

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**To Company Name/Scheme **Top End Energy Limited**ACN/ARSN **650 478 774****1. Details of substantial holder (1)**Name **McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust**  
ACN/ARSN (if applicable) **619 865 011 and Paul Douglas Williams**The holder became a substantial holder on **24 March 2022****2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
<b>Fully Paid Ordinary Shares</b>	<b>15,750,000</b>	<b>15,750,000</b>	<b>22.62%</b>

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust	By virtue of s 608(1) of the Corporations Act as holder of the securities	<b>15,750,000 Ordinary Shares</b>
Paul Douglas Williams	By virtue of s 608 (1)(b)-(c) of the Corporations Act	<b>15,750,000 Ordinary Shares</b>

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust	McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust	McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust	<b>15,750,000 Ordinary Shares</b>
Paul Douglas Williams	McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust	McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust	<b>15,750,000 Ordinary Shares</b>

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust		<b>N/A</b>	The acquisition of NT Territory Holdco Pty Ltd Refer to Annexure A	<b>15,750,000 Ordinary Shares</b>
Paul Douglas Williams		<b>N/A</b>	The acquisition of NT Territory Holdco Pty Ltd Refer to Annexure A	<b>15,750,000 Ordinary Shares</b>

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
McKam Aust Pty Ltd as trustee for the Charlotte Investment Trust	C/o Value Beyond Pty Ltd, 40 Latrobe Street, East Brisbane, Queensland 4169
Paul Douglas Williams	C/o Value Beyond Pty Ltd, 40 Latrobe Street, East Brisbane, Queensland 4169

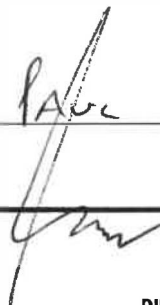
**Signature**

print name

*Paul Williams* capacity *Director*

sign here

date 24 March 2022


**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.


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**ANNEXURE A TO FORM 603**

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This is Annexure A of one hundred and fifteen (115) pages referred to in the Form 603 (Notice of initial substantial holder).

Dated

Signature 

Signed by (Full name)

Paul Williams  
Title/Position

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# AMENDED AND RESTATED BINDING HEADS OF AGREEMENT

## PRIVATE AND CONFIDENTIAL

**THIS BINDING HEADS OF AGREEMENT** is made the 5th day of November 2021.

Territory Gas Pty Ltd (ACN 639 119 734) (**Territory Gas**) is, through its subsidiaries (NT Gas Aust Pty Ltd (ACN 153 719 781) and Territory Gas Aust Pty Ltd (ACN 153 719 772) (together, the **Subsidiaries**)), the legal and beneficial owner of certain applications for onshore exploration permits located in the Northern Territory, Australia, the details of which are set out in Annexure C (**Permits**).

Mckam Aust Pty Ltd (ACN 619 865 011) as trustee for the Charlotte Investment Trust (**Vendor**) is the owner of:

- (a) 50% of the shares in Territory Gas; and
- (b) 100% of the shares in NT Territory Holdco Pty Ltd (ACN 650 696 610) (**Holdco**).

Holdco is the owner of remaining 50% of the shares in Territory Gas.

This Agreement sets out the terms upon which Top End Energy Pty Ltd (ACN 650 478 774) (**Purchaser**) agrees to acquire the 100% of the shares in Holdco from the Vendor.

This Agreement is legally binding on the parties to it on and from the date on which it is executed by the last of the parties (**Execution Date**) and supersedes any and all previous correspondence, agreements or understandings between the parties.

For the avoidance of doubt, this Agreement acts as a variation to and replacement of the binding heads of agreement entered into between the parties on 17 June 2021 (**Original HOA**) and the Original HOA shall be deemed terminated from the date of execution of this Agreement by the parties.

1.	<b>Acquisition</b>	Subject to the satisfaction or waiver of the conditions precedent set out in clause 3 below ( <b>Conditions Precedent</b> ), the Purchaser agrees to acquire and the Vendor agrees to sell, free from encumbrances, 100% of the shares that the Vendor holds in Holdco (being, at Settlement, 5,000 fully paid ordinary shares ( <b>Vendor Shares</b> ) for the consideration referred to in clause 3 and otherwise on the terms and conditions of this Agreement ( <b>Acquisition</b> ).
2.	<b>Formation of Joint Venture SPVs</b>	Following settlement of the Acquisition ( <b>Settlement</b> ), if a Permit is granted, the parties will (subject to further agreement between the parties):  (a) create a new proprietary limited company, which is to be held 50% of shares by the Vendor (or a related body corporate of the Vendor) and 50% of shares by the Purchaser or a wholly owned subsidiary of the Purchaser ( <b>Joint Venture SPV</b> );  (b) either:  (i) if possible, cause the relevant Permit to be granted directly into the name of the Joint Venture SPV; or where that is not possible:  (ii) cause Territory Gas or its relevant subsidiary to transfer the relevant Permit to the Joint Venture SPV; and

		<p>(c) enter into a SPV Joint Venture Agreement (as defined below) with respect to that Joint Venture SPV,</p> <p>and, where possible and agreed between the parties, each Permit that covers the same basin will be issued or transferred (as the case may be) into the same Joint Venture SPV (each being their own separate "<b>Joint Venture</b>").</p>
<p><b>3. Consideration</b></p>		<p>Subject to the terms and conditions of this Agreement, in consideration for the Acquisition, the Purchaser agrees to:</p> <p>(a) upon the settlement of the Acquisition (<b>Settlement</b>): issue 15,750,000 fully paid ordinary shares in the capital of the Purchaser (<b>Shares</b>) to the Vendor at a deemed issue price of \$0.20 each (<b>Consideration Shares</b>); and</p> <p>(b) upon satisfaction of each of the following milestones (each, a <b>Milestone</b>) pay the following deferred consideration to the Vendor (<b>Deferred Consideration</b>):</p> <p>(i) in the event the EPA 257, EPA 258 and EPA 259 are granted within 18 months of Settlement (<b>Milestone 1</b>), issue 6,500,000 Shares to the Vendor;</p> <p>(ii) 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 Permits (as verified by an independent competent person in accordance with SPE-PRMS guidelines) within two (2) years of Settlement (<b>Milestone 2</b>), issue 6,500,000 Shares to the Vendor; and</p> <p>(iii) 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 Permits within four (4) years of Settlement (<b>Milestone 3</b>), issue 6,500,000 Shares to the Vendor.</p> <p>The Deferred Consideration which will be paid or issued (as the case may be) as soon as practicable following satisfaction of the relevant Milestone. However, if Milestone 1, Milestone 2 or Milestone 3 is not achieved by its stated due date set out above, the Vendor's entitlement to the relevant Deferred Consideration attached to the specific Milestone will lapse.</p> <p>The Purchaser must and, following Settlement must ensure Holdco, Territory Gas, and each Joint Venture SPV does in its capacity as Operator of the project under the Joint Ventures, diligently and in a timely fashion take all reasonable steps (including, where required spending funds) with a view to ensuring Milestone 1, Milestone 2 and Milestone 3 are achieved within the required time frame. Any budget or business plan prepared for Territory Gas or a Joint Venture SPV in relation to the Permits under the TG Joint Venture or SPV Joint Venture SPVs will, unless the Operator prudently forms the view that the pursuit of the relevant Milestone is not in the best interests of the Joint Venture participants as a whole, incorporate the necessary activities (and, where relevant, funding) required to meet Milestone 1, Milestone 2 and Milestone 3 within the required time frames set out above. Funding</p>

