to be highly prospective for hydrocarbons, exhibiting varying levels of prospectivity with active exploration being undertaken by several companies.

The northern part of the application package overlies rocks of the younger (Jurassic to Cretaceous, 205 – 65 MA) aged rocks of the Carpentaria Basin, an intracratonic basin that is sporadically exposed across the northeastern Northern Territory, and offshore under the Gulf of Carpentaria. It unconformably overlies the sedimentary rocks of the McArthur Basin and Georgina Basins amongst others.

Georgina Basin: EP261, EP312, EP315, EP263

To varying degrees, these applications overlie the western side of the Georgina Basin, a Neoproterozoic to Devonian (850 – 355Ma) age intracratonic basin that was formed during the breakup of the Central SuperBasin. It unconformably overlies the Aileron Province and Tennant Region, is interpreted to be contiguous at depth with the Wiso Basin and is unconformably overlain by the Carpentaria Basin. The Georgina Basin appears to deepen towards the south along the margin with the Aileron Province. EP(A) 261 lies adjacent to EP(A) 179 which is held under license by Armour Energy who is undertaking extensive exploration across the Georgina Basin. The main source rock interval in the Georgina Basin is the hot shale at the base of the Arthur Creek Formation of middle Cambrian age, while the main reservoir target is the Thornton Limestone. Other minor reservoir targets have also been recognised.

Murraba Basin: EP265, EP277

A significant portion of EP265 and part of EP277 lies over the Murraba Basin, which unconformably overlies Proterozoic Birrindudu Basin (age 1780 – 1550Ma), a little deformed and un-metamorphosed sedimentary succession correlated with the McArthur Basin.

Remaining portions of the permits overlie rocks of the Tanami Region, a series of Palaeoproterozoic metasedimentary, intrusive and volcanic rocks which formed part of the North Australian Craton. The Tanami Region is overlain by the Birrindudu Basin to the north and Wiso Basin to the east and has a transitional contact with the Aileron Province to the southeast.

The extensive margins of the Birrindudu Basin within the permit offer exploration targets for hosted hydrocarbon plays both within the basin proper (structural traps) and also where conduits may have permitted hydrocarbon migration into the adjacent basement rocks.

Amadeus Basin: EP279, EP280

These two applications are adjacent to the northern margin of the Amadeus Basin, which is Proterozoic to Carboniferous (850 – 350Ma) in age. It is a large intracratonic sedimentary basin that was initiated as part of the Central Australian Superbasin and was substantially affected by intraplate tectonics. It overlies the Warumpi and Aileron provinces to the north. The Amadeus Basin hosts the Mereenie oil and gas field and Palm Valley gas field further to the south of the current licence position.

Please refer to the Technical Advisor's Report (Annexure A) prepared by ERCE for more information regarding prospectivity potential of prioritised permits.

The next step for progressing the applications to grant consists of negotiating agreements with the relevant Aboriginal organisations. The Company's permits are located on both "Aboriginal Land" under the ALRA and land that is or may be the subject of native title rights and interests under the Native Title Act.

With regard to the majority of the key permits under the ALRA, the Company has secured the consent to negotiate from the Minister responsible for the Petroleum Act, which is required under section 13 of the Petroleum Act for an applicant to commence these negotiations. The Company is pursuing EP 257 and EP 259, both of which are located on "Aboriginal Land", as a matter of priority. The Company is currently engaging with the Northern Land Council (**NLC**) to progress the negotiations on these permits including agreeing the terms of the agreements and the scheduling of on-country meetings, where relevant.

Additionally, the Company has submitted formal correspondence to the NLC regarding the Company's intentions to continue good faith negotiations pursuant to section 31(1)(b) of the Native Title Act for EP 258. The Company continues to engage with the NLC on these negotiations with the aspiration of reaching an agreement with the council and native title holders in 2022 ahead of grant.

The Company will also continue to progress the remainder of the applications on a systematic and technically-led basis.

Proposed Exploration

Initial exploration activities will consist of analysis of the existing aeromagnetic, gravity and SEEBASE data that is publicly available in the Northern Territory over the application areas. This can be done before the permits are granted.

The process of proceeding to grant of the exploration licence over several key permits is underway, with certain permits expected to be granted in 2022 (subject to a timely passage through the land tenure process). Post grant, studies will be completed to plan acquisition of 2D seismic data to identify drilling targets.

5.8 Renewable / Transitional Energy Projects

The Company recognises the environmental and commercial importance of minimising emissions and pursuing a business model that can adapt to a progressively low carbon world. Anticipating this ongoing transition and the associated changes in market dynamics, the Company is committed to exploring the potential for viable and complimentary projects on or in the vicinity of its existing asset base that address the following objectives:

- (a) **Net-zero emissions target:** investment in measures or technologies that serve to offset emissions from the Company's core activities on the most cost-effective basis; and
- (b) **Supplementary revenue streams:** pursue clean energy generation and the commercialisation of renewable end products from the hydrocarbon extraction process to compliment revenue generated by the Company's core activities.

Management will adopt a systematic approach to assessing projects that represent the most value accretive options for the Company, taking into account, beyond other factors, physical attributes of the Company's existing asset footprint (both the Northern Territory and Queensland have high solar irradiance and wind speeds), environmental and social impacts, capital and operating costs, and synergies with the Company's core activities.

Potential projects may include carbon abatement measures (for example carbon offsetting, CCS or other net carbon negative processes), conventional renewable energy generation (such as solar energy, wind energy, biomass and biogas), and

production and marketing of renewable end products (for example hydrogen, ethanol and ammonia).

The Company does not currently intend to incentivise directors and management with regard to these activities but may consider doing so as the Company approaches the stage where it may have operating assets.

Proposed Work Program

The Company intends to undertake the assessment and pursuit of potential clean energy projects in the following way:

- (a) **Opportunity scoping (approximately 6-9 months)** – engage industry and technical experts to undertake a broad assessment of potential opportunities in the renewable energy and carbon abatement space. The Company is already in discussions with potential experts and consultants to progress this work stream; and
- (b) **Assessment of shortlisted opportunities (approximately 12–18 months)** – undertake more extensive technical, commercial and economic feasibility studies for shortlisted opportunities. The ultimate intention is to identify a viable clean energy project that the Company can pursue in order to achieve the objectives set out in Section 5.8.

The Company intends to provide an update to the market in relation to progress on the clean energy strategy towards the end of the first quarter of 2022 once the Company has initiated the opportunity scoping exercise, and again towards or at the conclusion of the exercise (anticipated third / fourth quarter of 2022).

The Company has budgeted \$450,000 of post-IPO funds to be allocated to undertaking the abovementioned activities and is therefore expected to be funded for at least the next 24 months in this regard. To support the progress of a preferred clean energy project, to the extent one is identified through the shortlist assessment process, further funding may be required by the Company.

The Company also intends to compliment the abovementioned activities by pursuing strategic partnerships with other industry participants and research institutions including universities.

5.9 Business model

The proposed activities and business model of the Company on completion of the Offer will be to focus on exploration and development activities on the Projects as outlined in this Section 5.

5.10 Proposed Exploration Program

The Company intends to carry out the following work program to progress the Queensland and Northern territory assets:

Queensland ATP 1069 (budget: \$2,506,250):

- (a) Undertaking geological, geophysical and engineering studies;
- (b) Undertaking aero Magnetic and Gravity Surveys;
- (c) Seismic acquisition; and

- (d) Undertaking the plug and abandon of the Barwinock 2 well.

Northern Territory (subject to grant of any applications) (budget: \$1,000,000):

- (a) Securing application grant for prioritised permits;
- (b) Securing approvals for land access, land clearing and preparation for seismic acquisition;
- (c) Seismic acquisition; and
- (d) Undertaking seismic interpretation and drilling prospect generation.

5.11 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Full Subscription (\$) (\$6,400,000)	Percentage of Funds (%)
Existing cash reserves ¹	\$800,000	11.49
Due Diligence, operating costs and IPO costs	(\$235,000)	(3.37)
Funds raised from the Offer	\$6,400,000	91.89
Total	\$6,965,000	100.00
Allocation of funds		
Exploration Budget - Tri-Star Project ²	\$2,506,250	35.98
Exploration Budget- TG Project	\$1,000,000	14.36
Project generation and feasibility – Green Energy and / or Carbon Abatement Projects	\$450,000	6.46
Corporate and administration costs ⁴	\$1,765,000	25.34
Expenses of the Offer ³	\$778,206	11.17
Unallocated Working capital ⁵	\$465,544	6.68
Total	\$6,965,000	100.00

Notes:

1. Refer to the financial information set out in the Independent Limited Assurance Report at Annexure C for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 30 June 2021, the

Company has expended approximately \$235,000 in project related due diligence, progressing its business activities and preparing the Prospectus.

2. Refer to Section 5.10 for further details with respect to the Company's proposed exploration programs at the Projects.
3. Refer to Section 9.11 for further details.
4. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
5. To the extent that:
 - (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company is presented with additional acquisition opportunities,

the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.

It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's Projects. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Company's Projects or to capitalise on acquisition opportunities in the resources sector.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 6.

5.12 Capital structure

The capital structure of the Company following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is summarised below:

Shares¹

	Full Subscription
Shares currently on issue ²	21,875,001
Shares to be issued pursuant to the Offer ³	32,000,000
Shares to be issued under the Acquisition Agreements	15,750,000
Total Shares on completion of the Offer⁴	69,625,001

Notes:

1. The rights attaching to the Shares are summarised in Section 9.2.

2. Comprising:
 - a. one Share issued on incorporation;
 - b. an aggregate of 20,000,000 Shares issued to unrelated seed capital investors prior to the date of this Prospectus; and
 - c. 1,875,000 Shares issued to S3 Consortium Pty Ltd pursuant to the S3 Services Agreement summarised in Section 8.4.
3. Shares to be issued at an issue price of 0.20 per share to raise up to \$6,400,000 under the Offer.
4. In addition to the above, the Company has agreed to issue up to 19,500,000 Deferred Consideration Shares to McKam pursuant to the TG Acquisition Agreement. These Deferred Consideration Shares will be issued subject to meeting certain performance criteria as outlined in Section 8.2.6 of this Prospectus.

Options

	Full Subscription
Options currently on issue	22,500,000
Options to be issued to Directors	500,000
Options to be issued to the Lead Manager	4,800,000
Options to be issued pursuant to the Offer	Nil
Total Options on completion of the Offer	27,800,000¹

Notes:

1. Refer to Section 9.3 for a summary of the terms and conditions of these Options.

Performance Rights

	Full Subscription
Performance Rights currently on issue ¹	3,000,000
Performance Rights to be issued pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	3,000,000

Notes:

1. Refer to Section 9.4 for a summary of the terms and conditions of the Performance Rights.

5.13 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Inyati Fund ¹	5,625,000	5,625,000	25.71%	23.75%

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
S3 Consortium Group ²	3,625,000	1,750,000	16.57%	11.35%

Notes:

1. The Shares issued to Inyati Fund were issued at a price of \$0.02 per Share and the Options were issued free attaching on a 1:1 basis.
2. 1,750,000 Shares were issued at a price of \$0.02 per Share and the Options were issued free attaching on a 1:1 basis to S3 Consortium Holdings Pty Ltd <Next Investors Dot Com A/C>. 1,875,000 Shares were issued pursuant to the S3 Services Agreement to S3 Consortium Pty Ltd. Refer to Section 8.4 for a summary of the S3 Services Agreement.

On completion of the issue of Shares under the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder	Shares	Options/ Deferred Shares	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Inyati Fund	5,625,000	10,425,000	8.08%	13.38%
McKam ¹	15,750,000	19,500,000	22.62%	29.39%
S3 Consortium Group	3,625,000	1,750,000	5.21%	4.48%

Notes:

1. Refer to Section 8.2.6 for a summary of the TG Acquisition Agreement.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

5.14 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares (including all Shares to be issued to McKam pursuant to the TG Acquisition Agreement) will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

While the ASX has not yet confirmed the final escrow position applicable to the Company's Shareholders, the Company anticipates that the following Shares will be subject to escrow:

- (a) 15,750,000 Shares to be issued to McKam pursuant to the TG Acquisition Agreement ;
- (b) 1,875,000 Shares issued to S3 pursuant to the S3 Services Agreement; and
- (c) a portion of the 20,000,000 Shares issued to seed capital investors.

The number of Shares that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The

above is a good faith estimate of the Shares that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

5.15 Additional Information

Prospective investors are referred to and encouraged to read in their entirety the following:

- (a) the Technical Advisor's Report in Annexure A for further details about the geology, location and mineral potential of the Company's Project;
- (b) the Title Reports in Annexure B for further details in respect to the Company's interests in the Tenement;
- (c) the Independent Limited Assurance Report in Annexure C for further details on the Company's financials; and
- (d) the Independent Expert's Report in Annexure D in relation to the fairness and reasonableness of the possible issue of the Deferred Consideration Shares (assuming the Milestones are achieved) and the Performance Rights for the Company's non-participating Shareholders.

5.16 Dividend policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 6, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 6 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 6, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 6 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 Company specific risks

Risk Category	Risk
Limited History	The Company was incorporated recently and has limited operating history and historical financial performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration of the Projects or other assets that are acquired.
Exploration and development risks	Hydrocarbon exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. The Company is subject to customary risks associated with an exploration company, such as dry wells or sub-commercial discoveries, the volatility of commodity prices and exchange rates, exploration costs, unanticipated operational and technical difficulties, native title and Aboriginal heritage and risks with respect to the holding of exploration tenure.
Company's business remains speculative	While the Directors will, to the best of their knowledge, experience and ability (together with senior management) endeavour to anticipate, identify and

Risk Category	Risk
	manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its business operations, the ability of the Directors and management to do so may be affected by matters outside their control, given the nature of oil and gas exploration and no assurance can be given that the Directors and management of the Company will be successful in these endeavours.
Grant of Permit Applications	All of the permits on the TG Project are ungranted (i.e. they are applications).). The applications for the TG Project Permits were lodged approximately 10 years ago. As detailed in the Solicitor's Report on Tenements in Annexure B, the reason these applications have not been granted is likely a result of the prior owner's approach to pursuing negotiations in relation to agreements with the relevant Aboriginal organisations. Section 5 provides more information on the status of these applications and next steps for progressing the applications to grant. The Company has commenced the process of grant for the priority permits in Northern Territory under the native title process and intends to actively pursue negotiations over reasonable terms and conditions with the relevant Aboriginal Organisations. Following initial discussions with the Northern Land Council, the Company expects that the first permits may be granted during the course of 2022. However, if those permits are not granted by the relevant government authority, the Company will lose the benefit of the areas of those permits for its exploration activities. As at the date of this Prospectus, the Minister responsible for the Petroleum Act has not caused an advertisement of the applications for EP294, EP295, EP314 and EP315 (all part of the TG Project) to be issued in accordance with section 18(1) of the Petroleum Act on the basis that an assessment of those applications had not been completed. Based on that assessment, the Minister may elect not to advertise those applications for EP294, EP295, EP314 and EP315, in which case the Minister may also refuse to grant those Applications. Please refer to the Solicitor's Report on Permits in Annexure B of this Prospectus for further details.
Counterparty Exposure and Joint Venture Risk	The financial performance of the Company is subject to its various counterparties or, in the case of TG Project, joint venture partner McKam, to perform its obligations under the relevant contracts and the TG Project JV Agreement. If one of its counterparties or McKam fails to perform their contractual obligations, it may result in loss of earnings,

Risk Category	Risk
	termination of other related contracts, disputes and/or litigation of which could impact on the Company's financial performance.
Interest of McKam	On completion of the Offer and the issue of Shares pursuant to the TG Acquisition Agreement, McKam will hold an interest of 22.2% of the Shares on issue in the Company. The presence of McKam as a substantial Shareholder may detract from the attractiveness of the Company as a takeover target and, accordingly, Shareholders may potentially be foregoing any future control premium in any Shares they hold in the Company. As a substantial shareholder and joint venture partner to the TG Project JV Agreement, McKam will also have the power to exert significant control and influence over the operations of the Company, specifically the TG Project. The Company, does not view McKam's interest in the Company as a substantial risk to the operation of the Company, given the Company will hold an equal interest in the TG Project (plus also have control under the TG Project JV Agreement) and the interests of McKam and the Shareholders are clearly aligned as a consequence of the Deferred Consideration Shares. The Deferred Consideration Shares will only be issued to McKam upon achievement of the specified Milestones, which are directly linked to the operational and financial outcomes attaching to the exploration success at the TG Project.
Exploration Costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect intended work programs and the Company's viability.
Development Risk	In the event that the Company is successful in locating commercial quantities of hydrocarbons through exploration, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, fiscal and regulatory change, a drop in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs. If one or more of these occurrences has a material impact, then the Company's operational and financial performance may be negatively affected.
Land Access Risk	Immediate access to the licences in which the Company has an interest, cannot in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons (including government

Risk Category	Risk
	authorities) or groups with an interest in the real property encompassed by the licences. Compensation may be required to be paid by the Company to stakeholders to allow the Company to carry out activities. Although the Company has budgeted compensation payments, there is no guarantee that additional amounts may not be required. Judicial or regulatory decisions and legislation could also unforeseeably restrict or delay land access. The Company specifically will be required under the Petroleum Act to obtain a written land access agreement with any relevant landowners prior to carrying out "regulated petroleum operations" on pastoral lease land, Crown lease land or freehold land in the Northern Territory. In the event that a written land access agreement cannot be reached through negotiations with the landowner then there is provision in the regulations for a determination by the NT Civil and Administrative Tribunal to allow regulated petroleum operations to be carried out.
Overlapping Tenure	Queensland Jemena Northern Gas Pipeline Pty Ltd (Jemena) holds petroleum survey licence (PSL) 2051 over an area which includes a small portion of the north-eastern corner of ATP 1069. PSL 2051 authorises Jemena to enter the area of the licence to investigate and survey its potential and suitability for the construction and operation of pipelines and petroleum facilities and identify possible pipeline routes. The Company does not consider that the existence of PSL 2051 will have a material impact on the planned exploration program at the Tri-Star Project. Northern Territory A number of mineral titles under the <i>Mineral Titles Act 2010</i> (NT) have been granted or applied for over land the subject of the TG Project Permits. Although the Northern Territory does not have legislation which addresses the overlapping of petroleum titles and mineral titles, it has been confirmed that there is no legal restriction on the undertaking of petroleum activities on the land that is the subject of the TG Project Permits resulting from the existence of a mineral title over that same land. Please refer to the Solicitor's Report on Permits in Annexure B of this Prospectus for further details. If the mineral titles that overlap the land the subject of the TG Project Permits was significantly developed with infrastructure or equipment, then there could be a practical issue with the intersection and infrastructure or equipment. This issue, however, rarely arises in remote Australia where the TG Project Permits are located. If this situation were to arise, the Company may be required to enter into agreements with the respective holders of the mineral titles.

Risk Category	Risk
Permit Risk	The Company is required to comply with a range of laws to retain its Permits and periodically renew them. Each Permit also has its own specific exploration and expenditure requirements that the Company must satisfy. Even if specific requirements are met, there is no certainty that an application for grant or renewal of a permit will be approved at all, or on satisfactory terms or within expected timeframes. The laws relating to permits are complex and subject to changes in interpretation. Noncompliance with them could lead to the revocation of the Company's Permits and the Company cannot guarantee current Permits will be renewed or future permits will be granted. Northern Territory Objections have been received by the Minister with respect to applications for EP 256 and NTC/P14, permits comprising part of the TG Project. Pursuant to section 19 of the Petroleum Act, objections to the grant of an exploration permit may be lodged in response to the advertisement of an application for an EP published under section 18(1). If this occurs, the Minister must give to the applicant copies of the objections lodged together with a notice to the effect that, within 30 days after the date of the objection notice, the applicant may lodge with the Minister replies to or other comments about the objections. Pursuant to section 20 of the Petroleum Act, the Minister must then consider the application and any objections and replies in making a determination whether to grant the exploration permit in respect of some or all of the blocks to which the application relates or refuse to grant the exploration permit. If the Minister refuses to grant the exploration permit, the applicant may apply for a review of the determination under Division 6 of Part II the Petroleum Act. The <i>Petroleum (Submerged Lands) Act (NT)</i> (Coastal Waters Petroleum Act) does not have a formal process for objections to the grant of an exploration permit, however the Northern Territory Department of Industry, Tourism (DITT) and Trade generally undertakes stakeholder consultation in relation to applications for permits under the Coastal Waters Petroleum Act in order to inform the Minister's decision on whether or not to grant an application. The searches that have been conducted in relation to the objections show that the objection against EP 256 was received by DITT on 21 February 2013 and was made on behalf of an individual stating that he is a traditional owner of the area and he does not believe that it is in his interest, or that of his family to let exploration of the area occur. The Company was unable to obtain further information regarding the objection lodged against NTC/P14 as the DITT declined to provide further information.

Risk Category	Risk
	The Company has not made any submissions in respect of these objections and as far as the Company is aware the prior applicants did not make any submissions in response to these objections. As the Company understands, these objections will be considered in the process of determining whether the applications for EP 256 and NTC/P14 will be granted. No assurance can be given that the applications for EP 256 and NTC/P14 will be granted, however, the Company notes these applications do not form part of the key permits within the TG Project portfolio as set out in Section 5.7.3. For further information regarding the objections lodged against EP 256 and NTC/P14 please refer to the Solicitor's Report on Permits in Annexure B of this Prospectus. In addition, the Northern Territory Government has recently introduced a requirement for any entity (including the directors of the entity) that applies for a permit or licence, including an exploration permit, under the Petroleum Act to satisfy an "appropriate person test" (as determined by the Minister) in order to hold the permit or licence. Although the applications comprising the TG Project were made before the appropriate person test was introduced, it is possible that the Minister will require the Company to satisfy the appropriate person test prior to grant of the applications comprising the TG Project.
COVID 19 Risk	The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gas price and foreign exchange rates. While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company. Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.
Native Title and Aboriginal Land Risk	The Company's activities in Australia are subject to the Native Title Act 1993 (Cth) and the ALRA. The former recognises the rights and interests of Indigenous Australians in land and waters according to their traditional laws and customs. The latter establishes freehold rights over certain lands for the benefit of Aboriginal traditional owners of

Risk Category	Risk
	those lands. Under either regime, the relevant Aboriginal persons land must be consulted about proposed activities on the land and formal agreement is for required for certain acts, including the grant of petroleum permits. If a native title claim is registered or native title rights are determined over areas covered by the Company's Permit applications or Permits, exploration and production activities can be significantly delayed and made more costly be the requirements to consult and reach agreement with Aboriginal traditional owners. The same is true for Aboriginal freehold, although the Aboriginal owners of those lands may also veto applications for exploration permits. A number of the TG Project Permits are located on "Aboriginal Land" and will not be granted unless the requirements of Part IV of ALRA are satisfied including that the relevant Land Council, acting for the benefit of the traditional Aboriginal owners in respect of such Aboriginal land, consents to the grant of the relevant Application by the Northern Territory. A number of the TG Project Permits are located on land that is or may be the subject of native title rights and interests. Those Permits will not be granted unless the requirements of regime of the Native Title Act 1993 (Cth) are complied with including by reaching agreement to the terms of the grant or, if agreement cannot be reached, then by determination of the National Native Title Tribunal, in respect of each of the Permits. The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving permits in which the Company has or may have an interest. Please refer to the Solicitor's Report on Permits in Annexure B of this Prospectus for further details.
Aboriginal Cultural Heritage laws	Commonwealth and State legislation obliges the Company to identify and protect sites that are sacred or otherwise of significance according to Aboriginal custom and tradition. Such sites have been identified within areas covered by the permits in which the Company has an interest. There is a risk that exploration activities may be delayed, and costs incurred by the Company, if it is required to secure various permits and approvals under the legislative regimes applicable to Aboriginal cultural heritage. Heritage surveys may also be required. Even where a petroleum permit has been granted, areas within the permit may be sterilised from exploration or production activity.
Community Opposition Risk	Disapproval by local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial

Risk Category	Risk
	performance of the Company. Such actions taken by disaffected members of the community may include the commencement of legal proceedings, media campaigns and protest.
Regulatory Risk	The Company must comply with relevant laws and regulations in each jurisdiction in which it operates as it applies to the environment, tenure, land access, landholders and native title holders. Non-compliance with these laws and regulations and any special licence conditions could result in suspension of operations, loss of permits or financial penalties. Noncompliance may impact the Company's ability to commercialise or retain its assets, which may in turn impact its operational and financial performance. Changes to these requirements (including, for example, new requirements relating to climate change, environmental protection and energy policy) may restrict or affect the Company's right or ability to conduct its exploration and development activities. No assurance can be given that such title and access rights are not subject to unregistered, undetected or other claims or interests which could be materially adverse to the Company's Projects. Further titles or access rights may be disputed, which could result in costly litigation or disruption of the Company's operations. The exploration of the Company's Projects is dependent upon the maintenance (including renewal) of the relevant permits. Maintenance of the Permits is dependent on, among other things, meeting the Permit conditions imposed by the relevant authorities including compliance with work program and expenditure requirements. No assurance can be given that such work program and expenditure requirements have been met prior to the Company acquiring the Permits.
Climate Change Risk	There has been increasing concern by the public and regulators globally on climate change issues. As an oil and gas exploration company, the Company is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for gas declines, the Company will find it difficult to commercialise any resources it discovers. Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. Physical risks, depending on their severity, could delay or prevent the Company's ability to conduct exploration and development activities. The transition and

Risk Category	Risk
	physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect the Company operating and financial performance.
Renewables sector risk	The global renewable energy sector is in its infancy and technologies are rapidly changing. The costs associated with setting up a renewable energy project are also significant. As the Company is only exploring the potential feasibility of entering into this sector, there is a risk it may not be successful with its endeavours to become a local or global player in this sector.
Growth Strategy and reduced carbon Emissions Risk	There is a risk that the Company may not be able to execute its proposed growth strategy, which includes: (a) failure of exploration activities to find suitable drilling targets and commercial discoveries in the Northern Territory and Queensland assets; (b) de-risking the potential prospective resources when identified within its highly prospective acreage in the Northern Territory and Queensland; and/or (c) failure to adopt sustainable practices including the company's vision of achieving net zero emissions. Failure to achieve growth strategies are subject to internal and external influences and could be caused by legal, regulatory and policy developments, failure to discover and commercially extract resources or other risks which are identified in section 6. In addition, the Company's planned achievement of becoming a net zero emissions (Scope 1 and Scope 2) producer of hydrocarbons will depend on the Company being able to sustainably and financially manage its carbon emissions, these plans could be impacted by availability of future revenues to fund various zero carbon initiatives, technological developments affecting operations, market pricing of carbon offsets and costs of implementing planned sustainable practices. In the event of a failure to execute its growth strategy either in part or as a whole, the Company's business and growth prospects may be adversely impacted.
Funding and additional need for capital	The funds raised under the IPO capital raising are considered sufficient to meet the immediate objectives of the Company. To support its ongoing operations and implementation of strategies, further funding may be required by the Company in the event that costs exceed estimates. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of either or both of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of the permits comprising the Projects.

Risk Category	Risk
Operational Risk and Health & Safety	Hydrocarbon development activities traditionally involve numerous operational risks, including but not limited to, adverse weather conditions, environmental hazards, environmental damage, unexpected increases in development costs, delays in long lead items or equipment, accidents (including, for example, personnel injury, explosions, fires, uncontrolled releases, spills), equipment failure, industrial disputes, technical issues, Logistics management failure, labour issues and other unexpected events. Drilling operations, in particular, carry inherent risk associated with it, for example, unexpected geological and reservoir conditions, blowouts, mechanical failures, human error and many other factors. The occurrence of an operational risk event could also result in damage to, or destruction of, drilling and workover rigs, production facilities, personal injury, environmental damage, increase operational costs and significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its exploration programs and create major incidences and legal challenges.

6.3 Industry specific risks

Risk Category	Risk
Exploration costs	The exploration costs of the Company as summarised in Section 5.11 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.
Resource and reserves and exploration targets	The Company intends to identify a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data, however, exists to define a resource at this time on any of the Projects. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted. Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information

Risk Category	Risk
	or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.
Grant of future authorisations to explore and mine	If the Company discovers an economically viable resource or reserve that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to exploit that resource or reserve. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.
Environmental	The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced project development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Any project development operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of project exploration and development. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations. The disposal of waste materials and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.
Decommissioning	If the Company successfully discovers and develops hydrocarbons, decommissioning and rehabilitation costs will likely be incurred at the end of the operating life of the asset. The scope and timing of decommissioning costs are uncertain and can vary due to a number of factors, including changes to legal and regulatory requirements, or improvement to decommissioning methodology.

Risk Category	Risk
	Unfavourable changes in decommissioning costs and associated provisions could adversely impact project economics.

6.4 General risks

Risk Category	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities of the Company cannot be funded, there is a risk that the certain permits or assets of the Company may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.

Risk Category	Risk
Competition risk	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
Currently no market	There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer. The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.
Market conditions	Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock

Risk Category	Risk
	market, and in particular securities of petroleum exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance. Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 5.14 for further details on the Shares likely to be classified by the ASX as restricted securities.
Commodity price and volatility and exchange rate risks	If the Company achieves success leading to oil and/or gas production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for oil and gas, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.
Government policy changes	Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Queensland and the Northern Territory may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.
Insurance	The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with oil and gas exploration and production is not always available and where available the costs can be prohibitive.
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war,

Risk Category	Risk
	subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.
Litigation Risks	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

6.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

7. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

7.1 Directors and key personnel

The Board of the Company consists of:

(a) **Emmanuel Correia (B.Bus, ACA)** – *Non-Executive Chairman*

Mr Emmanuel Correia has over 25 years' public company and corporate finance experience in Australia, North America and the United Kingdom and is a founding director of Peloton Capital and Peloton Advisory.

Mr Correia is an experienced public company director/officer and, prior to establishing Peloton Capital in 2011, he was a founder and major shareholder of Cardrona Capital which specialised in providing advisory services to the small/mid cap market in Australia. Cardrona was acquired by a UK backed private advisory firm seeking advisory capabilities in Australia.

Mr Correia has also held various senior positions with Deloitte and other boutique corporate finance houses.

Mr Correia's key areas of expertise include IPOs, secondary capital raisings, corporate strategy, structuring, mergers and acquisitions and corporate governance.

Mr Correia is currently a non-executive director of BPM Minerals Limited, Ookami Limited and Pantera Minerals Limited. Mr Correia is also the Company Secretary of Bluglass Limited. In the past 3 years, Mr Correia has also been a director of the following ASX listed entities: Argent Minerals Ltd, Canyon Resources Ltd and Orminex Ltd.

The Board considers that Mr Correia is an independent director.

(b) **Oliver Oxenbridge (BA (Philosophy, Politics and Economics) UPenn)** – *Managing Director*

Mr Oliver Oxenbridge has over 10 years of experience in the international oil and gas and broader energy space across investment banking, private equity, and corporate development. He has been involved in numerous large and mid-cap M&A transactions as both advisor and investor, with global experience spanning deal sourcing, structuring, execution and asset management.

Mr Oxenbridge's has recently been focused on corporate M&A, portfolio rationalisation and inorganic growth strategies with Woodside Energy Limited. He was involved in the execution and completion of multiple asset acquisitions and played a central role in the company's ongoing asset disposal activities.

Prior to Woodside, Mr Oxenbridge worked for Waha Capital International (WCI), an energy dedicated private equity vehicle of Waha Capital. Throughout his time at WCI, he took a leading role in sourcing and executing investment opportunities across the oil and gas value chain in the MENA region. Investments included upstream companies, oil field services and petroleum product import terminals. Before joining WCI, Mr Oxenbridge worked in the internal M&A and corporate development team of Ophir Energy focusing on corporate M&A, large portfolio

acquisition and new ventures. Mr Oxenbridge started his career at Evercore Partners, a US boutique investment bank, focusing on Energy and Infrastructure M&A. Throughout his time at Evercore, Mr Oxenbridge advised on a range of M&A transactions, including the disposal of a 20% interest in Ophir Energy's flagship gas assets in Tanzania for U\$1.3bn.

Mr Oxenbridge has a BA degree in Philosophy, Politics and Economics from the University of Pennsylvania in the United States.

The Board considers that Mr Oxenbridge is not an independent Director.

(c) **Greg Lee (Associateship in Civil Engineering and a chartered Professional Engineer) – Executive Technical Director**

Mr Lee is a Petroleum Engineer and has over 35 years of diversified oil and gas experience in both technical and managerial positions. The main focus of his responsibilities has been on acquisitions and divestments, project management, planning and supervision, oil and gas field development and operation, production technology and reservoir enhancement, field operations, drilling and completions activities, exploration activities, carbon dioxide capture and storage. Mr Lee also has a very keen interest in renewable and sustainable energy and best practices. Mr Lee is a chartered professional engineer (CPEng) and a member of the Society of Petroleum Engineers (MSPE) and has been an independent petroleum engineer consultant since 1992 having worked with both large and small organisations (both as operators and non-operators) in Australia and numerous countries worldwide. Mr Lee has been involved with the listing and management of public listed companies on both AIM and the ASX since 2003.

Mr Lee is currently an Executive Director of ASX listed entity Doriemus PLC.

The Board considers that Mr Lee is not an independent Director.

(d) **Richard Lampe (BBus (Acct), Post Gra) – Proposed Non-executive Director**

Mr Lampe has over 15 years of experience across financial services, agribusiness and natural resources. He brings to the table many skills and capabilities including asset identification, due diligence, stakeholder reporting, strategic and business planning, feasibility studies and business case development.

Professional experience includes eight years with Goldman Sachs JBWere in financial services, five years in professional services including with EY, three years as a commercial analyst with a subsidiary of Marubeni Australia as well as having active involvement in his family mixed farming business.

Mr Lampe is a founding shareholder and Executive Director of a leading corporate advisory and sophisticated intermediary in Paraguay with the main sectors focusing on being agribusiness, forestry, industrial services, and infrastructure.

Mr Lampe holds a Bachelor of Business (ACCT) and post graduate qualifications in Agribusiness and Applied Finance.

Mr Lampe is not a director of any ASX listed Companies.

The Board considers that Mr Lampe will not be an independent director as he, pursuant to a nomination by McKam, will be appointed as a director of Territory Gas. For further details refer to Section 8.2.7 for a summary of the TG Project JV Agreement.

Key management

Shane Hartwig – *Company Secretary*

Mr Hartwig is a Certified Practicing Accountant and Chartered Company Secretary and holds a Bachelor of Business degree, majoring in Accounting and Taxation from Curtin University of Technology in Western Australia.

Mr Hartwig is involved in the areas of initial public offerings, capital raisings, prospectus and information memorandum preparation and project management, Company assessments and due diligence reviews, mergers and acquisitions and providing general corporate advice and is currently Non-Executive Director of ASX listed Memphasys Limited.

Mr Hartwig has over 20 years' experience in the finance industry both nationally and internationally with exposure to both the debt and equity capital markets.

Michelle Kennedy – *Chief Financial Officer*

Michelle Kennedy is a Manager at Meridian Corporate Consultants with extensive experience in audit and assurance, financial reporting and corporate accounting across a wide range of industries. Michelle is a qualified Chartered Accountant.

Michelle was previously a manager at PricewaterhouseCoopers Perth (PwC) and has over 7 years' experience in audit and assurance. During her time at PwC she completed a secondment in Toronto, Canada working with clients in both Mining and Banking sectors. Her roles in audit and assurance have given her experience in wide range of industries, mostly specialising in the Mining and Resources industry. She has extensive experience working with both ASX listed and large private companies. Her most recent experience includes a role at Wesfarmers in the statutory reporting team where she was involved in system implementation, preparation of statutory financial reports, board reporting and preparation of technical accounting advice.

Michelle holds a Bachelor of Commerce degree from the University of Western Australia majoring in Financial Accounting and Corporate Finance with a minor in Business Law and is a member of the Institute of Chartered Accountants Australia and New Zealand.

7.2 Disclosure of interests

Remuneration

Given that the Company was incorporated on 25 May 2021, the Directors did not receive any remuneration for the financial year ended 30 June 2021.

Director	Remuneration for the year ended 30 June 2021 ¹	Remuneration for the year ending 30 June 2022
Emmanuel Correia	Nil	\$66,000 ²
Oliver Oxenbridge	Nil	\$145,833 ³
Greg Lee	Nil	\$50,000 ⁴
Richard Lampe ⁵	Nil	\$20,000 ⁵

Notes:

1. The Company was incorporated on 25 May 2021.
2. Includes per annum base salary or directors' fees (as applicable).
3. Includes per annum base salary or directors' fees (as applicable), pro-rated for 10 months ended 30 June 2022.
4. Includes an estimate of per annum base consulting fees or directors' fees (as applicable), pro-rated for 10 months ended 30 June 2022.
5. Includes per annum base salary or directors' fees (as applicable), pro-rated for 6 months to 30 June 2022 (assuming an admission date of 1 January 2022).

Interests in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors and proposed Directors have relevant interests in securities of the Company as follows:

Director	Shares	Options ²	Performance Rights	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Emmanuel Correia ¹	750,001	1,750,000	Nil	3.43%	5.28%
Oliver Oxenbridge	150,000 ⁴	150,000	3,000,000	0.69%	6.97%
Greg Lee	Nil	1,500,000	Nil	Nil	3.17%
Richard Lampe ³	150,000 ⁵	150,000	Nil	0.69%	0.63%

Notes:

1. 1 share held directly by Mr Correia acquired on incorporation of the Company with the balance of the securities held by Cardrona Energy Pty Ltd] (an entity which Mr Correia is a director of). 750,000 Shares were acquired under a pre-IPO financing round by the Company through the issue of Shares at \$0.02 each (and free attaching Options). 1,000,000 Options were issued as part of Mr Correia's remuneration package as a Director.
2. All Options held by the Directors have an exercise price of \$0.30 and an expiry date of 30 November 2025 (with no vesting criteria).
3. Mr Lampe will be issued 500,000 Options upon listing as part of Mr Lampe's remuneration package as a Director.
4. 150,000 Shares were acquired under a pre-IPO financing round by the Company through the issue of Shares at \$0.10 each (and free attaching Options).

