



Top End Energy Limited

ABN 73 650 478 774

INTERIM REPORT

31 December 2021



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Directors	Mr Emmanuel Correia – Non-Executive Chairman Mr Oliver Oxenbridge - Managing Director (appointed 1 September 2021) Mr Greg Lee - Executive Director
Company secretary	Mr Shane Hartwig
Registered office	Ground Floor, 353 Rokeby Road Subiaco WA 6008
Principal place of business	Ground Floor, 353 Rokeby Road Subiaco WA 6008
Share register	Automic Registry Services Level 1, 191 St Georges Terrace Perth WA 6000 Ph: 1300 288 664 www.automic.com.au
Auditor	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 15 Milligan Street Perth WA 6000
Website	http://www.topendenergy.com.au/



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Top End Energy Limited (referred to hereafter as the 'company' or 'parent entity') and the entity it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

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

Mr Emmanuel Correia – Non-Executive Chairman

Mr Oliver Oxenbridge – Managing Director (appointed 1 September 2021)

Mr Greg Lee - Executive Director

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$639,471. As the Company was incorporated on 25 May 2021, there are no comparative balances to disclose for the half-year ended 31 December 2020.

The following is a summary of the activities of the consolidated entity for the half-year ended 31 December 2021. It is recommended that this half-yearly report be read in conjunction with any public announcements made by the Company during this period.

Top End Energy is an Australian 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 for its core assets.

The Group plans to operate 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 Group 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).

Company Assets

ATP 1069 Project

The ATP 1069 Project comprises one granted hydrocarbon exploration permit in Queensland and is located 130km north-west of Charleville in Central Queensland and covers an area of approximately 4,185km².

Once Ministerial Approval is granted, the Group will acquire ATP 1069 by way of transfer from Tri-Star and will be the sole titleholder, interest-holder and operator of ATP 1069. ATP 1069 will be valid until 31 January 2025.

Territory Gas (TG) Project

The TG Project comprises 30 petroleum permit applications that cover approximately 160,000km² in the Northern Territory and 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.

The Group, through its wholly-owned subsidiary Tomorrow Energy Corporation Pty Ltd, will acquire a 50% interest in the TG Project effective upon listing on the Australian Stock Exchange (ASX). The remaining 50% interest in the project will be held by McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust. The Company is the Manager of the TG Project and will progress the tenements through the grant process on a prioritised basis determined by a review of prospectivity potential.

Renewable / Transitional Energy Projects

The Company has also undertaken to explore the potential for viable clean energy projects on or in the vicinity of its existing asset base to contribute to achieving a corporate net-zero target and/or provide complimentary revenue streams.



Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

Since 31 December 2021, the Company has continued to focus on progressing the Initial Public Offering and execution of the acquisition agreements for its core assets. No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Emmanuel Correia
Non-Executive Chairman

17 March 2022
Perth, Western Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF TOP END ENERGY LIMITED

As lead auditor for the review of Top End Energy Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Top End Energy Limited and the entity it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 17 March 2022



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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated 31 Dec 2021 \$
Expenses		
Professional fees	6	(311,888)
Employee benefits expense		(69,141)
Director fees		(5,769)
Insurance		(6,507)
Travel		(12,568)
Share based payments	17	(110,908)
Other expenses		(122,206)
Finance costs		(484)
		<hr/>
Loss before income tax expense		(639,471)
Income tax expense		<hr/> -
Loss after income tax expense for the half-year attributable to the owners of Top End Energy Limited		(639,471)
Other comprehensive income for the half-year, net of tax		<hr/> -
Total comprehensive loss for the half-year attributable to the owners of Top End Energy Limited		<hr/> <hr/> (639,471)
		Cents
Loss per share for loss attributable to the owners of Top End Energy Limited		
Basic loss per share	16	(3.48)
Diluted loss per share	16	(3.48)