		<p>raised under the prospectus contemplated below will be allocated to activities which further this purpose.</p> <p>With respect to the Shares to be issued to the Vendor on satisfaction of Milestone 1, Milestone 2 or Milestone 3, the Purchaser must:</p> <p>(a) seek quotation of the Shares on the ASX; and</p> <p>(b) lodge, with ASX, a notice that complies with section 708A(5) of the Corporations Act or, if it cannot lodge the relevant notice, it must prepare and lodge a prospectus with ASIC so that the on-sale of the Shares issued will not be subject to the restrictions in section 708A Corporations Act.</p>
4.	<b>Conditions Precedent</b>	<p>Settlement of the Acquisition is conditional upon the satisfaction (or waiver by the party or parties listed below) of the following conditions precedent:</p> <p>(a) the Purchaser preparing a full form prospectus, lodging it with the ASIC and raising a minimum of \$6,400,000 under the prospectus through the issue of Shares at not less than \$0.20 each; and</p> <p>(b) the Purchaser receiving conditional approval for its Shares to be granted official quotation on the ASX, subject to conditions reasonably capable of being satisfied by the Purchaser (<b>ASX Listing</b>).</p> <p>If the conditions set out above are not satisfied (or waived by mutual agreement of the parties) on or before the due date for satisfaction set out above or, if there is no stated due date, on or before 31 January 2022, then either party may terminate this Agreement by notice in writing to the other party, in which case, the agreement constituted by this Agreement will be at an end and the parties will be released from their obligations under this Agreement (other than in respect of breaches that occurred prior to termination).</p> <p>The Conditions Precedent are inserted into this Agreement for the benefit of both the Purchaser and the Vendor and may only be waived by their mutual written agreement.</p> <p>The parties will each use their best efforts to procure the satisfaction of the Conditions Precedent on or before the relevant due dates.</p> <p>The parties must keep each other informed and updated on progress regarding satisfaction of the Conditions Precedent.</p>
5.	<b>Settlement</b>	<p>Settlement will occur on that date which is 5 business days of satisfaction (or waiver) of the Conditions Precedent (<b>Settlement Date</b>).</p> <p>At Settlement:</p> <p>(a) the Purchaser must:</p> <p>(i) allot and issue the Consideration Shares;</p> <p>(ii) procure the appointment of one nominee of the Vendor as a director of the Purchaser on and from</p>

		<p>Settlement and ensure that the nominee is covered by appropriate D&amp;O insurance and is provided with an executed deed of access, insurance and indemnity, on terms no less favourable than any other director of the Purchaser;</p> <p>(iii) deliver to the Vendor a counterpart of the joint venture agreement set out in Annexure E (the <b>TG Joint Venture Agreement</b>) duly executed by the Purchaser; and</p> <p>(iv) deliver to the Vendor the consents to act for any nominee to be appointed as a director or secretary of Territory Gas or the Subsidiaries;</p> <p>(b) the Vendor must deliver or cause to be delivered to the Purchaser:</p> <p>(i) a counterpart of the TG Joint Venture Agreement duly executed by the Vendor, Holdco and Territory Gas;</p> <p>(ii) a duly executed and registrable share transfer form for the Vendor Shares to facilitate the legal transfer of the Vendor Shares from the Vendor to the Purchaser;</p> <p>(iii) share certificates in respect of the Vendor Shares;</p> <p>(iv) the corporate, legal, technical and financial records for Territory Gas, including all technical information relating to the Permits and instruments of title for the Permits (if any);</p> <p>(v) a duly completed authority for the alteration of the signatories of each bank account of Territory Gas and the Subsidiaries in the same manner required by the Purchaser by written notice before the Settlement Date;</p> <p>(vi) the resignations of each of the directors and company secretary of Holdco, Territory Gas and the Subsidiaries, other than Paul Williams, acknowledging that each of them has no claim or entitlement to compensation from Holdco, Territory Gas or the Subsidiaries) for loss of office or otherwise, with such resignations to take effect from the close of the directors' meetings referred to in clause 5(c);</p> <p>(vii) a counterpart of the restriction agreement contemplated by clause 15, duly executed by the Vendor; and</p> <p>(viii) transfers or other things that may be required by the Purchaser to give effect to the terms of this Agreement; and</p> <p>(c) the Vendor must procure that:</p>
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		<ul style="list-style-type: none"> <li>(i) a directors' meeting of Holdco is held to attend to the following matters (as applicable): <ul style="list-style-type: none"> <li>(A) the approval of the registration of the transfer of the Vendor Shares from the Vendor to the Purchaser and the issue of a new share certificate for the Vendor Shares in the name of the Purchaser;</li> <li>(B) recording the Purchaser as a holder of the Vendor Shares in the Vendor's register of members;</li> <li>(C) taking all other steps required under the Vendor's constituent documents and applicable laws to constitute and evidence the Purchaser as a holder of the Vendor Shares; and</li> <li>(D) the appointment of two nominee directors of the Purchaser as directors of Holdco and one nominee as company secretary; and</li> </ul> </li> <li>(ii) a directors' meeting of Territory Gas and the Subsidiaries is held to appoint two nominees of the Purchaser as directors of Territory Gas and the Subsidiaries, on and from Settlement, together with one nominee as company secretary of Territory Gas and the Subsidiaries.</li> </ul> <p>If a party (<b>Defaulting Party</b>) fails to satisfy its obligations under this clause 5 on the day and at the place and time for Settlement then, any other party (<b>Notifying Party</b>) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of ten (10) business days from the date of the notice and declaring time to be of the essence.</p> <p>If the Defaulting Party fails to satisfy those obligations within those ten (10) business days the Notifying Party may, without limitation to any other rights it may have, terminate this Agreement by giving written notice to the other parties.</p>
6.	<b>Warranties</b>	<p>By execution of this Agreement:</p> <ul style="list-style-type: none"> <li>(a) the Vendor makes the representations and warranties set out in Annexure A in favour of the Purchaser both as at the Execution Date and the Settlement Date;</li> <li>(b) the Purchaser makes the representations and warranties set out in Annexure B in favour of the Vendor both as at the Execution Date and the Settlement Date; and</li> <li>(c) each party which is a trustee of a trust (both in its own right and as trustee of that trust) warrants and represents to each other party, and it is a condition of this document, that each of the following statements is true and accurate as at the Execution Date and the Settlement Date:</li> </ul>