5. 150,000 Shares were acquired under a pre-IPO financing round by the Company through the issue of Shares at \$0.10 each (and free attaching Options).

Post-completion of the Offer – Minimum Subscription

On completion of the Offer, assuming no Directors or proposed Directors participate in the Offer, the Directors will have relevant interests in securities of the Company as follows:

Director	Shares	Options ²	Performance Rights	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Emmanuel Correia ¹	750,001	1,750,000	Nil	1.08%	2.08%
Oliver Oxenbridge	150,000	150,000	3,000,000	0.22%	2.75%
Greg Lee	Nil	1,500,000	Nil	Nil	1.25%
Richard Lampe	150,000	650,000	Nil	0.22%	0.54%

Notes:

1. 1 share held directly by Mr Correia acquired on incorporation of the Company with the balance of the securities held by Cardrona Energy Pty Ltd] (an entity which Mr Correia is a director of). 750,000 Shares were acquired under a pre-IPO financing round by the Company through the issue of Shares at \$0.02 each (and free attaching Options). 1,000,000 Options were issued as part of Mr Correia's remuneration package as a Director.
2. All Options held by the Directors have an exercise price of \$0.30 and an expiry date of 30 November 2025 (with no vesting criteria).

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

7.3 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 8.3.

7.4 Corporate governance

(a) **ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.topendenergy.com.au.

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;

- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

Upon listing, the Board will consist of four Directors (two non-executive Directors and two executive Directors) of whom Mr Correia is considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective

contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee and Risk Management committee**

The Company will not have a separate audit and risk management committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.

8. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

8.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Inyati Capital Pty Ltd to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Scope of Work / Services	The Lead Manager has agreed to provide lead manager services to the Company with respect to the Offer. These services may include some or all the following: (a) assisting in the development of an equity capital markets strategy; (b) identifying and evaluating potential growth strategies; (c) assisting with the drafting of major ASX releases; (d) arranging roadshow presentations with a view to maximising the Company's share price; (e) assisting with short- and medium-term funding strategies; and (f) other strategic, corporate or financial advice as may reasonably be required.
Fees	Under the terms of this engagement the Company will: (a) pay the Lead Manager a 6% capital raising fee on funds raised under the Prospectus; and (b) issue to the Lead Manager (or its nominee) 4,800,000 unlisted options in the Company with a strike price of \$0.30 and expiry date of 30 November 2025. The Company will also pay all reasonable disbursements and expenses relating to or arising from the engagement. The Lead Manager will seek approval from the Company before incurring any single expense greater than \$2,000.
Term	The Lead Manager's engagement commenced on 1 October 2021 and will terminate on 1 March 2022, or by agreement of both parties in writing.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.2 Acquisition Agreements

8.2.1 Tri-Star Sale and Purchase Agreement

Tomorrow Energy entered into a sale and purchase agreement with Tri-Star (**Tri-Star Sale and Purchase Agreement**), pursuant to which Tri-Star has agreed to sell and Tomorrow Energy has agreed to purchase ATP 1069 (**Permit**). The material terms and conditions of the Tri-Star Sale and Purchase Agreement are summarised below:

Consideration	In consideration for the sale of the Permit and the related disclosure materials, Tomorrow Energy has agreed to: (a) pay Tri-Star the sum of \$1; (b) grant Tri-Star (or its nominee) an overriding royalty of two percent (2%), pursuant to a royalty deed to be entered into between the parties (Refer to Section 8.2.4 for further details); and (c) enter into a deed of covenant with Tri-Star and Seymour Energy and a royalty mortgage with Tri-Star, in respect to the Permit.
Condition Precedent	Completion of the Tri-Star Sale and Purchase Agreement is conditional on Tri-Star receiving approval from the relevant Minister for the transfer of the Permit from Tri-Star to Tomorrow Energy pursuant to the applicable provisions of the <i>Mineral and Energy Resources (Common Provisions) Act 2014</i> (Qld) (Ministerial Approval).
Termination	Either party may terminate the Tri-Star Sale and Purchase Agreement immediately by written notice to the other party if: (a) the Minister provides written notice that they refuses to grant the Ministerial Approval; or (b) the Minister provides written notice that they grants Ministerial Approval, but such grant is on conditions that are unacceptable to Tri-Star and Tomorrow Energy, acting reasonably; or (c) the Condition precedent is otherwise not satisfied within twelve months of the date of the Sale Purchase Agreement. The parties may otherwise terminate the Tri-Star Sale Purchase Agreement, prior to completion by giving notice to the other party if, in relation the Permit: (a) a warranty given by a party under the Sale and Purchase Agreement is not true or correct in a material respect; (b) a party commits a material breach of the Sale and Purchase Agreement and such breach is incapable of remedy or the party has failed to remedy the breach within twenty Business Days of receiving notice from the other party requiring to do so; or (c) an insolvency event occurs in respect of a party.

The Tri-Star Sale and Purchase Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.2.2 Deed of Covenant

As part consideration for the Tri-Star Sale and Purchase Agreement, Tri-Star and Seymour Energy are required to enter into a deed of covenant with Tomorrow Energy (**Deed of Covenant**). Pursuant to the Deed of Covenant, Tri-Star has assigned its rights and obligations under the royalty deed entered into between Tri-Star and Seymour Energy dated 11 October 2016 (**Seymour Royalty Deed**) and Tomorrow Energy has agreed to become bound by the terms of the Seymour Royalty Deed as a grantor to the extent of the assigned interest (being a 100% interest in the Permit). The material terms and conditions of the Deed of Covenant are summarised below:

Assumption of Rights and Obligations	From the date the Condition Precedent is satisfied, Tomorrow Energy will enjoy all the rights and benefits of a grantor under the Royalty Deed and agrees and covenants with Seymour Energy, the royalty holder and Tri-Star to observe and assume all of the liabilities and obligations of those parties under the Royalty Deed which arise or accrue on and from settlement of the Sale and Purchase Agreement.
Condition Precedent	The obligations of the parties under the Deed of Covenant are subject to Tri-Star obtaining all authorisations in respect of the registration of the transfer of the Permit in the name of Tomorrow Energy.

The Deed of Covenant otherwise contains provisions considered standard for an agreement of its nature.

8.2.3 Seymour Royalty Deed

The material terms and conditions of the Seymour Royalty Deed are summarised below:

Royalty	Pursuant to the terms of the Seymour Royalty Deed, Tri-Star agreed to grant Seymour Energy a royalty interest of 3.125% of the value of petroleum upon which the State royalty under the <i>Petroleum and Gas (Production and Safety) Act 2004</i> (Act) is calculated as determine in accordance with the Act and regulations thereunder, but without deducting the amount of that State royalty, produced and sold from the Permit.
Calculation and Payment	The Royalty shall be calculated and payable for each period under the Act in respect of which the royalty payable to the State is calculated (Royalty Period), within twenty business days of the end of each Royalty Period.

The Seymour Royalty Deed otherwise contains provisions considered standard for an agreement of its nature.

8.2.4 Tri-Star Royalty Deed

As part consideration for the Tri-Star Sale and Purchase Agreement, Tomorrow Energy was required to enter into a royalty deed with Tri-Star (**Tri-Star Royalty Deed**). Pursuant to the terms of the Tri-Star Royalty Deed, Tomorrow Energy has agreed to grant Tri-Star a royalty in relation to the area that is the subject of the Permit (**Royalty Area**). The material terms and conditions of the Royalty Deed are summarised below:

Royalty	Tomorrow Energy grants Tri-Star a royalty of two percent (2%) of the revenue received by Tomorrow Energy or its related bodies corporate or related entities, from petroleum produced from the Royalty Area without reduction for any royalty payable under the Act or any costs, with the volume and value of the petroleum to be measured and determined at the delivery point.
Calculation and Payment	Within twenty business days after the end of each financial quarter, Tomorrow Energy must: (a) calculate the Royalty payable for that quarter if any; (b) provide Tri-Star with a statement in respect of that quarter, even if there is no Royalty payable; and (c) if the Royalty is payable, pay to Tri-Star the Royalty due by it for that quarter.
Condition Precedent	The obligations of the parties under the Royalty Deed are subject to completion of the Tri-Star Sale and Purchase Agreement.

The Royalty Deed otherwise contains provisions considered standard for an agreement of its nature.

8.2.5 Tri-Star Royalty Mortgage

As part consideration for the Sale and Purchase Agreement, Tri-Star and Tomorrow Energy were required to enter into a mortgage to secure the rights and interests of Tri-Star under the Royalty Deed (**Royalty Mortgage**). Pursuant to the terms of the Royalty Mortgage, Tomorrow Energy has agreed to grant a mortgage in favour of Tri-Star over the Permit and to register the mortgage with Queensland Government Department of Resources

8.2.6 TG Acquisition Agreement

On 4 November 2021, the Company entered into an amended and restated binding heads of agreement with McKam, pursuant to which the Company has agreed to acquire 100% of the shares in NT Holdco from McKam. The TG Acquisition Agreement acts as a variation and replacement of the binding heads of agreement entered into between the parties on 17 June 2021. The material terms and conditions of the TG Acquisition Agreement (as varied) are summarised below:

Acquisition	Subject to the satisfaction of the Conditions Precedent, the Company agrees to acquire and McKam agrees to sell free from encumbrances 100% of the shares in NT Holdco, being 5,000 fully paid ordinary shares.
Consideration	In consideration for the Acquisition, the Company agrees to: (a) upon the settlement of the acquisition (Settlement), issue 15,750,000 fully paid ordinary shares in the capital of the Company to McKam at a deemed issue price of \$0.20 each; and (b) upon satisfaction of each of the below events (each, a Milestone) issue the following to McKam as deferred consideration (Deferred Consideration):

	(i) 6,500,000 Shares: in the event EPA 257, EPA 258 and EPA 259 are granted, within 18 months of Settlement (Milestone 1); (ii) 6,500,000 Shares: in the event that Territory Gas, one of the subsidiaries or any one or more, collectively of the Joint Venture SPVs completes an independent estimate of prospective resources of 5TCF of gas or greater on the NT Permits (as verified by an independent competent person in accordance with SPE-PRMS guidelines) within two (2) years of Settlement (Milestone 2); and (iii) 6,500,000 Shares: in the event that Territory Gas, one of the subsidiaries or any one of the Joint Venture SPVs spuds at least one well on the NT Permits is spudded within four (4) years of Settlement (Milestone 3). The Deferred Consideration will be issued (as the case may be) as soon as practicable following satisfaction of the relevant Milestone. If any milestone is not achieved by its stated due date set out above, then the Deferred Consideration attached to the specific Milestone will lapse.
Condition Precedent	The completion of the TG Acquisition Agreement remains conditional upon the lodgement of this Prospectus and the Company receiving ASX conditional approval for its Shares to be granted official quotation before 31 January 2022.
Permits	Territory Gas is through its subsidiaries (NT Gas Aust and Territory Gas Aust) the legal and beneficial owner of the following applications for onshore exploration permits located in the Northern Territory EP256, EP279, EP265, EP282, EP257, EP294, EP275, EP295, EP281, EP280, EP285, EP284, NTC/P14, EP276, EP274, EP277, EP283, EP254, EP278, EP260, EP262, EP261, EP314, EP313, EP259, EP312, EP258, EP263, EP264 and EP315 (NT Permits).

The TG Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature.

8.2.7 TG Project JV Agreement

The Company proposes to enter into a shareholders' agreement with McKam and NT Holdco (**TG Project JV Agreement**) to give effect to mutual intentions of the Company and McKam with respect to the management and operations of Territory Gas following Settlement of the TG Acquisition Agreement. A summary of the material terms and conditions of the TG Project JV Agreement is set out below:

Objectives	The objectives of the parties in entering into the agreement are: (a) to set out the terms on which the Company will manage and conduct the business; (b) to outline the Company's decision making and corporate governance procedures; and
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	(c) to ensure that the business is managed to maximise the Company's value and achieve economic returns for shareholders.
Directors	Subject to the terms of the agreement, as at the date of completion under the TG Acquisition Agreement (Start Date) the board of Territory Gas shall comprise: (a) Oliver Oxenbridge and Greg Lee as the nominees of NT Holdco; and (b) Richard Lampe as the nominee of McKam.
Manager	With effect from the Start Date and for so long as NT Holdco (or a related company of NT Holdco) holds no less than 50% of the Shares in Territory Gas, NT Holdco may appoint itself, the Company or any related party of the Company as the manager of Territory Gas' operations.
Change of Control of Shareholder	If a change of control occurs in respect of a shareholder, then, unless the other shareholders agree otherwise, such shareholder (Changed Shareholder) is deemed: (a) to have offered to sell its shareholder interest to all other Shareholders at the time of the change of control free from any encumbrance at a purchase price (Price) equal to the lower of the effective or implied price paid by a third party and a fair market value of its shareholder Interest as agreed between the Changed Shareholder and all other shareholders, or failing agreement within 14 days, as determined by a valuer; (b) each shareholder has 60 days from the date that the Price is agreed to accept the offer; (c) if the offer is not accepted within this period, then the Changed Shareholder may retain the shareholder interest; and (d) if the offer is accepted, completion of the sale and purchase must occur within 60 days after acceptance.
Pre-Emptive Rights	Before selling any Company shares, the shareholder proposing to sell the Company shares (Proposing Transferor) must give a notice (Transfer Notice) to the other Shareholders and to the Company that it wants to transfer the Company shares specified in the Transfer Notice. Any other shareholder entitled to accept the offer may, accept the offer by giving notice to the Proposing Transferor prior to the last day of the offer period.

The TG Project JV Agreement otherwise contains provisions considered standard for an agreement of its nature.

8.3 Agreements with Directors, management and related parties

8.3.1 Managing Director Executive Services Agreement - Oliver Oxenbridge

The Company has entered into an executive services agreement with Oliver Oxenbridge under which Mr Oxenbridge will act the managing director of the Company (**Oxenbridge Executive Services Agreement**).

The material terms of the Oxenbridge Executive Services Agreement are summarised below:

Remuneration	Mr Oxenbridge will be paid a base salary of \$175,000 per annum.																			
Term	Mr Oxenbridge's employment commenced on 1 September 2021 (Commencement Date) and will continue until his employment is terminated in accordance with the termination clauses summarised below.																			
Performance Rights	The Company has issued Mr Oxenbridge 3,000,000 Performance Rights under the Company's Performance Right Plan. The Performance Rights will have the following vesting conditions: (a) all Performance Rights will have time vesting criteria, such that Mr Oxenbridge must be employed by the Company for a minimum period of 24 months in order for any of the Performance Rights to vest; and (b) otherwise, the Performance Rights will have the following performance milestone vesting criteria: <table><tr><th>Number of Performance Rights</th><th>Vesting criteria</th><th>Last date to achieve vesting criteria</th></tr><tr><td>750,000</td><td>Grant of an exploration permit in respect of the NT Assets.</td><td>Within 18 months of the Commencement Date</td></tr><tr><td>750,000</td><td>Undertaking and successfully completing a seismic acquisition campaign on one of the Company's Existing Assets.</td><td>Within 36 months of the Commencement Date</td></tr><tr><td>500,000</td><td>Shares achieving a VWAP of at least \$0.30 for 20 consecutive trading days.</td><td>Within 12 months of the date of the Company's listing on the ASX</td></tr><tr><td>500,000</td><td>Shares achieving a VWAP of at least \$0.40 for 20 consecutive trading days.</td><td>Within 24 months of the date of the Company's listing on the ASX</td></tr><tr><td>500,000</td><td>Shares achieving a VWAP of at least \$0.50 for 20 consecutive trading days.</td><td>Within 36 months of the date of the Company's listing on the ASX</td></tr></table>		Number of Performance Rights	Vesting criteria	Last date to achieve vesting criteria	750,000	Grant of an exploration permit in respect of the NT Assets.	Within 18 months of the Commencement Date	750,000	Undertaking and successfully completing a seismic acquisition campaign on one of the Company's Existing Assets.	Within 36 months of the Commencement Date	500,000	Shares achieving a VWAP of at least \$0.30 for 20 consecutive trading days.	Within 12 months of the date of the Company's listing on the ASX	500,000	Shares achieving a VWAP of at least \$0.40 for 20 consecutive trading days.	Within 24 months of the date of the Company's listing on the ASX	500,000	Shares achieving a VWAP of at least \$0.50 for 20 consecutive trading days.	Within 36 months of the date of the Company's listing on the ASX
Number of Performance Rights	Vesting criteria	Last date to achieve vesting criteria																		
750,000	Grant of an exploration permit in respect of the NT Assets.	Within 18 months of the Commencement Date																		
750,000	Undertaking and successfully completing a seismic acquisition campaign on one of the Company's Existing Assets.	Within 36 months of the Commencement Date																		
500,000	Shares achieving a VWAP of at least \$0.30 for 20 consecutive trading days.	Within 12 months of the date of the Company's listing on the ASX																		
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500,000	Shares achieving a VWAP of at least \$0.50 for 20 consecutive trading days.	Within 36 months of the date of the Company's listing on the ASX																		

Termination by Mr Oxenbridge	Mr Oxenbridge may terminate his employment: (a) if at any time the Company commits any serious or persistent breach of the Oxenbridge Executive Services Agreement, and the breach is not remedied within 20 business days of the Company's receipt of written notice; or (b) by giving three month's written notice.
Termination by the Company	The Company may terminate Mr Oxenbridge's employment by giving: (a) three months' written notice in writing or by paying an amount equivalent to 3 month's base salary; or (b) by giving not less than two months' written notice if Mr Oxenbridge is incapacitated or is unable to perform his duties for a period of two consecutive months or an aggregate of two months during any 12 month period; (c) by giving two months' written notice for standard events including where Mr Oxenbridge engages in gross misconduct, is found guilty of wilful misconduct or neglect or commits any material or wilful or persistent breach of the Oxenbridge Executive Services Agreement; or (d) without notice at any time Mr Oxenbridge is convicted of any major criminal offence which brings the Company into lasting disrepute or breaches the Company's internet, email or whistle blower policies, or discloses price sensitive information.

The Managing Director's Executive Services Agreement otherwise contains provisions considered standard for an agreement of its nature.

8.3.2 Non-executive Director appointments

Emmanuel Correia and Richard Lampe have entered into appointment letters with the Company to act in the capacity of non-executive Chairman and Non-Executive Director respectively. These Directors will receive the remuneration set out in Section 7.2.

8.3.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

8.3.4 Peloton Pre-IPO Management Agreement

The Company has entered into a pre-IPO management agreement with Peloton Advisory Pty Ltd (ABN 25 1524 63753) (**Peloton Advisory**) to provide management services to the Company (**Peloton Pre-IPO Management Agreement**).

Emmanuel Correia is a director of Peloton Advisory. Mr Correia recused himself from all negotiations and did not vote on the Company's entry into the Peloton

Pre-IPO Management Agreement. Instead, Greg Lee, whom is not a director or shareholder of Peloton Advisory, resolved to approve the Peloton Pre-IPO Management Agreement.

The material terms and conditions of the Peloton Pre-IPO Management Agreement are summarised below:

Scope of Work / Services	Peloton Advisory has agreed to provide pre-IPO management services to the Company. These services include, but are not limited to the following: (a) assist with due diligence activities in relation to the assets to be acquired; (b) attend and participate as invitees/ members of the committee in all due diligence committee meetings; (c) performance of pre-IPO executive duties; and (d) other matters as required by the Company.
Fees	Under the terms of the agreement, the Company will pay the Peloton Advisory a fee of between \$40,000 to \$50,000. The Company will also pay all reasonable disbursements and expenses relating to or arising from the engagement. Peloton Advisory will seek approval from the Company before incurring any single expense greater than \$1,000.

The Peloton Pre-IPO Management Agreement otherwise contains provisions considered standard for an agreement of its nature.

8.4 S3 Services Agreement

The Company entered into a services agreement with S3 Consortium Pty Ltd (ACN 135 239 968) (**S3**) (**S3 Services Agreement**) pursuant to which S3 agreed to provide the Company digital marketing services. The material terms and conditions of the S3 Services Agreement are summarised below:

Scope of Work / Services	S3 has agreed to provide digital marketing and promotional services to the Company.
Fees	Under the terms of this engagement, the Company agreed to pay S3 a total fee of \$375,000 plus GST. As agreed by the Company and S3, the \$375,000 fee was paid by the Company by the issue of 1,875,000 Shares in the Company at a deemed issue price of \$0.20 per Share. The GST component was paid in cash.
Term	The term of the S3 Services Agreement is for a period of twenty-four (24) months from the date the Company is admitted to the Official List.
Termination	The S3 Services Agreement may be terminated by either party: (a) in the event of default of a term of the agreement and the defaulting party failing to remedy the default within fourteen (14) days; or (b) by not giving less than forty-five (45) days written notice of termination.

The S3 Services Agreement otherwise contains provisions considered standard for an agreement of its nature.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

9.3 **Rights and liabilities attached to Options**

The terms and condition of all Options on issue are set out below:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph 9.3(j), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) 30 November 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

9.4 **Rights and liabilities attached to Performance Rights**

The terms and conditions of the proposed Performance Rights are set out below:

(a) **Vesting Criteria**

The Performance Rights shall vest when the following vesting conditions have been achieved:

- (i) a time vesting condition, such that Mr Oxenbridge must be employed by the Company for a minimum period of 24 months in order for any of the Performance Rights to vest; and
- (ii) otherwise the Performance Rights will have the following performance milestone vesting criteria:

Number of Performance Rights	Milestone	Vesting Deadline
750,000	Grant of an exploration permit in respect of the permit applications held by either NT Gas Aust and/or Territory Gas Aust at the time the Company lists on ASX.	18 months of commencement
750,000	Undertaking and successfully completing a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on ASX.	36 months of commencement
500,000	The Company's shares as traded on ASX achieving a VWAP of at least 150% of initial public offering (IPO) issue price for 20 consecutive trading days.	12 months of the date of the Company's listing on the ASX
500,000	The Company's shares as traded on ASX achieving a VWAP of at least 200% of IPO issue price for 20 consecutive trading days.	24 months of the date of the Company's listing on the ASX
500,000	The Company's shares as traded on ASX achieving a VWAP of at least 250% of IPO issue price for 20 consecutive trading days.	36 months of the date of the Company's listing on the ASX

(b) **Vesting Deadline**

If the relevant Milestone attached to a class of Performance Rights has not been achieved by the relevant Vesting Deadline, then the relevant Performance Rights will automatically lapse. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant Milestone is met before the relevant Vesting Deadline and the Shares the subject of a conversion are deferred in accordance with paragraph (n) below.

(c) **Notification to holder**

The Company shall notify the holder in writing when the Milestone has been satisfied.

(d) **Conversion**

Subject to paragraph (n) upon vesting and achievement of the relevant Milestone, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the capital of the Company (**Share**).

(e) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(f) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(g) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(h) **Expiry Date**

Each Performance Right shall otherwise expire five (5) years from the date of issue (**Expiry Date**). If the relevant Milestone attached to the Performance Right has been achieved by the Expiry Date, all unconverted Performance Rights of the relevant class will automatically lapse at that time.

(i) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(m) **Change in control**

Subject to paragraph (n), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

that number of Performance Rights that is equal to not more than 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the holders on the same terms and conditions.

(n) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (d) or (m) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (n)(i) within seven days if the Company considers

that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(o) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(p) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(q) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

9.5 Additional Information regarding Performance Rights

The following additional information is provided in respect of the Performance Rights issued to Mr Oliver Oxenbridge:

- (a) 3,000,000 Performance Rights have been issued to Mr Oxenbridge on the terms and conditions set out in Section 9.4 above;
- (b) the Performance Rights were issued to Mr Oxenbridge as part of his remuneration package, in order to link part of the remuneration payable to Mr Oxenbridge to specific performance milestones (set out in Section 9.4(a)) and to align the goals of Mr Oxenbridge with Shareholders. As such, the Performance Rights are not ordinary course of business remuneration securities;
- (c) a summary of the executive services agreement for Mr Oxenbridge is included at Section 8.3.1;
- (d) As an executive Director, Mr Oxenbridge will play a key role in establishing and executing the Company's business model (as set out in Section 5.9), which is directly aligned with the performance milestones for the Performance Rights;

In addition, as managing director, Mr Oxenbridge will be responsible for (amongst other things):

- (i) directing the operations of the Company, formulating the Company's strategic direction and providing recommendations of a strategic nature to Board members;
- (ii) reviewing, approving, implementing and monitoring the business plan and annual budget;
- (iii) contribution to the development of Board and organisational policies;

- (iv) ensuring compliance with legal and regulatory requirements;
 - (v) monitoring risks facing the Company and its operations;
 - (vi) identifying skills required by the Board and potential candidates; and
 - (vii) seeking new opportunities that will fit into the Company's strategy and with the support of the Board, completing any transactions and integrating the new business or product into the Company's operations;
- (e) details of the existing total remuneration package of Mr Oxenbridge are set out in Section 7.2;
- (f) details of the security holdings of Mr Oxenbridge assuming completion of the Offer) are set out in Section 7.2. The Performance Rights were issued to Mr Oxenbridge as an incentive component of Mr Oxenbridge's remuneration package;
- (g) the Company considers it necessary and appropriate to further remunerate and incentivise Mr Oxenbridge to achieve the applicable performance milestones for the following reasons:
- (i) the issue of Performance Rights to Mr Oxenbridge will further align the interests of Mr Oxenbridge with those of Shareholders;
 - (ii) the Performance Rights are unlisted therefore, the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Oxenbridge; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
- (h) the number of Performance Rights to be issued to Mr Oxenbridge was determined by the Board following arm's length negotiations with Mr Oxenbridge, and having regard to:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the number of securities proposed to be held by Mr Oxenbridge;
 - (iii) the remuneration of Mr Oxenbridge; and
 - (iv) incentives to attract and retain the service of Mr Oxenbridge, who has the appropriate knowledge and expertise, while maintaining the Company's cash reserves.

In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities; and

- (i) the Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:
 - (i) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
 - (ii) the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved. The maximum number of Shares which may be issued if the Performance Rights are converted into Shares (following satisfaction of the milestones) is 3,000,000 Shares (refer to paragraph (v) below for further detail regarding the dilutive effect);
 - (iii) there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
 - (iv) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;
 - (v) the Performance Rights represent a small proportion of the Company's issued capital upon listing, representing approximately 4.31% in aggregate on an undiluted basis and 2.50% on a fully diluted basis (assuming the Minimum Subscription is raised under the Offer); and
 - (vi) the Performance Rights have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse.

9.6 Employee Incentive Securities Plan

The Company has adopted an Employee Incentive Securities Plan (**Plan**) to allow eligible participants to be granted Securities in the Company. The principle terms of the Plan are summarised below:

- (a) **Eligible Participant:** Eligible Participant means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

- (b) **Purpose:** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **Invitation and Grant:**
- (i) The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
 - (ii) The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (d) **Vesting**
- Any vesting conditions applicable to the grant of any convertible Securities will be described in the invitation. Unless and until a vesting notice is issued by the Company, those Securities will not be considered to have vested.
- (e) **Exercise**
- To exercise a vested convertible Security issued under the Plan, the Participant must deliver a signed notice of exercise and pay the exercise price (if any) to or as directed by the Company, prior to the expiry date as set out in the invitation or vesting notice.
- A convertible Security may not be exercised unless and until that Security has vested, or such earlier date as set out in the Plan rules.
- (f) **Rights attaching to Plan Shares**
- All Shares issued under the Plan will rank *pari passu* in all respects with the Company's Shares of the same class, such that all Eligible Participants will be entitled to any dividends declared and distributed by the Company on the Shares issued to them, as well as exercising any voting rights attaching to Shares.
- (g) **Maximum number of Securities**
- The Company will not make an invitation under the Plan if the number of Shares that may be issued, or acquired upon exercise of convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under

the Plan, will exceed 5% of the total number of issued Shares at the date of the invitation.

9.7 Information required by ASX Guidance Note 19 – Deferred Consideration Shares

The following additional information is provided with respect to the Deferred Consideration Shares proposed to be issued to Mckam on satisfaction of the Milestones:

- (a) details of the Deferred Consideration Shares are set out in Section 8.2.6;
- (b) Mckam is not a related party of the Company;
- (c) upon the achievement of the relevant Milestone, the relevant number of Deferred Consideration Shares will be issued to Mckam in accordance with the TG Acquisition Agreement . If the applicable Milestone(s) is not met before the relevant expiry dates, the relevant Deferred Consideration Shares will lapse and no new Shares will be issued;
- (d) the proposed issue of the Deferred Consideration Shares to Mckam are included as part of the purchase consideration payable (assuming achievement of the Milestones) so that a portion of the consideration for the TG Acquisition is directly linked to the performance and quality of the Assets being acquired by the Company from admission to the ASX. Each of the Milestones are connected to the Assets of Mckam being acquired and the Company's exploration objectives at the TG Project, protecting Shareholders from the dilutionary impact of issuing the Shares at settlement, without the certainty of having satisfied material performance objectives that are directly related to the asset;
- (e) details of the TG Project are set out in Section 5.7.3, the Technical Advisor's Report and the Title Reports respectively;
- (f) the Board considers that the quantum of the consideration payable to Mckam reflects reasonable fair value of the TG Project. The consideration payable was determined by the Board, following arm's length negotiations with Mckam, having regard to:
 - (i) the value of the TG Project and the Board's assessment of the future prospects of that Project;
 - (ii) recent market examples of comparable transactions;
 - (iii) the proposed market capitalisation of the Company on Admission; and
 - (iv) the fact that part of the consideration payable will be deferred and that the Milestones are directly tied to the performance of the Project and will only be realised in the event that the relevant Milestone is satisfied.

Accordingly, the Board considers the number of Deferred Consideration Shares potentially issuable as being appropriate and equitable;

- (g) all Deferred Consideration Shares are to be (if issued) as fully paid ordinary Shares in the capital of the Company, ranking pari-passu with all other Shares on issue at the time of issue;

- (h) the Deferred Consideration Shares are consistent with the base requirements for performance securities set out in section 9 of ASX Guidance Note 19 (no securities will be issuable until the Milestones are achieved);
- (i) the Deferred Consideration Shares are compliant with sections 10 and 11 of ASX Guidance Note 19 for the following reasons:
 - (i) the number of Deferred Consideration Shares issuable on satisfaction of the relevant Milestone are fixed which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the relevant Milestones are achieved;
 - (ii) the Milestones are objectively fair and reasonable. None of the examples set out in section 10 of ASX Guidance Note 19 that are unacceptable to ASX apply to the Deferred Consideration Shares;
 - (iii) there is an appropriate and demonstrable nexus between each of the Milestones and the Acquisition, as illustrated by the following:
 - (A) the Deferred Consideration Shares will be issued to the Vendor (or its nominee), assuming achievement of the Milestones, as part consideration for the sale of the Tenement. Accordingly, the Milestones are linked to results of exploration and drilling to be undertaken at the TG Project and the economic feasibility of that Project;
 - (B) the Milestones are specifically linked to the operational and financial outcomes attaching to the exploration success at the TG Project which will provide a pathway to further exploration and development at that Project; and
 - (C) the Milestones are directly tied to the performance of the TG Project;
 - (iv) the Milestones are clearly articulated by reference to objective criteria and have reasonable certainty as to the circumstances in which the performance milestones will be taken to have been met.
- (j) an expiry date is set by which the relevant Milestones are to be achieved for the Deferred Consideration Shares to be issued, and if the Milestones are not achieved by those expiry dates, the Deferred Consideration Shares will not be issued to the Vendor; and
- (k) as the Company will apply to be listed on the ASX and the Deferred Consideration Shares (if/when issued) equate to greater than 10% of the proposed number of Shares on issue at the date of admission to the ASX, Section 13 of ASX Guidance Note 19 requires the Independent Expert's Report on Deferred Consideration and Performance Rights be included in this Prospectus (please refer to Annexure D). The Independent Expert has concluded that the issue of the Deferred Consideration Shares under each Milestone is **not fair but reasonable** to non-associated Shareholders.

9.8 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

9.9 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

ERCE Equipose Pte Ltd has acted as Technical Advisor to the Company and has prepared the Technical Advisor's Report which is included in Annexure A. The Company estimates it will pay ERCE Equipose Pte Ltd a total of \$42,000 (US\$31,600) (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, ERCE Equipose Pte Ltd has not received fees from the Company for any other services.

Hopgood Ganim has prepared the Title Report on ATP 1069 which is included in Annexure B. The Company estimates it will pay Hopgood Ganim a total of up to \$25,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Hopgood Ganim has not received fees from the Company for any other services.

Cozens Johansen Lawyers has prepared the Title Report on the TG Project Permits which is included in Annexure B. The Company estimates it will pay Cozens Johansen a total of up to \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Cozens Johansen Lawyers has not received fees from the Company for any other services.

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure C. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of \$16,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Corporate Finance (WA) Pty Ltd has not received fees from the Company for any other services.

BDO Corporate Finance (WA) Pty Ltd has acted as Independent Expert and has prepared the Independent Expert's Report on Deferred Consideration and Performance Rights which is included in Annexure D. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of up to \$35,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Corporate Finance (WA) Pty Ltd has not received fees from the Company for any other services.

Inyati Capital Pty Ltd will receive those fees set out in Section 4.5 following the successful completion of the Offer for their service as Lead Manager to the Offer. Further details in respect to the Lead Manager Mandate with the Lead Manager are summarised in Section 8.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Lead Manager has received \$30,000 in fees for seed capital raising services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$110,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

9.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and

persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

ERCE Equipose Pte Ltd has given its written consent to being named as Technical Advisor in this Prospectus, the inclusion of the Technical Advisor's Report in Annexure A in the form and context in which the report is included.

Hopgood Ganim has given its written consent to be named in this Prospectus as the law firm that prepared the Title Report on ATP 1069 and to the inclusion of that Title Report in in Annexure B in the form and context in which the report is included.

Cozens Johansen Lawyers has given its written consent to be named in this Prospectus as the law firm that prepared the Title Report on the TG Project Permits and to the inclusion of that Title Report in in Annexure B in the form and context in which the report is included.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure C in the form and context in which the information and report is included.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Independent Limited Assurance Report included in Annexure C to this Prospectus in the form and context in which it appears.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as Independent Expert in this Prospectus, the inclusion of the Independent Expert's Report in Annexure D in the form and context in which the report is included.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offer in this Prospectus.

Inyati Capital Pty Ltd has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Automic Group has given its written consent to being named as the share registry to the Company in this Prospectus.

9.11 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$778,206 for Minimum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	(\$)
ASIC fees	3,206
ASX fees	70,000
Lead Manager Fees	384,000
Legal Fees	145,000
Technical Advisor's Fees	42,000 ¹
Due Diligence and Accounting Fees	40,000
Investigating Accountant's Fees	16,000
Independent Expert's Fees	35,000
Auditor's Fees	18,000
Printing and Distribution	5,000
Miscellaneous	20,000
TOTAL	\$778,206

Notes:

1. Based on a fee of US\$31,600 and FX rate of \$0.7524 on 1 November 2021.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Emmanuel Correia
Non-Executive Chairman
For and on behalf of
Top End Energy Ltd

11. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

CCS means carbon capture and sequestration.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **TEE** means Top End Energy Ltd (ACN 650 478 774).

Conditions has the meaning set out in Section 4.6.

Constitution means the constitution of the Company.

Corporations Act means *the Corporations Act 2001* (Cth).

CSG means coal seam gas.

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Lead Manager means Inyati Capital Pty Ltd (ACN 642 351 193) (Corporate Authorised Representative Number: 1287573).

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 8.1.

McKam or **McKam Aust Pty Ltd** means McKam Aust Pty Ltd (ACN 619 865 011) as trustee for the Charlotte Investment Trust.

Minimum Subscription means the minimum amount to be raised under the Offer, being \$6,400,000.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share on the terms set out in Section 9.3.

Performance Right means a performance right convertible into a Share on the terms summarised in Section 9.4.

Petroleum Act means the *Petroleum Act 1984* (NT).

Prospectus means this prospectus.

Projects means the Tri-Star Project, the TG Project and/or any of the green energy projects in which the Company has or intends to have an interest.

Permits means the petroleum permits (including applications) in which the Company or one of its subsidiaries has an interest as set out in Section 5.2 and further described in the Technical Advisor's Report at Annexure A and the Title Reports at Annexure B or any one of them as the context requires.

Proposed Director means Richard Lampe.

Recommendations has the meaning set out in Section 7.4.

Section means a Section of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

TG Acquisition Agreement means the agreement summarised in Section 8.2.6.

TG Project means the project comprising the 29 onshore exploration permit applications and 1 coastal waters application in the Northern Territory which is:

- (a) summarised in Section 5.7.3;
- (b) referred to in the Title Report by Cozens Johansen in Annexure B; and
- (c) referred to in Section 4 of the Technical Advisor's Report in Annexure A.

TG Project JV Agreement means the joint venture agreement summarised in Section 8.2.7.

TG Project Permits means the permits that comprise the TG Project.

Tri-Star Project means the project that comprises ATP 1069 in Queensland and which is:

- (a) summarised in Section 5.7.2;
- (b) referred to in the Title Report by Hopgood Ganim in Annexure B; and
- (c) referred to in Section 3 of the Technical Advisor's Report in Annexure A.

WST means Western Standard Time as observed in Perth, Western Australia.

Summary of the Prospectivity of Certain Exploration Permits, Queensland and the Northern Territory, Australia

P5563

Prepared For: Top End Energy

By: ERCE

Date: 10 November 2021

ERCE

Independent Energy Experts

Approved by: S Easton

Date released to client: 10 November 2021

ERC Equipoise Pte Ltd ("ERCE") has made every effort to ensure that the interpretations, conclusions and recommendations presented in this report are accurate and reliable in accordance with good industry practice. ERCE does not, however, guarantee the correctness of any such interpretations. For the purposes of Sections 716(2) and 729 of the Corporation Act 2001 and in connection with the Prospectus prepared by Top End Energy Ltd, ERCE accepts responsibility for this Report and those sections of the Prospectus which include references to the information contained in this Report. ERCE declares that to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained within this Report is in accordance with the facts and does not omit anything likely to affect the import of such information. ERCE has given its consent to the inclusion of this Report in the Prospectus with the inclusion of its name and references to it in the form and context in which it is included.