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



STATEMENT OF FINANCIAL POSITION

		Consolidated	
	Note	31 Dec 2021	30 Jun 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	327,744	275,001
Trade and other receivables	8	76,207	1,246
Prepayments	9	767,518	16,883
Total current assets		<u>1,171,469</u>	<u>293,130</u>
Non-current assets			
Prepayments	10	187,500	-
Total non-current assets		<u>187,500</u>	<u>-</u>
Total assets		<u>1,358,969</u>	<u>293,130</u>
Liabilities			
Current liabilities			
Trade and other payables	11	767,546	51,091
Borrowings	12	24,830	-
Funds received for unissued capital	13	-	275,000
Total current liabilities		<u>792,376</u>	<u>326,091</u>
Total liabilities		<u>792,376</u>	<u>326,091</u>
Net assets/(liabilities)		<u>566,593</u>	<u>(32,961)</u>
Equity			
Issued capital	14	1,128,118	1
Reserves	15	110,908	-
Accumulated losses		<u>(672,433)</u>	<u>(32,962)</u>
Total equity/(deficiency)		<u>566,593</u>	<u>(32,961)</u>

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



STATEMENT OF CHANGES IN EQUITY

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	1	-	(32,962)	(32,961)
Loss after income tax expense for the half-year	-	-	(639,471)	(639,471)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(639,471)	(639,471)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	1,128,117	-	-	1,128,117
Share-based payments (notes 15 and 17)	-	110,908	-	110,908
Balance at 31 December 2021	<u>1,128,118</u>	<u>110,908</u>	<u>(672,433)</u>	<u>566,593</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes



STATEMENT OF CASH FLOWS

	Note	Consolidated 31 Dec 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)		(361,783)
Interest and other finance costs paid		<u>(484)</u>
Net cash used in operating activities		<u>(362,267)</u>
Cash flows from financing activities		
Proceeds from issue of shares	14	525,000
Payment of capital raising costs, including deferred IPO expenses		(99,349)
Repayment of borrowings		<u>(10,641)</u>
Net cash from financing activities		<u>415,010</u>
Net increase in cash and cash equivalents		52,743
Cash and cash equivalents at the beginning of the financial half-year		<u>275,001</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>327,744</u></u>

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



NOTES TO FINANCIAL STATEMENTS

Note 1. General information

The financial statements cover Top End Energy Limited as a consolidated entity consisting of Top End Energy Limited and the entity it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Top End Energy Limited's functional and presentation currency.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 March 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Comparatives

As Top End Energy was incorporated on 25 May 2021, there are no 31 December 2020 comparative balances to present in this interim financial report.

Note 3. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial period unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Note 4. Going Concern

The financial report has been prepared on a 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 business.

The Group incurred a net loss a net loss after tax for the period ended 31 December 2021 of \$639,471 and had net cash outflows from operating activities of \$362,267. As at 31 December 2021, the Group held total cash reserves of \$327,744 and had total liabilities of \$792,376. The ability of the Group to continue as a going concern is therefore dependent on the ability to raise additional funding through debt or equity. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe that as at the date of this report there are reasonable grounds to believe that the Group will continue as a going concern for the following reasons:

- The Group is in the process of completing its Initial Public Offering to raise \$6,400,000 (before costs) under its Replacement Prospectus dated 24 November 2021;
- The Group has the potential to raise additional funding through equity or debt.



NOTES TO FINANCIAL STATEMENTS

Note 4. Going Concern (continued)

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that may differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Note 5. Operating segments

The group has identified its operating segments on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. As at 31 December 2021, the group was not yet operating as it was in the process of listing on the ASX and acquiring its core assets. All amounts reported to the Board of Directors as the chief decision maker during the period were on a consolidated Group basis.