		<ul style="list-style-type: none"> <li>(i) the trust is duly constituted and has not terminated, nor has the date or any event occurred for the vesting of the trust fund of that trust;</li> <li>(ii) it is the sole trustee of that trust, it has not given any notice of resignation and no action has been taken to remove it or to appoint an additional trustee of that trust;</li> <li>(iii) it has full legal capacity and power under the trust deed for that trust to: <ul style="list-style-type: none"> <li>(A) own the trust fund of that trust and carry on the business of that trust as it is now being conducted; and</li> <li>(B) enter into this document and to carry out the transactions that this document contemplates, as trustee of that trust;</li> </ul> </li> <li>(iv) all action that is necessary or desirable under the trust deed for that trust or at law to: <ul style="list-style-type: none"> <li>(A) authorise entry into this document and the carrying out by that party of the transactions that this document contemplates;</li> <li>(B) ensure that this document is legal, valid and binding on that party as trustee of that trust and admissible in evidence against it in that capacity; and</li> <li>(C) enable that trustee to properly carry on the business of that trust,</li> </ul> <p>has been taken;</p> </li> <li>(v) it is entering into this document as part of the proper administration of that trust, for the commercial benefit of that Trust and for the benefit of the beneficiaries of that trust;</li> <li>(vi) that party: <ul style="list-style-type: none"> <li>(A) has the right to be fully indemnified out of the trust fund of that trust in relation to this document, that right has not been modified, released or diminished in any way, and the trust fund of that trust is sufficient to satisfy that right in full; and</li> <li>(B) has not released or disposed of its equitable lien over the trust fund of that trust;</li> </ul> </li> <li>(vii) that party is not in material breach of any of its obligations as trustee of that trust, whether under the trust deed of that trust or otherwise; and</li> </ul>
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		<p>(d) the date for the vesting of that trust has not occurred and the whole of the funds constituting the trust fund of that trust has not been vested in a manner that puts them beyond the recourse of that party under its right of indemnity.</p> <p>A party may terminate this Agreement, by notice in writing, for a material breach of any representation and warranty made by the other party in this clause provided that, where the breach is capable of remedy, the non-defaulting party has first given the other defaulting party at least 10 business days' notice to remedy the breach and the breach has not been remedied.</p>
7.	<b>Limitation of liability</b>	<p>(a) The Vendor is not liable for and the Purchaser cannot make a claim for a breach of a representation or warranty, unless and until the aggregate amount of all claims exceeds \$50,000, and then the Purchaser may claim the full amount, including the first \$50,000.</p> <p>(b) The maximum liability of the Vendor for all claims under or in connection with this Agreement (each a <b>Claim</b>) is limited to the purchase price (in cash or Shares) paid to the Vendor at the time the Claim is made.</p> <p>(c) Where the Vendor is liable as a result of a Claim, it may satisfy its liability at its option by:</p> <p>(i) paying the liability amount in cleared funds to the Purchaser; or</p> <p>(ii) by cancelling or relinquishing any Shares held by it at the time for a value equal to the liability amount in accordance with clause 7(e).</p> <p>(d) If the Vendor elects to cancel Shares in accordance with clause 7(c)(ii) above, then such cancellation shall be in full and final satisfaction of all liability that the Vendor has in relation to a Claim.</p> <p>(e) For the purposes of clause 7(c)(ii):</p> <p>(i) the number of Shares that must be cancelled or relinquished will be determined by the following formula:</p> $A = B \div C$ <p>where:</p> <p>A= The number of Shares that the Vendor must cancel or relinquish;</p> <p>B= The total liability of the Vendor in respect of the relevant Claim (as agreed or adjudicated by a court of competent jurisdiction); and</p> <p>C= the higher of the market value of the Shares as quoted on the ASX (a) at the date of issuance of the</p>

		<p>Shares issued to the Vendor, and (b) at the time the relevant Claim is payable.</p> <p>(f) The cancellation or relinquishment of Shares will be by way of cancellation or relinquishment of the Shares to the Purchaser and the Vendor by this clause grants the Purchaser a power of attorney to do all things necessary including to execute any document to give effect to the cancellation or relinquishment of the Shares on the Vendor's behalf.</p> <p>(g) The Vendor is not liable for and the Purchaser cannot make a claim under or in connection with this Agreement unless:</p> <p>(i) the Purchaser gives the Vendor notice of the claim describing the proposed claim sufficiently to put the Vendor fairly on notice of the matter in question and (to the extent the Purchaser is reasonably able) of the likely amount of the claim before the second anniversary of Settlement; and</p> <p>(ii) legal proceedings in a court of competent jurisdiction have been commenced and served by the Purchaser against the Vendor within 12 months from the date the Purchaser gives the notice under paragraph (a) above.</p> <p>(h) The Purchaser must and, after Settlement must cause Territory Gas to, use all reasonable endeavours to mitigate any loss or damage that may give rise to a claim under or in connection with this Agreement, including by seeking recovery or compensation by other means if available.</p> <p>(i) The Purchaser acknowledges that it does not rely on any representation or warranty, whether express or implied, made by or on behalf of the Vendor, other than those set out in Annexure A, and must not make any claim asserting reliance on any such representation or warranty.</p> <p>(j) The Vendor is not liable for and the Purchaser cannot make a claim for a breach of warranty or representation to the extent that:</p> <p>(i) the claim arises out of any matter which has been fully and fairly disclosed by the Vendor to the Purchaser in writing prior to the date on which the Purchaser confirms it has completed satisfactory due diligence under clause 4(a);</p> <p>(ii) the Purchaser knew about the matter or circumstance giving rise to the claim prior to the date of this Agreement;</p> <p>(iii) the claim arises out of any matter which the Purchaser or the Purchasers advisors should reasonably have discovered or inferred from searches undertaken (or which should reasonably have been undertaken) on the date that is two business days before the date on which the Purchaser confirms it has completed</p>
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		<p>satisfactory due diligence under clause 4(a), of the public records maintained by:</p> <ul style="list-style-type: none"> <li>(A) ASIC</li> <li>(B) the registrar of the PPS register</li> <li>(C) the Federal Court of Australia;</li> <li>(D) the High Court of Australia</li> <li>(E) the Supreme Court of each State and Territory of Australia;</li> <li>(F) the Northern Territory government relating to tenements in the nature of the Permits or similar tenements for exploration or production of petroleum and gas; or</li> <li>(G) a disclosure, note, provision, allowance, reserve or accrual has been made in the Last Accounts;</li> </ul> <ul style="list-style-type: none"> <li>(iv) the loss suffered in indirect or consequential loss or damage, including loss of profit;</li> <li>(v) the claim would not have arisen but for an act, omission or transaction carried out at the request of or with the consent of the Purchaser;</li> <li>(vi) the claim arises directly and solely from anything done or not done after Settlement by the Purchaser (including in its capacity as Operator under the joint venture); or</li> <li>(vii) the claim arises as a result of: <ul style="list-style-type: none"> <li>(A) the enactment or amendment of any legislation or regulations;</li> <li>(B) a change in the judicial or administrative interpretation of the law; or</li> <li>(C) a change in the practice or policy of any government agency,</li> </ul> <p>after the date of this Agreement, including where the relevant change has retrospective effect.</p> </li> </ul> <p>(k) To the maximum extent permitted by the law, the Purchaser agrees not to make and waives any right it might have to make any claim in connection with this Agreement against the Vendor or any other party under the Corporations Act, Australian Securities and Investments Commission Act 2001 (Cth), the Competition and Consumer Act 2010 (Cth), or other similar legislation in any relevant jurisdiction.</p>
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		<p>(l) The Purchaser waives all rights and claims that it may have personally against the officers, employees or advisors of the Vendor any each related body corporate of the Vendor for any matter arising directly or indirectly in connection with this Agreement or the sale of the Shares to the Purchaser. The Vendor has sought and obtained this waiver for and on behalf of each officer, employee and adviser of the Vendor and each related body corporate of the Vendor and holds the benefit of this clause as trustee. The Vendor may enforce the provisions of this clause on behalf of and for the benefit of each officer, employee and adviser of the Vendor or its related bodies corporate.</p> <p>(m) Where the Purchaser or any related body corporate of the Purchaser is at any time entitled to recover from another person any sum for a matter giving rise to a claim under this Agreement, the Purchaser must take reasonable steps to enforce that recovery before taking action against the Vendor. If the Purchaser or any related body corporate of the Purchaser recovers an amount from that other person, the amount of the claim against the Vendor will be reduced by the amount recovered and, if relevant, the Purchaser must immediately repay to the Vendor any amount paid by the Vendor which is subsequently recovered from another person under this clause.</p> <p>(n) The Vendor enters into and performs this document and the transactions it contemplates only as trustee of the Charlotte Investment Trust (the <b>Trust</b>). This applies also for any past and future conduct (including omissions) relating to this document or those transactions.</p> <p>(o) The Vendor's liability (including for negligence) in connection with this document and those transactions and conduct is limited to the extent it can be satisfied out of the assets of the Trust. The Vendor need not pay the liability out of other assets.</p> <p>(p) What action may be taken against Vendor</p> <p>(i) In connection with this document and those transactions and conduct, another party may only do the following:</p> <p>(A) prove and participate in, and otherwise benefit from, any form of insolvency administration of Vendor but only with respect to Trust assets;</p> <p>(B) exercise rights and remedies with respect to the Trust assets, including set-off;</p> <p>(C) enforce its security, if any, and exercise contractual rights; and</p> <p>(D) bring any other proceedings against Vendor seeking relief or orders that are not inconsistent with the limitations in this clause,</p>
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		<p>and may not otherwise:</p> <p>(E) bring proceedings against Vendor;</p> <p>(F) take any steps to have Vendor placed into any form of insolvency administration (but this does not prevent the appointment of a receiver, or a receiver and manager, in respect of the Trust assets); and</p> <p>(G) seek by any means (including set-off) to have a liability of Vendor to that party (including for negligence) satisfied out of any assets other than Trust assets.</p> <p>(q) Any liability resulting from another party acting under clause 7, for example a cost order, remains subject to this clause 7(p)(i).</p>
<b>8.</b>	<b>Purchaser's acknowledgements</b>	<p>The Purchaser acknowledges, agrees and represents that:</p> <p>(a) it has made, or will make, and rely on its own:</p> <p>(i) searches, investigations and enquiries on the Shares, Holdco, Territory Gas and the Subsidiaries and the Permits; and</p> <p>(ii) evaluation of any material provided by or on behalf of the Vendor,</p> <p>(a) subject to the Purchaser confirming it has completed satisfactory due diligence under clause 4(a), as part of its due diligence investigations, the Purchaser or its advisors have had, or will have had at Settlement, access to all documents and information they have requested from the Vendor;</p> <p>(b) in entering into this Agreement and proceeding to Settlement it has not relied on, and may not rely on any forecast, budget, estimate, projection, statement of opinion or statement of intention, whether made by the Vendor or otherwise;</p> <p>(c) the disclosure of any matter to the Purchaser by the Vendor, its officers, employees or advisors does not constitute or imply any warranty, representation, agreement or statement, except as expressly contained in this Agreement; and</p> <p>(d) any claim by the Purchaser against the Vendor must be based solely on and limited to the express provisions of this Agreement and, to the extent permitted by law, all terms and conditions that may be implied are excluded and the Purchaser irrevocably waived any right or remedy it may have and releases the Vendor from liability under those terms and conditions.</p>
<b>9.</b>	<b>Due Diligence Information</b>	<p>In order for the Purchaser to complete its due diligence on Holdco, Territory Gas, the Subsidiaries and the Permits, the Vendor agrees to provide the Purchaser with full and timely access to all information</p>