This report is produced solely for the benefit of and on the instructions of ERCE's client named in the contract.

The client agrees to ensure that any publication or use of this report which makes reference to ERCE shall be published or quoted in its entirety and the client shall not publish or use extracts of this report or any edited or amended version of this report, without the prior written consent of ERCE.

In the case that any part of this report is delivered in digital format, ERCE does not accept any responsibility for edits carried out by the client or any third party or otherwise after such material has been sent by ERCE to the client.

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1. Executive Summary

1.1. Introduction

In accordance with the instructions from Top End Energy Ltd (“TEE” or “Top End”), ERCE has prepared a report summarizing the potential hydrocarbon prospectivity of certain exploration permits in Queensland and the Northern Territory either licensed or applied for, in which TEE has or will have an equity interest. The permits assessed are listed in Table 1.1.

Table 1.1: Permits

Permit Type	Permit Number	Area (km ²)	State	Title Holder
ATP	1069	4,185	QLD	TRI STAR / TEE (100%)
EP(A)	257	7,255	NT	NT GAS AUST PTY LTD (100%)
EP(A)	258	1,340	NT	TERRITORY GAS AUST PTY LTD (100%)
EP(A)	259	2,472	NT	TERRITORY GAS AUST PTY LTD (100%)
EP(A)	261	3,218	NT	TERRITORY GAS AUST PTY LTD (100%)
EP(A)	265	16,760	NT	NT GAS AUST PTY LTD (100%)
EP(A)	277	17,077	NT	NT GAS AUST PTY LTD (100%)
EP(A)	279	17,162	NT	NT GAS AUST PTY LTD (100%)
EP(A)	280	9,668	NT	NT GAS AUST PTY LTD (100%)

This report is for the sole use of TEE and its financial advisors. It may not be disclosed to any other person or used for any other purpose without the prior written approval of a director of ERCE. However, ERCE consents to the inclusion of this report in the prospectus prepared by TEE dated on or about 10th November 2021, in the form and context in which it is included.

ERCE has made every effort to ensure that the interpretations, conclusions and recommendations presented herein are accurate and reliable in accordance with good industry practice. ERCE does not, however, guarantee the correctness of any such interpretations. For the purposes of Sections 716(2) and 729 of the Corporation Act 2001 and in connection with the Prospectus prepared by Top End Energy Ltd, ERCE accepts responsibility for this Report and those sections of the Prospectus which include references to the information contained in this Report. ERCE declares that to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained within this Report is in accordance with the facts and does not omit anything likely to affect the import of such information. ERCE has given its consent to the inclusion of this Report in the Prospectus with the inclusion of its name and references to it in the form and context in which it is included. In the case that material is delivered in digital format, ERCE does not accept any responsibility for edits carried out after the product has left the Company’s premises.

1.2. Methodology

ERCE has carried out this review using data and information made available by TEE. The data, where available, comprise details of license interests, seismic data, basic exploration, well and engineering data and technical reports. We have also made use of any publicly available data in our review. Our approach has been to commence our investigations with the most recent technical reports and interpreted data. From these we have been able to identify those items of basic data which require re-assessment. We have carried out a review of available seismic data, completed our own independent petrophysical evaluation and reservoir engineering evaluation.

No prospects and leads are identified by TEE within the permits. ERCE’s review is therefore limited to the possible hydrocarbon prospectivity of the permits. There is no certainty that applications will be successful for the Northern Territory EP(A) applications. In addition, there is no certainty that future work programmes within any of the permits will identify leads and prospects (Prospective Resources). Should Prospective Resources be attributable to any identified leads and prospects, there is no certainty that hydrocarbons will be discovered, nor if discovered will it be commercially viable to produce any portion of the resources. The nomenclature used in this report is presented in Appendix 1.

1.3. Summary and Results

The following tables summarise the findings of this study, highlighting the possible areal extent and thickness of prospective units or intervals, which include potential prospectivity for conventional gas plays, coal seam gas, shale oil and shale gas (Table 1.2), or the basin thickness where no wells have been drilled (Table 1.3).

Table 1.2: Prospective area and thickness estimates in reviewed permits

Permit Type	Permit Number	Possible Prospective Area (km ²)	Possible Prospective Unit	Possible Prospective Thickness (m)
ATP	1069	896	Lissoy Sst	20-50
		1,247	Betts Creek Coals	5-20
		1,247	Toolebuc Shale	10-20
EP(A)	257	3,328	Velkerri Fm	300-500
			Bessie Creek Sst	3-15
			Limmen Sst	5-40
EP(A)	258	993	Velkerri Fm	500-700
			Bessie Creek Sst	5-30
EP(A)	259	596	Velkerri Fm	500-700
			Bessie Creek Sst	5-30
EP(A)	279	1,229	Lower Stairway Sst	15-20
EP(A)	280	629	Lower Stairway Sst	15-20

1. Thicknesses are derived from SEEBASE depth to basement regional structure map (Geognostics Australia Pty Ltd, 2021), offset well penetrations and seismic data where available.

Table 1.3: Potential prospective area and approximate sedimentary thickness in reviewed permits

Permit Type	Permit Number	Possible Prospective Area (km ²)	Approximate Sedimentary Thickness (m)
EP(A)	261	936	300
EP(A)	265	1,275	600
EP(A)	277	218	600

1. *Thicknesses are derived from SEEBASE depth to basement regional structure map (Geognostics Australia Pty Ltd, 2021), offset well penetrations and seismic data where available.*

1.3.1. Queensland Permit ATP 1069

The ATP 1069 permit (the permit) is located in Southern Queensland. Several 2D seismic lines have been acquired and two wells (Wells Barwinock-1 and Barwinock-2) have been drilled within this permit.

Figure 1.1 shows the permit location and surrounding basins. The map shows SEEBASE structure, which is a publicly available depth-to-basement model built by Geognostics (Geognostics Australia Pty Ltd, 2021). Brown to white tones in the SEEBASE map indicate an interpreted basement high, and green to blue tones can be interpreted as depocentres, containing sedimentary rocks. The permit is located mostly in intra-basinal high of Galilee, Eromanga, and Adavale Basins, with some parts to the south (green to blue tones) located in the depocentres.

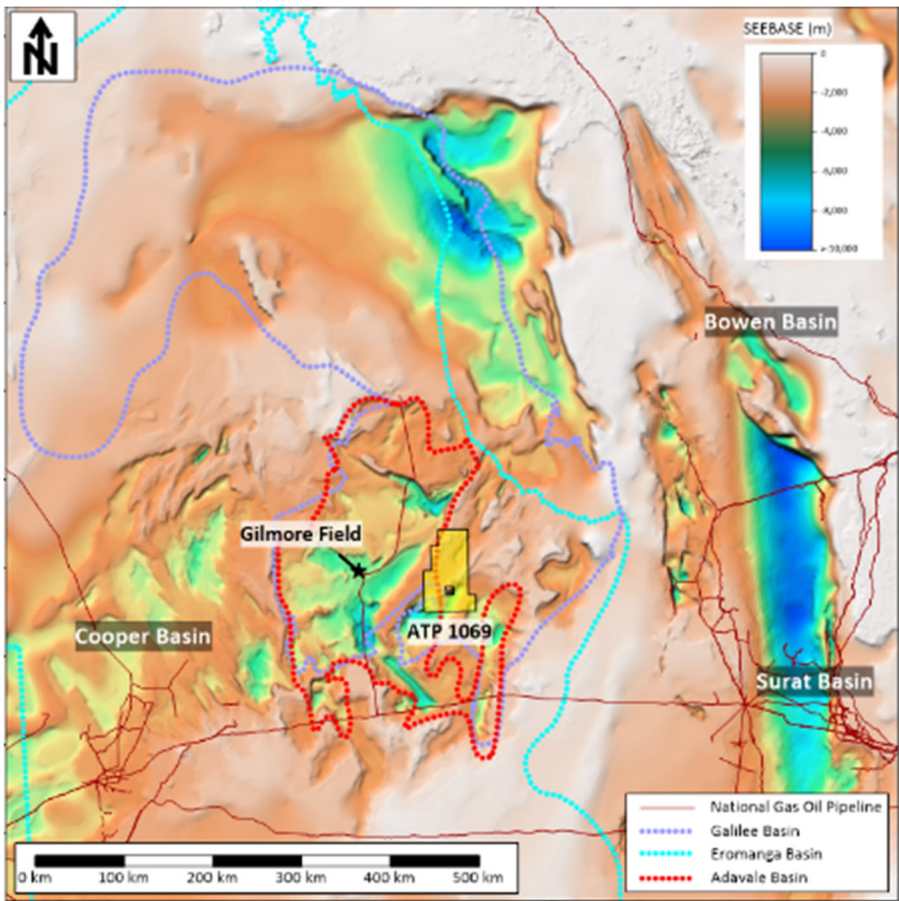


Figure 1.1: Location map of Permit ATP 1069 in Queensland, Australia

SEEBASE regional structure map (Geognostics Australia Pty Ltd, 2021) and regional outline of the Adavale Basin.

The permit has possible gas prospectivity within three basins; the Devonian Adavale, the Late Triassic to Mid Cretaceous Eromanga Basin and the Middle Triassic Galilee Basin. The Gilmore gas field, situated 50 km west of the permit, has produced gas from the Lissoy Sandstone and Log Creek Formation of the Adavale Basin (Boreham, Hope, & Roksandic, 1997). Energy World Corporation Ltd are currently in the process of redeveloping the field (Energy World Corporation Ltd, 2021). Seismic interpretation suggests these formations may be present within the permit. However, no wells have been drilled in the permit to these depths.

Wells Barwinock-1 and Barwinock-2 have intercepted the Betts Creek coals of the Galilee Basin, from which Galilee Energy have demonstrated coal seam gas production further north, outside the permit area (Galilee Energy Ltd., 2021).

ERCE’s estimate of possible prospective areas for unconventional play coal seam gas within the ATP 1069 permit are shown as the hachured polygons in Figure 1.2.

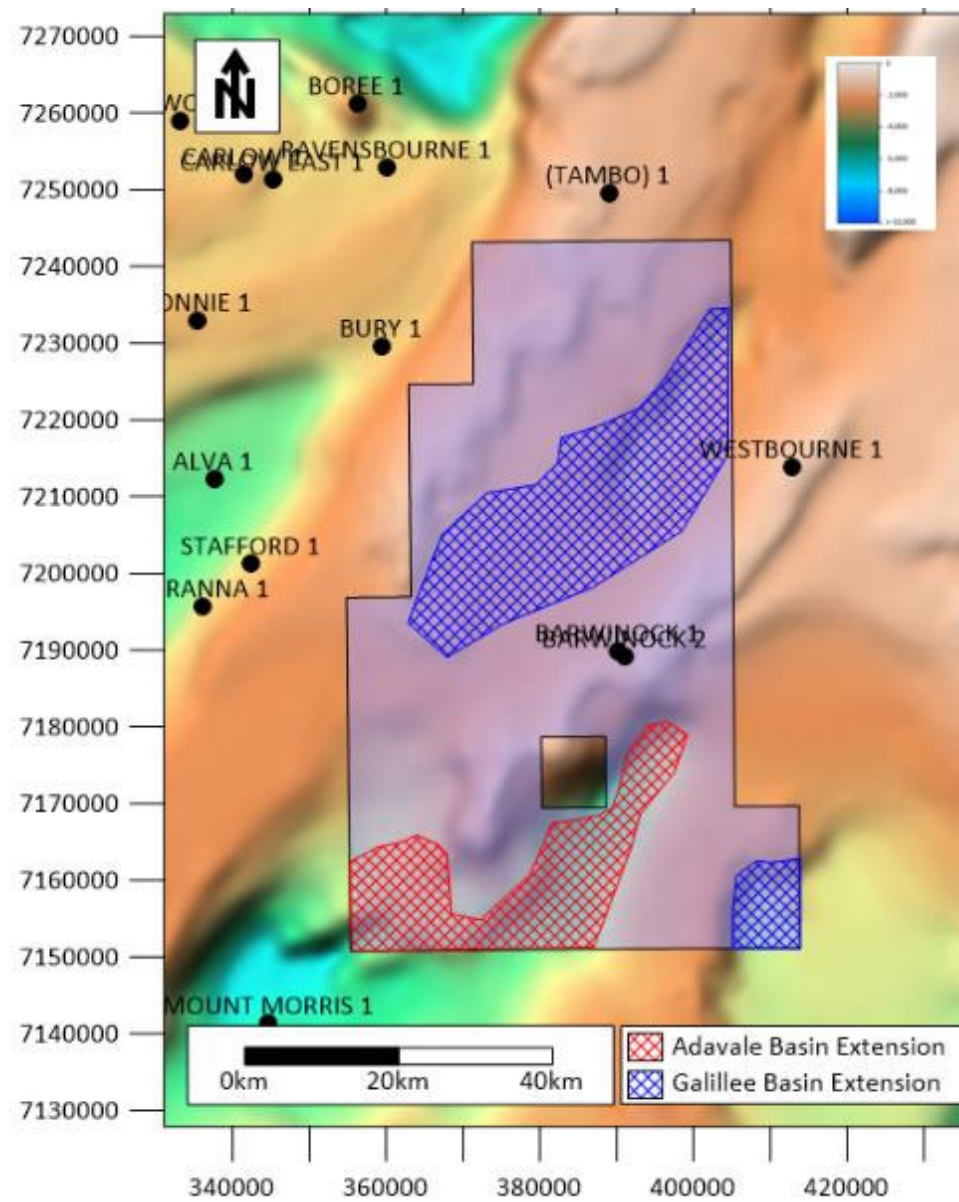


Figure 1.2: Possible Prospective Areas, Permit ATP 1069

The Toolebuc Formation, an exploration target for shale oil and shale gas elsewhere in the basin (Troup, Edwards, Grigorescu, & Talebi, 2015) is also intercepted by Well Barwinock-1 and -2 in the permit area. However, the Toolebuc Formation has yet to demonstrate flow.

1.3.2. Northern Territory Blocks

NT Gas Pty Ltd and Territory Gas Aust Pty Ltd, an acquisition target for TEE, are applying for 30 blocks in the Northern Territory. For this report, ERCE has reviewed a subset of the blocks within this application that cover the main basins, as detailed below.

The Northern Territory permits EP(A) 257, 258 and 259 are located in the Greater McArthur Basin, adjacent to the Beetaloo sub-basin, which has unconventional prospectivity within the Velkerri and Kyalla shales and conventional prospectivity in multiple sandstones such as the Bessie Creek and Limmen sandstones (Munson, 2014). EP(A) 261 is located at the edge of the South Nicholson Basin, which is underexplored and is a possible analogue to the Cambrian units of the Greater McArthur Basin (Munson, 2014). It is also considered to be entirely overlain by the Georgina Basin (Carr, Southby, Henson, & Costelloe, 2019). EP(A) 279 and 280 are located in the Amadeus Basin, about 10 km north of the Surprise oil field which produced oil from the Lower Stairway sandstone (Central Petroleum, 2021). EP(A) 265 and 277 are located at the edge of the Murraba Basin, which has not been explored for hydrocarbons is a possible analogue to the Amadeus sub-basin (Haines & Allen, 2017). The location map of the basins is shown in Figure 1.3 along with a SEEBASE map that can be interpreted in the same way as Figure 1.1.

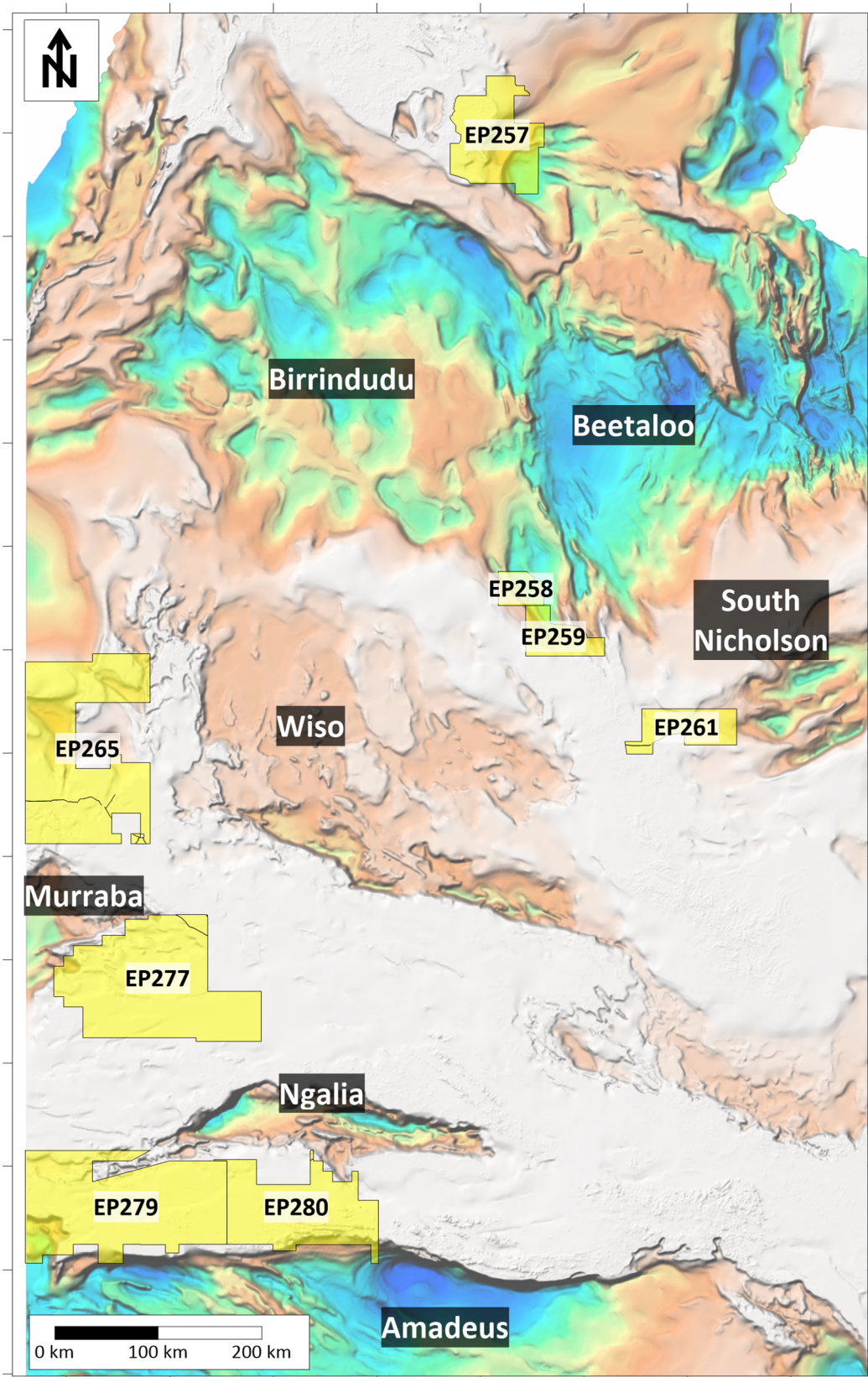


Figure 1.3: Location map of permits in Northern Territory included in NT Gas Pty Ltd and Territory Gas Aust Pty Ltd applications

SEEBASE regional structure map (Geognostics Australia Pty Ltd, 2021)

Block EP(A) 257, located at the edge of the Greater McArthur Basin has potential for both conventional and unconventional prospectivity. Well Sever-1, located more than 60 km to the south-west of EP(A) 257, encountered hydrocarbons within the Bessie Creek Sandstone. The Bessie Creek Sandstone may be present within the block based on analogous intervals identified in surrounding seismic lines and well penetrations. Well Broughton-1, east of the permit, has shown good oil shows in the Limmen Sandstone, which seismic lines suggest continues into Block EP(A) 257. The presence of the Velkerri Shale, a shale gas target for Origin, Santos and Empire Energy (Empire Energy, 2021) throughout the Beetaloo sub-basin, may also be present in the permit as it is encountered in nearby wells. Figure 1.4 shows the possible prospective area within the permit.

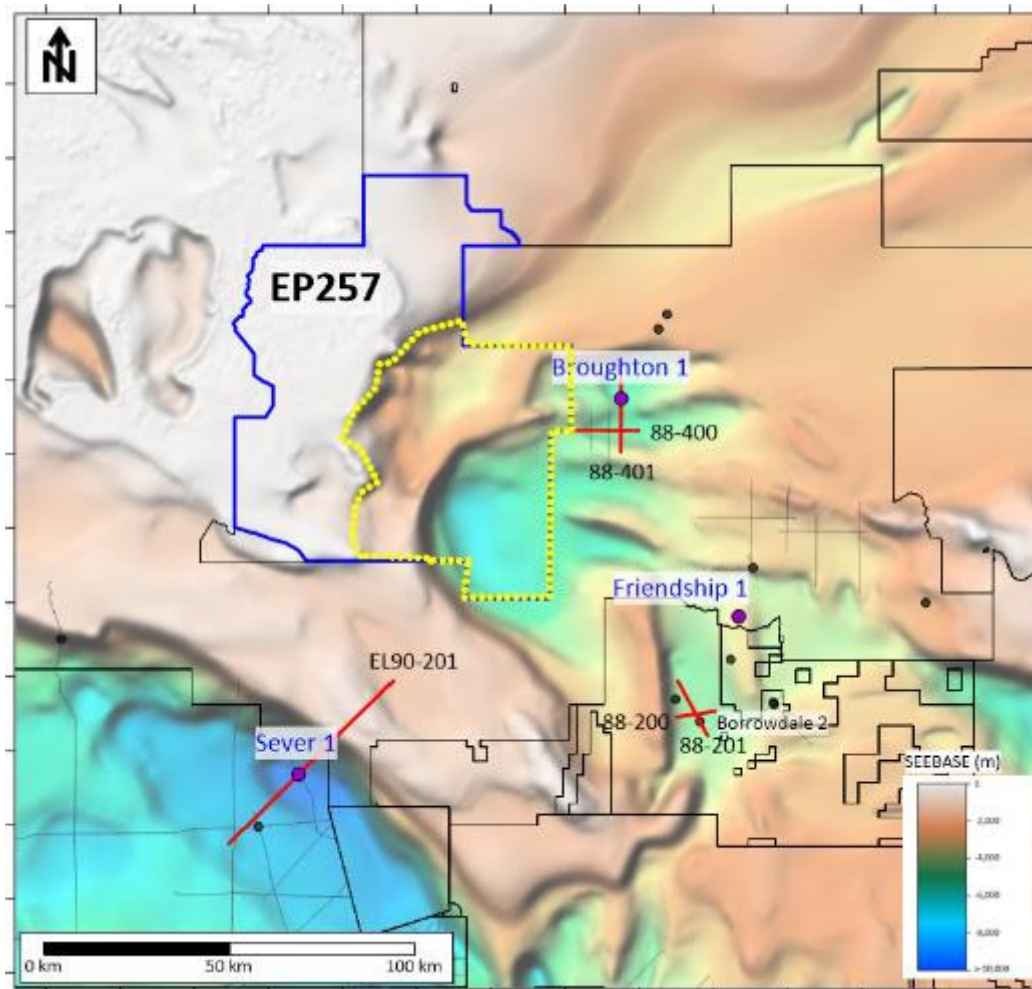


Figure 1.4: Location of EP(A) 257 and outline of possible prospective area

Blocks EP(A) 258 and 259 are located on the edge of the Greater McArthur Basin, south of discoveries within the Velkerri and Kyalla Shales and the conventional Moroak and Bessie Creek Sandstone reservoirs. Although there are no seismic data on the permits, seismic lines ending north of the block suggest that while the Kyalla Shale pinches out towards the basin high to the south, both the conventional Bessie Creek Sandstone and unconventional Velkerri

Shale may be present within the deeper basin sections of the permits. Figure 1.5 shows the possible prospective area within the permit.

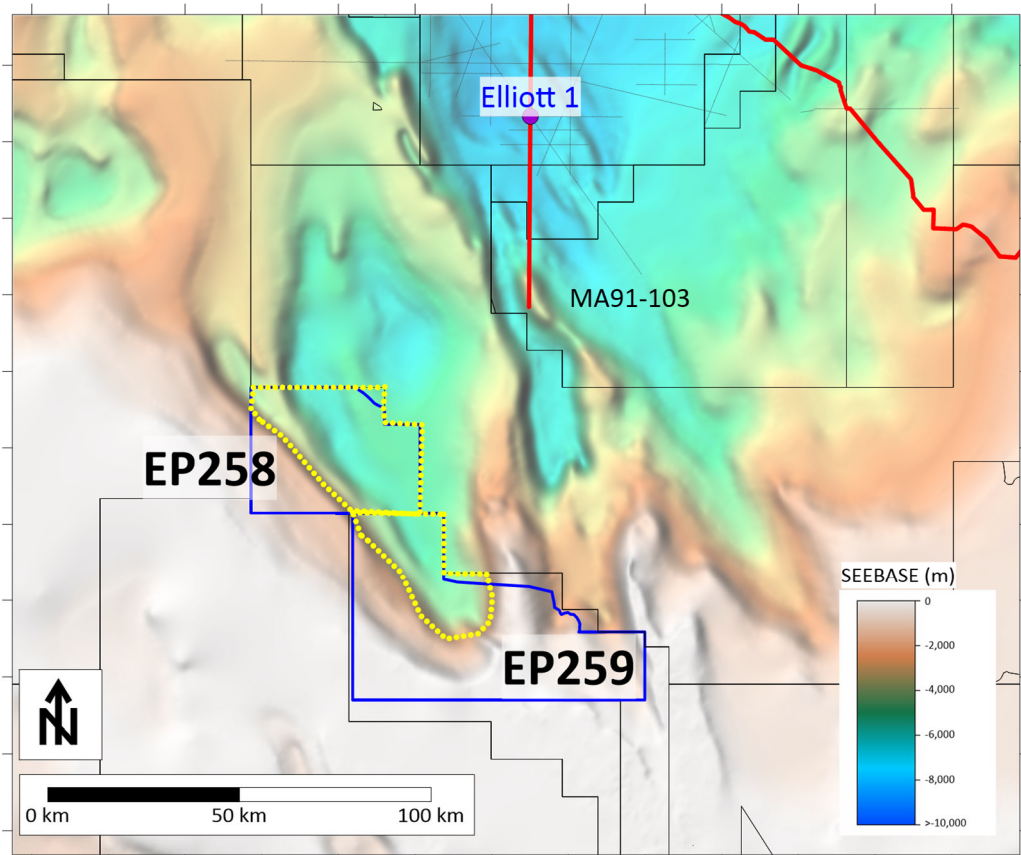


Figure 1.5: Location of EP(A) 258 and 259 and outline of possible prospective area

Exploration in the Amadeus basin began in the 1950s and the first discoveries were made in the 1960s. Since then, the basin has been under development intermittently, with the Mereenie oil and gas field and the Palm Valley gas field developed in the mid-1980s (Munson, 2014). Well Magee-1 discovered sub-commercial gas in the Heavitree Quartzite in the early 1990s (Collins, 1991). Exploration and production focused on the Ordovician petroleum system with oil discovered in the Surprise field in 2013, which is located 10 km south of EP(A) 279 and 280 (Central Petroleum, 2021).

In the Surprise field oil is found within the Lower Stairway Sandstone at a depth of 2,500 m, sourced from the Horn Valley Siltstone (Central Petroleum, 2021). The gross vertical oil column in the lower Stairway Sandstone is 18 m thick (Heugh, et al., 2012). Porosities within unfractured rock are in the range 4–11% (average 5–8%), and permeabilities vary between 0.1 mD and 420 mD (Central Petroleum, 2011). Shale of the Stokes Siltstone provides a regional seal over the entire field.

Production in the Surprise oil field commenced in 2014. The field produced approximately 87,000 barrels of oil to 30 June 2015 and the field was shut-in in August 2015 (Central Petroleum, 2021).

EP(A) 279 and 280 sit on the edge of the Amadeus Basin, adjacent to the producing Surprise oil field. Conventional prospectivity from similar plays as the Surprise oil field can be mapped onto the permits using the available seismic data. Figure 1.6 shows the possible prospective area within the permit based on the SEEBASE mapping.

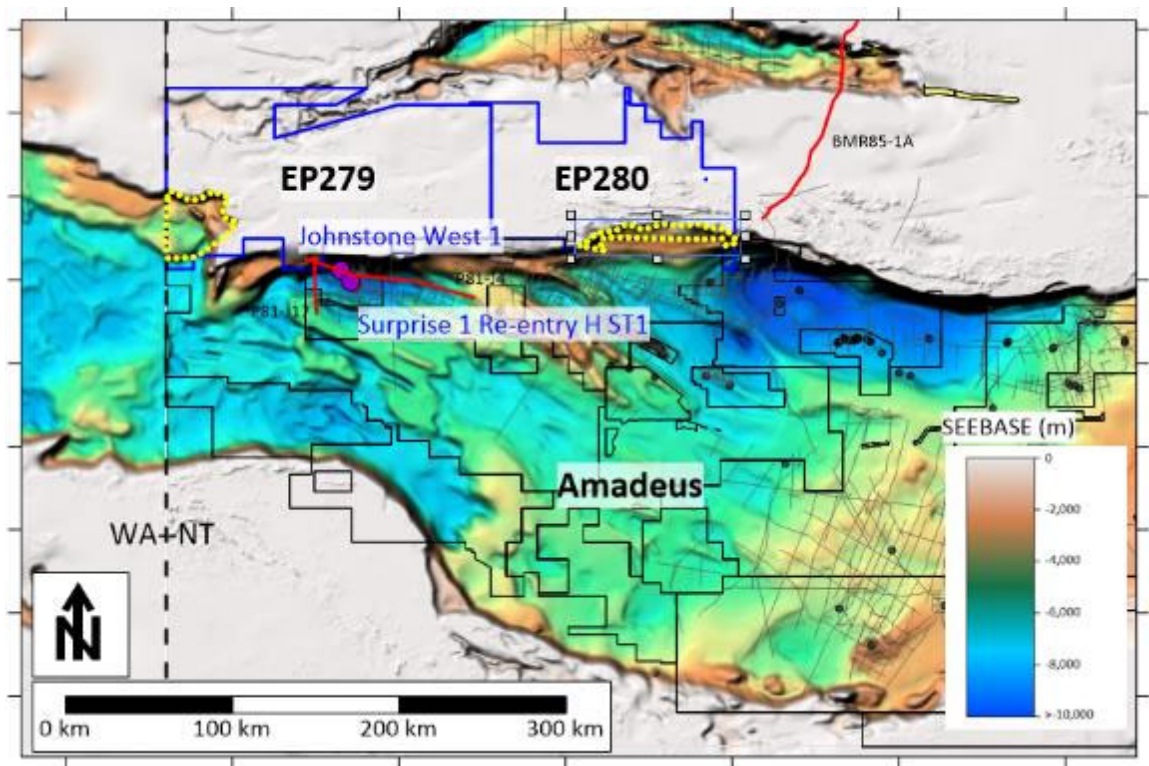


Figure 1.6: EP(A) 279 and 280 location map and outline of possible prospective areas

EP(A) 265 and 277 surround the Murraba Basin. A Neoproterozoic stratigraphy is found within the producing Amadeus Basin, which may prove analogous. However, few data are available at this time to further assess the prospectivity of these permits. Figure 1.7 shows the possible prospective area within the permit based on the SEEBASE mapping.

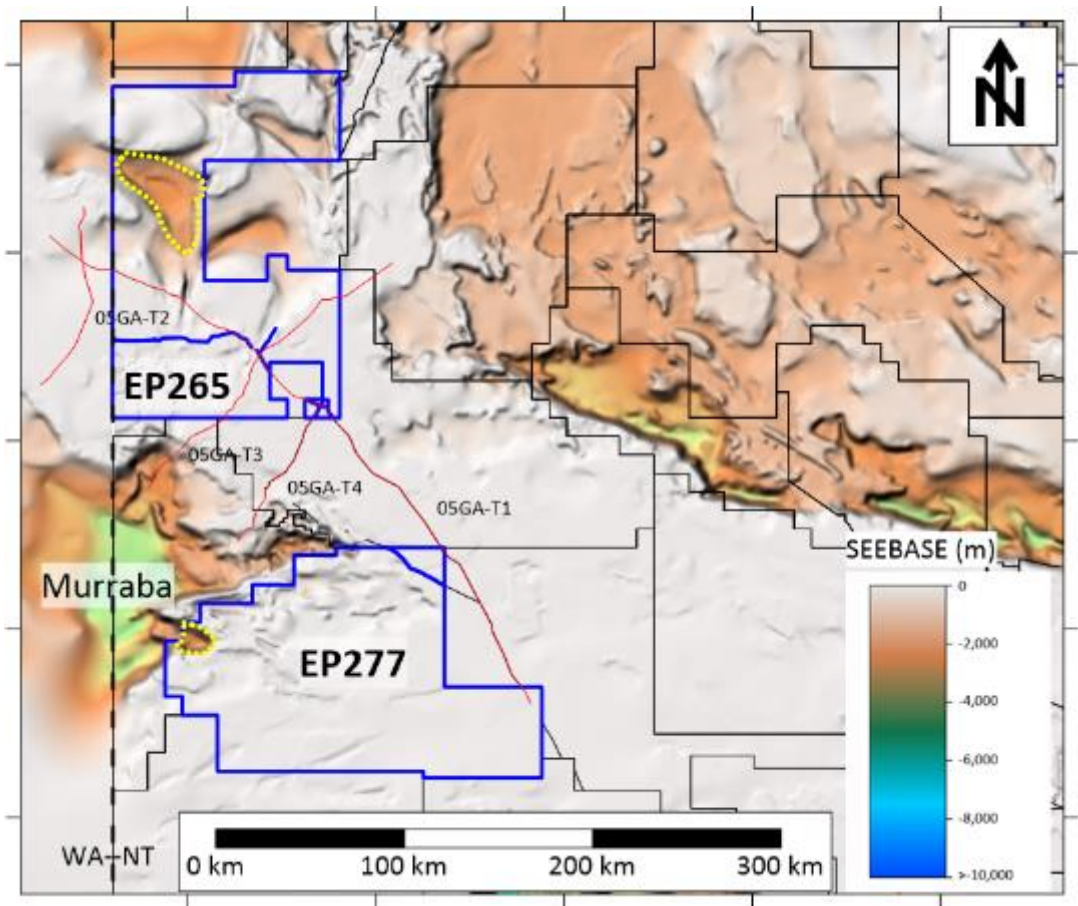


Figure 1.7: EP(A) 265 and 277 location map and outline of possible prospective area

EP(A) 261 is located within the South Nicholson Basin. The north-eastern portion of the permit is located in a shallow basin terminating against a basin high. However, few data are available at this time to further assess the prospectivity of these permits. Figure 1.8 shows the possible prospective area within the permit based on the SEE BASE mapping.

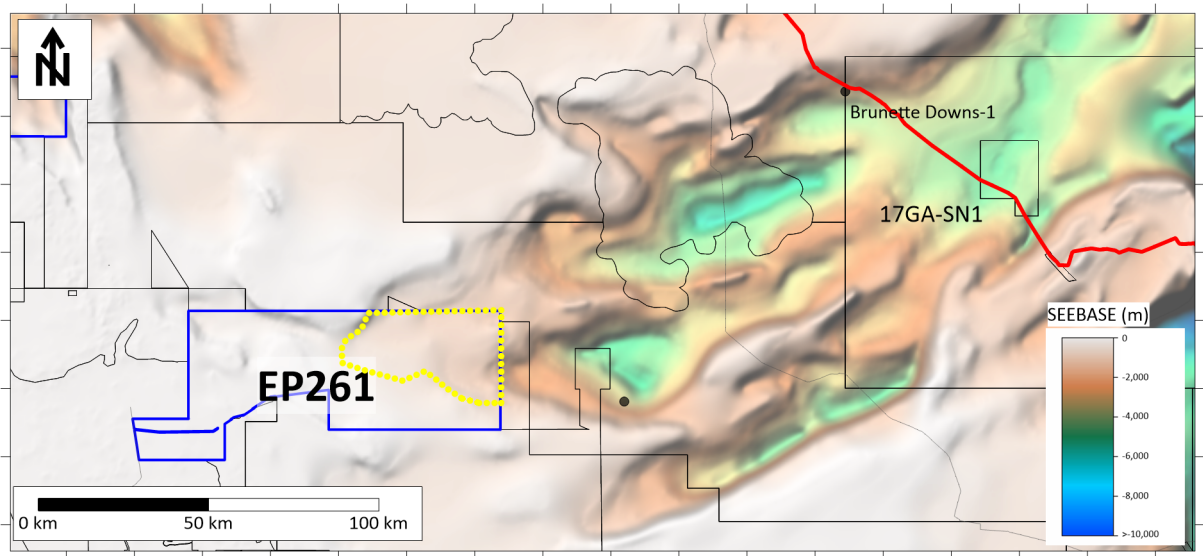


Figure 1.8: EP(A) 261 location map and outline of possible prospective area

1.4. Professional Qualifications

ERCE is an independent consultancy specializing in energy evaluation. Except for the provision of professional services on a fee basis, ERCE has no commercial arrangement with any other person or company involved in the interests that are the subject of this letter.

The work has been supervised by Mr Stewart Easton, General Manager of ERCE's Asia Pacific office, a Professional Geologist registered as a Fellow of the Geological Society and a member of the Society of Petroleum Engineers with over 25 years of experience in the oil and gas industry.