Note 6. Professional fees

	Consolidated 31 Dec 2021 \$
Accounting and audit fees	70,668
Consultants fees	105,184
Legal fees	136,036
	<u>311,888</u>

Note 7. Current assets - cash and cash equivalents

	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Cash at bank	<u>327,744</u>	<u>275,001</u>

Note 8. Current assets - trade and other receivables

	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
BAS receivable	<u>76,207</u>	<u>1,246</u>

Note 9. Current assets - Prepayments

	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Prepayments*	213,529	16,883
Deferred IPO expenses**	<u>553,989</u>	<u>-</u>
	<u>767,518</u>	<u>16,883</u>



NOTES TO FINANCIAL STATEMENTS

Note 9. Current assets - Prepayments (continued)

*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 to S3 comprised 1,875,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.20 each. The issue of the shares represents a prepayment for services provided and will be recognised as a marketing expense over the two year contract period. \$187,500 of the balance of prepayments relates to the prepayment for digital marketing services (30 June 2021: nil) in excess of twelve months from the date of the period ended 31 December 2021.

**Costs incurred in relation to the Company's planned IPO are capitalised as an other asset and will be offset against the funds raised from the issue of shares as part of the IPO.

Note 10. Non-current assets - Prepayments

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Prepayments	187,500	-

Refer to note 9 for further details.

Note 11. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Trade payables	739,196	34,208
Accrued expenses	19,000	16,883
Other payables	9,350	-
	767,546	51,091

Note 12. Current liabilities - borrowings

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Loan for insurance funding	24,830	-

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 13. Current liabilities - funds received for unissued capital

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Funds received for unissued capital	-	275,000



NOTES TO FINANCIAL STATEMENTS

Note 14. Equity - issued capital

	31 Dec 2021 Shares	30 Jun 2021 Shares	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares - fully paid	21,875,001	1	1,128,118	1

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	1		1
Issued capital - seed investors	6 July 2021	15,000,000	\$0.02	300,000
Issued capital - seed investors	3 September 2021*	5,000,000	\$0.10	500,000
Issued capital - payment for digital marketing services	9 November 2021	1,875,000	\$0.20	375,000
Share issue costs, net of tax				(46,883)
Balance	31 December 2021	21,875,001		1,128,118

*The funds under the second seed capital raise were received during August 2021 when the Company's share price was \$0.10 per share.

Note 15. Equity - reserves

	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Share-based payments reserve	110,908	-

Share-based payments reserve

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

Note 16. Earnings per share

	Consolidated 31 Dec 2021 \$
Loss after income tax attributable to the owners of Top End Energy Limited	(639,471)
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	18,374,318
Weighted average number of ordinary shares used in calculating diluted earnings per share	18,374,318
	Cents
Basic loss per share	(3.48)
Diluted loss per share	(3.48)



NOTES TO FINANCIAL STATEMENTS

Note 17. Share-based payments

Options

Set out below are summaries of options granted under the Company's Employee Incentive Securities Plan:

	Number of options 31 Dec 2021
Outstanding at the beginning of the financial half-year	-
Granted - 1 July 2021*	2,500,000
Granted - 6 July 2021**	15,000,000
Granted - 3 September 2021**	5,000,000
Outstanding at the end of the financial half-year	<u>22,500,000</u>

*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 determined to have a total fair value of \$17,500 and vest immediately. The options were valued using the Black Scholes method with the following assumptions:

- Exercise price of \$0.30
- Volatility of 110%
- Implied life of 4.42 years
- Risk free rate of 0.765%
- Dividend yield of nil

**On 6 July and 3 September 2021, the Company issued one free-attaching option for every one share issued in connection with the seed capital raises, exercisable at \$0.30, with an expiry date of 30 November 2025. No financial adjustment has been made for the issue of the options on the basis that the fair value is reflected in the price of the seed raisings and offered to all equity participants.

Performance rights

On 1 September 2021, the Company issued 3,000,000 performance rights to the Managing Director. 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. The fair value is allocated as a share-based payment expense to each reporting period evenly over the performance measurement period.

On vesting, each right automatically converts to one ordinary share. Prior to their conversion into ordinary shares, rights do not entitle the holder to any dividends.