		<p>concerning Holdco's, Territory Gas' and the Subsidiaries' business, operations and financial condition.</p> <p>In order for the Vendor to complete its due diligence on the Purchaser and its business, the Purchase agrees to provide the Vendor with full and timely access to all information concerning the Purchaser's business, operations and financial condition and the business, operations and financial condition of any other entity or business which the Purchaser intends to acquire on or before the proposed listing on the ASX.</p>
10.	<b>Maintaining Status Quo</b>	<p>Other than as contemplated in this Agreement (including pursuit of the ASX Listing by the Purchaser), or with the prior written approval of the other party, until Settlement, unless this Agreement is terminated earlier, the parties must (and the Vendor must procure that Holdco, Territory Gas and the Subsidiaries) does:</p> <ul style="list-style-type: none"> <li>(a) not undertake or allow any material business change to its business;</li> <li>(b) not enter into any material contract or incur any material liability;</li> <li>(c) not dispose of the whole, or any part, of its business or assets;</li> <li>(d) not vary or reduce its capital structure;</li> <li>(e) not issue, or agree to issue, any equity or debt securities, or grant or agree to grant any rights over existing issued capital, or rights to be issued securities in its capital;</li> <li>(f) not alter or agree to alter its Constitution;</li> <li>(g) not declare any dividends;</li> <li>(h) not cause to occur, by act or omission, an event or series of events, whether related or not, which may have a material adverse effect on its business, assets or financial condition;</li> <li>(i) not create or permit the creation of any encumbrance over its assets (including, for Territory Gas, the Subsidiaries and the Permits); and</li> <li>(j) pass to the other party any notice or communication from any government departments or any other government authority or third party in any way affecting or potentially affecting the relevant business or assets (including, for Territory Gas, the Subsidiaries and the Permits).</li> </ul>
11.	<b>Write off of Loan</b>	<p>The parties acknowledge that there is loan in the balance sheet of Territory Gas (as identified in the accounts set out in Annexure G) (<b>Loan</b>), owing to the Vendor and, at Settlement, the Loan shall be deemed to have been written off such that no monies will be owing by Territory Gas to the Vendor on and from Settlement.</p>