Yours faithfully,



Stewart Easton

General Manager, Asia Pacific

ERC Equipoise Pte Ltd

Date: 9th November 2021

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Appendix 1: Nomenclature

ATP	Authority to Prospect
Bscf	thousands of millions of standard cubic feet
CPI	computer processed information log
DAF	dry ash free
DCA	decline curve analysis
D-N	density-neutron
DST	drill stem test
EP(A)	Exploration Permit Application
GEMIS	Geoscience Exploration and Mining Information System
Km	kilometres
M	metre
M MM	thousands and millions respectively
MD	measured depth
md or mD	millidarcy
MSL	mean sea level
ms	millisecond
mss	metres subsea
NT	Northern Territory
PHIT	total porosity
PSA	production sharing association
QLD	Queensland
Sst	sandstone
SWT	total water saturation
TD	total depth
TEE	Top End Energy
TOC	total organic carbon
TVDSS	true vertical depth sub-sea
TWT	two way time
VSH	volume of shale

ANNEXURE B – TITLE REPORTS



HopgoodGanim

LAWYERS

8 November 2021

Directors
Top End Energy Limited
Ground Floor
353 Rokeby Road
Subiaco WA 6008

BRISBANE

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1 Eagle Street
Brisbane Qld 4000 Australia

PO Box 7822, Waterfront Place
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Our ref: 2167419 - Jonathan Fulcher

ABN: 54 105 489 661

Dear Directors

Independent Solicitor's Tenement Report

This Independent Solicitor's Report is prepared for inclusion in a prospectus (**Prospectus**) to be issued by Top End Energy Limited ACN 650 478 774 (**Top End**) for an initial public offering of 32,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,400,000 (**Prospectus**).

This report relates solely to Queensland authority to prospect (**ATP**) 1069 (the **Tenement**) granted under the *Petroleum and Gas (Production and Safety) Act 2004* (Qld) (**P&G Act**).

1. Executive Summary

1.1 Title

- (a) Tri-Star Energy Company (**Tri-Star**) is the current 100% registered holder of the Tenement.
- (b) Under a Sale and Purchase Agreement ATP 1069 dated 15 September 2021 (**Sale Agreement**), Tri-Star has agreed to sell the Tenement to Tomorrow Energy Corporation Pty Ltd ACN 649 704 370 (**TEC**). TEC is a wholly owned subsidiary of Top End. The Sale Agreement is conditional on Ministerial approval under the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCP Act**) for the transfer of the Tenement to TEC.
- (c) As part of the consideration under the Sale Agreement, TEC grants Tri-Star a royalty of two percent (2%) of all sale proceeds from petroleum produced from the Tenement area. TEC also grants Tri-Star a mortgage to secure this royalty (**Royalty Mortgage**).

1.2 Encumbrances

- (a) Seymour Energy Pty Ltd (**Seymour**) has a mortgage registered against the Tenement (**Seymour Mortgage**). The Seymour Mortgage is to secure Seymour's interest in a royalty of 3.125% of the wellhead value of all petroleum produced and sold from the Tenement under a Royalty Deed between Tri-Star and Seymour dated 11 October 2016 (**Seymour Royalty**).

BRISBANE

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PERTH

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- (b) Under the Sale Agreement:
 - (1) TEC must enter into a Deed of Covenant to assume Tri-Star's obligations under the Seymour Royalty;
 - (2) Tri-Star must provide a deed of release between Tri-Star and Seymour in relation to the Seymour Mortgage; and
 - (3) TEC must enter into a replacement mortgage with Seymour to secure Seymour's interest in the Seymour Royalty, as assigned to TEC (**Replacement Mortgage**).
- (c) Following completion of the Sale Agreement and TEC becoming the registered holder of the Tenement, TEC must register the Replacement Mortgage and the Royalty Mortgage over the Tenement. The Royalty Mortgage ranks second in priority to the Replacement Mortgage.

1.3 Environment

- (a) Environmental authority EPPG00491713 is held for the Tenement (**the EA**).
- (b) There are no enforcement actions against the EA. The Queensland Department of Environment and Science (**DES**) has confirmed that the annual return and annual fees for the EA are up to date.
- (c) Surety of \$105,250 is held for the EA by the Queensland Treasury.

1.4 Land Access

- (a) A conduct and compensation agreement is in place with the owners of Lot 6 on Crown Plan GW39, which authorises activities over that land for the term of the Tenement. The authorised activities include operation, maintenance and rehabilitation for the Barwinock 2 well.
- (b) Under section 101A of the MERCP Act, TEC will be bound by and have the benefit of this agreement once TEC becomes the registered holder of the Tenement.

1.5 Native title and cultural heritage

- (a) The Tenement has been validly granted with respect to native title, with all land subject to native title (less than 10% of the Tenement area) excluded from the area of the Tenement. The holder of the Tenement should be aware of the location of any planned activities, to ensure that activities are not undertaken on any land which is subject to native title without first addressing native title.
- (b) Our cultural heritage searches show that there are eight recorded cultural heritage sites over the Tenement. The holder of the Tenement will need to comply with the Aboriginal cultural heritage duty of care when undertaking activities over the Tenement.

1.6 Tenement Schedule: Details about the Tenement are contained in Schedule 1.



2. Scope

2.1 **Scope:** This report deals with legal due diligence matters relating to the Tenement and has been prepared to:

- (a) confirm (or otherwise) the title to the Tenement;
- (b) where possible, confirm the good standing of the Tenement;
- (c) where possible, confirm that there has been no material non-compliance with the applicable laws affecting the Tenement as at the date of this report;
- (d) where possible, confirm compliance with: environmental obligations; land access obligations; reporting obligations and native title or cultural heritage requirements;
- (e) identify any encumbrances; and
- (f) identify any overlapping tenures.

(the Scope)

2.2 **Outside of Scope:** Paragraph 2.1 contains the Scope. No other matters form part of the Scope. HopgoodGanim Lawyers has not been instructed to, nor have we, concerned ourselves with business, financial or technical due diligence or an assessment of the business, financial, technical or regulatory risks, apart from those regulatory risks necessarily falling within the Scope.

3. Due diligence material

3.1 **Searches:** We have conducted and reviewed the results of the following searches for the Tenement:

- (a) Resource authority public reports obtained from the Queensland Department of Resources on 6 September 2021 and 2 November 2021.
- (b) Searches of the GeoResGlobe database performed on 6 September 2021.
- (c) Environmentally sensitive area map obtained on 6 September 2021.
- (d) Cultural heritage searches provided by the Queensland Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (**ATSIP**) on 6 September 2021.
- (e) Search results provided by the National Native Title Tribunal (**NNTT**) on 8 September 2021.
- (f) Search results from the environmental authorities register maintained by DES on 6 September 2021.
- (g) Search results from the enforcement actions and temporary emissions licences registers maintained by DES on 6 September 2021.
- (h) Information from DES provided by email on 16 August 2021.



- (i) Information from the Financial Provisioning Scheme, Queensland Treasury provided by email on 17 August 2021.
- (j) Research authority public report for petroleum survey licence (**PSL**) 2051 obtained on 3 October 2021.
- (k) Information about cultural heritage clearances for the Tenement provided by Tri-Star by email to HopgoodGanim Lawyers on 27 October 2021.
- (l) Email correspondence from the Department of Resources to Tri-Star dated 20 October 2021.
- (m) Information about the work program for the Tenement provided by Tri-Star by email to HopgoodGanim Lawyers on 5 November 2021.

3.2 **Documents provided:** Schedule 4 contains a list of the documents provided by Tri-Star which we have reviewed.

4. Qualifications

- 4.1 This report relates only to the relevant laws in force as at the date of the report and, except where expressly referenced, does not address or consider any future amendments or changes that may be made to any relevant laws.
- 4.2 The conclusions and opinions expressed in this report are limited to our review and analysis of the results of the searches and documents identified in part 3 of this report.
- 4.3 Where laws are mentioned, this report does not purport to mention every requirement in respect of the relevant law and those that are referred to in many cases are not an exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.

5. Assumptions

- 5.1 We have made the following assumptions in preparation of this report:
 - (a) our investigations were confined to searches set out in part 3 of this report. We note that this report is accurate and complete only to the extent that the reports extracted from the registers are correct as at the date the searches were conducted;
 - (b) there have been no material changes in the standing of the Tenement since the date of our searches;
 - (c) all information provided by Top End, TEC and Tri-Star is true, correct, complete and accurate and all documents are properly executed and valid on their face; and



- (d) the Ministers administering the relevant acts and each of their delegates have been validly appointed and have acted within the scope of their power, authority and discretion in granting the Tenement and are able and willing to grant any required consents and approvals under the relevant legislation.

6. Governing legislation

- 6.1 The P&G Act establishes a tenure regime that governs the exploration for and production of petroleum in Queensland.
- 6.2 An authority to prospect (**ATP**) may be granted under the competitive tender process in Part 1, Division 2 of the P&G Act (s 34 P&G Act). The process starts with the Minister publishing a gazette notice, calling for tenders over an area (s 35 P&G Act). A tender must be lodged in the approved form, address the capability criteria, and include a proposed work program that complies with the initial work program requirements (s 37 P&G Act). The Minister may grant the ATP to one tenderer or refuse to grant any ATP (s 41 P&G Act).
- 6.3 The applicant for an ATP must address native title prior to grant of the tenure, in accordance with the provisions of the *Native Title Act 1993* (Cth) (**NT Act**). This is detailed in part 11 of this report. Land access and compensation to undertake activities on the ATP must be addressed after the grant has been made. This is detailed in part 10 of this report.
- 6.4 Subject to the land access process and other legal requirements, the holder of the ATP has the right to explore for petroleum, test for petroleum production, evaluate the feasibility of petroleum production, and evaluate or test natural underground reservoirs for the storage of petroleum or a prescribed storage gas in the area of the authority (s 32(1) P&G Act).
- 6.5 The holder of an ATP can apply for a declaration by the Minister that all or a stated part of the area of the authority is a potential commercial area (**PCA**) (s 89 P&G Act). The Minister may declare an area a PCA only if satisfied that the area is no more than needed to cover the maximum extent of an identified natural underground reservoir, and that petroleum production or storage in the area is not, and will not soon be, commercially viable, but is likely to become viable within 15 years (s 90 P&G Act).
- 6.6 The holder of an ATP may apply for a petroleum lease (**PL**) over all or part of the area of the ATP (s 117 P&G Act). Where petroleum production in the area of an ATP is currently commercially viable or is likely to become commercially viable within two years, the Minister has power to cancel the ATP or remove an area from the ATP if the holder does not make an appropriate PL application (s 96 P&G Act).

7. Title

7.1 Title

- (a) Tri-Star is the current 100% registered holder of the Tenement.
- (b) Under the Sale Agreement, Tri-Star has agreed to sell the Tenement to TEC. The Sale Agreement is conditional on Ministerial approval under the MERCP Act for the transfer of the Tenement to TEC (**Condition Precedent**).
- (c) The Sale Agreement can be terminated by either Tri-Star or TEC if:



-
- (1) the Minister provides any party with notice that Ministerial approval will not be granted; or
 - (2) the Minister provides notice that Ministerial approval will be granted on conditions that are unacceptable to Tri-Star and TEC, acting reasonably; or
 - (3) the Condition Precedent is not satisfied within 12 months of the Sale Agreement (that is, not satisfied by 15 September 2022).
- (d) The consideration payable by TEC under the Sale Agreement is:
- (1) \$1 (payable on demand).
 - (2) the grant to Tri-Star of a royalty of two percent (2.0%) of all sale proceeds from petroleum produced from the Royalty Area (being the current boundaries of the Tenement) without reduction for any statutory royalty or costs. TEC and Tri-Star have entered into a Royalty Deed dated 24 September 2021 to record the terms of this royalty. The Royalty Deed is conditional on completion occurring under the Sale Agreement; and
 - (3) TEC's entry into:
 - (A) a Deed of Covenant, under which Tri-Star will assign and TEC will assume Tri-Star's obligations under the Royalty Deed between Tri-Star and Seymour dated 11 October 2016 (**Seymour Royalty**). TEC, Tri-Star and Seymour have entered into a Deed of Covenant dated 6 October 2021. The Deed of Covenant is conditional on completion occurring under the Sale Agreement.
 - (B) a mortgage to secure the royalty granted to Tri-Star by TEC as set out in paragraph 7.1(d)(2). TEC and Tri-Star have entered into a Mortgage to Secure Royalty dated 24 September 2021 (the **Royalty Mortgage**), which is conditional on completion occurring under the Sale Agreement.
- (e) Under the Sale Agreement, TEC must provide the relevant government departments with replacement securities for any securities provided by Tri-Star in relation to the Tenement. Details of these securities are set out at:
- (1) paragraph 8.2 below, in relation to security under the P&G Act; and
 - (2) paragraph 9.3 below, in relation to surety for the EA.

7.2 Encumbrances:

- (a) Seymour has a registered mortgage (MMOL reference 234383) against the Tenement to secure the Seymour Royalty (**Seymour Mortgage**). The registration of the Seymour Mortgage means that the Tenement cannot be transferred to TEC without consent of Seymour.
- (b) Under the Sale Agreement:
 - (1) Tri-Star and Seymour have entered into a Deed of Release dated 6 October 2021 in relation to the Seymour Mortgage (**Seymour Mortgage Release**) and provided an associated release form; and



- (2) under a Mortgage to Secure Royalty dated 6 October 2021, TEC has granted a replacement mortgage to Seymour (**Replacement Mortgage**) in respect of the Seymour Royalty assigned to TEC (as set out at paragraph 7.1(d)(3)(A) above).
- (c) The Seymour Mortgage Release and Replacement Mortgage are conditional on completion occurring under the Sale Agreement.
- (d) Following completion of the Sale Agreement and TEC becoming the registered holder of the Tenement, TEC must register the Replacement Mortgage and the Royalty Mortgage over the Tenement. The Royalty Mortgage ranks second in priority to the Replacement Mortgage.

7.3 Overlapping tenure

- (a) Jemena Northern Gas Pipeline Pty Ltd (**Jemena**) holds petroleum survey licence (**PSL**) 2051 over an area which includes a small portion of the north-eastern corner of the Tenement. PSL 2015 authorises Jemena to enter the area of the licence to investigate and survey its potential and suitability for the construction and operation of pipelines and petroleum facilities and identify possible pipeline routes (s 394 P&G Act).
- (b) There are no other resource authorities which overlap the area of the Tenement.

8. Tenement obligations

8.1 Rent and royalty

- (a) An ATP holder must pay annual rent for the ATP under s 75(1)(b) of the P&G Act. The annual rent for an ATP is \$3.00 per sub-block (Schedule 4, Part 1, item 1 *Petroleum and Gas (General Provisions) Regulation 2017*). If the ATP holder has failed to pay the rent payable by the due date, the ATP holder must also pay the State a civil penalty (s 76 P&G Act).
- (b) An ATP holder must pay petroleum royalty in respect of any petroleum that is produced (s 75(1)(a) and s 590 P&G Act).
- (c) The Department of Resources has confirmed that rent for the Tenement has been paid in full for the current rental period.

8.2 Security

- (a) The Minister can require the holder of a petroleum authority to give the State security for the petroleum authority, which may be used to meet liabilities and unpaid amounts under the P&G Act (ss 487, 488 P&G Act).
- (b) The prescribed amount of security for an ATP is \$12,000 (s 71(2)(a) *Petroleum and Gas (General Provisions) Regulation 2017*).
- (c) The Department of Resources has confirmed that security of \$12,000 is held for the Tenement.



8.3 Renewal

- (a) The Tenement was granted on 24 January 2013 for six years, then renewed for a further six-year term. The current term of the Tenement therefore ends on 31 January 2025.
- (b) The term of a renewed ATP cannot be more than 12 years from when the ATP originally took effect, except where any part of the renewed ATP is a PCA, in which case the ATP may be renewed for a longer period that ends when the PCA declaration ends (s 85 P&G Act).
- (c) This means that the Tenement cannot be renewed after 31 January 2025, except for any part of the Tenement which is subject to a PCA.

8.4 Relinquishment

- (a) The P&G Act requires relinquishment of sub-blocks from an ATP in accordance with the requirements of Chapter 2, Part 1, Division 4, Subdivision 2.
- (b) The resource authority report for the Tenement shows that:
 - (1) the Tenement is currently 1,350 sub-blocks;
 - (2) for the first six years of the Tenement (1 February 2013 to 31 January 2019), 2025 sub-blocks were held for the Tenement;
 - (3) 675 sub-blocks were relinquished on 15 February 2019; and
 - (4) there are no further relinquishment obligations recorded for the Tenement.

8.5 Work programs and expenditure

- (a) The holder of an ATP must have a work program for the authority (s 77 P&G Act). It is a mandatory condition of each ATP that the ATP holder carry out the activities proposed in the work program (s 78 P&G Act).
- (b) The initial work program approved for the Tenement (from 1 February 2013 onwards) was:

Year	Work program activities
Year 1	300km seismic reprocessing and interpretation 350km2 airborne geophysical reprocessing and interpretation Technical studies and reporting
Year 2	100km of 2D seismic survey acquisition Drill two (2) stratigraphic exploration wells each to a depth of 1800 metres Seismic interpretation and target modelling Technical studies and reporting



Year	Work program activities
Year 3	Drill five (5) corehole exploration wells each to a depth of 1800 metres Technical studies and reporting
Year 4	Drill two (2) production testing wells each to a depth of 1500 metres Drill eight (8) monitoring / development wells each to a depth of 1500 metres Technical studies and reporting

- (c) The Tenement was renewed for six years commencing on 1 February 2019. The renewal document records the following approved later work program:

Year	Minimised Authorised Activity	Estimated Total Expenditure
1	Geological and Geophysical studies Drill one well to test Winton Formation and Permian Coals	\$2,030,000
2	Geological and Geophysical studies 20 kilometres of 3D seismic <i>Activity and expenditure is contingent on the success of the well to be drilled in year one of the program</i>	\$30,000 \$500,000
3	Drill two wells to test the Permian Coals <i>Activity and expenditure is contingent on the success of the well to be drilled in year one of the program</i>	\$4,000,000
4	Drill one well to test the Permian Coals <i>Activity and expenditure is contingent on the success of the well to be drilled in year one of the program</i>	\$2,060,000
Total		\$2,060,000 \$6,500,000 <i>Activity and expenditure is contingent on the success of the well to be drilled in year one of the program</i>



- (d) Tri-Star has advised that:
 - (1) Tri-Star completed the Year 1 commitment via the drilling of the Barwinock-2 well.
 - (2) Tri-Star reported the Barwinock-2 well to the Department of Resources as unsuccessful.
 - (3) Tri-Star completed the Year 2 Geological and Geophysical studies.
 - (4) As all other items in the later work program were contingent of the success of the Barwinock-2 well, these are not required to be completed as part of the current work program.

9. Environment

9.1 Environmental authority

- (a) The *Environmental Protection Act 1994* (Qld) (**EP Act**) regulates “environmentally relevant activities”, which includes petroleum activities (ss 18 and 107 of the EP Act).
- (b) A person must apply for an environmental authority to carry out environmentally relevant activities (s 116 EP Act).
- (c) Environmental authority EPPG00491713 (the **EA**) is held for the Tenement.

9.2 Compliance

- (a) There are no enforcement actions in respect of the EA.
- (b) DES has advised that:
 - (1) annual returns are up to date for the EA; and
 - (2) annual fees are up to date for the EA.

9.3 Surety

- (a) It is a condition of the EA that activities cannot be carried out under the EA unless:
 - (1) an estimated rehabilitation cost (**ERC**) decision is in effect for the Tenement, in respect of the estimated cost of:
 - (A) rehabilitating the land on which activities under the Tenement are carried out; and
 - (B) preventing or minimising environmental harm, or rehabilitating or restoring the environment, in relation to the Tenement; and
 - (2) the holder of the EA has given surety under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* (Qld) (s 297 EP Act).



- (b) We have been advised by Queensland Treasury that the ERC for the EA is \$105,250.00 and that a bank guarantee is held for this amount.

9.4 Environmentally Sensitive Areas

- (a) It is a condition of the EA that petroleum activities cannot be conducted in any Category A, B or C Environmentally Sensitive Areas (**ESAs**).
- (b) A map showing the ESAs over the Tenement is contained in Schedule 2. There are some Category C ESA areas over the Tenement, reflecting areas of “Of Concern Regional Ecosystems (remnant biodiversity status)” and “Essential Habitat”.

9.5 Regional Planning Interests

- (a) Under the *Regional Planning Interests Act 2014* (Qld) (**RPI Act**), a resource activity can only be carried out in an area of regional interest:
 - (1) if the person holds a regional interests development approval; or
 - (2) an exemption under Part 2, Division 2 of the RPI Act applies.
- (b) Areas of regional interest are defined in section 7 of the RPI Act as:
 - (1) a priority agricultural area;
 - (2) a priority living area;
 - (3) the strategic cropping area;
 - (4) a strategic environmental area.
- (c) There are no areas of regional interests over the Tenement.

9.6 Water

- (a) Under section 185(1) of the P&G Act, the holder of a petroleum tenure (which includes an ATP) may take or interfere with underground water in the area of the tenure if the taking or interference happens during the course of, or results from, the carrying out of another authorised activity for the tenure. The examples given are:
 - (1) underground water necessarily or unavoidably taken during the drilling of a petroleum well or water observation bore; and
 - (2) underground water necessarily or unavoidably taken during testing for petroleum production or petroleum production authorised under section 32 or 109.
- (b) These rights are the “underground water rights” for the petroleum tenure and are subject to the tenure holder complying with the holder’s underground water obligations (s 185(2) P&G Act). The underground water obligations are in chapter 3 of the *Water Act*.
- (c) We have not been advised of what activities have occurred on the Tenement and we cannot confirm that all underground water obligations have been met.



10. Land Access

10.1 Legislative Regime – Private land

- (a) The MERCP Act governs access to land to conduct activities under an ATP.
- (b) The MERCP Act makes a distinction between “preliminary activities” and “advanced activities”.
- (c) A preliminary activity is an authorised activity for the ATP that will have no impact, or only a minor impact, on the business or land use activities of any owner or occupier of the land on which the activity is to be carried out. Examples given in section 15B(1) of the MERCP Act are: walking the area of the ATP; driving along existing roads or tracks; taking soil or water samples; geophysical surveying not involving site preparation; aerial, electrical or environmental surveying; and survey pegging. An activity will not be a preliminary activity if it is carried out on land that is less than 100ha and is being used for intensive farming or broadacre agriculture, or if it is an activity that affects the lawful carrying out of an organic or bio-organic farming system (s 15B(2) MERCP Act).
- (d) An advanced activity is an activity authorised for the ATP other than a preliminary activity (s 15A MERCP Act).
- (e) A person must not enter private land to carry out an authorised activity (both preliminary activities and advanced activities) for a resource authority, or cross or gain entry to access land for a resource authority unless the resource authority holder has given each owner and occupier of the land an entry notice about the entry at least 10 business days before the entry (s 39 MERCP Act). When accessing the land, the person must comply with the mandatory conditions relating to land access in Schedule 1 of the *Mineral and Energy Resources (Common Provisions) Regulation (MERCP Regulation)* and with the best practice guidelines in parts 1 and 2 of the Land Access Code (s 16 MERCP Regulation).
- (f) A person must not enter private land to carry out an advanced activity for a resource authority (s 43 MERCP Act) unless each owner and occupier of the land:
 - (1) is a party to a conduct and compensation agreement about the advanced activity and its effects; or
 - (2) is a party to a deferral agreement; or
 - (3) has elected to opt out from entering into a conduct and compensation agreement or deferral agreement; or
 - (4) is an applicant or respondent to an application relating to the land made to the Land Court.

10.2 Application to the Tenement

- (a) The Tenement is over an area of 1,350 sub-blocks. A sub-block is approximately 3 square kilometres in area, with the exact size depending on the curvature of the earth. Our searches indicate that the entire area of the Tenement is over 102 land parcels, approximately 405,000 hectares.



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- (b) On 28 February 2019, Tri-Star entered into a conduct and compensation agreement (the **CCA**) with the then owners of Lot 6 on Crown Plan GW39, John Peter Doyle, Sonja Lorraine Doyle and Donna Louise Doyle (the **Doyles**). The CCA applies for the term of the Tenement and any petroleum authority in substitution or replacement of the Tenement and any renewals. It allows Tri-Star to conduct the following activities over Lot 6 on Crown Plan GW39:
- (1) field surveys and mapping including flora and fauna site and cultural heritage site assessments;
 - (2) construction, operation and maintenance of access tracks at identified locations;
 - (3) drilling, operation, alteration and maintenance of Barwinock 2 well (area approximately 100m x 100m);
 - (4) installing a wellhead and facilities within the bounds of the drill pad for testing and monitoring of Barwinock 2 and suspension of the well;
 - (5) rehabilitation of those parts of the land affected by the activities in accordance with the requirements of legislation and associated State and federal environmental approvals;
 - (6) suspension of drilling and other activities and associated rehabilitation requirements;
 - (7) any other permitted activities at locations on the land incidental to or associated with the drilling of Barwinock 2; and
 - (8) constructing, using and maintaining a camp site measuring approximately 50m x 50m at the identified location.
- (c) Compensation under the CCA was payable as a lump sum after execution of the agreement. There are no ongoing or annual compensation payment amounts.
- (d) The Doyles have sold their interest in Lot 6 on Crown Plan GW39 to Phillip Colin Picone and Susan Louise Picone (**Picones**). Under section 101A of the MERCP Act, the Picones will be bound by the CCA. We have also reviewed a Deed of Novation signed by Tri-Star relating to the Picones becoming a party to the CCA in place of the Doyles.
- (e) Under section 101A of the MERCP Act, TEC will be bound by the CCA after the Tenement is assigned to TEC.
- (f) We have not been advised of what activities have occurred on the Tenement, in particular what activities may have occurred on land other than those activities listed in the CCA above, and we cannot confirm whether or not the holder has met all land access requirements for the Tenement. Access and activities for the operation, maintenance, and rehabilitation for the Barwinock 2 well are authorised over Lot 6 on Crown Plan GW39 for the term of the Tenement. If the holder of the Tenement wishes to undertake advanced activities on another land parcel, the holder must first enter into an agreement with the landholder or apply to the Land Court to have compensation determined for the advanced activities.



11. Native title

- 11.1 The NT Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination. Queensland has implemented the *Native Title (Queensland) Act 1993* which adopts the Commonwealth NT Act in Queensland.
- 11.2 The existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the extent to which native title has been adversely affected or extinguished by adverse government action. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the government and ultimately the Federal Court. A native title group whose claim meets the registration requirements set out in the NT Act will receive a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.
- 11.3 Our searches show that there are no native title claims or native title determinations over the area of the Tenement.
- 11.4 The NT Act provides that:
- (a) grants, including mining and petroleum tenements granted before 1 January 1994 have been validated as "past acts". This means that the granting of such tenements was fully effective and valid, notwithstanding that native title rights were not taken into account;
 - (b) grants, including mining and petroleum tenements granted between 1 January 1994 to 23 December 1996 can be "intermediate period acts" where the grant was made covering land where any of the land was subject to a grant of freehold or lease or public work. Intermediate period acts have been validated, notwithstanding that native title rights were not taken into account at the time; and
 - (c) grants, including mining and petroleum tenements granted or renewed after 23 December 1996 are subject to the "future act" regime, which provides a process which must be complied with before a proposed future act which has the potential to impact native title rights can be validly undertaken.
- 11.5 The Department of Resources has an operational policy for excluding land subject to native title from grant of a permit. This policy provides that:
- (a) the future act provisions in the NT Act will not be required to be met where a permit application is received for areas where:
 - (1) native title has been extinguished over part of the area; and
 - (2) for non-exclusive land tenures (which includes an ATP), where native title may still exist over parts of the permit area but is excluded from the grant.
 - (b) where an application is made for an ATP over an area where:
 - (1) less than or equal to 10% of the area applied for is subject to native title; and
 - (2) the area subject to native title does not include a whole sub-block,

the ATP can be granted, with the area subject to native title being excluded from the area of the permit at the time of grant.



- 11.6 Our searches show that the Tenement was granted under this “predominately exclusive land” process, with all land subject to native title (<10%) being excluded from the area of the Tenement.
- 11.7 This means that the holder of the Tenement will need to be aware of the location of planned activities, to ensure that activities are not undertaken on any land which is subject to native title, as this land does not form part of the Tenement.

12. Aboriginal cultural heritage

12.1 Protection of Aboriginal cultural heritage

- (a) The *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACH Act**) aims to protect Aboriginal areas and objects of cultural significance irrespective of the underlying tenure of the land (sections 4 and 5 ACH Act). The existence of Aboriginal cultural heritage is in no way an indication that native title exists in an area (section 1.3 of the *Aboriginal Cultural Heritage Act 2003 Duty of Care Guidelines* (**ACH Guidelines**))
- (b) The ACH Act defines Aboriginal cultural heritage as:
- (1) a significant Aboriginal area in Queensland;
 - (2) a significant Aboriginal object; or
 - (3) evidence of archaeological or historic significance of Aboriginal occupation of an area of Queensland (s 8 ACH Act).
- (c) Whether or not an area or object is a significant Aboriginal area or object is determined by reference to:
- (1) Aboriginal tradition, that is the body of traditions, observances, customs and beliefs of Aboriginal people generally or of a particular community or group of Aboriginal people and includes any such traditions, observances, customs and beliefs relating to particular persons, areas, objects or relationships; and
 - (2) the history, including contemporary history, of any Aboriginal party of the relevant area (ss 9 and 10 ACH Act).
- (d) A significant Aboriginal area does not need to contain markings or other physical evidence indicating Aboriginal occupation, and these areas may include ceremonial, birthing and burial places, and sites of massacre (s 12 ACH Act).
- (e) When carrying out an activity a person will owe a duty of care to not cause harm to an area or object of Aboriginal cultural heritage (s 23(1) ACH Act) (the **Aboriginal cultural heritage duty of care**).
- (f) The ACH Act does not operate using a permit or licensing system. Instead, when undertaking activities in an area, a person must meet the Aboriginal cultural heritage duty of care by complying with the ACH Guidelines or by entering into a native title agreement or another agreement with the Aboriginal party for the area.
- (g) The chief executive or minister of ATSIP has a duty to record all cultural heritage sites (s 48 ACH Act). However, the ACH Guidelines warn that the information contained on the Aboriginal Cultural Heritage Register should not be solely relied



upon to the exclusion of other searches (8.3 ACH Guidelines). The ACH Act requires persons to take all reasonable and practical measures to ensure an activity does not cause harm to Aboriginal cultural heritage where a person knows or ought to reasonably know that it is ACH (s 24 ACH Act). In most cases, this will require proponents to undertake a cultural heritage survey involving the Aboriginal Party for the area.

12.2 Aboriginal cultural heritage over the Tenement:

- (a) Our searches show that:
 - (1) the Aboriginal Party for the Tenement is the Bidjara People; and
 - (2) there are eight recorded cultural heritage sites (artefact scatters and stone artefacts) over the Tenement, as shown on the map in Schedule 3.
- (b) We have been advised by Tri-Star that cultural heritage clearances for the Barwinock well were completed on 27 February 2019 by the Bidjara People and no cultural heritage artefacts were identified on the site. We have not been provided with any documents from these clearances. The extent of these cultural heritage surveys related to the specific activities being undertaken by Tri-Star and should not be relied upon for any future activity. The holder of the Tenement must comply with the Aboriginal cultural heritage duty of care for any proposed future activities.

13. Consent

- 13.1 This report is given solely for the benefit of Top End in connection with the issue of the Prospectus. The report is not to be relied upon by, or disclosed to, any other person or used for any other purpose or quoted or referred to in any public document (other than in connection with the Prospectus) or filed with any government body or other person (other than in connection with the Prospectus) without our prior written consent.

Yours faithfully

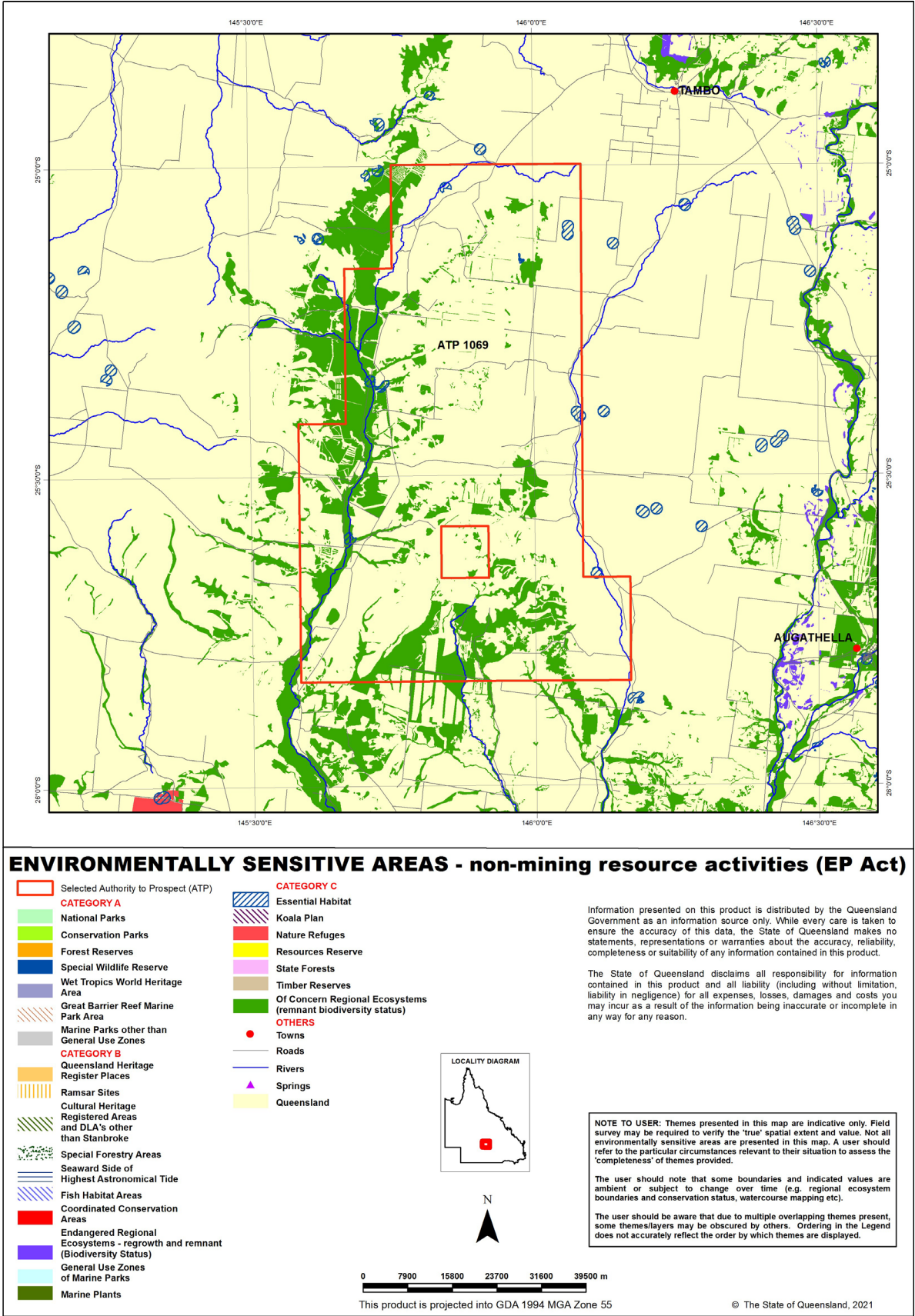
HopgoodGanim Lawyers

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Partner
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E j.fulcher@hopgoodganim.com.au

Schedule 1 – Tenement Schedule

Permit number	Permit status	Grant date	Expiry date	Authorised holder name	Encumbrances	Native title	Cultural heritage
ATP 1069	Granted	24 January 2013	31 January 2025	Tri-Star Energy Company (100%)	A mortgage in an interest to Seymour Energy Pty Ltd	No native title overlap	Aboriginal party: Bidjara People 8 sites recorded

Schedule 2 – Environmentally Sensitive Area over the Tenement

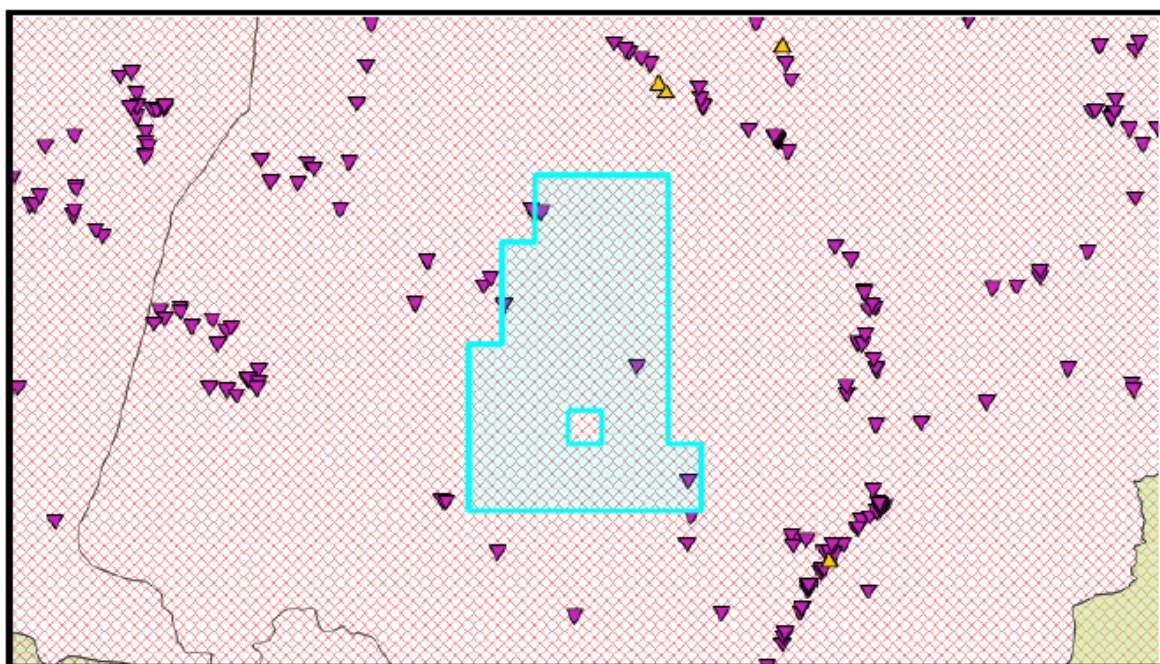


Schedule 3 – Aboriginal cultural heritage over the Tenement



Tenement Search

Reference Number:	97504
Permit Type:	EPP(ATP)
Permit Number:	1069
Buffer Distance:	0 metres



Schedule 4 – Documents provided by Tri-Star

1. Sale and Purchase Agreement between Tri-Star Energy Company and Tomorrow Energy Corporation Pty Ltd dated 15 September 2021.
2. Royalty Deed between Tri-Star Energy Company and Tomorrow Energy Corporation Pty Ltd dated 24 September 2021.
3. Mortgage to Secure Royalty between Tri-Star Energy Company and Tomorrow Energy Corporation Pty Ltd dated 24 September 2021.
4. Royalty Deed between Tri-Star Energy Company and Seymour Energy Pty Ltd dated 11 October 2016.
5. Deed of Covenant between Tri-Star Energy Company, Seymour Energy Pty Ltd and Tomorrow Energy Corporation Pty Ltd dated 6 October 2021.
6. Replacement Mortgage between Tomorrow Energy Corporation Pty Ltd and Seymour Energy Pty Ltd dated 6 October 2021.
7. Side Letter – ATP 1069 Royalty Security Arrangements between Tri-Star Energy Company and Seymour Energy Pty Ltd dated 24 August 2021 (unsigned copy reviewed)
8. Deed of Release between Tri-Star Energy Company and Seymour Energy Pty Ltd dated 6 October 2021.
9. Conduct and Compensation Agreement between Tri-Star Energy Company and John Doyle, Sonja Doyle and Donna Doyle executed 28 February 2019.
10. Deed of Novation between Tri-Star Energy Company, John Peter Doyle, Sonja Lorraine Doyle, Donna Louise Doyle, Phillip Colin Picone and Susan Louise Picone dated 2020 (copy reviewed signed only by Tri-Star Energy Company).
11. Renewal Endorsement – Renewal of Authority to Prospect No. 1069 dated 20 September 2019.