The terms and conditions of the Performance Rights affecting remuneration for the reporting period are set out below:

	Number of rights 31 Dec 2021
Outstanding at the beginning of the financial half-year	-
Granted	<u>3,000,000</u>
Outstanding at the end of the financial half-year	<u>3,000,000</u>



NOTES TO FINANCIAL STATEMENTS

Note 17. Share-based payments (continued)

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.				
Valuation Assumptions	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	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Exercise price	Nil	Nil	Nil	Nil	Nil
20-day VWAP barrier	N/A	N/A	\$0.30	\$0.40	\$0.50
Expected share price volatility	110%	110%	110%	110%	110%
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free rate	0.055%	0.195%	0.055%	0.055%	0.195%
Fair value at grant date per right	\$0.200	\$0.200	\$0.134	\$0.150	\$0.160
Value per tranche	\$150,000	\$150,000	\$67,000	\$75,000	\$80,000

As at 31 December 2021, the Director's assessed the non-market vesting conditions for Tranches 1 and 2 as 100% likely to be achieved.

Note 18. Related party transactions

Parent entity

Top End Energy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 21.



NOTES TO FINANCIAL STATEMENTS

Note 18. Related party transactions (continued)

Transactions with related parties

A number of related companies transacted with the Company during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel, including close family members and entities over which they have control or significant influence, were as follows:

- A nominee on behalf of Cardrona Energy Pty Ltd (an entity which Mr Emmanuel Correia is a director of), acquired 750,000 shares through a seed capital raise with 750,000 free attaching options. The shares and options were issued in July 2021. An additional 1,000,000 options were issued to Mr Correia on 3 July 2021 for nil consideration for services performed. Refer to note 17 for terms of options.
- The Company entered into an executive services agreement with Mr Oliver Oxenbridge on 1 September 2021. Mr Oxenbridge will be paid a base salary of \$175,000 per annum and was granted 3,000,000 Performance Rights for nil consideration on 1 September 2021. Mr Oxenbridge acquired 150,000 shares through a seed capital raise with 150,000 free attaching options. The shares and options were issued in September 2021. Refer to note 17 for terms of options and Performance Rights.
- Petrotech Consulting Trust, a trust that Mr Greg Lee is a beneficiary of, charged the Company for consulting fees of \$22,981 and directors fees of \$5,769. A balance of \$5,000 (2020: \$nil) was outstanding at period end. In July 2021, 1,500,000 options were issued to Mr Lee for nil consideration for services performed. Refer to note 17 for terms of options.

Terms and conditions

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

Loans to/from related parties

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

Note 19. Contingent liabilities

There are no contingent liabilities as at 31 December 2021.

Note 20. Asset Acquisition

On 5 November 2021, the Company, through its wholly-owned subsidiary Tomorrow Energy Corporation Pty Ltd, acquired the Tri-Star Project comprising ATP permit 1069. Under the terms of the Tri-Star Acquisition, the consideration payable by the Company 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 Completion of the Tri-Star Acquisition is conditional on ministerial approval from the Queensland Department of Resources as at 31 December 2021.

The Royalty Deed relates to the grant of a 2% royalty on the sale of all petroleum produced from ATP 1069, with the volume and value of the petroleum to be measured and determined at the delivery point. The Royalty may give rise to a contingent liability in future periods, which is payable upon when the wells to which the permit relates start producing petroleum. Until such, time, no liability has been recognised.

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2021 %	30 Jun 2021 %
Tomorrow Energy Corporation Pty Ltd	Australia	100.00	100.00



Note 22. Events after the reporting period

Since 31 December 2021, the Company has continued to focus on progressing the Initial Public Offering and execution of the acquisition agreements for its core assets. No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial periods.



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Emmanuel Correia
Non-Executive Chairman

17 March 2022
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Top End Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Top End Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty relating to going concern

We draw attention to Note 4 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a smaller, less distinct script.

Phillip Murdoch

Director

Perth, 17 March 2022



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topendenergy.com.au