12.	<b>Formal Agreement</b>	Notwithstanding the fact that this Agreement is legally binding on the parties, if requested by either party, the parties agree to enter into a formal sale agreement to more fully document the terms of the Acquisition (to be prepared by the Purchaser' solicitors) and which shall be consistent with the terms set out in this Agreement, except to the extent otherwise agreed by the parties.
13.	<b>Exclusivity</b>	<p>From the date of this Agreement to the date it is validly terminated in accordance with its terms the Vendor agrees that:</p> <p>(a) it will not participate in any negotiations or discussions with, or provide any information to, or accept or enter into any agreement, arrangement or understanding with, any third parties in respect of a transaction that may reduce the likelihood of success of the transactions contemplated by this Agreement and will also cease any existing discussions or negotiations regarding such transactions;</p> <p>(b) it will not engage with any other third party in connection with the sale of all or any shares in Holdco, Territory Gas or the Subsidiaries, or any of their respective businesses, assets or undertakings; and</p> <p>(c) it will not provide any third party (other than as required by law or requested by a governmental authority) with any information regarding Holdco, Territory Gas, the Subsidiaries or their respective businesses, assets or undertakings,</p> <p>and the Vendor agrees to procure that Holdco, Territory Gas and the Subsidiaries will equally comply with the purpose and intent of this clause.</p>
14.	<b>Confidentiality</b>	<p>This Agreement and all other information disclosed by the Parties to each other (<b>Confidential Information</b>) is confidential and each Party shall ensure that the Confidential Information remains confidential, except that the Parties may make disclosure to their relevant advisors or as otherwise required by the law.</p> <p>The parties acknowledge and agree that the confidentiality deed dated 26 April 2021 between Territory Gas Pty Ltd and Tomorrow Energy Pty Ltd applies to this Agreement and its contents, and any information disclosed pursuant to this Agreement, as if were repeated in full and the parties to that confidentiality deed were the Purchaser and the Vendor.</p>
15.	<b>Restricted Securities</b>	The Vendor agrees that the Shares to be issued to it as consideration for the Acquisition will be restricted from sale for the longer of 12 months from their date of issue and the date that ASX determines in accordance with Chapter 9 of the ASX Listing Rules. To this end, the Vendor agrees to execute a restriction agreement as required by the ASX Listing Rules at Settlement.
16.	<b>Further Assurance</b>	Each party shall sign and execute and do all deeds, acts, documents and things as may reasonably be required by the other parties to effectively carry out and give effect to the terms and intentions of this Agreement.
17.	<b>Governing law</b>	The agreement constituted by this Agreement shall be governed by and construed in accordance with the law from time to time in Western



		Australia. The parties agree to submit to the non-exclusive jurisdiction of the Courts of Western Australia and the Courts which hear approvals from those Courts.
<b>18. Assignment</b>		None of the parties may assign any of the rights or obligations conferred by this Agreement without the consent of the other parties.
<b>19. Costs</b>		<p>(a) Subject to (b) below, each party shall bear their own legal costs of and incidental to the preparation, negotiation and execution of this Agreement.</p> <p>(b) The Purchaser will be responsible for:</p> <p>(i) paying \$50,000 of the legal fees incurred by the Vendor in respect of this Agreement; and</p> <p>(ii) paying all stamp duty assessed on or in respect of this Agreement and the transactions contemplated by this Agreement.</p>
<b>20. Tax</b>		<p>(a) In the event a supply made by one party to another under this document is subject to a value added or similar tax, the price stated in this Agreement is exclusive of such tax and the recipient of such a supply must pay to the other party an amount equal to the amount of any such tax in addition to any amount stated in this Agreement and at the same time.</p> <p>(b) Any payment of such tax is subject to the other party providing any invoice or similar documentation required by law with respect to such tax.</p> <p>(c) No party makes any representation to the other with regard to the intended tax consequences of the Acquisition.</p>
<b>21. Notices</b>		<p>Each notice authorised or required to be given to a party shall be in writing and may be delivered personally, sent by properly addressed prepaid mail or email in each case addressed to the party at its address set out in below:</p> <p>In the case of the Purchaser:</p> <p>Address: c:\ Steinepreis Paganin, Level 4, 16 Milligan Street, Perth WA 6000</p> <p>Email: emmanuel.correia@pelotoncapital.com.au</p> <p>Attention: Manny Correia</p> <p>In the case of the Vendor:</p> <p>Address: 35 BURLINGTON STREET EAST BRISBANE QLD 4169</p> <p>Email: <a href="mailto:art.malone@oillr.com">art.malone@oillr.com</a> with a copy to <a href="mailto:adahl@mccullough.com.au">adahl@mccullough.com.au</a></p>

		Attention: Mr Paul Douglas Williams
22.	<b>Severance</b>	If any provision of this Agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.
23.	<b>Counterparts</b>	This Agreement may be executed in any number of counterparts, each of which when executed and delivered to the other Parties shall constitute an original, but all counterparts together shall constitute one and the same agreement.
24.	<b>Entire Agreement</b>	This Agreement, any formal agreement, and the other agreements envisaged by this Agreement, shall constitute the sole understanding of the parties with respect to the subject matter and replaces all other agreements with respect thereto.
25.	<b>Interpretation</b>	<p>In this Agreement unless the context otherwise requires:</p> <p>(a) headings are for convenience only and do not affect its interpretation;</p> <p>(b) an obligation or liability assumed by, or a right conferred on, two (2) or more parties binds or benefits all of them jointly and each of them severally;</p> <p>(c) the expression <b>person</b> includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;</p> <p>(d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;</p> <p>(e) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;</p> <p>(f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;</p> <p>(g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;</p> <p>(h) reference to parties, clauses, schedules, exhibits or annexure are references to parties, clauses, schedules, exhibits and annexure to or of this Agreement and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;</p>

		(i)	where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
		(j)	a reference to \$ is to the currency of the Commonwealth of Australia.

If the terms and conditions set out above are acceptable, please execute this Agreement in the appropriate place below.

**EXECUTED** by the parties as an agreement.

**EXECUTED** by **TOP END ENERGY PTY LTD** )  
**ACN 650 478 774** )  
in accordance with section 127 of the )  
Corporations Act 2001 (Cth): )

*Emmanuel Correia*

Signature of director

**Emmanuel Correia**

Name of director

\*please delete as applicable

*Greg Lee*

Signature of director/company secretary\*

**Gregory Lee**

Name of director/company secretary\*

**EXECUTED** by **MCKAM AUST PTY LTD** )  
**ACN 619 865 011** )  
**as trustee for the Charlotte Investment Trust** )  
in accordance with section 127 of the )  
Corporations Act 2001 (Cth): )

*Paul Williams*

Signature of director

**SOLE**

**PAUL WILLIAMS**

Name of director

\*please delete as applicable

~~Signature of director/company secretary\*~~

~~Name of director/company secretary\*~~

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## ANNEXURE A – REPRESENTATIONS AND WARRANTIES BY THE VENDOR

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The representations and warranties given by the Vendor are as follows:

- (a) **Incorporation:** Holdco, Territory Gas, the Subsidiaries and the Vendor are incorporated in Australia and are incorporated and validly existing in accordance with Australia law.
- (b) **Power and capacity:** The Vendor has full power and lawful authority to execute and deliver this Agreement and to observe and perform, or cause to be observed or performed, all of their obligations in and under this Agreement without breach or causing the breach by the Vendor of applicable laws.
- (c) **Authority:** The execution, delivery and performance of this Agreement has been duly and validly authorised by all necessary corporate action on behalf of the Vendor.
- (d) **Issued capital:** No equity securities, debt securities or hybrid securities are on issue in Territory Gas, the Subsidiaries or Holdco, other than as set out in Part 1 of Annexure D.
- (e) **Title:** The Vendor is the legal and beneficial owner of the shares in the capital of Holdco and Territory Gas set out in Part 1 of Annexure D, which are free of all encumbrances and other third party interests or rights
- (f) **Title:** Holdco is the legal and beneficial owner of the shares in the capital of Territory Gas set out in Part 1 of Annexure D, which are held free of all encumbrances and other third party interests or rights
- (g) **Title:** Territory Gas is the legal and beneficial owner of the shares in the capital of the Subsidiaries set out in Part 1 of Annexure D, which are held free of all encumbrances and other third party interests or rights and which constitute 100% of all shares on issue in the Subsidiaries.
- (h) **Title:** The shares held by the Vendor in Holdco set out in Part 1 of Annexure D comprise the total issued share capital of Holdco and the shares held by the Vendor and Holdco in Territory Gas set out in Part 1 of Annexure D comprise the total issued share capital of Territory Gas.
- (i) **No options:** There are no outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of Territory Gas, the Subsidiaries or Holdco, other than as set out in Part 1 of Annexure D.
- (j) **No other allotments:** None of Territory Gas, the Subsidiaries or Holdco is under any obligation to allot any shares or any other equity, debt or hybrid securities to any person or persons, or otherwise to alter the structure of any part of its unissued share capital, and none of Territory Gas, the Subsidiaries or Holdco are under any obligation to give any option over any part of its unissued capital nor has and of them offered to do any of the matters stated in this sub-paragraph, other than as set out in Part 1 of Annexure D.
- (k) **Fully paid:** 100% of the issued shares of Holdco are owned by the Vendor in the amounts set out in Part 1 of Annexure D, are fully paid and no money is owing in respect of them.
- (l) **Consents:** The Vendor is able to sell and transfer the Vendor Shares to the Purchaser without the consent of any other person and free of any pre-emptive rights or rights of first refusal.
- (m) **No legal impediment:** The execution, delivery and performance by the Vendor of this Agreement complies with:

- (i) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency;
  - (ii) the constitution or other constituent documents of the Vendor; and
  - (iii) any security interest or document which is binding on the Vendor in relation to the Shares.
- (n) **No Event of Insolvency:** No event of insolvency has occurred in relation to the Vendor, Holdco, Territory Gas or the Subsidiaries nor is there any act which has occurred or, to the best of the Vendor's actual knowledge, any omission made which may result in an event of insolvency occurring in relation to the Vendor. Holdco, Territory Gas or the Subsidiaries.
- (o) **Accounts:** The last accounts of Territory Gas and the Subsidiaries as set out Annexure G (**Last Accounts**):
- (i) provide a materially accurate view of the state of the affairs, financial position and assets and liabilities of Territory Gas and the Subsidiaries as at the balance date disclosed in the Last Accounts (**Balance Date**);
  - (ii) include all such reserves and provisions for Tax (defined below) as are adequate to cover all tax liabilities (whether or not assessed and whether actual, contingent, deferred or otherwise) of Territory Gas and the Subsidiaries up to the Balance Date;
  - (iii) contain adequate provisions in respect of all other liabilities required to be included in accordance with usual accounting policies adopted in Australia (whether actual, contingent, deferred or otherwise) of the Vendor as at the Balance Date and proper disclosure (in note form) of any contingent or other liabilities not included or provided therein; and
  - (iv) were prepared:
    - (A) in accordance with law and the relevant accounting policies noted in the Last Accounts; and
    - (B) in the manner described in the notes to them.
- "Tax"** means income tax, capital gains tax, fringe benefits tax, goods and services tax, withholding tax, stamp duty, customs duty, and any other tax, duty or excise (and associated fines and penalties) imposed in Australia.
- (p) **Liabilities:** Holdco, Territory Gas and the Subsidiaries do not have any liabilities other than as set out in the Last Accounts or as detailed in Annexure H.
- (q) **Tax Investigations:** None of the Vendor, Holdco, Territory Gas or the Subsidiaries is the subject of any investigation or audit by the tax office of any country or state nor is, so far as the Vendor is actually aware, any such investigation or audit pending or threatened.
- (r) **Permits:**
- (i) Territory Gas and the Subsidiaries have applied for the Permits, the details of which are set out in Annexure C.
  - (ii) The Permits are free from all mortgages, charges, liens and other encumbrances and third party interests or rights of whatsoever nature.

- (iii) All provisions of the Petroleum Act 1981 (Northern Territory) (and any related regulations) have been complied with in relation to each of the applications for the Permits.
  - (iv) There are no agreements or dealings in respect of the Permits.
  - (v) There is not in existence any current compensation agreement with the owner or occupier of any land which is subject to the Permits nor any royalty arrangement of whatever nature in respect of the Permits.
  - (vi) So far as the Vendor is actually aware, there are no environmental liabilities relating to or affecting the Permits.
  - (vii) There are no native title agreements relating to the Permits and the Vendor is not actually aware of any claim or anticipated claim by any Aboriginal person to assert native title of any part of the area covered by the Permits.
- (s) **Authorisations:** The Vendor has taken all necessary action to authorise the execution, delivery and performance of this Agreement in accordance with its terms.
  - (t) **Subsidiaries:** Territory Gas has only two subsidiaries – NT Gas Australia Pty Ltd and Territory Gas Aust Pty Ltd and holds no other interest or ownership in any other entity.
  - (u) **No litigation:** The Vendor, Holdco, Territory Gas, the Subsidiaries and their directors are not involved in any litigation, arbitration or administrative proceeding relating to claims or amounts relating to the Vendor, Holdco, Territory Gas or the Subsidiaries nor, to the best of the Vendor's actual knowledge is, any such litigation, arbitration or administrative proceeding pending or threatened.
  - (v) **Compliance with laws:** To the best of the Vendor's actual knowledge, information and belief, the Vendor, Holdco, Territory Gas, the Subsidiaries and their directors are not in material breach of any provision of any relevant laws.
  - (w) **Consistency:** The terms of this Agreement are not inconsistent with and do not contravene the provisions of any other agreements or contract to which Holdco, Territory Gas or any of the Subsidiaries is a party.
  - (x) **Contracts:** Every material contract, instrument or other commitment to which Territory Gas, the Subsidiaries or Holdco is a party is set out in Annexure F, is valid and binding according to its terms and, so far as the Vendor is actually aware, no party to any such commitment or contract is in material default under the terms of that commitment or contract.
  - (y) **Material Information:** Any information requested by the Vendor during its due diligence investigations in connection with the Purchaser's business has been or will be disclosed to the Vendor in writing during its due diligence investigations prior to the Vendor confirming it has completed satisfactory due diligence under clause 4(a).

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## ANNEXURE B – REPRESENTATIONS AND WARRANTIES BY THE PURCHASER

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The Purchaser makes the following representations and warranties to the Vendor:

- (a) **Incorporation:** The Purchaser is incorporated in Australia and is incorporated and validly existing in accordance with the laws of its place of incorporation.
- (b) **Power and capacity:** The Purchaser has full power and lawful authority to execute and deliver this Agreement and to observe and perform, or cause to be observed or performed, all of its obligations in and under this Agreement without breach or causing the breach by the Purchaser of applicable laws.
- (c) **Authority:** The execution, delivery and performance of this Agreement has been duly and validly authorised by all necessary corporate action on behalf of the Purchaser.
- (d) **Free of encumbrances:** On Settlement, the Purchaser will be able to issue the Consideration Shares without the consent of any other person and free of any encumbrance or pre-emptive rights or rights of first refusal.
- (e) **Encumbrances:** The Purchaser has not granted or registered and there is not in existence any encumbrance over any assets of the Purchaser.
- (f) **Equity Capital Structure:** The equity capital structure of the Purchaser at Settlement will be as set out in Part 2 of Annexure D and there will be no other outstanding options, contracts, calls, first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of the Purchaser.
- (g) **Ranking:** The Consideration Shares and any Shares issued as Deferred Consideration Shares will be:
  - (i) credited as fully paid and rank pari passu in all respects with all other fully paid ordinary shares on issue; and
  - (ii) capable of being freely traded without restriction, subject only to any mandatory escrow requirements imposed by the ASX.
- (h) **No legal impediment:** The execution, delivery and performance by the Purchaser of this Agreement complies with:
  - (i) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency;
  - (ii) the constitution or other constituent documents of the Purchaser; and
  - (iii) any security interest or document, which is binding on the Purchaser.
- (i) **No Event of Insolvency:** No event of insolvency has occurred in relation to the Purchaser, nor is there any act which has occurred or to the best of its knowledge, is anticipated to occur which is likely to result in an event of insolvency in relation to the Purchaser.
- (j) **Liabilities:** As at the date of this Agreement, the Purchaser does not have any liabilities for an amount in excess of \$25,000.
- (k) **No litigation:** The Purchaser and its directors is not a party to any investigation, prosecution, litigation, legal proceeding, arbitration, mediation or any other form of dispute resolution, and to the best of its knowledge, no such proceedings are pending or threatened and there is no circumstance or fact that is likely to give rise to any such proceedings.

- (l) **No claims remain unpaid:** There are no material claims made but unpaid under any existing or previous insurance policies held by the Purchaser, and no material threatened or pending claims, and there are no events or circumstances which may give rise to any such claim.
- (m) **No failure to claim:** The Purchaser has not failed to give any notice or to present any claim with respect to its assets, undertaking or business under any existing insurance policy.
- (n) **Investigations:** The Purchaser is not the subject of any investigation by any regulatory body of any country nor is any such investigation pending or threatened.
- (o) **Tax Investigations:** The Purchaser is not the subject of any investigation or audit by the tax office of any country or state nor is any such investigation or audit pending or threatened.
- (p) **Compliance with laws and agreements:** The Purchaser is not in material breach of any provision of any relevant laws or material contract or agreement to which the Purchaser is party.
- (q) **Material contracts or agreements:** As at the date of this Agreement, the Purchaser is not a party to any contract or agreement, except as set out in Annexure F.
- (r) **Material Information:** Any information requested by the Vendor during its due diligence investigations in connection with the Purchaser's business has been or will be disclosed to the Vendor in writing during its due diligence investigations.



## ANNEXURE C – THE TENEMENTS

### Exploration permits — NT Gas Aust Pty Ltd

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	Percentage	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
EP256	EP	256	Current	Application	2011-10-18				NT GAS AUST PTY LTD	100	A	Applicant	0	34	BLKS
EP279	EP	279	Current	Application	2011-10-25	2013-06-20			NT GAS AUST PTY LTD	100	A	Applicant	0	194	BLKS
EP265	EP	265	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	200	BLKS
EP282	EP	282	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	4	BLKS
EP257	EP	257	Current	Application	2011-10-18	2012-04-27			NT GAS AUST PTY LTD	100	A	Applicant	0	96	BLKS
EP294	EP	294	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	23	BLKS
EP275	EP	275	Current	Application	2011-10-25	2013-06-20			NT GAS AUST PTY LTD	100	A	Applicant	0	196	BLKS
EP295	EP	295	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	4	BLKS
EP281	EP	281	Current	Revised Application	2020-05-07				NT GAS AUST	100	A	Applicant	0	5	BLKS

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	Percentage	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
EP280	EP	280	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	121	BLKS
EP285	EP	285	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	2	BLKS
EP284	EP	284	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	6	BLKS
NTC/P14	NTC/P	14	Current	Application	2012-02-09				NT GAS AUST PTY LTD	100	A	Applicant	0	5	BLKS
EP276	EP	276	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	200	BLKS
EP274	EP	274	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	192	BLKS
EP277	EP	277	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	198	BLKS
EP283	EP	283	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	5	BLKS
EP254	EP	254	Current	Application	2011-10-18	2012-04-27			NT GAS AUST PTY LTD	100	A	Applicant	0	169	BLKS
EP278	EP	278	Current	Application	2011-10-25	2013-06-20			NT GAS AUST	100	A	Applicant	0	198	BLKS

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	Percentage	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
									PTY LTD						

**Exploration Permits — Territory Gas Aust Pty Ltd**

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	Percentage	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
EP260	EP	260	Current	Revised Application	2020-05-07				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	63	BLKS
EP262	EP	262	Current	Revised Application	2020-05-07				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	99	BLKS
EP261	EP	261	Current	Revised Application	2020-05-07				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	61	BLKS
EP314	EP	314	Current	Application	2011-10-20				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	21	BLKS
EP313	EP	313	Current	Application	2011-10-20				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	11	BLKS
EP259	EP	259	Current	Application	2011-10-20	2015-02-04			TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	39	BLKS
EP312	EP	312	Current	Application	2011-10-20				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	2	BLKS
EP258	EP	258	Current	Revised Application	2020-07-14				TERRITOR Y GAS	100	A	Applicant	0	19	BLKS

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	Percentage	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
EP263	EP	263	Current	Revised Application	2020-07-14				AUST PTY LTD TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	43	BLKS
EP264	EP	264	Current	Revised Application	2020-05-07				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	41	BLKS
EP315	EP	315	Current	Application	2011-10-20				TERRITOR Y GAS AUST PTY LTD	100	A	Applicant	0	2	BLKS

## ANNEXURE D – EQUITY CAPITAL STRUCTURES

### Part 1 – Vendor Shares and Capital Structure of Territory Gas

At the date of this Agreement one (1) fully paid ordinary share in Holdco on issue and held by the Vendor. At Settlement, 5,000 fully paid ordinary shares in Holdco will be on issue and held by the Vendor.

At the date of this Agreement 5,000 fully paid ordinary shares in Territory Gas are held by the Vendor. At Settlement, 5000 fully paid ordinary shares in Territory Gas will be held by the Vendor and 5,000 fully paid ordinary shares in Territory Gas will be held by Holdco.

### Part 2 – Purchaser Equity Capital Structure

The equity capital structure of the Purchaser at the time of listing on ASX will be as follows:

Top End Energy Pty Ltd			
	Shares	ns/Performance Rights	Cash
<b>Equity at IPO</b>	52,000,001	20,000,000	\$ 7,200,000
<b>Vend - Territory Gas</b>	15,750,000	-	\$ -
<b>Costs of transaction and IPO</b>	-	-	\$ (1,000,000)
<b>Director Options</b>		3,000,000	
<b>Broker Options</b>		4,800,000	
<b>CEO Performance Rights</b>		3,000,000	
<b>Total</b>	<b>67,750,001</b>	<b>30,800,000</b>	<b>\$ 6,200,000</b>
ASX Co Share Price	\$0.2000		
<b>Market Cap (undiluted)</b>	<b>\$ 13,550,000</b>		
Cash @ Bank	\$ 6,200,000		
<b>Enterprise (undiluted)</b>	<b>\$ 7,350,000</b>		
Options exercisable at \$0.30, with a four year term.			
<b>Milestone 1 - grant of the 3 key Beetaloo applications</b>			
Stock	6,500,000		
<b>Milestone 2 - Independent estimate of prospective resource (5TCF+)</b>			
Stock	6,500,000		
<b>Milestone 3 - Spud of well on the tenements</b>			
Stock	6,500,000		
<b>Total</b>	<b>87,250,001</b>		

Notes:

1. Additional shares may be issued in the event a further licence needs to be acquired by the Purchaser in order to satisfy the ASX listing tests.
2. The options to be allocated to directors and brokers is indicative only.