19 November 2021

Board of Directors
Top End Energy Limited
G 353 Rokeby Road
Subiaco WA 6008

Dear Directors

Solicitor's Report on Petroleum Exploration Permit Applications in the Northern Territory of Australia

This Report is prepared on instructions from Top End Energy Limited (ACN 650 478 774) ("**Company**") for inclusion in a prospectus ("**Prospectus**") for the initial public offer of shares in the capital of the Company.

1. Scope

Cozens Johansen Lawyers has been instructed to report on each of the 29 onshore exploration permit applications and 1 coastal waters application listed in Schedule 1 ("**Applications**"). The Applications are located in the Northern Territory of Australia ("**Northern Territory**"). Key details of the Applications are set out in Schedule 1 to this Report.

The Applications have been applied for variously by the following companies (as identified in Schedule 1):

- 1) NT Gas Aust Pty Ltd (ACN 153 719 781) ("**NT Gas**"); and
- 2) Territory Gas Aust Pty Ltd (ACN 153 719 772) ("**Territory Gas**").

In this Report we will refer generally to NT Gas and Territory Gas together as the "**Applicants**". Each reference to the Applicants should be read as a reference to NT Gas only with respect to the Applications it holds and Territory Gas only with respect to the Applications it holds, as identified in Schedule 1.

We are instructed that the Company has agreed to acquire a 50% beneficial interest in the shares in the Applicants (as holders of the Applications) subject to certain conditions precedent ("**Transaction**"). We have not been instructed to consider or comment on any agreement for the Transaction and therefore we make no comment on that matter in this Report.

In accordance with the Company's instructions, we have conducted the investigations in relation to the Applications as summarised in this Report. This Report has been prepared relying on (and is limited to) the results of searches of information maintained by Territory or Commonwealth Government instrumentalities referred to in this Report and information sourced from the Applicants on the Applicant's title to, or interest in, the Applications and material legal issues affecting the Applications.

The scope of this Report is limited to those matters. We have not been requested to consider (and therefore have not considered) any other matters.

The information from which the results of searches have been obtained may not be complete or up to date. We have not made any independent investigations or enquiries in relation to those searches. We express no opinion about:

- 1) the accuracy of, or any factual matter disclosed by, those searches; or
- 2) the status of the Applications after the date of the relevant search.

No additional work was performed in preparing this Report except as specifically stated in this Report, and we have not conducted enquiries regarding legal matters which may impact the Applications beyond the scope of work described in this Report.

This Report only relates to the relevant laws of the Northern Territory and the Commonwealth of Australia current as at the date of this Report. If any of the assumptions set out in this Report (including those in Sections 1 and 15 of this Report) are not correct, this Report may need to be amended.

2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Applications as follows (**Searches**):

- 1) Search of the petroleum title register maintained by the Northern Territory Department of Industry, Tourism and Trade ("**DITT**") pursuant to the *Petroleum Act 1984 (NT)* ("**Petroleum Act**") on 19 August 2021; 15 September 2021; 10 November 2021 and 18 November 2021.
- 2) Search with DITT regarding any dealings registered on the petroleum title register carried out on 6 September 2021 and again on 10 November 2021.
- 3) Searches of underlying land and mining tenure and administrative boundaries through the online "STRIKE" system maintained by the DITT on 9 September 2021 and again on 9 November 2021.
- 4) Searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims, native title determinations and indigenous land use agreements (**ILUAs**) on 2 September 2021.
- 5) Searches for any Aboriginal sacred sites registered or recorded over land within the Applications with the Northern Territory Aboriginal Areas Protection Authority (**AAPA**) on 20 September 2021.
- 6) Request for Information from the Applicants with respect to their records of various matters potentially affecting the Applications, which was returned to us on 8 September 2021 and an updated request for the same records which was returned to us on 5 November 2021.

3. Executive Summary

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, our view is that as at the date of the relevant Searches this Report provides an accurate statement as to:

- 1) each Applicant's interest in its respective Applications; and
- 2) the relevant Applicant for each Application being the sole current applicant entitled to receive the grant of the relevant Application provided it duly complies with all statutory requirements (primarily Aboriginal land and native title requirements).

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Applications:

Applications not granted

None of the Applications have been granted or rejected as of the date of the relevant Search. It is possible that some or all of the Applications may not be granted in which case the Applicants will not be able to carry out their proposed activities on the land the subject of those ungranted Applications.

Having regard to the legislative requirements for negotiating agreements with relevant Aboriginal organisations prior to grant of the Applications, as outlined in this Report, the time elapsed since each of the Applications was lodged, being approximately 10 years (as specified in Schedule 1), generally reflects the Applicants' approach to pursuing such negotiations to date. Subject to the Applicants actively pursuing negotiations over reasonable terms and conditions of those agreements, there can be a reasonable expectation that the grant of prioritised Applications could be achieved within the foreseeable future after this Report (subject to other specific matters raised in this Report with respect to each Application).

Aboriginal land

Certain Applications, identified in Schedule 2, are located on "Aboriginal land" under the *Aboriginal Land Rights (Northern Territory) Act 1976 (Cth)* ("**ALRA**"). Those Applications will not be granted unless the requirements of Part IV of ALRA are satisfied including that the relevant Land Council, acting for the benefit of the traditional Aboriginal owners in respect of such Aboriginal land, consents to the grant of the relevant Application by the Northern Territory.

Native Title

Certain Applications, identified in Schedule 3, are located on land that is or may be the subject of native title rights and interests. Those Applications will not be granted unless the requirements of "future act" regime of the *Native Title Act 1993 (Cth)* ("**Native Title Act**") are complied with including by reaching agreement to the terms of the grant or, if agreement cannot be reached, then by determination of the NNTT, in respect of each of the Applications.

Aboriginal Sacred Sites

Aboriginal sacred sites are registered or recorded over land in respect of which the Applications have been made. It is possible further sacred sites could be identified and registered or recorded in the future over land within the Applications area. Accordingly, if the Applications are granted, Aboriginal sacred sites clearance and protection issues will need to be considered by the Company.

Regulation of Hydraulic Fracturing

In April 2018, the Northern Territory Government lifted a previous moratorium on onshore hydraulic fracturing in the Northern Territory after accepting the recommendations of the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory. The Northern Territory Government announced it is proposing to amend existing legislation and impose new regulations to govern hydraulic fracturing, including a continued prohibition on the conduct of those activities over specified areas in the Northern Territory including reserves and parks. The location of exclusion zones has not been finalised, but at least some part of area of the Applications may fall within one or more exclusion zones.

4. Description of the Applications

Details on the status of the Applications are set out in Schedule 1 to this Report.

5. Registered dealings

Our search obtained in relation to the Applications reveals that there are no dealings registered on the petroleum title register kept by the Minister under the Petroleum Act in relation to the Applications.

Pursuant to section 96(2) of the Petroleum Act, no legal or equitable interest can be created with respect to the Applications without the instrument purporting to create that interest being approved by the Minister and registered on the petroleum title register.

6. Onshore Exploration Permits (EPs)

6.1. Legislation

The Petroleum Act governs the exploration for and production of petroleum in the Northern Territory. The Petroleum Act establishes a regime that enables the exploration, testing and production of petroleum.

The term “petroleum” is defined in the Petroleum Act as follows:

petroleum means:

- (a) a naturally occurring hydrocarbon, whether in a gaseous, liquid or solid state;
- (b) a naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state; or
- (c) a naturally occurring mixture of one or more hydrocarbons, whether in a gaseous, liquid or solid state, with hydrogen sulphide, nitrogen, helium or carbon dioxide or any combination of them,

and includes a hydrocarbon as defined by paragraph (a), (b) or (c) that has been returned to a natural reservoir.

The following is a discussion of the regulation of exploring for and extraction of petroleum: applications for exploration permits (**EPs**), retention licences (**RLs**) and production licences (**PLs**) as well as transfers of such licences and permits.

(a) Exploration Permits

Each of the Applications is for the proposed grant of an EP.

EPs remain in force for 5 years and may be renewed for 2 further periods at the Minister's discretion (refer to section 22(2) of the Petroleum Act).

The area of land in respect of which an EP may be granted must be contained in a single licence area, not exceeding 200 blocks (refer to section 16(3) of the Petroleum Act). The area comprising one graticular block is approximately 3.2 square kilometres.

Pursuant to section 29 of the Petroleum Act, the holder of an EP has the exclusive right to explore for petroleum and to carry on such operations and execute such works as are necessary for that purpose in the EP area, subject to its conditions and any directions from the Minister.

Every EP shall, unless expressly waived, varied or suspended in writing by the Minister, be granted subject to the conditions imposed under section 27 of the Petroleum Act.

Under section 81 of the Petroleum Act the holder of an EP must pay the owner and occupier of land comprised in the EP for:

- 1) deprivation of use or enjoyment of the land, including improvements on the land; and
- 2) damage caused to the land, including improvements on the land.

The holder of the EP shall not commence exploration operations unless the holder has given notice to the owner of the land comprised in the EP and any occupier of the land who has a registered interest in that land. The holder of the EP must then notify the Minister that the holder has notified all owners and occupiers.

The holder of the EP must compensate the owner where any land over which a right to construct a road or carry out other work to ensure access to an EP area is injured or diminished in value under s 82 of the Petroleum Act.

(b) Retention Licence

Under section 31 of the Petroleum Act, one or more RL may be applied for in relation to the whole or part of the area of an EP where the presence of petroleum has been established, notice has been given to the Minister of the presence of the petroleum and where the Minister is satisfied that the petroleum present is potentially of a commercial quality and quantity.

The size of the RL is limited to an area which is constituted by more than 12 blocks, or more than one block unless the blocks form a discrete area which conforms to an approved shape (refer to section 33 of the Petroleum Act). If granted, a RL remains in force for a period of 5 years and may be renewed upon application to the Minister (refer to sections 36 and 37 of the Petroleum Act).

The holder of a RL is conferred the exclusive right to carry on in the licence area such geological, geophysical and geochemical programmes and other operations and works as are reasonably necessary to evaluate the development potential of the petroleum believed to be present in the license area (refer to section 42 of the Petroleum Act).

Where the Minister is satisfied that that commercial production of petroleum should commence in a RL area, the Minister may require the holder of the RL to show why a production licence should not be applied for in relation to these blocks (refer to section 43(1) of the Petroleum Act). If good reason cannot be provided, the Minister may serve notice on the holder of the RL, directing him to apply for a PL and specifying a date by which this should be done by (refer to section 42(2) of the Petroleum Act). If the holder of the RL fails to make this application the license may be cancelled.

The application for a RL or the decision by the Minister not to grant an RL does not effect the term and area of an EP (refer to section 35 of the Petroleum Act).

(c) Production License

Under section 44 of the Petroleum Act any person who already holds an EP or RL may apply for one or more PLs in relation to the whole or part of the EP or license area.

Where the Minister has received an application for the PL, and is satisfied that the applicant has complied with the requirements relating to the application in the Petroleum Act and is satisfied that the Minister must grant to the applicant a PL in relation to specific blocks under section 29(3) or section 42(2) of the Petroleum Act, the Minister must determine to grant the PL subject to conditions (refer to section 47(1) of the Petroleum Act). Where the Minister determines to grant a PL, the Minister shall only grant the PL in relation to the minimum number of blocks, which in the Minister's opinion, is reasonably necessary for the applicant to fully exploit the commercially exploitable accumulation of petroleum (refer to section 47(3) of the Petroleum Act).

The PL may be granted for a term of either 21 or 25 years as determined by the Minister (refer to section 50 of the Petroleum Act). Once granted, the holder of the PL is granted the exclusive right to explore for petroleum and recover it on the license area and to carry out such operations and execute such works in the license area as are necessary for the exploration and recovery of petroleum (refer to section 56 of the Petroleum Act).

The holder of the PL shall not commence operations for the drilling of a well or for a seismic survey unless notice in accordance with section 67 of the Petroleum Act is given to the Minister and the Minister's approval is gained. The notice shall be served on the Minister not less than 28 days before the date on which the operations are to commence or such other period as the Minister may approve (refer to section 67(2) of the Petroleum Act).

(d) Transfer of petroleum interests

Pursuant to section 93 of the Petroleum Act, the holder of an EP, RL or PL may transfer the whole or any part of its interest in the permit or licence by applying to the Minister for approval. No legal or equitable interest in the permit or licence is conveyed until the instrument of transfer has been approved by the Minister and registered on the petroleum title register (refer to section 93A(4) of the Petroleum Act).

6.2. Moratorium and Legislation on Hydraulic Fracturing

In 2016 the Northern Territory Government announced a moratorium on hydraulic fracturing of onshore shale reservoirs in the Northern Territory and launched the *Scientific Inquiry into Hydraulic Fracturing in the Northern Territory (Inquiry)*. In April 2018, the Government announced it had accepted all 135 recommendations of that Inquiry, and as a result the Northern Territory Government lifted the moratorium and proposed to introduce new laws and

regulations (by way of amendment to existing petroleum and environment-focused legislation and regulation currently in place in the Northern Territory) based on the Inquiry recommendations.

These include:

- 1) declaring 'no go zones' over certain areas of the Northern Territory in which onshore shale gas exploration is prohibited, such as national parks, conservation areas, indigenous protected areas, and other areas of high cultural, environmental or tourism value;
- 2) imposing requirements on all participants before exploration approval is granted, such as obtaining a water licence and complying with codes of practices; and
- 3) imposing requirements on all participants before production approval is granted, in respect of land clearing, seismic surveys, well construction, drilling, hydraulic fracturing, and well decommissioning and abandonment.

The Northern Territory Government has indicated that the recommendations of the Inquiry will be implemented, via new laws and regulation, in stages. In 2021 the regulations under the Petroleum Act were amended to introduce a requirement for onshore petroleum explorers and producers to obtain a written land access agreement with the relevant landowner prior to carrying out "regulated petroleum operations" (which is defined to mean all ground-based activities other than preliminary low impact activities) on pastoral lease land, Crown lease land or freehold land in the Northern Territory. In the event that a written land access agreement cannot be reached through negotiations with the landowner then there is provision in the regulations for a determination by the NT Civil and Administrative Tribunal to allow regulated petroleum operations to be carried out. In response to the Inquiry the Northern Territory Government recently introduced a requirement for any entity (including the directors of the entity) that applies for a permit or licence, including an EP, under the Petroleum Act to satisfy an "appropriate person test" (as determined by the Minister) in order to hold the permit or licence (s 15A Petroleum Act). Although the Applications were made before the appropriate person test was introduced, it is possible that the Minister will require the Applicants to satisfy the appropriate person test prior to grant of the Applications. Further recommendations of the Inquiry may be introduced after the date of this Report.

The Northern Territory Government has also released information outlining the 'no go zones' in which it is proposed to prohibit shale gas development (**Planned Reserve Areas**).

Part of the area of certain Applications fall within Planned Reserve Areas (as identified in Schedule 4), and hence those area may (depending on whether the area, or part of it, eventually is confirmed as a 'no go zone') be the subject of the Northern Territory Government's intended prohibition on hydraulic fracture stimulation activities. If the Applications are granted, the Applicants will need to take this into consideration when planning proposed exploration and/or production activities.

6.3. Coastal Waters

The *Petroleum (Submerged Lands) Act (NT)* ("**Coastal Waters Petroleum Act**") governs the exploration for and production of petroleum within the "coastal waters" (as defined) in the Northern Territory. The term "coastal waters" is defined to include those waters beyond the limits of the Northern Territory out to the 3 nautical mile mark. The Coastal Waters Petroleum

Act establishes a regime that enables the exploration, testing and production of petroleum in coastal waters.

7. NATIVE TITLE

7.1. Native Title Rights in Australia

On 3 June 1992, the High Court of Australia found in *Mabo v Queensland (No. 2)* 1992) 175 CLR 1 that Australian law does recognise a form of native title. Subsequently, the Australian Parliament introduced the Native Title Act to govern native title in Australia.

The Native Title Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination; by which any future act affecting native title (such as the grant of mining and petroleum Applications) may be validly undertaken; and by which registered claimants may be afforded certain procedural rights including the “right to negotiate”.

Under the Native Title Act, native title can be confirmed to have been either totally or partially extinguished by certain grants. These grants are called Previous Exclusive Possession Acts or Previous Non-Exclusive Possession Acts, respectively.

Land tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases. Where the land tenure is pastoral lease land under the *Pastoral Land Act 1992* (NT) (**Pastoral Land Act**) or there is no land tenure (including over waters), as identified in Schedule 3 with respect to certain Applications, it is assumed that native title rights and interests will continue to exist in relation to that land or waters (regardless of whether or not a native title claim has been made to that land).

Where native title continues to exist on land, any act that will affect that native title will be subject to the “future act” procedures under the Native Title Act.

For petroleum activities, this procedure could be one of the following:

(a) Expedited Procedure

A future act will attract the expedited procedure if it is not likely to interfere directly with community or social activities or with areas or sites of particular significance (refer to section 237 of the Native Title Act). The nature of petroleum exploration activities means that the expedited procedure will generally not apply to the grant of an EP.

(b) Right to Negotiate resulting in a Section 31 Agreement and Ancillary Agreement

The Right to Negotiate process involves notification and advertising of a proposed grant of a permit or licence, then negotiation by the Territory and the applicant with native title holders toward reaching an agreement on the terms of the proposed grant. The outcome of the Right to Negotiate process is known as a “Section 31 Agreement”. An ancillary agreement may also be made between the parties (to which the Northern Territory is not a party) which deals with matters relating to compensation and usually cultural heritage.

The parties to a negotiation may agree on conditions that apply to activities that are to be carried out on the tenements, including heritage surveys and any compensation arrangements. The tenement applicant is usually liable for any compensation that the parties agree to pay to the native title parties.

If an agreement cannot be reached to enable the tenement to be granted, the matter may be referred to the NNTT for arbitration which then has 6 months to decide whether all the parties have negotiated with each other in good faith (if that issue is raised by any of the parties), whether the tenement is able to be granted and if so on what conditions. An application for arbitration by the NNTT cannot be made before 6 months after the date of notification of commencement of negotiations by the State.

If the Right to Negotiate Process is not observed, then the grant of a petroleum tenement will be invalid to the extent (if any) that it affects native title.

(c) Indigenous Land Use Agreement

An Indigenous Land Use Agreement (“**ILUA**”) is a voluntary agreement between a native title claimant group and others about the use and management of land and waters. ILUAs may deal with topics such as access to an area, how native title rights coexist with the rights of others, native titleholders agreeing to a future development and matters of compensation. An ILUA, once it has been executed and registered, binds all existing and future native title holders in the area covered by the ILUA, including with respect to native title claims or determinations that may be made over the area after the ILUA has been registered.

Native title rights and interests may continue to exist offshore including in the coastal waters of the Northern Territory. The Right to Negotiate process does not apply to an “offshore place” (as defined in the Native Title Act), which includes an application under the Coastal Waters Petroleum Act. Section 24NA (Acts affecting offshore places) of the Native Title Act provides that native title holders, and any registered native title claimants, have the same procedural rights as they would have in relation to the act on the assumption that they instead held any corresponding rights and interests in relation to the offshore place that are not native title rights and interests.

7.2. Application to the Applications

Our search with respect to the following NNTT databases:

1. Schedule of Native Title Determination Applications;
2. Register of Native Title Claims (**RNTC**);
3. Native Title Determinations;
4. Register of Indigenous Land Use Agreements; and
5. Notified Indigenous Land Use Agreements,

provided the results set out at Schedule 3.

The ILUAs identified in the Schedule 3 are not relevant to the Applications because they do not contain any obligations on the holder of the Applications. ILUAs are only binding on the parties to them.

We have not been instructed to procure (and therefore have not procured) historical, anthropological or ethnographic enquiries to determine whether any native title finding over the land the subject of the Applications could be challenged or if any further native title claims

in respect of such land could be made in the future.

7.3. Native Title process for the Applications to be granted

According to our Searches, there are no current native title agreements (either Section 31 Agreements or ILUAs), or determinations of the NNTT that an Application may be granted, in place for any of the Applications.

With respect to those Applications over land the subject of native title rights and interests, native title issues must be addressed by way of entry into a Section 31 Agreement or ILUA or obtaining a determination of the NNTT that an Application may be granted, before any of the Applications will be granted to the relevant Applicant.

8. Aboriginal Land Rights

8.1. Legislation

The legislative system for the claiming, granting, control and management of 'Aboriginal land' in the Northern Territory is set out in the ALRA. ALRA enables the responsible Minister to create Land Councils for the Northern Territory, each council with control over a different area (s 21 ALRA). Section 233(3)(b) of the Native Title Act provides that the "future act" provisions of the Native Title Act do not apply to Aboriginal land granted under ALRA.

8.2. Application to the Applications

The Applications which relate to Aboriginal land under ALRA are identified in Schedule 2.

8.3. Definition of Aboriginal land

"Aboriginal land" is defined under ALRA to be either:

- 1) land held by an Aboriginal Land Trust established under ALRA for an estate in fee simple; or
- 2) land the subject of a deed of grant held in escrow by a Land Council.

8.4. Aboriginal Land

Under ALRA, land which may be claimed includes unalienated Crown land or land in which all estates and interests not held by the Crown are held by or on behalf of Aboriginal people. A successful claim under the ALRA results in the tenure of the land being converted to inalienable Aboriginal freehold (**Aboriginal Freehold Land**).

The ALRA establishes Land Trusts, which then hold title to Aboriginal Freehold Land for the benefit of the relevant traditional owners. Importantly, the Native Title Act does not apply to Aboriginal Freehold Land.

8.5. Consent to Negotiate

Under section 13 of the Petroleum Act, the applicant for an exploration permit cannot commence negotiations for the consent of the Land Council to the grant of an exploration permit until the Minister responsible for the Petroleum Act has given the applicant consent (known as "*consent to negotiate*")

8.6. Part IV of ALRA negotiating procedure

Part IV of the ALRA governs mining and petroleum tenures in respect of Aboriginal Land. An applicant for an EP has a period of 22 months commencing on 1 January of the calendar year after the calendar year in which the EP applicant submits an application to the relevant Land Council to consent to the grant of the EP (s 42(13)(a) ALRA). The 22 month negotiating period may be extended for an additional 2 year period if the Land Council and exploration permit applicant agree to such extension (s 42(13)(b) ALRA) or a further 12-month period if the Land Council and exploration permit applicant agree to such extension (s 42(13)(c) ALRA).

8.7. Requirements for grant of exploration permit

Under ALRA, an '*exploration licence*' (which includes an exploration permit granted under the Petroleum Act 1984 (NT)) will not be granted to an applicant unless:

- 1) the relevant Land Council gives consent to the grant of the licence;
- 2) the relevant Minister gives consent to the grant of the licence; and
- 3) the Land Council and the applicant have entered into an agreement regarding the terms and conditions to which the grant of the licence will be subject.

The terms and conditions agreed upon between the Land Council and the applicant may include terms and conditions requiring the payment of compensation for damage or disturbance caused to the relevant Aboriginal land by any exploration activities.

Alternatively, the Commonwealth Governor General may, by proclamation, declare that the EP is in the national interest (s 40 ALRA).

8.8. Refusal of application and moratorium

Where a Land Council refuses an application for consent on the advice of traditional owners, and the applicant does not resubmit its application, or agreement cannot be reached between the parties within the negotiating period (as extended from time to time), the ALRA provides that the land the subject of the exploration permit application be placed in moratorium for a five-year period. During this moratorium period, no person may apply for an exploration permit in respect of that land. The applicant may retain the right to re-apply for an exploration permit over the land at the end of the period.

9. Aboriginal sacred sites

9.1. Legislation

Northern Territory

All Aboriginal sacred sites in the Northern Territory are protected under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) (**Sacred Sites Act**) regardless of whether the site is registered with AAPA.

A sacred site is defined by the Sacred Sites Act and under the section 3 of the ALRA as "a site that is sacred to Aboriginals or is otherwise of significance according to Aboriginal tradition, and includes any land that, under a law of the Northern Territory, is declared to be sacred to

Aboriginals or of significance according to Aboriginal tradition”.

Part IV of the Sacred Sites Act outlines offences in relation to sacred sites:

- 1) Entry onto a sacred site, except in accordance with the Sacred Sites Act, the AAPA or with a Certificate, permission or approval given under the Sacred Sites Act (refer to section 33 of the Sacred Sites Act).
- 2) Work on a sacred site, except in accordance with the Sacred Sites Act, Authority Certificate or Minister’s Certificate (refer to section 34 of the Sacred Sites Act).
- 3) Desecration of a sacred site (refer to section 35 of the Sacred Sites Act).
- 4) Causing damage to a sacred site where there has been a failure to meet conditions of an Authority Certificate or Minister’s Certificate (refer to section 37 of the Sacred Sites Act).
- 5) Disclosure of information considered secret under Aboriginal lore that was acquired as a result of process under the Sacred Sites Act (refer to section 38 of the Sacred Sites Act).

A defence is available for offences under sections 33, 34(1) and 35 of the Sacred Sites Act where the person has no reasonable grounds for suspecting that the sacred site was a sacred site and the site is not located on Aboriginal land under ALRA.

Sacred sites known to the AAPA are either registered sacred sites or recorded sacred sites. Registered sacred sites are sacred sites that Aboriginal custodians have asked the AAPA to protect. They have subsequently been documented, evaluated by the AAPA and entered in the Register of Sacred Sites.

Recorded sacred sites have not been evaluated or placed in the Register, however information indicates that the sites are significant according to Aboriginal tradition and as such fall within the definition of “sacred sites” under Sacred Sites Act.

Before any works take place on the Applications, AAPA recommends that a sacred sites survey be undertaken, the register checked and, if needed, an Authority Certificate sought. An ‘Authority Certificate’, applied for under section 19B of the Sacred Sites Act, is a legal document and contains conditions for using or carrying out works within the Northern Territory. Provided activities are carried out in accordance with the conditions contained in the certificate, a person is indemnified against prosecution under the NTSSA for damage to sacred sites in the area (refer to sections 25, 33 and 34 of the Sacred Sites Act).

Federal Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* protects Aboriginal sites or objects of significance where the protection of them under the relevant State or Territory legislation is found to be inadequate. This legislation applies in each Australian State and Territory.

The Commonwealth Minister may make declarations for the protection and preservation of an area. There is also capacity for emergency declarations to be made. These declarations have the potential to halt exploration operations in cases where Aboriginal areas, objects or remains are encountered.

Under this legislation, an Aboriginal person or a group may apply to the Commonwealth Minister for a declaration preserving or protecting a specified site or object. Before the Commonwealth Minister may make such a declaration, the Minister must consult with the relevant State or Territory Minister as to whether the legislative regime of that jurisdiction adequately protects the specified Aboriginal site or objects.

9.2. Application to the Applications

Our Search show that there are multiple Aboriginal sacred sites registered and recorded by AAPA under the Sacred Sites Act within the Applications. Details of these are contained at Schedule 5 of this Report.

10. Aboriginal Community Living Areas

10.1. Legislation

Applications can be made by an Aboriginal association under Part 8 of the Pastoral Land Act to excise land from a pastoral lease for an Aboriginal community living area. Generally, the size of the area of an Aboriginal community living area is relatively small in comparison to the size of an EP.

While there are no restrictions on the grant of an EP over land within an Aboriginal community living area, it is likely as a practical or policy matter that exploration for petroleum over Aboriginal community living areas will not be permitted (despite the lack of legislative provisions legally preventing such access for exploration).

10.2. Application to the Applications

In preparation of this Report, we did not identify all Aboriginal community living area that may be located within the areas of the Applications.

11. Environmental Requirements

11.1. Legislation

In addition to any environmental conditions imposed by the Minister in the terms of grant of an EP (if the Applications are granted), there are also environmental obligations under the Petroleum Act.

A person must not, during the conduct of an operation authorised under the Petroleum Act, intentionally do an act that causes the release of a contaminant or waste material on, above or under land if:

- 1) he or she knows, or ought reasonably to be expected to know, that serious environmental harm or material environmental harm will or might result from the release of the contaminant or waste material; and
- 2) the contaminant or waste material causes serious environmental harm to land all of which is within one kilometre of the site where the contaminant is released.

It is an offence to do so. The levels of penalty associated with the various environmental offences are set out in the *Environmental Offences and Penalties Act 1996* (NT) and are varied from time to time.

11.2. Application to the Applications

Schedule 4 sets out certain environmental issues associated with the areas the subject of the Applications that we have identified as part of the Searches. Other than those matters set out in Schedule 4, in preparation of this Report, we did not consider environmental matters such as environmental requirements that do not directly affect the standing of the Applications or any information held by the DITT about environmental obligations or compliance issues.

12. Heritage Sites

12.1. Legislation

The *Heritage Act 2011 (NT)* (**Heritage Act**) provides that “heritage places” and “heritage objects” are places and objects that are either declared to be heritage places and objects under the Heritage Act or a protected class of heritage places or objects.

It is an offence under the Heritage Act to:

- 1) engage in conduct resulting in damage to a heritage place or object;
- 2) to remove part of a heritage place or object; or
- 3) to fail to report to the Chief Executive Office, under the Heritage Act, the discovery of a site or object known to be a heritage site or object.

Damage or removal of a heritage site or object without permission is an offence, but it is permitted in certain limited circumstances including in accordance with the terms of a heritage agreement or subject to a works approval under the Heritage Act.

12.2. Application to the Applications

In preparation of this Report, we did not obtain or consider any searches of the cultural heritage registers under the Heritage Act to assess cultural heritage.

13. Overlapping mineral titles

13.1. Searches

Our searches show a number of mineral titles under the *Mineral Titles Act 2010 (NT)* have been granted or applied for over land within the Applications.

13.2. Legislation

The Northern Territory does not have legislation which addresses the overlapping of petroleum titles (such as the Applications) and mineral titles. There is no legal restriction on petroleum activities under the Applications over an area of land resulting from the existence of a mineral title over that same land. If the land titles and mineral titles were significantly developed with infrastructure or equipment then there could be a practical issue with the intersection and infrastructure or equipment, however issue rarely arises in remote Australia where the

Applications are located. If that were to occur, then generally it would be dealt with by agreement between the holder of the Applications and the relevant other party.

14. Sensitive Areas

14.1. Parks Legislation

Under s 15 of the Petroleum Act, the Minister shall not grant an EP in respect of land comprising of a park without considering the opinions of the Minister administering the Territory Parks and Wildlife Conservation and in accordance with the considerations, if any, specified by the minister administering the *Territory Parks and Wildlife Conservation Act (NT)*.

A holder of an exploration permit or retention licence shall not carry out the technical works programme or any other exploration which would disturb the surface of the land comprising the whole or a part of a park unless he has advised the Minister, in writing, of his intention to carry out the activity and he carries it out in accordance with such directions that the Minister gives (s 15(3) Petroleum Act).

14.2. Reservation Blocks

Section 9 of the Petroleum Act states that the Minister may declare that a specific block may not be the subject of an exploration licence. If this declaration is made, an application for an exploration permit shall not be made in respect of that block (s 9(2) Petroleum Act). The Searches have identified certain planned reservation blocks as set out in Schedule 4. Once an exploration licence is granted, the Minister may not make a declaration under s 9 of the Petroleum Act over a block within the licence area.

14.3. Objections under Petroleum Act

Pursuant to section 19 of the Petroleum Act, objections to the grant of an exploration permit may be lodged in response to the advertisement of an application for an EP published under section 18(1). If this occurs, the Minister must give to the applicant copies of the objections lodged together with a notice to the effect that, within 30 days after the date of the objection notice, the applicant may lodge with the Minister replies to or other comments about the objections.

Pursuant to section 20 of the Petroleum Act, the Minister must then consider the application and any objections and replies in making a determination whether to grant the exploration permit in respect of some or all of the blocks to which the application relates or refuse to grant the exploration permit. If the Minister refuses to grant the exploration permit, the applicant may apply for a review of the determination under Division 6 of Part II the Petroleum Act.

The Coastal Waters Petroleum Act does not have a formal process for objections to the grant of an exploration permit, however we are aware that DITT generally undertakes stakeholder consultation in relation to applications for permits under the Coastal Waters Petroleum Act in order to inform the Minister's decision on whether or not to grant an application.

The Searches show that objections have been received by the Minister with respect to applications for EP 256 and NTC/P14.

In summary, the Searches show that the objection for EP 256, received by DITT on 21 February 2013, was made on behalf of an individual stating that he is a traditional owner of the area and he does not believe that it is in his interest, or that of his family, to let exploration of

the area occur. Regarding the objection for NTC/P14, DITT has declined to provide us with any further information on the content of this objection on the basis that objections in relation to applications for EPs under the Coastal Waters Petroleum Act (such as NTC/P14) are not required to be released to the Applicant.

15. Qualifications and Assumptions

This Report is subject to the following qualifications and assumptions:

- 1) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant Federal or Northern Territory Government departments or authorities.
- 2) we assume the holder of the Applications has valid legal title to the Applications with respect to matters not considered in this Report;
- 3) this Report does not cover any third party interests, including encumbrances, in relation to the Applications that are not apparent from our Searches and the information provided to us;
- 4) we have assumed any agreements provided to us in relation to the Applications are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- 5) with respect to the granting of the Applications, we have assumed the Northern Territory and the applicant for the Applications have complied with, or will comply with, the applicable future act provisions of the Native Title Act;
- 6) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or the Applicants or any of their officers, agents and representatives;
- 7) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain the Applications in good standing;
- 8) references in this Report to any area of land are taken from details shown on Searches obtained from the relevant Northern Territory Government department. It is not possible to verify the accuracy of those areas without conducting further investigations including surveys (which we have not been instructed to undertake, and therefore have not undertaken);
- 9) the information in this Report is accurate as at the date the relevant Searches were obtained. We have assumed the relevant databases and registers have been properly and accurately recorded and maintained. We cannot comment on whether any changes have occurred in respect of the Applications between the date of the Searches and the date of this Report;
- 10) where Ministerial consent is (or was) required, we express no opinion as to whether such consent will be (or was) granted, or the consequences of consent being refused;
- 11) we have not been instructed to conduct (and therefore have not conducted) searches regarding the environmental condition of the Applications;

- 12) native title may exist in the areas covered by the Applications. While we have conducted searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court and/or NNTT in relation to the areas covered by the Applications, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas;
- 13) Aboriginal heritage sites or objects (as defined in the relevant Commonwealth, Northern Territory legislation) may exist in the areas covered by the Applications regardless of whether or not those sites have been entered on a relevant register established by a relevant Government or regulatory authority, or is the subject of a declaration under the relevant Commonwealth legislation. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Applications;
- 14) any agreement pursuant to which the Company or the Applicants is to acquire its interest in the Applications is valid, legally binding and enforceable in accordance with its terms; and
- 15) this is a high-level Report covering material legal issues affecting the Applications and does not purport to cover all possible issues which may affect the Applications.

CONSENT

This Report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

Cozens Johansen Lawyers



Nick Johansen

Partner

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Schedule 1 – Application Details

Title Type	Title Number	Applicant	Percentage holding (%)	Current Status (Application or Granted)	Application Date	Period applied for	Area in Blocks Applied for
EP	254	NT Gas	100.00%	Application	18/10/2011	5 Years	169
EP	256	NT Gas	100.00%	Application	18/10/2011	5 years	34
EP	257	NT Gas	100.00%	Application	18/10/2011	5 Years	96
EP	258	Territory Gas	100.00%	Application	20/10/2011	5 Years	19
EP	259	Territory Gas	100.00%	Application	20/10/2011	5 Years	39
EP	260	Territory Gas	100.00%	Application	20/10/2011	5 Years	Original application for 117 Blocks but area varied on 25/11/2016 to 115 Blocks and again varied on 07/05/2020 to 63 Blocks.
EP	261	Territory Gas	100.00%	Application	20/10/2011	5 Years	61
EP	262	Territory Gas	100.00%	Application	20/10/2011	5 Years	99
EP	263	Territory Gas	100.00%	Application	20/10/2011	5 Years	Original application for 177 Blocks but area varied on 07/05/2020 to 43 Blocks.
EP	264	Territory Gas	100.00%	Application	20/10/2011	5 Years	Original application for 43 Blocks but area varied on

Title Type	Title Number	Applicant	Percentage holding (%)	Current Status (Application or Granted)	Application Date	Period applied for	Area in Blocks Applied for
							21/11/2016 to 41 Blocks.
EP	265	NT Gas	100.00%	Application	20/10/2011	5 Years	200
EP	274	NT Gas	100.00%	Application	25/10/2011	5 Years	192
EP	275	NT Gas	100.00%	Application	25/10/2011	5 Years	196
EP	276	NT Gas	100.00%	Application	25/10/2011	5 Years	200
EP	277	NT Gas	100.00%	Application	25/10/2011	5 Years	198
EP	278	NT Gas	100.00%	Application	25/10/2011	5 Years	198
EP	279	NT Gas	100.00%	Application	25/10/2011	5 Years	194
EP	280	NT Gas	100.00%	Application	25/10/2011	5 Years	121
EP	281	NT Gas	100.00%	Application	25/10/2011	5 Years	Original application for 194 Blocks but area varied on 07/05/2020 to 5 Blocks.
EP	282	NT Gas	100.00%	Application	25/10/2011	5 Years	Original application for 168 Blocks but area varied on 07/05/2020 to 9 Blocks and again varied on 14/07/2020 to 4 Blocks.
EP	283	NT Gas	100.00%	Application	25/10/2011	5 Years	Original application for 176 Blocks but area varied on 07/05/2020 to 5 Blocks.

Title Type	Title Number	Applicant	Percentage holding (%)	Current Status (Application or Granted)	Application Date	Period applied for	Area in Blocks Applied for
EP	284*	NT Gas	100.00%	Application	25/10/2011	5 Years	Original application for 200 Blocks but area varied on 07/05/2020 to 16 Blocks and again varied on 14/07/2020 to 6 Blocks.
EP	285*	NT Gas	100.00%	Application	25/10/2011	5 Years	Original application for 125 Blocks but area varied on 07/05/2020 to 3 Blocks and again varied on 14/07/2020 to 2 Blocks.
EP	294**	NT Gas	100.00%	Application	09/02/2012	5 Years	Original Application for 29 Blocks but area varied on 14/07/2020 to 23 Blocks.
EP	295**	NT Gas	100.00%	Application	09/02/2012	5 Years	4
EP	312	Territory Gas	100.00%	Application	20/10/2011	5 Years	2
EP	313	Territory Gas	100.00%	Application	20/10/2011	5 Years	11
EP	314**	Territory Gas	100.00%	Application	20/10/2011	5 Years	21
EP	315**	Territory Gas	100.00%	Application	20/10/2011	5 Years	2

Title Type	Title Number	Applicant	Percentage holding (%)	Current Status (Application or Granted)	Application Date	Period applied for	Area in Blocks Applied for
NTC/P	14***	NT Gas	100%	Application	09/02/2012	5 years	5

Note 1*: The Searches indicate that DITT considers its assessment of the applications for EP284 and 285 to be incomplete.

Note 2:** As at the date of the Searches, the Minister responsible for the Petroleum Act has not caused an advertisement of the applications for EP294, EP295, EP314 and EP315 to be issued in accordance with section 18(1) of the Petroleum Act on the basis that an assessment of those applications had not been completed. Based on that assessment the Minister may elect not to advertise those applications for EP294, EP295, EP314 and EP315 in which case the Minister may also refuse to grant those Applications.

Note 3*:** NTC/P14 is an application for an exploration permit under Coastal Waters Petroleum Act.

Schedule 2 – Applications on Aboriginal Land

Notes:

1. “**ALT**” means Aboriginal Land Trust under ALRA
2. “**NTP**” means NT Portion

Title Type	Title Number	Underlying Land Title Reference	Aboriginal Land Trust Owner	Existing Consent to Negotiate issued at date of Search?	Existing Agreement or Consent under ALRA for Grant of EP
EP	254	NTP 1646	Arnhem Land ALT	Yes	No
EP	256	NTP 1645 and 1698 Lot 15 Hundred of Milne and NTP 3412	Delissaville/Wagait /Iarrakia ALT Gurudju ALT	No	No
EP	257	NTP 1646 NTP 4342 NTP 3629 NTP 1636 NTP 5417	Arnhem Land ALT Manyallaluk ALT Jawoyn ALT Beswick ALT Mangarrayi ALT	Yes	No
EP	259	NTP 5173	Muckaty ALT	Yes	No
EP	261	NTP 3723	Warumangu ALT	Yes	No
EP	262	NTP 3556 NTP 718 NTP 4236 NTP 4068 and 3735	Karlantjipa South ALT Mungkarta ALT Kanttaji ALT Warumangu ALT	Yes	No
EP	264	NTP 3977	Anurrete ALT	No	No
EP	265	NTP 1740 NTP 3973 NTP 4199 NTP 3972	Central Desert ALT Mt Frederick ALT Mt Frederick (No. 2) ALT Yingualyalya ALT	Yes	No

Title Type	Title Number	Underlying Land Title Reference	Aboriginal Land Trust Owner	Existing Consent to Negotiate issued at date of Search?	Existing Agreement or Consent under ALRA for Grant of EP
EP	274	NTP 4147 NTP 1740	Mangkururpa ALT Central Desert ALT	Yes	No
EP	275	NTP 1740 NTP 2844 NTP 360 NTP 233	Central Desert ALT Karlantijpa ALT Pawu ALT Wirliyajarranyi ALT	Yes	No
EP	276	NTP 1740 NTP 360 NTP 1633 NTP 3038	Central Desert ALT Pawu ALT Yuendumu ALT Yalpirankinu ALT	Yes	No
EP	277	NTP 3745 NTP 1642 NTP 1740	Mala ALT Lake Mackay ALT Central Desert ALT	Yes	No
EP	278	NTP 1642	Lake Mackay ALT	Yes	No
EP	279	NTP 1642 NTP 1635	Lake Mackay ALT Haasts Bluff ALT	Yes	No
EP	280	NTP 1635 NTP 3271	Haasts Bluff ALT Ngalurtij ALT	Yes	No
EP	314	NTP 2845	Karlantijpa North ALT	No	No
EP	315	NTP 4801 NTP 5798	Kalumpija ALT Kalumpija 2 ALT	No	No

Schedule 3 – Applications on Native Title Land or Waters

Title Type	Title Number	Underlying Land Title	Native Title Proceeding(s)	Category
EP	258	NTP 2094 – Powell Creek Station	Powell Creek Pastoral Lease Proceeding - DCD2020/007	Native title determination
EP	260	NTP 494 and 1075 – Tennant Creek Station NTP 408 – Phillip Creek Station	Phillip Creek Pastoral Lease - DCD2017/005 (overlap 67.08%) Tennant Creek Pastoral Lease - DCD2019/003 (overlap 32.72%) Northern Gas Pipeline: CLC Tennant ILUA - DI2017/005 (overlap 0.17%) Giants Reef Exploration ILUA - DIA2000/002 (overlap 99.75%)	Native title determination and ILUA
EP	263	NTP 4246 – vacant Crown land NTP 3431 – Elkedra Station NTP 4030 - Epenarra Station NTP 716 - Kurundi Station NTP 653 - Singleton Station NTP 1290 – Ammaroo Station	Singleton - DCD2010/001 (overlap 3.25%) Kurundi - DCD2011/015 (overlap 24.34%) Sandover River - DCD2014/010 (overlap 6.24%) Kurundi/CLC Mineral Claims ILUA - DI2003/007 (overlap 24.34%)	Native title determination and ILUA
EP	281*	NTP 748 – Napperby Station NTP 361 – Anningie Station	Napperby Perpetual Pastoral Lease – DCD2013/001	Native title determination
EP	282	NTP 703 – Aileron Station	Aileron Pastoral Lease - DCD2017/001 (overlap 95.39%)	Native title determination

Title Type	Title Number	Underlying Land Title	Native Title Proceeding(s)	Category
		NTP 748 – Napperby Station	Napperby Perpetual Pastoral Lease - DCD2013/001 (overlap 2.98%)	
EP	283	NTP703 – Aileron Station	Aileron Pastoral Lease - DCD2017/001 (Overlap 99.32%) Native Gap Conservation Reserve ILUA - DI2004/034 (ILUA 0.01%)	Native title determination and ILUA
EP	284	NTP 742 - Dneiper Station NTP 717 - Old Macdonald Downs Station NTP 3120 - Macdonald Downs Station	None	N/A
EP	285	NTP 367 – Tarlon Downs Station NTP 742 - Dneiper Station	ILUA with NT Oil Ltd: EP 127 and 128 ILUA - DI2007/002	ILUA
EP	294	Inland waters	None	N/A
EP	295	Inland waters	None	N/A
EP	312	NTP 283 – Brunchilly Station	Brunchilly Pastoral Lease - DCD2014/004 (overlap 100.00%)	Native title determination
EP	313	NTP 7048 – Banka Banka Station NTP 5679 and 5156 – vacant Crown land	Banka Banka West Pastoral Lease Proceeding - DCD2020/006 (overlap 100.00%)	Native title determination
NTC/P	14**	Offshore area (coastal waters of the Northern Territory)	None	N/A

Note 1*: The application for EP281 was made over native title land, however a small portion of the land within EP281 was subsequently granted as Aboriginal land (being NT Portion 4153 owned by the

Yurrkuru Aboriginal Land Trust) under ALRA in 2014. As such, the procedure under the ALRA regime discussed in this Report would need to be followed in order for that portion EP281 to be granted.

Note 2:** As explained in this Report, the native title regime applicable to NTC/P 14, as an application within an offshore area (including the coastal waters of the Northern Territory) is different from an EP.

Schedule 4 – Environmental Issues

Title Type Code	Title Number	Site of Conservation Significance	Water Control District	Petroleum Reserve or Planned Petroleum Reserve
EP	254	Partly covered by the West Arnhem Plateau	Areas within the Daly Roper Beetaloo Water Control District	Part Planned Petroleum Reserve
EP	256	Partly covered by the Fog Bay and Finnis River coastal flood plain and Anson Bay and associated coastal floodplains		
EP	257	Partly covered by the West Arnhem Plateau	Areas within the Daly Roper Beetaloo Water Control District	Part Planned Petroleum Reserve
EP	258	Partly set aside as “PV Area of Interest” for Sun Cable Solar Farm	Within Daly Roper Beetaloo Water Control District	
EP	260		Within Tennant Creek Water Control District	
EP	261			Part Planned Petroleum Reserve
EP	262	Partly covered by the Davenport and Murchison Ranges	Within the Tennant Creek Water Control District and Western Davenport Water Control District	Part Planned Petroleum Reserve
EP	263	Partly Covered by the Davenport and Murchison Ranges	Within Western Davenport Water Control District	
EP	264	Partly covered by the Davenport and Murchison Ranges		Part Planned Petroleum Reserve
EP	265	Partly covered by the South-west Tanami Desert		Part Planned Petroleum Reserve
EP	274	Partly covered by the South West Tanami desert		Within Planned Petroleum Reserve

Title Type Code	Title Number	Site of Conservation Significance	Water Control District	Petroleum Reserve or Planned Petroleum Reserve
EP	275	Partly covered by the Lake Surprise and Lander River foldout swamps		Within Planned Petroleum Reserve
EP	276	Partly covered by the South West Tanami desert		Within Planned Petroleum Reserve
EP	277	Partly covered by the South West Tanami desert		Within Planned Petroleum Reserve
EP	278	Partly covered by the Lake Mackay		Within Planned Petroleum Reserve
EP	279			Part Planned Petroleum Reserve
EP	280	Partly covered by the Mount Leibig and surrounds and Greater MacDonnell Ranges and Newhaven Lakes		Part Planned Petroleum Reserve
EP	283		Within Ti-tree Water Control District	

Schedule 5 - Aboriginal sacred sites

The response from AAPA to our Search was divided into 3 parts each of which bunched the land areas of Applications relatively proximate to each other as follows:

1. With respect to the land area within the following Applications: EP 265, EP 274, EP 275, EP 276, EP 277, EP 278, EP 279, EP 280, EP 281, EP 282, EP 283, EP 284, EP 285, the result of the Search with AAPA was as follows:
 - a. Approximately 160 “recorded” Aboriginal sacred sites;
 - b. Approximately 10 “registered” Aboriginal sacred sites; and
 - c. There are “restricted works areas”, connected with the above mentioned recorded or registered sacred sites, relating to Authority Certificates previously issued to other entities.
2. With respect to the land area within the following Applications: EP 258, EP 259, EP 260, EP 261, EP 262, EP 263, EP 264, EP 312, EP 313, EP 314, EP 315, the result of the Search with AAPA was as follows:
 - a. Approximately 125 “recorded” Aboriginal sacred sites;
 - b. Approximately 27 “registered” Aboriginal sacred sites; and
 - c. There are “restricted works areas”, connected with the above mentioned recorded or registered sacred sites, relating to Authority Certificates previously issued to other entities.
3. With respect to the land area within the following Applications: EP 254, EP 256, EP 257, EP 294, EP 295, NTC/P14, the result of the Search with AAPA was as follows:
 - a. Approximately 130 “recorded” Aboriginal sacred sites;
 - b. Approximately 26 “registered” Aboriginal sacred sites; and
 - c. There are “restricted works areas”, connected with the above mentioned recorded or registered sacred sites, relating to Authority Certificates previously issued to other entities.

ANNEXURE C – INDEPENDENT LIMITED ASSURANCE REPORT



TOP END ENERGY LIMITED Independent Limited Assurance Report

10 November 2021

10 November 2021

The Directors
Top End Energy Limited
Ground Floor, 353 Rokeby Road
Subiaco WA 6008

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Top End Energy Limited (**'Top End'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) for inclusion in a prospectus for the Initial Public Offering (**'IPO'**) of shares in Top End (**'Prospectus'**). Broadly, the Prospectus will offer 32,000,000 shares at an issue price of \$0.20 each to raise \$6,400,000 before costs (**'the Offer'**).

In addition, Top End's wholly-owned subsidiary, Tomorrow Energy Corporation Pty Ltd (**'Tomorrow Energy'**) has entered into an acquisition agreement with Tri-Star Energy Company (**'Tri-Star'**) to acquire its 100% ownership interest in the Tri-Star Project, which comprises one granted petroleum Authority to Prospect (**'ATP'**) permit located in Queensland, Australia (**'Tri-Star Acquisition'**). The terms of the Tri-Star Acquisition are detailed in Section 9.2 of the Prospectus.

Under the terms of the Tri-Star Acquisition, the consideration payable by Tomorrow Energy to Tri-Star will comprise cash consideration of \$1, granting Tri-Star an overriding royalty pursuant to the Royalty Deed and enter into the Deed of Covenant and Royalty Mortgage.

Subject to the completion of the IPO, Top End has also entered into a binding acquisition agreement with McKam Aust Pty Ltd (**'McKam'**) to acquire its 100% interest in NT Territory Holdco Pty Ltd (**'NT Holdco'**), which in turn owns 50% of the issued capital of Territory Gas Pty Ltd (**'Territory Gas'**) (**'TG Acquisition'**). We note that NT Holdco is an entity which was incorporated solely for the purpose of the TG Acquisition. The terms of the TG Acquisition are detailed in Section 9.2 of the Prospectus.

Under the terms of the TG Acquisition, the consideration payable by Top End to McKam will comprise the following:

- 15,750,000 fully paid ordinary shares in Top End at a deemed issue price of \$0.20 each (**‘Consideration Shares’**);
- 19,500,000 deferred shares which convert into ordinary shares of Top End following the satisfaction of certain milestones (**‘Deferred Shares’**), which are detailed in Section 7 of our Report.

Top End also intends to offer 3,000,000 performance rights to the Managing Director, Mr. Oliver Oxenbridge (**‘Director Performance Rights’**). The terms of the Director Performance Rights are detailed in Section 9.3 of the Prospectus.

The Company was incorporated on 25 May 2021 as Top End Energy Pty Ltd (**‘Top End Pty Ltd’**), which was converted to a public company on 27 August 2021.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**‘FSG’**) has been included in this Report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **‘Historical Financial Information’**) included in the Prospectus:

- Top End Pty Ltd’s (subsequently converted to a public company, Top End) audited consolidated Statement of Financial Position as at 30 June 2021 and Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for the period from incorporation (25 May 2021) to 30 June 2021; and
- Territory Gas’ audited consolidated Statement of Financial Position as at 30 June 2021 and Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the year ended 30 June 2021 and the period from incorporation (14 February 2020) to 30 June 2020.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies.

The Historical Financial Information of Top End Pty Ltd has been extracted from the financial report of Top End Pty Ltd for the period from incorporation (25 May 2021) to 30 June 2021, which

was audited by BDO Audit (WA) Pty Ltd ('**BDO Audit**') in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial report.

The Historical Financial Information of Territory Gas has been extracted from the financial report of Territory Gas for the year ended 30 June 2021, which was audited by BDO Audit in accordance with the Australian Auditing Standards. In the audit conclusion on the financial report of Territory Gas for the year ended 30 June 2021, BDO Audit included an emphasis of matter relating to the material uncertainty around the ability of Territory Gas to continue as a going concern. However, the audit opinion was not modified in respect of this matter.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the '**Pro Forma Historical Financial Information**') of Top End and Territory Gas included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2021;

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Top End and Territory Gas after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the events or transactions described in Section 6 and Section 7 of this Report to Top End's financial position as at 30 June 2021. As part of this process, information about Top End's financial position has been extracted from the financial statements of Top End Energy Pty Ltd (subsequently converted to a public company, Top End) for the period from incorporation (25 May 2021) to 30 June 2021 and Territory Gas for the year ended 30 June 2021.

3. Directors' responsibility

The directors of Top End are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in

accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- Top End Energy Pty Ltd's (subsequently converted to a public company, Top End) audited consolidated Statement of Financial Position as at 30 June 2021 and Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for the period from incorporation (25 May 2021) to 30 June 2021; and
- Territory Gas' audited consolidated Statement of Financial Position as at 30 June 2021 and Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the year ended 30 June 2021 and the period from incorporation (14 February 2020) to 30 June 2020.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position as at 30 June 2021;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma Statement of Financial Position reflects the following events that have occurred subsequent to 30 June 2021:

- On 1 July 2021, the Company issued 2,500,000 options to Directors, exercisable at \$0.30, with an expiry date of 30 November 2025 (**'Existing Director Options'**). The Existing Director Options have been valued at \$17,500 using the Black-Scholes option pricing model. The Existing Director Options vest immediately and as such, the full value has been expensed through retained losses, with a corresponding increase in reserves;
- On 1 July 2021, the Company issued 3,000,000 performance rights to the Managing Director, Mr. Oliver Oxenbridge. The Director Performance Rights will vest in five tranches, subject to the satisfaction of certain vesting conditions and a minimum service condition of 24 months. The Director Performance Rights have been valued at \$522,000 using the Black-Scholes model and a trinomial barrier up-and-in option pricing model. Further details can be found in Section 9.3 of the Prospectus and on page 21 of our Report. In accordance with AASB 2 *Share-based Payment*, the value of the Director Performance Rights are expensed over the vesting period and as such, as at the pro-forma date, there is no financial adjustment required to reflect the issue of the Director Performance Rights;
- On 6 July 2021, the Company issued 15,000,000 shares to seed capital investors at an issue price of \$0.02 each to raise \$300,000 before costs (**'Seed Raising 1'**). We note that the Company received funds of \$275,000 prior to 30 June 2021 which has been classified as a liability. The balance of the liability has been fully reversed and has been offset against cash and cash equivalents. Cash and cash equivalents has been increased by \$25,000 (proceeds received subsequent to 30 June 2021) with a corresponding increase in issued capital. The Company incurred capital raising costs of \$16,883 which has been classified as prepayments as at 30 June 2021. The balance of prepayments has been fully reversed and has been offset against issued capital;
- On 3 September 2021, the Company issued 5,000,000 shares to seed capital investors at an issue price of \$0.10 each to raise \$500,000 before costs (**'Seed Raising 2'**). The Company incurred capital raising costs of \$30,000, which has been offset against issued capital. As such, cash and cash equivalents has been increased by \$470,000 (net proceeds), with a corresponding increase in issued capital. Seed Raising 1 and Seed Raising 2 are collectively referred to as the **'Seed Raisings'**. In connection with the Seed Raisings, the Company issued one free-attaching option for every one share issued, exercisable at \$0.30, with an expiry date of 30 November 2025 (**'Free Attaching Options'**). No financial adjustment has been made for the issue of the Free Attaching Options on the basis that the fair value of the Free Attaching Options is reflected in the price of the Seed Raisings;
- On 5 November 2021, the Company acquired the Tri-Star Project from Tri-Star for cash consideration of \$1 and a 2% royalty on all sale proceeds from the Tri-Star Project (**'Royalty'**). We note that the Royalty will give rise to a contingent liability and we do not consider the cash consideration to be material, therefore, there is no financial adjustment required to reflect the Tri-Star Acquisition; and

- On 9 November 2021, the Company entered into an agreement with S3 Consortium Pty Ltd ('S3'), whereby S3 will provide marketing services over a two-year period following completion of the IPO ('S3 Agreement'). The consideration payable by Top End to S3 will comprise 1,875,000 fully paid ordinary shares in Top End at a deemed issue price of \$0.20 each. The issue of the shares represents a prepayment for services provided and therefore is reflected in the pro forma Statement of Financial Position as an increase in issued capital and an increase in prepayments.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief, no other material transaction or event outside of the ordinary business of Top End not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 1. We note that upon completion of the IPO, Top End will acquire 50% of Territory Gas through its acquisition of NT Holdco, an entity which was incorporated solely for the purpose of the TG Acquisition. The operations of NT Holdco are entirely within Territory Gas and as such the financial statements of only Territory Gas are presented for the purposes of the pro forma historical Statement of Financial Position.

This has been prepared based on the financial statements of Top End Pty Ltd and Territory Gas as at 30 June 2021, the subsequent events set out in Section 6, and the following events and transactions relating to the issue of shares under the Prospectus:

- The issue of 32,000,000 shares at an offer price of \$0.20 each to raise \$6,400,000 before costs pursuant to the Prospectus;
- Total cash costs of the IPO are estimated to be \$778,206. The costs of the IPO that are directly attributable to the capital raising, being \$565,179, are offset against issued capital, with the remaining costs of the IPO expensed through retained losses;
- The issue of 500,000 options to incoming Director, Mr. Richard Lampe, exercisable at \$0.30, with an expiry date of 30 November 2025 ('New Director Options'). The New Director Options have been valued at \$68,500 using the Black-Scholes option pricing model. The New Director Options vest immediately and as such, the full value has been expensed through retained losses, with a corresponding increase in reserves;
- The issue of 4,800,000 options to Inyati Capital Pty Ltd for lead manager advisory services, exercisable at \$0.30, with an expiry date of 30 November 2025 ('Lead Manager Options'). The Lead Manager Options have been valued at \$657,600 using the Black-Scholes option pricing model. The issue of the Lead Manager Options is considered to be a cost directly attributable to the capital raising and as such, it is reflected in the pro forma Statement of Financial Position through an offset to issued capital and an increase in reserves;

- Subject to the completion of the IPO, Top End will acquire 100% of the issued capital of NT Holdco, which in turn owns 50% of the issued capital of Territory Gas. The consideration payable by Top End to McKam will comprise 15,750,000 Consideration Shares which have been valued at \$3,150,000 based on the deemed issue price of \$0.20 each and 19,500,000 Deferred Shares which convert into ordinary shares of Top End following the satisfaction of the following milestones:
 - EPA 257, EPA 258 and EPA 259 are granted within 18 months of settlement;
 - Completion of an independent estimate of prospective resources of 5 trillion cubic feet of gas or greater on the Permits (as verified by an independent competent person) within two years of settlement; and
 - Spudding of at least one well on the Permits within four years of settlement.
- The forgiveness of the related party loan in Territory Gas owing to McKam under the terms of the TG Acquisition. As such, the balance of the related party loan has been reversed and offset through retained losses.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO is the auditor of Top End and from time to time, BDO provides Top End with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

A handwritten signature in black ink, appearing to be 'Peter Toll', with a long horizontal stroke extending to the right.

Peter Toll

Director

APPENDIX 1

TOP END ENERGY LIMITED

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Top End Audited as at 30-Jun-21	Subsequent events	Pro forma adjustments	Pro forma after Offer
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	4	275,001	495,000	5,622,994	6,392,995
GST receivable		1,246	-	-	1,246
Prepayments	5	16,883	358,117	-	375,000
TOTAL CURRENT ASSETS		293,130	853,117	5,622,994	6,769,241
TOTAL ASSETS		293,130	853,117	5,622,994	6,769,241
CURRENT LIABILITIES					
Trade and other payables		51,091	-	-	51,091
Funds received for unissued seed capital	6	275,000	(275,000)	-	-
Borrowings - related party	7	-	-	-	-
TOTAL CURRENT LIABILITIES		326,091	(275,000)	-	51,091
TOTAL LIABILITIES		326,091	(275,000)	-	51,091
NET ASSETS		(32,961)	1,128,117	5,622,994	6,718,150
EQUITY					
Issued capital	8	1	1,128,117	8,327,221	9,455,339
Retained losses	9	(32,962)	(17,500)	(3,430,927)	(3,481,389)
Reserves	10	-	17,500	726,100	743,600
Non-controlling interest	11	-	-	600	600
TOTAL EQUITY		(32,961)	1,128,117	5,622,994	6,718,150

The cash and cash equivalents balance above does not account for working capital movements over the period from 1 July 2021 until completion. We have been advised that the operating costs of Top End for the period subsequent to 30 June 2021 was approximately \$235,000.

The consolidated pro-forma Statement of Financial Position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4 and the prior year financial information of Top End set out in Appendix 2 and Appendix 3 and Territory Gas set out in Appendix 5 and Appendix 6.

APPENDIX 2
TOP END ENERGY LIMITED
HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income		Audited for the period from incorporation to 30-Jun-21
		\$
Revenue		-
Expenses		
Audit and accounting fees		(20,000)
Legal fees		(12,962)
Loss before income tax expense		(32,962)
Income tax expense		-
Loss after income tax expense for the period attributable to the owners of Top End Energy Pty Ltd		(32,962)
Other comprehensive income for the year, net of tax		-
Total comprehensive income for the period attributable to the owners of Top End Energy Pty Ltd		(32,962)

This Statement of Profit or Loss and Other Comprehensive Income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 3
TOP END ENERGY LIMITED
HISTORICAL STATEMENT OF CASH FLOWS

Statement of Cash Flows		Audited for the period from incorporation to 30-Jun-21
		\$
Cash flows from operating activities		
Net cash from operating activities		-
Cash flows from investing activities		
Net cash used in investing activities		-
Cash flows from financing activities		
Cash from issue of share on incorporation		1
Cash from unissued seed capital		275,000
Net cash from financing activities		275,001
Net increase in cash and cash equivalents		275,001
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period		275,001

This Statement of Cash Flows shows the historical cash flows of the Company and is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

APPENDIX 4
TOP END ENERGY LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

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

b) Going concern

The historical financial information has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of the business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Basis of preparation

The historical financial information has been prepared in accordance with recognition and measurement, but not all the disclosure requirements of Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

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

Critical accounting estimates

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

d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2021 and the results of all subsidiaries for the period then ended.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company 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 Company. They are de-consolidated from the date that control ceases.

e) Foreign currency translation

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

f) Exploration and evaluation assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest.

Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest.

These costs are only carried forward 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 which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs are written off where they do not meet the above criteria.

A provision is raised against exploration and evaluation expenditure where the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. 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.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration are provided over the life of the area 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 structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

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 restoration will be completed within one year of abandoning the site.

g) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with maturities of three months or less, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

j) Issued capital

Ordinary shares are classified as equity.

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

k) Critical accounting judgements, estimates and assumptions

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

Income tax

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which

may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

l) Operating segments

Identification of reportable operating segments

The Company has identified its operating segments on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure; and
- investment being focused on the same resource or type of resource.

Unless otherwise stated, all amounts reported to the Board of Directors as the chief decision maker with respect to operating leases, are determined in accordance with AASB 8 Operating Segments.

NOTE 2: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 3: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus. We note that pursuant to the Tri-Star Acquisition, the Company has agreed to grant Tri-Star an overriding royalty pursuant to the Royalty Deed and enter into the Deed of Covenant and Royalty Mortgage. For further details, please refer to Note 13.

We also note that the Company has a plug and abandonment obligation in relation to ATP permit 1069. The estimated cost of this obligation is \$225,000.

Further details on the above are disclosed in Sections 9.2 and 5.7 of the Prospectus.

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 4. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	275,001	6,392,995
Audited balance of Top End as at 30 June 2021		275,001
		275,001
<i>Subsequent events:</i>		
Proceeds from shares issued under Seed Raising 1		25,000
Proceeds from shares issued under Seed Raising 2		500,000
Costs of the Seed Raising 2		(30,000)
		495,000
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the Offer		6,400,000
Costs of the Offer		(778,206)
Acquisition of Territory Gas		1,200
		5,622,994
Pro forma balance		6,392,995

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 5. PREPAYMENTS	\$	\$
Prepayments	16,883	375,000
Audited balance of Top End as at 30 June 2021		16,883
		16,883
<i>Subsequent events:</i>		
Reversal of asset for capital raising costs incurred pursuant to Seed Raising 1		(16,883)
Issue of shares pursuant to the S3 Agreement*		375,000
		358,117
Pro forma balance		375,000

*The shares have been valued at \$0.20 per share

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 6. FUNDS RECEIVED FOR UNISSUED SEED CAPITAL	\$	\$
Funds received for unissued seed capital	275,000	-
Audited balance of Top End as at 30 June 2021		275,000
		275,000
<i>Subsequent event:</i>		
Reversal of liability for the funds received in advance upon issue of shares pursuant to the Seed Raising		(275,000)
		(275,000)
Pro forma balance		-

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 7. RELATED PARTY BORROWINGS	\$	\$
Related party borrowings	-	-
Audited balance of Top End as at 30 June 2021		-
		-
<i>Pro forma adjustments:</i>		
Acquisition of Territory Gas		525,899
Forgiveness of related party loan on acquisition		(525,899)
		-
Pro forma balance		-

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 8. ISSUED CAPITAL	\$	\$
Issued capital	1	9,455,339
	Number of shares	\$
Fully paid ordinary share capital of Top End as at 30 June 2021	1	1
	1	1
<i>Subsequent events:</i>		
Issue of shares pursuant to Seed Raising 1	15,000,000	300,000
Costs of the Seed Raising 1 directly attributable to the capital raising		(16,883)
Issue of shares pursuant to Seed Raising 2	5,000,000	500,000
Costs of the Seed Raising 2 directly attributable to the capital raising		(30,000)
Issue of shares pursuant to the S3 Agreement	1,875,000	375,000
	21,875,000	1,128,117
<i>Pro forma adjustments:</i>		
Issue of shares pursuant to the Offer	32,000,000	6,400,000
Costs of the Offer directly attributable to the capital raising	-	(565,179)
Issue of Lead Manager Options	-	(657,600)
Issue of Consideration Shares pursuant to the TG Acquisition	15,750,000	3,150,000
Acquisition of the issued capital of Territory Gas	10,000	100
Elimination of the issued capital of Territory Gas	(10,000)	(100)
	47,750,000	8,327,221
Pro forma balance	69,625,001	9,455,339

We note that under the terms of the TG Acquisition, Top End will issue 19,500,000 Deferred Shares to McKam which convert into ordinary shares of Top End following the satisfaction of the following milestones:

- EPA 257, EPA 258 and EPA 259 are granted within 18 months of settlement;
- Completion of an independent estimate of prospective resources of 5 trillion cubic feet of gas or greater on the Permits (as verified by an independent competent person) within two years of settlement; and
- Spudding of at least one well on the Permits within four years of settlement.

For the purpose of the valuation of the total consideration, the value of the Deferred Shares has not been included because there is insufficient reasonable grounds on which to assess the probability of the milestones being met. For further details, please refer to Note 12.

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 9. RETAINED LOSSES	\$	\$
Retained losses	(32,962)	(3,481,389)
Audited balance of Top End as at 30 June 2021		(32,962)
		(32,962)
<i>Subsequent event:</i>		
Issue of Existing Director Options		(17,500)
		(17,500)
<i>Pro forma adjustments:</i>		
Costs of the Offer not directly attributable to the capital raising		(213,027)
Issue of New Director Options		(68,500)
Acquisition of Territory Gas' retained losses (at 30 June 2021) upon acquisition		(524,799)
Elimination of Territory Gas' retained losses (at 30 June 2021) upon acquisition		524,799
Deemed acquisition cost of oil and gas properties to be expensed on acquisition		(3,149,400)
Forgiveness of related party loan in Territory Gas		525,899
Elimination of retained earnings of Territory Gas as a result of loan forgiveness		(525,899)
		(3,430,927)
Pro forma balance		(3,481,389)

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 10. RESERVES	\$	\$
Reserves	-	743,600
Audited balance of Top End as at 30 June 2021		-
		-
<i>Subsequent event:</i>		
Issue of Existing Director Options		17,500
		17,500
<i>Pro forma adjustments:</i>		
Issue of New Director Options		68,500
Issue of Lead Manager Options		657,600
		726,100
Pro forma balance		743,600

Options

The Existing Director Options, Lead Manager Options and New Director Options have been valued using the Black-Scholes option pricing model. The key inputs used and our conclusion as to the value of the options are set out in the table below:

	Existing Director Options	Lead Manager Options	New Director Options
Number of options	2,500,000	4,800,000	500,000
Underlying share price	\$0.020	\$0.200	\$0.200
Exercise price	\$0.300	\$0.300	\$0.300
Expected share price volatility	110%	110%	110%
Expiry date	30-Nov-25	30-Nov-25	30-Nov-25
Life of the options (years)	4.42	4.06	4.06
Expected dividends	Nil	Nil	Nil
Risk-free rate	0.765%	1.370%	1.370%
Value per option	\$0.007	\$0.137	\$0.137
Value per tranche	\$17,500	\$657,600	\$68,500

The Director Options, Lead Manager Options and New Director Options vest on issue, therefore the full value is recognised for the purpose of the pro forma statement of financial position.

The Company also has 20,000,000 Free Attaching Options on issue, exercisable at \$0.30, with an expiry date of 30 November 2025. However, no financial adjustment has been made for the issue of the Free Attaching Options on the basis that the fair value of the Free Attaching Options is reflected in the price of the Seed Raisings.

Performance Rights

The vesting conditions attached to the Performance Rights are set out below:

Tranche	Vesting Conditions
Tranche 1	The Tranche 1 Performance Rights will vest subject to the grant of an exploration permit in respect of the permit applications held by either NT Gas Pty Ltd and/or Territory Gas at the time the Company lists on the ASX within 18 months from the date of the Company's listing on the ASX
Tranche 2	The Tranche 2 Performance Rights will vest subject to the Company undertaking and successfully completing a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on the ASX within 36 months from the date of the Company's listing on the ASX
Tranche 3	The Tranche 3 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 150% of the IPO issue price for 20 consecutive trading days within 12 months from the date of the Company's listing on the ASX
Tranche 4	The Tranche 4 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price for 20 consecutive trading days within 24 months from the date of the Company's listing on the ASX
Tranche 5	The Tranche 5 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price for 20 consecutive trading days within 36 months from the date of the Company's listing on the ASX

The Tranche 1 and Tranche 2 Performance Rights have been valued using the Black-Scholes option pricing model and the Tranche 3, Tranche 4 and Tranche 5 Performance Rights have been valued using a barrier up-and-in trinomial option pricing model.

The below values represent the maximum value of the Director Performance Rights.

	Director Performance Rights				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Number of performance rights	750,000	750,000	500,000	500,000	500,000
Underlying share price	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200
Exercise price	Nil	Nil	Nil	Nil	Nil
20-day VWAP barrier	N/A	N/A	\$0.300	\$0.400	\$0.500
Expected share price volatility	110%	110%	110%	110%	110%
Assumed vesting period (years)	1.50	3.00	1.00	2.00	3.00
Life of the performance rights (years)	2.00	3.00	2.00	2.00	3.00
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free rate	0.055%	0.195%	0.055%	0.055%	0.195%
Value per performance right	\$0.200	\$0.200	\$0.134	\$0.150	\$0.160
Value per tranche	\$150,000	\$150,000	\$67,000	\$75,000	\$80,000

In accordance with AASB 2 *Share-based Payment*, the value of the Performance Rights will be expensed over the respective vesting periods. Therefore, given that the expense incurred at the pro-forma date is not material, there is no financial adjustment required for the issue of the Performance Rights.

	Audited as at 30-Jun-21	Pro forma after Offer
NOTE 11: NON-CONTROLLING INTEREST	\$	\$
Non-controlling interest	-	600
Audited balance of Top End as at 30 June 2021	-	-
<i>Pro forma adjustments:</i>		
Recognition of non-controlling interest		600
		600
Pro forma balance		600

A non-controlling interest has been recognised to reflect the 50% non-controlling interest in Territory Gas that NT Holdco does not hold.

NOTE 12. PROVISIONAL ACCOUNTING FOR THE TG ACQUISITION

Subject to the completion of the IPO, Top End has entered into a binding acquisition agreement with McKam to acquire its 100% interest in NT Holdco, which in turn owns 50% of the issued capital of Territory Gas. Under the terms of the TG Acquisition, the consideration payable by Top End to McKam will comprise 15,750,000 Consideration Shares and 19,500,000 Deferred Shares.

The Company has considered whether the TG Acquisition falls within the scope of AASB 3 *Business Combinations*. A business combination involves an acquirer obtaining control of one or more businesses by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lowering costs, or providing other economic benefits directly to investors.

The Company does not consider that the TG Acquisition meets the definition of a business combination in accordance with AASB 3 *Business Combinations* as the acquired assets are not deemed to be a business for accounting purposes, therefore the TG Acquisition has been provisionally accounted for as an asset acquisition. A summary of the acquisition details with respect to the TG Acquisition, as included in our Report, is set out below. These details have been determined for the purposes of the pro-forma adjustment as at 30 June 2021, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

	Fair value \$
NOTE 12. ASSET ACQUISITION	
Purchase consideration comprises:	
Issue of 15,750,000 Consideration Shares	3,150,000
Total consideration	3,150,000
Net assets of Territory Gas to be acquired:	
Total assets	1,200
Total liabilities	-
Total net assets acquired (100%)	1,200
Less: Non-controlling interest	(600)
Value of net assets being acquired	600
Acquisition costs of oil and gas properties to be expensed	3,149,400

*The 15,750,000 Consideration Shares have been valued at \$0.20 per share, which is the deemed issue price.

Acquisition costs of oil and gas properties have been expensed on the basis that all permits held by Territory Gas are in application.

For the purpose of the valuation of the total consideration, the value of the Deferred Shares has not been included. We note that as at the date of lodgement of the Prospectus, there is insufficient reasonable grounds on which to assess the probability of the milestones being met. However we note that should the Company satisfy these milestones, this would likely be value accretive to the Company. We note that the maximum value of the Deferred Shares would be \$3,900,000, based on the value of \$0.20 per share pursuant to the Offer.

NOTE 13. PROVISIONAL ACCOUNTING FOR THE TRI-STAR ACQUISITION

Top End's wholly-owned subsidiary, Tomorrow Energy has entered into an acquisition agreement with Tri-Star to acquire its 100% ownership in the Tri-Star Project comprising ATP permit 1069.

Under the terms of the Tri-Star Acquisition, the consideration payable by Tomorrow Energy to Tri-Star will comprise cash consideration of \$1, granting Tri-Star an overriding royalty pursuant to the Royalty Deed and enter into the Deed of Covenant and Royalty Mortgage.

The Royalty Deed relates to the grant of a 2% royalty on the sale of all petroleum produced from ATOP 1069, with the volume and value of the petroleum to be measured and determined at the delivery point. We note that given the Royalty will give rise to a contingent liability and we do not consider the cash consideration to be material, there is no financial adjustment required to reflect the Tri-Star Acquisition.

APPENDIX 5

TERRITORY GAS PTY LTD

HISTORICAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-21	Audited for the period from incorporation to 30-Jun-20
	\$	\$
Other income	-	-
Expenses		
Administration and consultancy expenses	(819)	(75,327)
Legal expenses	-	(15,571)
Loss before income tax	(819)	(90,898)
Income tax expense (benefit)	-	-
Loss for the year	(819)	(90,898)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the period attributable to the owners of Territory Gas Pty Ltd	(819)	(90,898)

This Statement of Profit or Loss and Other Comprehensive Income shows the historical financial performance of Territory Gas and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 6
TERRITORY GAS PTY LTD
HISTORICAL STATEMENTS OF CASH FLOWS

Statement of Cash Flows	Audited for the year ended 30-Jun-21	Audited for the period from incorporation 30-Jun-20
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(819)	(90,898)
Net cash outflows from operating activities	(819)	(90,898)
Cash flows from investing activities		
Net cash outflows from investing activities	-	-
Cash flows from financing activities		
Proceeds from borrowings	819	90,798
Repayment of borrowings	-	(188)
Proceeds from the issue of shares	-	100
Net cash inflows from financing activities	819	90,710
Net increase/(decrease) in cash and cash equivalents	-	(188)
Cash and cash equivalents at the beginning of the financial period	1,200	1,388
Cash and cash equivalents at the end of the period	1,200	1,200

This Statement of Cash Flows shows the historical cash flows of Territory Gas and is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

APPENDIX 7

FINANCIAL SERVICES GUIDE

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Top End Energy Limited ('the Company') to provide an Independent Limited Assurance Report for inclusion in the Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$16,000 (exclusive of GST).

BDO Corporate Finance (WA) Pty Ltd has also been engaged as the Independent Expert for the proposed issue of performance securities and performance rights as set out in the Company's prospectus. The fee payable for this engagement is approximately \$35,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from the Company for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.

ANNEXURE D – INDEPENDENT EXPERT'S REPORT ON DEFERRED CONSIDERATION AND PERFORMANCE RIGHTS

TOP END ENERGY LIMITED
Independent Expert's Report

**OPINION 1 (PROPOSED ISSUE OF
VENDOR SECURITIES):
NOT FAIR BUT REASONABLE**

**OPINION 2 (PROPOSED ISSUE OF MD
RIGHTS):
NOT FAIR BUT REASONABLE**



Financial Services Guide

9 November 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Top End Energy Pty Ltd (to be renamed Top End Energy Limited upon listing) ('**Top End**' or '**the Company**') to provide an independent expert's report ('**IER**' or '**our Report**') on the proposed issue of performance securities and performance rights as set out in the Company's prospectus ('**Prospectus**') and this Report. Australian Securities Exchange ('**ASX**') Guidance Note 19 *Performance Securities*, requires our Report to be included in the Top End Prospectus to assist non-participating security holders of the Company in understanding whether the proposed issues are fair and reasonable.

You are being provided with this Financial Services Guide ('**FSG**') in the event you are also classified under the Corporations Act 2001 ('**the Act**') as a retail client.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$35,000 (excluding GST).

BDO Corporate Finance (WA) Pty Ltd has also been engaged as the Investigating Accountant for the proposed listing of Top End on the ASX. The fee payable for this engagement is approximately \$15,000 (excluding GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Top End.

Other Assignments

In connection with the proposed listing of Top End, BDO Corporate Finance (WA) Pty Ltd is also the appointed investigating accountant and has prepared an Independent Limited Assurance Report ('ILAR') that is also attached to the Prospectus. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts' on the basis that BDO Corporate Finance (WA) Pty Ltd has undertaken both the IER and ILAR as two separate engagements using two engagement teams which are led by separate engagement partners.

BDO Audit and Assurance (WA) Pty Ltd is also the appointed Auditor of Top End. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Top End for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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9 November 2021

The Directors
Top End Energy Limited
Ground Floor,
353 Rokeby Road
Subiaco, WA, 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

The directors of Top End Energy Limited (**'Top End'** or **'the Company'**) have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'IER'** or **'our Report'**) to express an opinion on whether the proposed issue of:

- 19,500,000 performance securities to Mckam Aust Pty Ltd (**'Mckam'** or **'the Vendor'**) (**'Vendor Securities'**); and
- 3,000,000 performance rights to the Managing Director (**'MD'**) of the Company (**'MD Rights'**)

is fair and reasonable to the prospective and non-participating security holders of Top End (**'Security Holders'**).

Our assessment is pursuant to the requirements of Australian Securities Exchange (**'ASX'**) Guidance Note 19 'Performance Securities' (**'GN 19'**) and we have considered separately the proposed issue of Vendor Securities (**'Opinion 1'**) and MD Rights (**'Opinion 2'**) in arriving at our conclusion.

Our Report has been prepared to accompany the Top End Initial Public Offering (**'IPO'**) Prospectus (**'the Prospectus'**) for the issue of 32,000,000 shares at \$0.20 per share to raise \$6,400,000 (**'the Offer'**).

In connection with the Offer, Top End has entered into a binding acquisition agreement with Mckam (**'Acquisition Agreement'**) for the proposed acquisition of 100% of the shares in NT Territory Holdco Pty Ltd (**'NT Hold Co'**) from Mckam as the Vendor (**'Proposed Acquisition'**). NT Hold Co owns 50% of the shares in Territory Gas Pty Ltd (**'Territory Gas'**), which in turn owns 100% of the shares in two subsidiaries that are the applicants for 30 onshore exploration permits for oil and gas exploration assets in the Northern Territory, Australia (**'Permits'** and collectively, **'the TG Project'**). Therefore, upon listing, Top End will hold a 50% interest in the permit applications over the TG Project, through its ownership of NT Hold Co.

The consideration payable by Top End to Mckam for the Proposed Acquisition (subject to certain conditions precedent) comprise the following:

- The issue of 15,750,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.20 a share (**'Consideration Shares'**); and

- A deferred consideration component (**'Deferred Consideration'**) which comprises the proposed issue of 19,500,000 Vendor Securities with shares payable upon the satisfaction of certain milestones outlined as follows (see Section 4 for full description):
 - Issue of 6,500,000 shares upon EPA 257, EPA 258 and EPA 259 (three of the Permits relating to the TG Project) being granted within 18 months of settlement (**'Milestone 1'**);
 - Issue of 6,500,000 shares upon the completion of an independent best estimate of prospective resources of 5 trillion cubic feet (**'TCF'**) of gas or greater on the Permits (as verified by a qualified petroleum resource evaluator) within two years of settlement (**'Milestone 2'**); and
 - Issue of 6,500,000 shares upon the spudding of at least one well on the Permits within four years of settlement (**'Milestone 3'**).

Milestones 1, 2 and 3 are collectively referred to as **'the Milestones'** and are further elaborated in Section 4 of our Report. Our assessment as required under GN 19 for Opinion 1 only pertains to the issue of the Vendor Securities. The Consideration Shares do not fall within the requirements for an independent expert under GN 19 and hence are not included in our assessment.

Under the Executive Services Agreement entered into with Mr. Oliver Oxenbridge, the MD of the Company, Top End will issue 3,000,000 MD Rights to Mr. Oxenbridge, which will vest subject to the following conditions (**'Vesting Conditions'**):

- Issue of 750,000 shares upon the grant of an exploration permit in respect of applications for the Permits at the time the Company lists on the ASX, which is assessable within 18 months of commencement of the performance period, being 1 September 2021 (**'Vesting Condition 1'**);
- Issue of 750,000 shares upon the undertaking and successful completion of a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on the ASX, which is assessable within 36 months of commencement of the performance period, being 1 September 2021 (**'Vesting Condition 2'**);
- Issue of 500,000 shares upon the Company's shares as traded on the ASX achieving a Volume Weighted Average Price (**'VWAP'**) of at least 150% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 12 months of the date of the Company's listing on the ASX (**'Vesting Condition 3'**);
- Issue of 500,000 shares upon the Company's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 24 months of the date of the Company's listing on the ASX (**'Vesting Condition 4'**); and
- Issue of 500,000 shares upon the Company's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 36 months of the date of the Company's listing on the ASX (**'Vesting Condition 5'**).

In addition to the above Vesting Conditions, all MD Rights will have a time vesting criteria (**'Service Condition'**), such that Mr. Oxenbridge must be employed by the Company for a minimum period of 24 months in order for any of the MD Rights to vest.

Our assessment as required under GN 19 for Opinion 2 pertains to the above MD Rights only.

All currencies in the Report are quoted in Australian Dollars unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Top End have requested that BDO prepare an IER to express two separate opinions as to whether the proposed issue of:

- Vendor Securities as Deferred Consideration to Mckam that convert into shares on meeting each of the Milestones; and
- MD Rights as remuneration incentives to Mr. Oxenbridge that vest into shares subject to the satisfaction of the Vesting Conditions

are fair and reasonable to the prospective and non-participating Security Holders. The Security Holders are the holders of shares and options in Top End.

Our Report is required to meet the requirements of ASX GN 19 and be included in Top End's Prospectus.

2.2 Approach

Our Report has been prepared having regard to ASX GN 19 and Australian Securities and Investments Commission ('ASIC') Regulatory Guides 111 '*Content of Expert's Reports*' ('RG 111'), 112 '*Independence of Experts*' ('RG 112') and 170 '*Prospective Financial Information*' ('RG 170') and Information Sheet 214: '*Mining and Resources: Forward-looking Statements*' ('IS 214').

In arriving at Opinion 1, we have assessed the Milestones and terms of the Vendor Securities and considered:

- Whether there are sufficient reasonable grounds on which to compare the value of Top End prior to and after meeting a Milestone. If so, how the change in value of Top End compares to the value of shares to be issued to the Vendor upon meeting the relevant Milestone;
- Other factors which we consider to be relevant to Security Holders in their assessment of the Vendor Securities; and
- The position of Security Holders should the Milestones not be met and the Vendor Securities not be issued.

In arriving at Opinion 2, we have assessed the Vesting Conditions attached to the MD Rights and considered:

- Whether there are sufficient reasonable grounds on which to compare the value of Top End prior to and after the satisfaction of a Vesting Condition. If so, how the change in value of Top End compares to the value of shares that vest to the MD upon the satisfaction of the relevant Vesting Condition;
- Other factors which we consider to be relevant to Security Holders in their assessment of the MD Rights including how the total value of shares that vest to the MD, assuming all Vesting Conditions are met, together with his fixed salary (collectively '**MD Remuneration Package**') compares to remuneration packages of directors and executives of comparable companies in the energy and resources industries; and
- The position of Security Holders should the Vesting Conditions not be met and underlying shares not be issued.

2.3 Opinion

Opinion 1 - Vendor Securities

We have considered the terms of the Vendor Securities and the attached Milestones as outlined in the body of our Report and have concluded that the issue of Vendor Securities to Mckam is **not fair but reasonable** to Security Holders.

We have been able to undertake a fairness assessment for the Milestone 1 Vendor Securities by comparing the increase in value of the Company upon achievement of Milestone 1, to the value of the shares to be issued to Mckam. Based on our assessment, we determined that the increase in value of the Company upon achievement of Milestone 1 is less than the value of shares to be issued to Mckam. Therefore, the proposed issue of Milestone 1 Vendor Securities is deemed to be not fair to the Security Holders.

The proposed issue of Milestones 2 and 3 Vendor Securities is also not fair because we are unable to opine on the impact on the value of Top End should Milestones 2 and 3 be met. This is because we do not have reasonable grounds to make forward looking assumptions that would be required to quantify the value of Top End following the meeting of Milestones 2 and 3. Therefore by default, we must consider the issue of Vendor Securities to be not fair.

Therefore, in our opinion, the proposed issue of the Vendor Securities as a whole is not fair.

We do however consider the issue of Vendor Securities to be reasonable because the advantages are greater than the disadvantages.

In particular, the value of a Top End share on meeting the Milestones will likely be higher than the value of a Top End share prior to meeting the Milestones. This is because the meeting of each of the Milestones would advance the probability of a viable project and therefore increase the prospects of the Company. This will result in value accretion for Security Holders. However, we do not have sufficient reasonable grounds to be able to quantify this value accretion and as such we have been unable to provide a quantified value of the Company following the achievement of the Milestones.

Opinion 2 - MD Rights

We have considered the terms of the MD Rights and the attached Vesting Conditions as outlined in the body of our Report and have concluded that the issue of MD Rights to Mr. Oxenbridge is **not fair but reasonable** to Security Holders.

The proposed issue of MD Rights with Vesting Conditions 1 and 2 attached is not fair because we are unable to opine on the impact on the value of Top End should Vesting Conditions 1 and 2 be met. This is because we do not have reasonable grounds to make forward looking assumptions that would be required to quantify the value of Top End following the meeting of Vesting Conditions 1 and 2. Therefore by default, we must consider the issue of MD Rights to be not fair.

The proposed issue of MD Rights with Vesting Conditions 3, 4 and 5 is fair as the increase in value of Top End implied by the market condition is greater than the value of shares that vest to the MD when the respective Vesting Conditions are met.

However, as the proposed issue of MD Rights with Vesting Conditions 1 and 2 has already been determined to be not fair and we are unable to quantify the extent to which it is not fair, the proposed issue of MD Rights as a whole is not fair.

We do however consider the issue of MD Rights to be reasonable because the advantages are greater than the disadvantages.

In particular, the value of a Top End share on the achievement of the Vesting Conditions will likely be higher than the value of a Top End share prior to the achievement of the Vesting Conditions. This is because:

- the meeting of Vesting Conditions 1 and 2 would advance the probability of a viable project and therefore increase the prospects of the Company, which will result in value accretion for Security Holders; and
- the meeting of Vesting Conditions 3, 4 and 5 are dependent on an increase in the value of a Top End share and are therefore definitively value accretive to Security Holders.

Furthermore, we have undertaken an assessment on how the total value of shares that vest to the MD, assuming all Vesting Conditions are met, together with his fixed salary, or MD Remuneration Package, compares to remuneration packages of directors and executives of comparable companies in the energy and resources industries. Based on our assessment and advice provided by our remuneration consultant ('BDO REM Consultant'), we consider the MD Remuneration Package to be reasonable.

The detail of our analysis is within Sections 5, 6 and 7 of our Report.

2.4 Fairness Assessment

In our opinion, as detailed in Sections 5 and 6, and having regard to the guidance set out in ASX GN 19, RG 111, RG 170, and IS 214, the issue of Vendor Securities and MD Rights is not fair to prospective and non-participating Security Holders of Top End.

A summary of our fairness assessment is outlined in the table below:

FAIRNESS ASSESSMENT				
Performance Security	Performance Condition	Fairness Test	Description	Conclusion
Vendor Securities	Milestone 1	Compares the increase in value of Top End upon achievement of Milestone 1 to the value of shares to be issued to Mckam	Increase in value of Top End < Value of shares issued to Mckam	Not Fair
Vendor Securities	Milestone 2	Unable to opine on future value of the Company	No reasonable grounds to make forward looking assumptions on the future value of the Company should the Milestone be achieved	Not Fair
Vendor Securities	Milestone 3	Unable to opine on future value of the Company	No reasonable grounds to make forward looking assumptions on the future value of the Company should the Milestone be achieved	Not Fair

FAIRNESS ASSESSMENT				
Performance Security	Performance Condition	Fairness Test	Description	Conclusion
MD Rights	Vesting Conditions 1 and 2	Unable to opine on future value of the Company	No reasonable grounds to make forward looking assumptions on the future value of the Company should the Vesting Condition be achieved	Not Fair
MD Rights	Vesting Conditions 3, 4 and 5	Compares the increase in value of Top End upon achievement of Vesting Condition to the value of shares that vest to the MD	Increase in value of Top End > Value of shares that vest to MD	Fair*

**However, as the issue of MD Rights with Vesting Conditions 1 and 2 attached is not fair, the overall issue of MD Rights is still not fair.*

Further details of our Fairness Assessment are detailed in Sections 5 and 6 of our Report.

2.5 Reasonableness Assessment

We undertook the analysis on Reasonableness as set out in Section 7 of this Report in terms of the:

- advantages and disadvantages of the issue of the Vendor Securities;
- advantages and disadvantages of the issue of the MD Rights; and
- other considerations, including the position of Security Holders should the Milestones and Vesting Conditions not be met and the Vendor Securities and MD Rights not vest.

Following these considerations, it is our opinion that, on balance, for both Opinions 1 and 2, the advantages of meeting the Milestones and Vesting Conditions and issuing the Vendor Securities and MD Rights are greater to Security Holders than the disadvantages.

Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that both the issue of Vendor Securities and MD Rights are reasonable for Security Holders.

The respective advantages and disadvantages considered are summarised in the tables below:

ADVANTAGES AND DISADVANTAGES - VENDOR SECURITIES			
Section	Advantages	Section	Disadvantages
7.2	The structure of the Deferred Consideration de-risks the Proposed Acquisition	7.3	Potential dilution of Security Holders interests if the Vendor Securities are issued
7.2	The Milestones upon which shares are payable are structured in such a way as to align the interests of Security Holders and Vendors		
7.2	The Milestones are based on achievement of targets, each of which are likely to be value accretive for Security Holders		

ADVANTAGES AND DISADVANTAGES - VENDOR SECURITIES

Section	Advantages	Section	Disadvantages
7.2	The Deferred Consideration is in the form of equity, allowing Top End to preserve cash raised under the Offer for progressing its Projects.		

ADVANTAGES AND DISADVANTAGES - MD RIGHTS

Section	Advantages	Section	Disadvantages
7.4	The Vesting Conditions of the MD Rights are such that the interests of the Managing Director are aligned with the interests of Security Holders	7.5	Potential dilution of Security Holders interests if the MD Rights vest
7.4	Achievement of Vesting Conditions 1 & 2 for the MD Rights will provide some diversification for Security Holders and give exposure to a potentially economically viable project		
7.4	Achievement of Vesting Conditions 3, 4 & 5 for the MD Rights is definitively value accretive to Security Holders		
7.4	The incentive payments for the MD is in the form of equity allowing Top End to preserve the cash raised under the Offer to progress the Company's projects		

Other key matters we have considered include:

Section	Description
7.6	Should the Milestones and Vesting Conditions not be met, the Vendor Securities and MD Rights will not vest and there will be no dilution of prospective and non-participating Security Holder interests
7.6	Based on advice provided by a remuneration consultant (BDO REM Consultant), the MD Remuneration Package is reasonable

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in ASX's opinion, be appropriate and equitable. ASX GN 19 requires an expert to be commissioned to prepare an independent expert's report that complies with RG 111, to express an opinion on whether the issue of performance securities is fair and reasonable.

Relevantly, under ASX GN 19 the requirement for an independent expert report arises if:

1. The entity is applying for quotation on the ASX; **and**
2. It has or proposes to have performance securities on issue at the date of its admission to quotation; **and**
3. The number of ordinary shares into which those performance securities will convert in aggregate if the applicable milestone/vesting condition is achieved is greater than 10% of the number of ordinary shares the entity proposes to have on issue at the date of its admission to quotation (taking into account any ordinary shares that the entity may be issuing in connection with its listing).

The Directors of Top End have engaged BDO as an independent expert, as the issue of the Vendor Securities and MD Rights on admission to the ASX will together represent in excess of 10% of the issued capital of Top End (see Section 4).

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the proposed issues of Vendor Securities and MD Rights are fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

We have also been required to have regard to ASX GN 19 which states:

"in determining their opinion on fairness and reasonableness, ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.

...

ASX would have no objection to an independent expert expressing a broader view on an issue of performance securities, for example, a statement that while the expert is not able to conclude that the issue is fair or reasonable (as applicable), they regard it as being in the interests of the entity and non-participating security holders to proceed with the issue."

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer.

In order to conduct this assessment for the requirements under GN 19, we are required to compare the value of Top End before meeting a performance milestone with the value of Top End after meeting the performance milestone. This comparison should be made assuming a knowledgeable and willing, but not anxious buyer, and a knowledgeable and willing, but not anxious seller acting at arm's length. Following this, ASX GN 19 states that we must consider, based on the results of the above comparison, whether the resulting number of shares to be issued to the holder of the performance shares is fair and reasonable.

In the case of Top End, the Vendor Securities are a Deferred Consideration component of the Proposed Acquisition and will convert into shares issued to the Vendor when certain Milestones are met. We have sought to assess the change in the value of Top End following the meeting of these Milestones, and have compared this to the corresponding value of shares paid to the Vendor for our fairness assessment.

Likewise, in the case of the MD Rights, we have also sought to assess the change in the value of Top End following the satisfaction of the Vesting Conditions, and have compared this to the corresponding value of shares that vest to the MD for our fairness assessment.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO sought to conduct the assessments of Opinions 1 and 2 in two parts:

- Assessment of fairness using various fairness tests in line with ASX GN 19 (fairness - see Section 6 'Is the Proposed Issue Fair?'); and
- An investigation into other significant factors to which Security Holders might give consideration, after reference to the assessment derived above (reasonableness - see Section 7 'Is the Proposed Issue Reasonable?').

The scope of this assignment qualifies it as a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

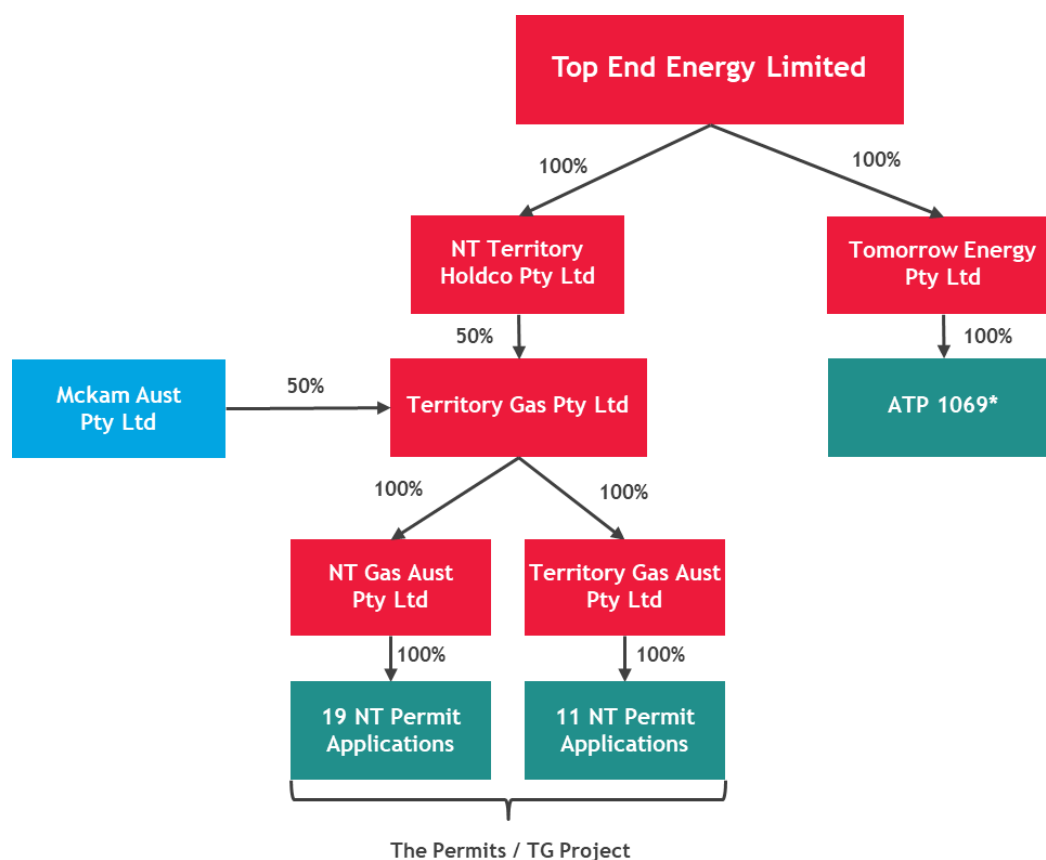
This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Issue of Vendor Securities and MD Rights

Vendor Securities

On 17 June 2021, Top End entered into a binding Acquisition Agreement for the Proposed Acquisition of 100% of the shares in NT Hold Co from Mckam. NT Hold Co owns 50% of the shares in Territory Gas, which in turn owns 100% of the shares in two subsidiaries, NT Gas Aust Pty Ltd and Territory Gas Aust Pty Ltd (collectively, ‘the Subsidiaries’), that are applicants for 30 oil and gas Permits relating to the TG Project in the Northern Territory.

Following completion of the Proposed Acquisition, the group structure of Top End upon listing on the ASX will be as follows:



**a hydrocarbon permit in Queensland acquired as a separate project from Tri-Star Energy Company. Not relevant to our GN 19 assessment.*

Source: Acquisition Agreement.

Therefore, as a result of the Proposed Acquisition, Top End will hold a 50% interest in the applications for the Permits underpinning the TG project through its ownership of NT Hold Co. The remaining 50% interest in Territory Gas is currently held by Mckam and will continue to be held by Mckam following the Proposed Acquisition.

Following settlement of the Proposed Acquisition (‘Settlement’), if a Permit is granted, Top End and Mckam will form a joint venture for the TG Project (‘Joint Venture’) through the creation of a Joint Venture special purpose vehicle (‘Joint Venture SPV’). Settlement is achieved on certain conditions precedent being met, one of which is Top End receiving conditional approval for its shares to be granted

official quotation on the ASX. We have analysed the Acquisition Agreement and do not consider the other conditions precedent to be material to our assessment.

The consideration payable by Top End to Mckam for the Proposed Acquisition (subject to certain conditions precedent) comprises the following:

- The issue of 15,750,000 Consideration Shares; and
- The Deferred Consideration comprising the proposed issue of 19,500,000 Vendor Securities with shares payable upon the satisfaction of the Milestones outlined as follows:
 - **Milestone 1:** Issue of 6,500,000 shares in the event the EPA 257, EPA 258 and EPA 259 are granted within 18 months of Settlement;
 - **Milestone 2:** Issue of 6,500,000 shares in the event Territory Gas, one of the Subsidiaries or any one or more, collectively, of the Joint Venture SPV completes an independent best estimate of prospective resources of 5 TCF of gas or greater on the Permits (as verified by a qualified petroleum resource evaluator in accordance with SPE-PRMS (Petroleum Resources Management System) guidelines) within two years of Settlement; and
 - **Milestone 3:** Issue of 6,500,000 shares in the event Territory Gas, one of the Subsidiaries or any one of the Joint Venture SPVs spuds at least one well on the Permits within four years of Settlement.

Our assessment as required under GN 19 for Opinion 1 only pertains to the issue of the Vendor Securities. The Consideration Shares do not fall within the requirements for an independent expert under GN 19 and are hence are not included in our assessment.

MD Rights

In addition, Top End will also issue 3,000,000 MD Rights to Mr. Oxenbridge, the MD of the Company, which will vest subject to the following Vesting Conditions:

- **Vesting Condition 1:** Issue of 750,000 shares upon the grant of an exploration permit in respect of applications for the Permits at the time the Company lists on the ASX, which is assessable within 18 months of commencement of the performance period, being 1 September 2021;
- **Vesting Condition 2:** Issue of 750,000 shares upon the undertaking and successful completion of a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on the ASX, which is assessable within 36 months of commencement of the performance period, being 1 September 2021;
- **Vesting Condition 3:** Issue of 500,000 shares upon the Company's shares as traded on the ASX achieving a VWAP of at least 150% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 12 months of the date of the Company's listing on the ASX;
- **Vesting Condition 4:** Issue of 500,000 shares upon the Company's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 24 months of the date of the Company's listing on the ASX; and
- **Vesting Condition 5:** Issue of 500,000 shares upon the Company's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 36 months of the date of the Company's listing on the ASX.

In addition to the above Vesting Conditions, all MD Rights will have a Service Condition, such that Mr. Oxenbridge must be employed by the Company for a minimum period of 24 months in order for any of the MD Rights to vest.

Our assessment as required under GN 19 for Opinion 2 pertains to the above MD Rights only.

Capital Structure

As detailed in Section 3.1, ASX GN 19 requires an expert to be commissioned to prepare an independent expert's report that complies with RG 111, expressing an opinion as to whether the issue of shares to the holder of the performance securities is fair and reasonable to the non-participating Security Holders.

Relevantly, this requirement arises when:

1. The entity is applying for quotation on the ASX; **and**
2. It has, or proposes to have, performance securities on issue at the date of its admission to quotation; **and**
3. The number of ordinary shares into which those performance securities will convert in aggregate if the applicable milestone/vesting condition is achieved is greater than 10% of the number of ordinary shares the entity proposes to have on issue at the date of its admission to quotation (taking into account any ordinary shares that the entity may be issuing in connection with its listing).

The number of performance securities to be issued by Top End under ASX GN 19 amounts to 22,500,000 ('Performance Securities'), comprising the following:

- 19,500,000 Vendor Securities payable to Mckam; and
- 3,000,000 MD Rights payable to Mr. Oxenbridge.

As at the date of Top End's proposed admission to quotation, Top End will have 69,625,001 shares on issue comprising 20,000,001 shares already on issue, 32,000,000 Offer Shares, and 15,750,000 Consideration Shares.

For illustrative purposes, we have presented the total number of Performance Securities as a proportion of the number of shares that are proposed to be on issue at the date of Top End's admission to the ASX. We have not included any dilution that may result from the exercise of options so as to illustrate the maximum possible dilution to equity capital.

In the event that the Milestones and Vesting Conditions attached to the Performance Securities are met, the number of ordinary shares into which the Performance Securities will convert equates to approximately 24.42% of total number of Top End shares as follows:

Description	Number of Shares
Issued shares at date of our Report	21,875,001
Offer shares to be issued	32,000,000
Consideration Shares to be issued	15,750,000
Number of shares on issue prior to the issue of the Performance Securities (a)	69,625,001
Vendor Securities	19,500,000
MD Rights	3,000,000

Description	Number of Shares
Number of ordinary shares into which the Performance Securities will convert (b)	22,500,000
Number of ordinary shares into which the Performance Securities will convert as a % of the number of shares that are proposed to be on issue at the date of Top End's admission to quotation (b/(a+b))	24.42%

Source: BDO analysis.

The table below sets out the impact of the maximum issue of Vendor Securities and MD Rights on the percentage of issued capital held by existing shareholders, Mckam and Mr. Oxenbridge assuming that the Performance Securities are converted to ordinary shares:

Description	Existing Shareholders	Mckam	Mr. Oxenbridge	Total
Shares on issue at the date of our Report	21,725,001	-	150,000	21,875,001
Shares issued as part of the Offer	32,000,000	-	-	32,000,000
Consideration Shares	-	15,750,000	-	15,750,000
Shares on issue upon Top End's admission to quotation (a)	53,725,001	15,750,000	150,000	69,625,001
<i>% holdings following Top End's admission to quotation</i>	<i>77.16%</i>	<i>22.62%</i>	<i>0.22%</i>	<i>100.00%</i>
Performance Securities				
Milestone 1 - Vendor Securities	-	6,500,000	-	6,500,000
Milestone 2 - Vendor Securities	-	6,500,000	-	6,500,000
Milestone 3 - Vendor Securities	-	6,500,000	-	6,500,000
MD Rights (all Vesting Conditions)	-	-	3,000,000	3,000,000
Number of Performance Securities (b)	-	19,500,000	3,000,000	22,500,000
Number of shares on issue following Top End's admission to quotation and vesting of Performance Securities (a+b)	53,725,001	35,250,000	3,150,000	92,125,001
<i>% holdings following the vesting of the Performance Securities</i>	<i>58.32%</i>	<i>38.26%</i>	<i>3.42%</i>	<i>100.00%</i>

Source: BDO analysis.

Therefore, on the basis of maximum dilution with all Performance Securities being converted to ordinary shares, Mckam will hold approximately 38.26% of the shareholding in Top End, while Mr. Oxenbridge will hold an interest of approximately 3.42%.

5. Valuation Approach and Assessment

5.1 Vendor Securities

As detailed in Section 1 and Section 4 of our Report, the Milestones for the issue of Vendor Securities are the:

- Grant of EPA 257, EPA 258 and EPA 259 within 18 months of Settlement;

- Completion of an independent best estimate of prospective resources of 5 TCF of gas or greater on the Permits (as verified by a qualified petroleum resource evaluator in accordance with SPE-PRMS guidelines) within two years of Settlement; and
- Spudding of at least one well on the Permits within four years of Settlement.

ASX GN 19 states:

“in determining their opinion on fairness and reasonableness, ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.”

Under RG 111.91, an expert’s opinion should be based on reasonable grounds, with the grounds being set out in the report. Similarly, RG 111.112 states that an expert should not include forward-looking information unless there are reasonable grounds for the forward-looking information.

We note that RG 170 ordinarily relates to prospective financial information, however RG 111.114 states that RG 170 provides useful guidance for the inclusion of forward-looking information that does not fall within the definition of ‘prospective financial information’. RG 170.17 states that the making of a forward-looking statement must have reasonable grounds or it will be taken to be misleading. This is further supported by IS 214 which applies the principles of RG 170 to forward-looking information in the mining and resources sector.

In order to compare the value of Top End prior to and after meeting a Milestone, we need to consider whether there are reasonable grounds to make forward-looking assumptions underpinning the future value of the Company. If there are sufficient reasonable grounds to do so, an assessment as to how the change in value of Top End compares to the value of the shares to be issued to Mckam can be undertaken and hence an assessment of fairness can be derived. However, if there are insufficient reasonable grounds to make forward looking assumptions on value, we have had to consider the issue not fair due to the inability to give an opinion on the future value of the Company.

We have considered this for each Milestone in the paragraphs below:

Milestone 1

Milestone 1 requires the grant of EPA 257, EPA 258 and EPA 259 (**‘the Relevant Permits’**) within 18 months of Settlement. If we assume that this is met, we consider it reasonable that the value of the Company would increase by the value of the Relevant Permits. This is on the basis that prior to the satisfaction of Milestone 1, the value of Top End will not include the value of the Relevant Permits as the Permits are yet to be granted, and therefore, there is yet to be legal and beneficial ownership of the underlying exploration assets.

While there is some argument that Relevant Permits under application status will have some existing measure of value reflected in the Company’s share price, we consider this view acceptable only if the probability of grant is generally considered to be very high or guaranteed.

We undertook research on the recent track record of approvals for onshore oil and gas exploration permits in the Northern Territory by the Minister of Mining and Industry of the Northern Territory Government (**‘NT Government’**). Our findings are summarised as follows:

- On 14 September 2016, the NT Government announced a moratorium on hydraulic fracturing ('Fracking') of onshore unconventional reservoirs including the use of hydraulic fracturing for exploration, extraction, production and including Diagnostic Fracture Injection Testing (DFITs);
- On 17 April 2018, the NT Government lifted the moratorium and following this, released a list of "no-go zones" outlining areas where Fracking will still be banned;
- Permit application approvals are granted in accordance with the terms of the *Petroleum Act 1984 Northern Territory* which outlines that:
 - The NT Government can accept multiple applications for exploration permits on the same acreage, providing for a more competitive assessment process;
 - The public and stakeholders must be notified and consulted about any proposed land release;
 - Applicants must consider and explain the prospectivity of the land, co-existence between exploration and existing or proposed industries in the area and whether the land is an area of intensive agriculture, high ecological value, high scenic value, culturally significant or strategically significant; and
 - A statement of reasons needs to be published stating why the land has been released and why co-existence is deemed possible

In addition, the Solicitors Report attached to the Prospectus considers several material issues in relation to the Permit applications:

- It is possible that certain applications may not be granted;
- EPA 257 and 259 are located on "Aboriginal land" under the *Aboriginal Land Rights (Northern Territory) Act 1976 (Cth)*, which will not be granted unless the relevant requirements are satisfied;
- EPA 258 is located on land that is subject to native title rights and interests; and
- The NT Government is yet to finalise the location of exclusion zones for fracking, which may fall within certain Relevant Permit areas.

Therefore, on the basis that the grant of the Relevant Permits is not very high or guaranteed, we have not considered the value of the exploration assets relating to the Relevant Permits to be included in the value of Top End prior to Milestone 1 being met.

This means that when Milestone 1 is satisfied and the application for the Relevant Permits are granted, we would expect the value of Top End to increase by the value of the Relevant Permits, in proportion to Top End's relevant interest, being 50%.

In valuing the Relevant Permits, we have considered the following valuation methodologies available:

- Cost or net asset methods such as the:
 - Net asset value method ('NAV');
 - Historical cost method; and
 - Replacement cost method
- Market based assessment methods such as the:
 - Comparable transactions method; and
 - Resource multiples method
- Income methods such as the
 - Capitalisation of future maintainable earnings ('FME'); and
 - Discounted cash flow ('DCF').

A summary of each of these methodologies is outlined in Appendix 2.

Given that little exploration work has been conducted at the Relevant Permits and that current prospectivity for hydrocarbons over the exploration area is at an early stage, we consider the historical cost method to be the most appropriate valuation methodology. This is on the basis that upon grant of the Relevant Permits, the Company would expect the value of the Relevant Permits to at minimum recover the historical expenditure that has been spent on the Permits to date.

We have been unable to rely on other methodologies for the reasons outlined below:

- The Relevant Permits are too early stage for the use of income methods such as the FME and DCF methodologies; and
- There are no prospective resources estimated for the Permits, therefore, a market-based assessment may not be appropriate in assessing the value of the Relevant Permits. Furthermore, there are a minimal number of comparable transactions for similar exploration permits in the Northern Territory, given the three-year moratorium placed by the NT Government since September 2016.

Therefore, we consider the historical cost method as the most appropriate valuation methodology to value the Relevant Permits. We note, however, that the historical cost method generally does not consider the upside potential of the exploration assets.

We have sought to quantify the historical expenditure relating to the Relevant Permits that has been incurred by the Vendor to date. We were provided with an invoice schedule and several general ledgers outlining the historical expenditure incurred on all 30 Permits. Examples of costs included within these documents include compliance costs, legal costs, portfolio management costs, technical evaluation costs, company fees and native title fees.

However, as the Vendor has incurred expenditure relating to many permit applications, much of which is consolidated, we have been unable to isolate accurately the expenses incurred specific to EPA 257, 258 and 259. Therefore, as best endeavours to determine a suitable range for the historical expenditure on the Relevant Permits, we have derived a low 'floor value' using expenses and invoices that definitively relate to the Prospective Permits, and a 'high value' using total expenditure relating to all Permits less any specific expenditure relating to the other 27 Permits that we have been able to isolate.

Our workings are summarised in the table below:

Historical Expenditure		\$
Specific Expenses on EPA 257, 258 and 259		
Tenement Compliance		561
Application Fees		636
Technical Evaluations - EP 257, 258 and 259		43,760
Competent Persons Report - EP 257		40,700
Technical and Evaluation Report - EP 257, 258 and 259		22,125
Stakeholder Engagement - EP 259		6,545
Critical Technical Review Report - EP 257		30,000
Sub Total ('Low Value')		144,327
All Other Expenses		
Other Fees and General Expenses relating to Permits		814,923

Historical Expenditure		\$
Total Historical Cost on Permits		959,250
Less: Specific expenses relating to other Permits		(97,180)
'High Value'		862,070

Source: Top End Management.

The aforementioned low and high values of our valuation range are outlined in the table below. As Top End will hold a 50% interest in the TG Project at listing, the value attributable to the Company is discounted by 50% to reflect the exposure of the Company.

Value of Relevant Permits	Low \$	High \$
Value of Relevant Permits	144,327	862,070*
Apportion for 50% interest	50%	50%
Value of Relevant Permits attributable to Top End	72,164	431,035

Source: BDO Analysis.

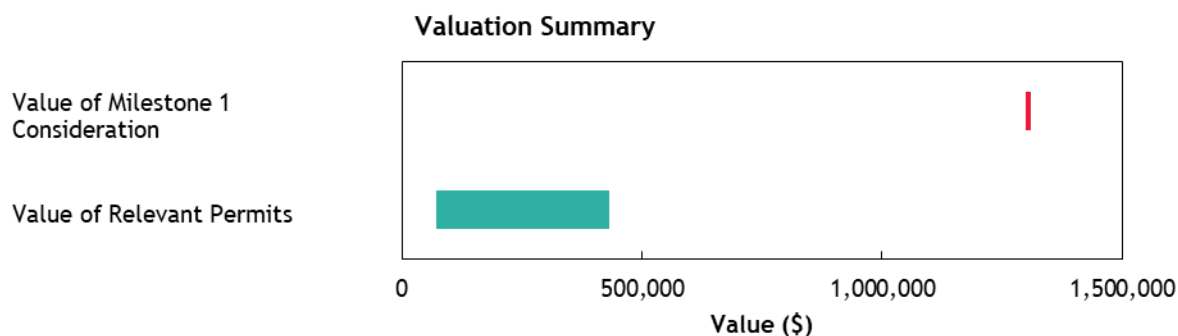
**We note that the high end of our valuation range represents a significant proportion of the total historical expenditure on all the Permits, and therefore cannot reflect the value of the Relevant Permits. However, in the absence of a reasonable approach to isolate costs to the Relevant Permits, we consider this acceptable for our fairness assessment.*

To consider whether the issue of Milestone 1 Vendor Securities is fair, we have assessed the value of shares to be issued and have compared this to the increase in the value of the Company as implied by the value of the Relevant Permits above. In valuing the shares to be issued, we have used the Offer price of \$0.20 per share on the basis that it is the price at which the market will subscribe for a share in the Company. The value of the Milestone 1 Consideration is therefore outlined as follows:

Milestone 1 Consideration	
Number of shares to be issued	6,500,000
Value per share based on Offer Price (\$)	0.20
Value of Milestone 1 Consideration (\$)	1,300,000

Source: BDO Analysis.

The comparison between the increase in the value of the Company, being the value of the Relevant Permits attributable to Top End, and the value of Milestone 1 Consideration paid is represented graphically below:



Source: BDO Analysis.

Based on the above, the issue of Vendor Securities under Milestone 1 is not fair. This is because the value of consideration paid to Mckam if Milestone 1 is met, is higher than the increase in value of the Company, which will disadvantage the Security Holders of Top End.

As mentioned above, the valuation of Relevant Permits using the cost method generally does not consider the upside potential of the exploration assets. However, we note that to apply any other valuation methodology such as an income method or market method will require the adoption of forward-looking assumptions, for which we do not have reasonable grounds to undertake. Therefore, we would have not been able to opine on the change in value of the Company, and by default the opinion for Milestone would still be not fair.

Milestone 2

Milestone 2 requires the completion of an independent best estimate of prospective resources of 5 TCF of gas or greater on the Permits (as verified by a qualified petroleum resource evaluator in accordance with SPE-PRMS guidelines) within two years of Settlement.

To assume that Milestone 2 has been met and then to assess the impact that would have on the value of the Company, we are required to make a number of assumptions. Key assumptions relevant to Milestone 2 would include:

- The Prospective Resources results and classifications sufficient to meet each Milestone;
- The availability and application of funding;
- Forecast gas prices; and
- Environmental, and regulatory approvals.

Although Milestone 2 specifies a prospective resource estimate of 5 TCF of gas, the corresponding impact on the value of the Company may vary depending on the range of certainty and chance of commerciality of the resource estimate.

Paragraph 2.1.3.5.9 of PRMS states that:

“For Prospective Resources, potential accumulations may mature from Play, to Lead and then to Prospect based on the ability to identify potentially commercially viable exploration projects. The Prospective Resources are evaluated according to chance of geologic discovery, Pg, and chance of development, Pd, which together determine the chance of commerciality, Pc. Commercially recoverable quantities under appropriate development projects are then estimated. The decision at each exploration phase is whether to undertake further data acquisition and/or studies designed to move the Play through to a drillable Prospect with a project description range commensurate with the Prospective Resources sub class”

Therefore, estimating the impact of the satisfaction of Milestone 2 on the value of the Company requires us to make assumptions on factors such as the chance of geological discovery and chance of development for the 5 TCF of prospective resources. In addition, the availability of future funding, forecast gas prices and other approvals may influence the economic value of the resource estimate.

As we do not have reasonable grounds to make these assumptions, we consider that we are unable to opine on the impact of Milestone 2 on the valuation of the Company, and therefore, by default, the issue of Milestone 2 Vendor Securities is deemed to be not fair.

Milestone 3

Milestone 3 requires the spudding of at least one well on the Permits within four years of Settlement.

To assume that Milestone 3 has been met and then to assess the impact that would have on the value of the Company, we are required to make a number of assumptions. Key assumptions relevant to Milestone 3 would include:

- Whether current proposed funds are sufficient to fund the completion of spudding and if not, the effect of additional funding on the value of the entity;
- The results from the completion of spudding;
- Forecast gas prices; and
- Environmental, and regulatory approvals.

To assess whether we have a reasonable basis for assessing the valuation impact on the Company from the satisfaction of Milestone 3, we have reviewed the status of the TG Project as disclosed within the draft Prospectus against the proposed use of funds raised under the Prospectus.

We note from Section 5.11 of the Prospectus that \$1,000,000 of the funds raised under the Offer has been set aside for the exploration budget for the TG Project. Furthermore, Paragraph 5.10 outlines the proposed exploration program at the Project, which does not include the spending on spudding.

Therefore, we consider it reasonable to assume that the Company will be required to raise additional funds either through debt or equity to complete spudding at one of the Permits. We note that the level of funding required to undertake spudding varies depending on the complexity of the operation and geographical location. To assume the funding structure and amount of funds required by Top End to satisfy Milestone 3 and hence the corresponding impact that this funding will have on the Company's value per share, would be a forward looking assumption that we do not have reasonable grounds to undertake.

Furthermore, the impact of Milestone 3 on the valuation of the Company may also vary depending on the results of the completion of spudding. This would also be a forward looking assumption that we do not have reasonable grounds to undertake.

Therefore, we consider that we are unable to opine on the impact of Milestone 3 on the valuation of the Company, and therefore, by default, the issue of Milestone 3 Vendor Securities is deemed to be not fair.

Wider implications of achieving Milestone 2 and Milestone 3

Although we have concluded, by default, that the issue of Milestone 2 Vendor Securities and Milestone 3 Vendor Securities is not fair, we have considered Milestones 2 and 3 below for illustration purposes and assessed that in the event a Milestone is satisfied, this would likely be value accretive to Security Holders.

Milestone	Value accretive?	Reasoning
Milestone 2 - Completion of independent estimate of prospective resources of 5 TCF of gas or greater on the Permits	Yes	The completion of an estimate of prospective resources will enhance the prospectivity of the TG Project, which will contribute to the increase in economic feasibility and commercial viability for future operations at the TG Project. This will likely be value accretive to Security Holders.

Milestone	Value accretive?	Reasoning
Milestone 3 - Commencement of spudding of at least one well on the Permits	Yes	Commencement of spudding of at least one well is a positive indicator of progress at the Permits which may enhance the investment potential of the TG Project, hence increasing value for Security Holders

Source: BDO Analysis.

5.2 MD Rights

As detailed in Section 1 and Section 4 of our Report, the Vesting Conditions attached to the MD Rights comprise the following:

- **Vesting Condition 1:** The grant of an exploration permit in respect of applications for the Permits at the time the Company lists on the ASX, which is assessable within 18 months of commencement of the performance period, being 1 September 2021;
- **Vesting Condition 2:** The undertaking and successful completion of a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on the ASX, which is assessable within 36 months of commencement of the performance period, being 1 September 2021;
- **Vesting Condition 3:** The Company's shares as traded on the ASX achieving a VWAP of at least 150% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 12 months of the date of the Company's listing on the ASX;
- **Vesting Condition 4:** The Company's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 24 months of the date of the Company's listing on the ASX; and
- **Vesting Condition 5:** The Company's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 36 months of the date of the Company's listing on the ASX.

Applying a similar approach to Section 5.1 above, we have considered whether there are reasonable grounds to make forward-looking assumptions underpinning the future value of the Company if the Vesting Conditions above are satisfied. If there are sufficient reasonable grounds to do so, a fairness assessment may be undertaken. However, if there are insufficient reasonable grounds to make forward looking assumptions on value, we have had to consider the issue not fair due to the inability to give an opinion on the future value of the Company. We have considered this for each Vesting Condition of MD Rights in the paragraphs below:

Vesting Conditions 1 and 2

To assume that Vesting Conditions 1 and 2 have been met and then to assess the impact that would have on the value of the Company we are required to make a number of assumptions. Key assumptions relevant to the Vesting Conditions would include:

- Which of the Permits will be granted;
- The results of the seismic acquisition campaign;
- The availability and application of funding to undertake a seismic acquisition campaign; and

- The relevant environmental and regulatory approvals.

The impact of Vesting Condition 1 on the value of the Company may vary depending on which of the 30 Permits are granted. This is because each Permit has a varying level of prospectivity dependant on the historical expenditure and technical work completed at the Permit, which would result in varying economic values. We consider that we do not have reasonable grounds to make an assumption on which Permit is granted and therefore are unable to opine on the impact of Vesting Condition 1 on the value of the Company.

The impact of Vesting Condition 2 on the value of the Company may vary depending on the results of the seismic acquisition campaign, that is, the results arising from the completion of a seismic acquisition campaign may indicate varying levels of commerciality. Therefore, to quantify the change in value of the Company following the satisfaction of Vesting Condition 2 would require an assumption on the results of the seismic acquisition campaign. In addition, the availability and application of funding to undertake the seismic acquisition campaign may have differing impacts on the value of the Company.

Based on the above, and given the early stage of the Company's assets and Permit applications, we have concluded that there are insufficient reasonable grounds for the assumptions stated above. Therefore, we consider that we are unable to opine on the impact of Vesting Conditions 1 and 2 on the valuation of the Company, and therefore, by default, the issue of these MD Rights is deemed to be not fair.

Notwithstanding this, we have considered the Vesting Conditions below for illustration purposes and assessed that in the event a Vesting Condition is satisfied, this may potentially be value accretive to Security Holders.

Vesting Condition	Value accretive?	Reasoning
Vesting Condition 1: Grant of exploration permit in respect of applications for the Permits	Potentially	The grant of an exploration permit will mean that Top End secures the legal and beneficial ownership of the exploration permit, which will enhance the Company's asset position and may increase its value
Vesting Condition 2: Undertaking and successful completion of a seismic acquisition campaign on one of the assets owned by the Company (or one of its Subsidiaries)	Yes	Successful completion of a seismic acquisition campaign may result in exploration information which is likely to provide some value. Therefore the value of the Company is likely to increase

Source: BDO Analysis.

Vesting Conditions 3, 4 and 5

The satisfaction of Vesting Conditions 3, 4 and 5 are solely dependent on an uplift in the value of the Company, implied by an increase in the 20-day VWAP of the Company's shares. Therefore, there is reasonable basis to assume that the satisfaction of Vesting Conditions 3, 4 and 5 will result in a quantifiable increase in value of the Company, being the increase in the market capitalisation of the Company from the date of the Company's listing. In other words, the satisfaction of Vesting Conditions 3, 4 and 5 is definitively value accretive to the Security Holders of Top End.

For illustrative purposes, we have outlined the comparison between the increase in value of Top End following the satisfaction of Vesting Conditions 3, 4 and 5 and the corresponding value of shares that will vest to the MD. This is based on the proposed capital structure of Top End at listing and considers each

Vesting Condition on an individual basis (i.e. does not consider that the satisfaction of Vesting Condition 5 triggers the satisfaction of Vesting Condition 3):

	Vesting Condition 3	Vesting Condition 4	Vesting Condition 5
Value of Top End prior to vesting			
Number of shares held by Security Holders (see Section 4 of our Report)	69,625,001	69,625,001	69,625,001
IPO issue price (\$)	0.20	0.20	0.20
Market Capitalisation (\$)	13,925,000	13,925,000	13,925,000
Value of Top End after vesting			
Number of shares held by Security Holders	69,625,001	69,625,001	69,625,001
20-day VWAP* (\$)	0.30	0.40	0.50
Market Capitalisation (\$)	20,887,500	27,850,000	34,812,501
Increase in value of Top End (\$) (a)	6,962,500	13,925,000	20,887,500
Value of shares that vest to MD			
Number of shares that vest to MD**	500,000	500,000	500,000
20-day VWAP (\$)	0.30	0.40	0.50
Value of shares issued to MD (\$) (b)	150,000	200,000	250,000
Fairness Test - (a) > (b)?	Yes	Yes	Yes

*20-day VWAP is 150%, 200% and 250% of IPO issue price for Vesting Conditions 3, 4 and 5, respectively.

**Vesting of MD Rights is considered in isolation and not interdependent on other tranches.

Source: BDO Analysis.

Therefore, based on the above and applying the fairness test outlined in ASX GN 19, the proposed issue of MD Rights with Vesting Conditions 3, 4 and 5 is fair to Security Holders as the increase in value of Top End is greater than the value of shares that vest to the MD.

However, as our assessment of fairness on the issue of MD Rights considers, as a whole, all Vesting Conditions, the proposed issue of MD Rights is still not fair to Security Holders as the issue of MD Rights with Vesting Conditions 1 and 2 attached are considered to be not fair. This is because we are unable to quantify the extent of which Vesting Conditions 1 and 2 are not fair, and are hence unable to form a conclusion as to whether the fairness opinion for Vesting Conditions 3, 4 and 5 sufficiently outweigh the extent of which Vesting Conditions 1 and 2 are not fair.

6. Is the Proposed Issue fair?

Vendor Securities

Section 5.1 pertaining to the proposed issue of Vendor Securities outlines that the impact of meeting Milestones 1, 2 and 3 on the value of the Company is not fair to the Security Holders of Top End.

For Milestone 1, we concluded that the uplift in the value of the Company is less than the value of shares issued to the Vendor, thereby making the issue not fair.

For Milestones 2 and 3, we do not have sufficient reasonable grounds on which to assess the future value of Top End after meeting the respective Milestones. As a result, we are unable to assess the value of Top End following the Milestones 2 and 3 being met in accordance with the guidance provided by RG 111, RG 170, and IS 214. Given we are unable to opine on the value of Top End, by default, the issues of Milestone 2 and Milestone 3 Vendor Securities to the Vendor are considered to be not fair to Security Holders.

MD Rights

Section 5.2 pertaining to the issue of MD Rights outlines that the proposed issue is not fair to the Security Holders of Top End.

Similar to Milestones 2 and 3 above, we do not have sufficient reasonable grounds on which to assess the future value of Top End after meeting Vesting Conditions 1 and 2. Therefore, the issue of these MD Rights is not fair to Security Holders.

Although Vesting Conditions 3, 4 and 5, by the nature of their dependence on an increase in market value, are considered to be fair under the GN 19 fairness test, the overall issue of MD Rights is still not fair to Security Holders as the issue of MD Rights with Vesting Conditions 1 and 2 is determined to be not fair.

7. Is the Proposed Issue reasonable?

7.1 Alternative Proposal

We are unaware of any alternative consideration for the acquisition of NT Hold Co or to incentivise the MD of Top End that might offer the Security Holders of Top End a premium over the value resulting from the issue of the Vendor Securities or the MD Rights.

7.2 Advantages of the Proposed Issue of Vendor Securities

We have considered the following advantages when assessing whether the issue of Vendor Securities is reasonable. These advantages assume that one or more of the Milestones have been met as at the date of the Prospectus as required under ASX GN 19.

Advantage	Description
The structure of the Deferred Consideration de-risks the Proposed Acquisition	Milestone 1 is achieved upon the grant of the Prospective Permits within 18 months of Settlement. If the Prospective Permits are not granted within this timeframe, the Vendor Securities are not payable, reducing the overall consideration and the dilution of Security Holders' interests.
The Milestones upon which shares are payable are structured in such a way as to align the interests of Security Holders and Vendors	Following the completion of the Proposed Transaction, the Vendor will retain a 50% interest in Territory Gas, which will require it to work with Top End towards achievement of the grant of the Permits. The

Advantage	Description
	Vendor Securities provide an added incentive to McKam to achieve the Milestones.
The Milestones are based on achievement of targets, each of which are likely to be value accretive for Security Holders	Milestone 1 relates to grant of permits relating to the TG Project, Milestone 2 relates to completion of an independent estimate of prospective resources of 5 TCF of gas or greater on the Permits and Milestone 3 relates to the spudding of at least one well on the Permits. Each of these events would likely result in a value uplift for Security Holders (see Section 5 for more details).
The Deferred Consideration is in the form of equity, allowing Top End to preserve cash raised under the Offer for progressing its Projects.	The Deferred Consideration related to the Proposed Acquisition is in the form of equity. Therefore, Top End will not be required to redirect funds raised under the Offer to achieve its exploration plans.

7.3 Disadvantages of the Proposed Issue of Vendor Securities

The potential disadvantage to Security Holders should the issue of Vendor Securities proceed include that listed in the table below:

Disadvantage	Description
Potential dilution of Security Holders interests if the Vendor Securities are issued.	In the event that the Milestones are met and the Vendor Securities issued, there will be a dilution of existing Security Holder interests. As set out in Section 4 if the Vendor Securities are issued, (and assuming the MD Rights vest), the Security Holders interest will decrease from 80.37% following payment of the Consideration Shares, to a minimum of 59.63% following issue of the Vendor Securities.

7.4 Advantages of the Proposed Issue of MD Rights

We have considered the following advantages when assessing whether the issue of MD Rights is reasonable. These advantages assume that one or more of the Milestones have been met as at the date of the Prospectus, as required under ASX GN 19.

Advantage	Description
The Vesting Conditions of the MD Rights are such that the interests of the Managing Director are aligned with the interests of Security Holders	The MD Rights are structured to incentivise the MD to achieve milestones which will be value accretive to the Company. Vesting Condition 1 relates to the granting of an exploration permit in respect of the applications for the Permits. This must be achieved within 18 months of the commencement date, being 1 September 2021. This will ensure that the MD is incentivised to progress the applications in

Advantage	Description
	a timely manner rather than having a primary focus on progressing the Company's other more advanced project in Queensland. Vesting Condition 2 relates to successful completion of a seismic acquisition campaign on one of the assets owned by the Company. This exercise requires a lot of co-ordination and administration, and is not easily achievable, therefore this condition will ensure that sufficient management attention is focussed on its achievement. Vesting Conditions 3, 4 and 5 directly relate to achievement of various VWAP hurdles in excess of the IPO issue price, which results in an increase in value for Security Holders. It is likely that achievements of the specified VWAP hurdles will only be achieved in the event that ongoing progress is being achieved on the Company's projects.
Achievement of Vesting Conditions 1 & 2 for the MD Rights will provide some diversification for Security Holders and give exposure to a potentially economically viable project	At present, the Company's Security Holders are exposed to only one project, related to a granted hydrocarbon permit in Queensland. Achievement of Vesting Conditions 1 and 2 will provide exposure to additional prospective assets for Security Holders. These assets may form a potentially economical project that will only result in dilution on pre-determined positive results. This dilution will then be partially off-set by value accretion.
Achievement of Vesting Conditions 3, 4 & 5 for the MD Rights is definitively value accretive to Security Holders	As outlined in Section 5.2, by nature of the market value-based condition of Vesting Conditions 3, 4 and 5, the achievement of these Vesting Conditions will result in a definitive increase in value for Security Holders.
The incentive payments for the MD are in the form of equity allowing Top End to preserve the cash raised under the Offer to progress the Company's projects	The issue of MD Rights as incentive payments will preserve cash that can be applied to the Company's projects.

7.5 Disadvantages of the Proposed Issue of MD Rights

The potential disadvantages to Security Holders should the issue of MD Rights proceed include those listed in the table below:

Disadvantage	Description
Potential dilution of Security Holders' interests if the MD Rights vest	In the event that the Milestones are met and the MD Rights are issued, there will be a dilution of existing Security Holders interests. We note however that this dilution is relatively minimal as outlined in Section 5.2.

7.6 Other Considerations

Consequences of not vesting

Should the Milestones/Vesting Conditions not be met, the Vendor Securities/MD Rights will not vest and there will be no dilution of prospective and non-participating Security Holder interests.

MD Remuneration Package Benchmarking

As an additional consideration to assist Security Holders in making a decision, we have considered how the MD Remuneration Package compares to remuneration packages of directors and executives of comparable companies in the energy and resources industries. To undertake this assessment, we have consulted the BDO REM Consultant for the provision of industry data and input.

Based on the Executive Services Agreement executed between Mr. Oxenbridge and the Company, the total remuneration package or 'MD Remuneration Package' for Mr. Oxenbridge is outlined as follows:

Name	Position	Total Fixed Remuneration per annum (\$)	Incentive opportunity** (\$)
Oliver Oxenbridge	Managing Director	175,000*	600,000

*Excluding Superannuation

**Assuming all MD Rights vest into shares with a value of \$0.20 per share based on the Offer Price today.

Source: BDO Analysis, Executive Services Agreement.

For Mr. Oxenbridge, the incentive opportunity (being the MD Rights) are assessable over a maximum three-year period (based on Vesting Conditions 2 and 5). Therefore, on a pro rata basis, this is equivalent to \$200,000 of incentive opportunity per year.

Therefore, the total remuneration opportunity for Mr. Oxenbridge is summarised as follows:

Element	A\$
Total Fixed Remuneration (inclusive of 10% superannuation)	\$192,500*
Total Incentive Opportunity	\$200,000
Total Remuneration Opportunity	\$392,500

*Calculated based on the \$175,000 plus Superannuation of 10%.

Source: BDO Analysis.

We have been advised by the BDO REM Consultant that based on its internal Board and Executive Remuneration Database, which consists of all ASX-listed companies, Tier 5 Oil and Gas companies (market capitalisations up to \$25 million) would represent the following remuneration package quartiles:

Element	25 th Percentile	50 th Percentile	75 th Percentile
Total Fixed Remuneration (inclusive of superannuation)	\$165,000	\$262,000	\$328,000
Total Incentive Opportunity	\$82,500	\$183,400	\$295,200
Total Remuneration Opportunity	\$247,500	\$445,400	\$623,200

Source: Advice provided by BDO REM Consultant

The BDO REM Consultant has also advised that annual incentive opportunity for MD's at this market band would represent a range from 40% to 80% of the total fixed remuneration package.

Based on the above, we note that the fixed remuneration element of the MD Remuneration Package of \$192,500 is lower than the market median of \$262,000. However, the total incentive opportunity to the

MD of \$200,000 is above the market median of \$183,400, and represents 104% of the total fixed remuneration element. The total remuneration opportunity for Mr. Oxenbridge of \$392,500 is lower than the market median of \$445,400.

Therefore, we consider that the MD Remuneration Package is reasonable on the basis that it falls within a reasonable range of the industry remuneration data for companies similar to Top End, as provided by the BDO REM Consultant.

8. Conclusion

Opinion 1 - Vendor Securities

We have considered the terms of the Vendor Securities and the attached Milestones as outlined in the body of our Report and have concluded that the issue of Vendor Securities to Mckam is not fair but reasonable to Security Holders.

We have been able to undertake a fairness assessment for the Milestone 1 Vendor Securities by comparing the increase in value of the Company upon achievement of Milestone 1, to the value of the shares to be issued to Mckam. Based on our assessment, we determined that the increase in value of the Company upon achievement of Milestone 1 is less than the value of shares to be issued to Mckam. Therefore, the proposed issue of Milestone 1 Vendor Securities is deemed to be not fair to the Security Holders.

The proposed issue of Milestones 2 and 3 Vendor Securities is also not fair because we are unable to opine on the impact on the value of Top End should Milestones 2 and 3 be met. This is because we do not have reasonable grounds to make forward looking assumptions that would be required to quantify the value of Top End following the meeting of Milestones 2 and 3. Therefore by default, we must consider the issue of Vendor Securities to be not fair.

Therefore, in our opinion, the proposed issue of the Vendor Securities as a whole is not fair.

We do however consider the issue of Vendor Securities to be reasonable because the advantages are greater than the disadvantages.

In particular, the value of a Top End share on meeting the Milestones will likely be higher than the value of a Top End share prior to meeting the Milestones. This is because the meeting of each of the Milestones would advance the probability of a viable project and therefore increase the prospects of the Company. This will result in value accretion for Security Holders. However, we do not have sufficient reasonable grounds to be able to quantify this value accretion and as such we have been unable to provide a quantified value of the Company following the achievement of the Milestones.

Opinion 2 - MD Rights

We have considered the terms of the MD Rights and the attached Vesting Conditions as outlined in the body of our Report and have concluded that the issue of MD Rights to Mr. Oxenbridge is not fair but reasonable to Security Holders.

The proposed issue of MD Rights with Vesting Conditions 1 and 2 attached is not fair because we are unable to opine on the impact on the value of Top End should Vesting Conditions 1 and 2 be met. This is because we do not have reasonable grounds to make forward looking assumptions that would be required to quantify the value of Top End following the meeting of Vesting Conditions 1 and 2. Therefore by default, we must consider the issue of MD Rights to be not fair.

The proposed issue of MD Rights with Vesting Conditions 3, 4 and 5 is fair as the increase in value of Top End implied by the market condition is greater than the value of shares that vest to the MD when the respective Vesting Conditions are met.

However, as the proposed issue of MD Rights with Vesting Conditions 1 and 2 has already been determined to be not fair and we are unable to quantify the extent to which it is not fair, the proposed issue of MD Rights as a whole is not fair.

We do however consider the issue of MD Rights to be reasonable because the advantages are greater than the disadvantages.

In particular, the value of a Top End share on the achievement of the Vesting Conditions will likely be higher than the value of a Top End share prior to the achievement of the Vesting Conditions. This is because:

- the meeting of Vesting Conditions 1 and 2 would advance the probability of a viable project and therefore increase the prospects of the Company, which will result in value accretion for Security Holders; and
- the meeting of Vesting Conditions 3, 4 and 5 are dependent on an increase in the value of a Top End share and are therefore definitively value accretive to Security Holders.

Furthermore, we have undertaken an assessment on how the total value of shares that vest to the MD, assuming all Vesting Conditions are met, together with his fixed salary, or MD Remuneration Package, compares to remuneration packages of directors and executives of comparable companies in the energy and resources industries. Based on our assessment and advice provided by the BDO REM Consultant, we consider the MD Remuneration Package to be reasonable.

9. Sources of information

This Report has been based on the following information:

- Draft Top End Prospectus;
- Acquisition Agreement for the TG Project executed between Mckam and Top End;
- Executive Services Agreement executed between Top End and Mr. Oliver Oxenbridge;
- Historical expenditure data on the Permits;
- Advice and Data provided by BDO REM Consultant;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Top End.

10. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$35,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report.

BDO Corporate Finance (WA) Pty Ltd has also been engaged as the Investigating Accountant for the proposed listing of Top End on the ASX. The fee payable for this engagement is approximately \$15,000 (excluding GST).

Except for the fees above, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Top End in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Top End, including the non-provision of material information, in relation to the preparation of this Report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Top End, Mckam and Mr. Oliver Oxenbridge and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Top End, Mckam and Mr. Oliver Oxenbridge and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Top End, or their associates, other than in connection with the preparation of this report.

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of Top End.

A draft of this report was provided to Top End and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

11. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers Stuart Moore of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Stuart Moore is a member of Chartered Accountants Australia & New Zealand. He has over 20 years' experience working in corporate finance and has worked in accounting firms in London, Sydney and Perth. Stuart is a CA BV Specialist and a CA Forensic Accounting Specialist certified by Chartered Accountants Australia & New Zealand. His expertise includes valuations, independent expert reports and financial modelling for a range of industries.

12. Disclaimers and consents

This report has been prepared at the request of Top End for inclusion in the Prospectus. Top End engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the proposed issue of Vendor Securities and MD Rights meeting certain Milestones and Vesting Conditions, respectively, is fair and reasonable to the non-participating Security Holders of Top End.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Prospectus. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Prospectus other than this report, with exception for the Independent Limited Assurance Report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The

Directors of the Company are responsible for conducting appropriate due diligence in relation to NT Hold Co and the TG Project. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Security Holders obtain their own taxation advice, in respect of the Offer and proposed issue of Vendor Securities and MD Rights, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Security Holders of Top End, or any other party. It also does not consider the position of individual shareholders or investors. In this regard, we recommend they seek their own personal advice.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers
Director



Stuart Moore
Director

Appendix 1 - Glossary of Terms

Reference	Definition
Acquisition Agreement	Top End's binding agreement with McKam in relation to Top End's acquisition of 100% of the shares in NT Hold Co from McKam
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
BDO REM Consultant	Remuneration Consultant
the Company	Top End Energy Limited
Consideration Shares	The issue of 15,750,000 fully paid ordinary shares in Top End at a deemed issue price of \$0.20 a share
DCF	Discounted Cash Flow
Deferred Consideration	The Deferred Consideration payable by Top End for the Proposed Acquisition, comprising the proposed issue of 19,500,000 Vendor Securities
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
Fracking	Hydraulic fracturing
FSG	Financial Services Guide
GN 19	ASX Guidance Note 19 'Performance Securities'
IER	Independent Expert's Report
ILAR	Independent Limited Assurance Report
IPO	Initial Public Offering

Reference	Definition
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
Joint Venture	The proposed Joint Venture between Top End and Mckam for the TG Project upon the grant of the Permits
Joint Venture SPV	Joint Venture Special Purpose Vehicle
Mckam	Mckam Aust Pty Ltd
MD	Managing Director
MD Remuneration Package	The combination of MD Rights and fixed salary
MD Rights	The 3,000,000 performance rights proposed to be issued to the Managing Director
Milestone 1	The issue of 6,500,000 share in the event the EPA 257, EPA 258 and EPA 259 are granted within 18 months of Settlement
Milestone 2	The issue of 6,500,000 shares in the event Territory Gas, one of the Subsidiaries or any one or more, collectively, of the Joint Venture SPV completes an independent best estimate of prospective resources of 5 TCF of gas or greater on the Permits (as verified by a qualified petroleum resource evaluator in accordance with SPE-PRMS (Petroleum Resources Management System) guidelines) within two years of Settlement
Milestone 3	The issue of 6,500,000 shares in the event Territory Gas, one of the Subsidiaries or any one of the Joint Venture SPVs spuds at least one well on the Permits within four years of Settlement
NAV	Net Asset Value
NT Government	Northern Territory Government
NT Hold Co	NT Territory Holdco Pty Ltd
Opinion 1	BDO's fairness and reasonableness opinion on the proposed issue of the Vendor Securities
Opinion 2	BDO's fairness and reasonableness opinion on the proposed issue of the MD Rights
Our Report	This Independent Expert's Report prepared by BDO
Performance Securities	The 22,500,000 performance securities to be issued by Top End comprising: • 19,500,000 Vendor Securities; and • 3,000,000 MD Rights
Permits	30 onshore exploration permits for oil and gas exploration assets in the Northern Territory, Australia
Proposed Acquisition	The proposed acquisition of 100% of the shares in NT Territory Holdco Pty Ltd from Mckam

Reference	Definition
QMP	Quoted market price
RG 111	Regulatory Guides 111 'Content of Expert's Reports'
RG 112	Regulatory Guides 112 'Independence of Experts'
RG 170	Regulatory Guides 170 'Prospective Financial Information'
Security Holders	The prospective and non-participating security holders of Top End, who hold shares and options in Top End
Service Condition	Mr. Oxenbridge must be employed by the Company for a minimum period of 24 months in order for any of the MD Rights to vest
Settlement	The settlement of the Proposed Acquisition
TCF	Trillion cubic feet
Territory Gas	Territory Gas Pty Ltd
The Act	The Corporations Act 2001 Cth
The Milestones	Milestones 1, 2 and 3
The Offer	The issue of 32,000,000 shares in Top End at \$0.20 per share to raise \$6,400,000
The Prospectus	Top End's prospectus in relation to the IPO
The Relevant Permits	EPA 257, EPA 258 and EPA 259
The Subsidiaries	NT Gas Aust Pty Ltd and Territory Gas Aust Pty Ltd
The TG Project	The TG Project 100% held by Territory Gas for 30 onshore oil and gas exploration permit applications in the Northern Territory, Australia
Top End	Top End Energy Limited
The Vendor	Mckam Aust Pty Ltd
Vendor Securities	The proposed issue of 19,500,000 performance securities to Mckam Aust Pty Ltd
Vesting Condition 1	The grant of an exploration permit in respect of applications for the Permits at the time Top End lists on the ASX, which is assessable within 18 months of commencement of the performance period, being 1 September 2021
Vesting Condition 2	The undertaking and successful completion of a seismic acquisition campaign on one of the assets owned by Top End (or one of its subsidiaries) at the time of listing on the ASX, which is assessable within 36 months of commencement of the performance period, being 1 September 2021

Reference	Definition
Vesting Condition 3	Top End's shares as traded on the ASX achieving a VWAP of at least 150% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 12 months of the date of Top End listing on the ASX
Vesting Condition 4	Top End's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 24 months of the date of Top End listing on the ASX
Vesting Condition 5	Top End's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price (\$0.20 per share) for 20 consecutive days within 36 months of the date of Top End listing on the ASX
Vesting Conditions	The conditions detailed in the Executive Services Agreement which must be satisfied before the MD Rights vest
VWAP	Volume Weighted Average Price

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Cost method*

The fair value of tangible assets, such as specialised properties or plant and equipment, is often measured using the cost approach. This represents the highest value that a market-participant would pay for an asset with similar utility and is based on the principle of substitution. It uses the cost to replace an asset or historical expenditure incurred on an asset as an indicator of the fair value of that asset.

2 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

3 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact

upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

4 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

5 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

6 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

APPLICATION FORM