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**ANNEXURE E – TG JOINT VENTURE AGREEMENT**

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**MCKAM AUST PTY LTD**  
**ACN 619 865 011**  
**(McKam)**

**and**

**NT TERRITORY HOLDCO PTY LTD**  
**ACN 650 696 610**  
**(HoldCo)**

**and**

**TERRITORY GAS PTY LTD**  
**(ACN 639 119 734)**  
**(Company)**

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**SHAREHOLDERS AGREEMENT – TERRITORY GAS PTY LTD**

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THIS AGREEMENT is made the

day of

2021

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**BETWEEN**

---

**MCKAM AUST PTY LTD** (ACN 619 865 011) of 40 Latrobe Street, East Brisbane QLD 4169 (**Mckam**);

AND

**NT TERRITORY HOLDCO PTY LTD** (ACN 650 696 610), of care of Steinepreis Paganin, Level 4, 16 Milligan Street, Perth WA 6000 (**Holdco**);

AND

**TERRITORY GAS PTY LTD** (ACN 639 119 734), of 40 Latrobe Street, East Brisbane QLD 4169 (**Company**).

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**RECITALS**

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- A.** Pursuant to the Binding Heads of Agreement, TEE, via Holdco, has conditionally acquired, and Mckam has conditionally disposed of a 50% interest in the issued share capital of the Company.
- B.** The Parties enter into this Agreement to formalise the relationship between them as shareholders of the Company following successful completion under the Binding Heads of Agreement.

**IT IS AGREED** as follows:

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**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement:

**Acceptance Notice** as defined in clause 12.2.

**Accounting Standards** means, at any time:

- (a) the requirements of the Corporations Act about the preparation and contents of financial reports;
- (b) the accounting standards approved under the Corporations Act; and
- (c) generally accepted accounting principles, policies, practices and procedures in Australia to the extent not inconsistent with the accounting standards described in paragraph (b).

**Agreement** means the agreement constituted by this document.

**Approved Program** has the meaning given to that term in clause 6.2(a).

**Assumption Deed** means the deed substantially in the form set out in Schedule 4.

**Authorisation** is any consent, authorisation, registration, filing, lodgement, notification, agreement, certificate, commission, lease, licence, permit, approval or exemption from, by or with a Government Agency (including the Permits).

**Binding Heads of Agreement** means the Binding Heads of Agreement dated 17 June 2021 concluded between Mckam and TEE pursuant to which TEE agreed to purchase, and Mckam agreed to sell 100% of the fully paid share capital in Holdco. Holdco is the legal and beneficial holder of 50% of the fully paid share capital of the Company.

**Board** means the board of directors of the Company.

**Business** has the meaning given to it in clause 2.2.

**Business Day** means Monday to Friday inclusive in Perth, Western Australia.

**Chairperson** means the Chairperson of the Board from time to time.

**Change of Control** means, in relation to a Shareholder, the acquisition by any third-party person, either alone or together with an associate or an affiliated party of:

- (a) an interest in more than 50% of the issued Shares in the Shareholder; or
- (b) where the Shareholder is the trustee of a unit trust, an interest in more than 50% of the issued units in that trust.

**Company Expenditure** means all costs and expenditure incurred by, or on behalf of the Company in connection with Company Operations and includes (without limitation) the necessary administrative costs of running the Company.

**Company Operations** means all activities of the Company as are necessary or desirable in order to implement and give full effect to the provisions and purposes of this Agreement, including (without limitation) Exploration Operations.

**Company Property** means all rights and property of whatsoever kind held, acquired or created by the Company, including all rights in:

- (a) the Permits;
- (b) the Information;
- (c) all fixtures, machinery, equipment and other property or rights of any description acquired as part of Company Expenditure or under this Agreement; and
- (d) all Petroleum recovered from the Project Area.

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

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

**Confidential Information** means all information, forms, specifications, processes, formulae, trade secrets, drawings and data (and copies and extracts made of or from that information and data) concerning:

- (a) the Information;
- (b) the operations and dealings of the Company, the Business or a Shareholder;
- (c) the organisation, finance, customers, markets, suppliers, intellectual property and know-how of the Company, a Shareholder or a Related Company of the Company or a Shareholder; and
- (d) the operations and transactions of a Shareholder concerning the Business and the Shareholder's Interest in the Company,

which is not in the public domain (except by failure of a Shareholder to perform and observe its covenants and obligations under this Agreement) and which has been obtained through or by being a member of the Company.

**Constituent Documents** means the constituent documents of the Company (as the context requires) as amended from time to time.

**Defaulting Shareholder** has the meaning given to it in clause 21.2.

**Directors** means the directors of the Company for the time being and **Director** means one of them.

**Encumbrance** means any mortgage, charge, lien, writ, caveat or other encumbrance or form of security or interest having effect as a security for the payment of any monetary obligation or interest or the observance of any other obligation whether existing or agreed to be granted or created other than the Permitted Encumbrances.

**Equity Cash Call** has the meaning given to that term in clause 6.4(a).

**Event of Default** means an event set out in clause 21.1.

**Event of Insolvency** means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 21 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b);
  - (ii) winding up a corporation; or
  - (iii) proposing or implementing a scheme of arrangement;

- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 21 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

**Execution Date** means the date this Agreement is signed by the last of the Parties.

**Expert** means a person independent of the Parties who is suitably qualified and capable of making an expert determination under this Agreement in accordance with, and subject to, the Rules of the Australian Centre for International Commercial Arbitration.

**Exploration Operations** means all activities aimed at the discovery, location and delineation of Petroleum and all activities as are necessary or expedient for the purpose of exploring the Project Area and conducting Pre-FEED Studies.

**Financial Year** means a period of 12 consecutive months ending on 30 June or on another date decided by the Board.

**Force Majeure Event** means any act, event or cause (other than lack of funds) which is beyond the reasonable control of the Party concerned, including:

- (a) acts of God, including storms or cyclones, action of the elements, fire, epidemics, landslides, earthquakes, floods, road closures due to washouts or impassability and natural disaster;
- (b) strikes, stoppages, restraints of labour, or other industrial disturbances;
- (c) acts of the public enemy, including wars which are either declared or undeclared, blockades, invasions and insurrections;
- (d) acts or threats of terrorism, rebellion, riots or civil commotion;
- (e) riots, malicious damage, sabotage and civil disturbance;
- (f) accident (including accidental emissions of pollutants or hazardous substances), fire, explosion, radioactive contamination and toxic or dangerous chemical contamination;

- (g) the adverse application of any laws or enforcement actions of any court or Government Agency not resulting from any wrongful act or omission of the affected Party;
- (h) the refusal of or delay in obtaining any necessary consents from any Government Agency, provided that the affected Party has acted in a timely manner in endeavouring to secure them;
- (i) the catastrophic failure of, or the breakdown of or accident to, plant or machinery;
- (j) the breach by any third-party supplier of its obligations to supply goods or services to the affected Party, provided that the affected Party has acted in a timely manner in endeavouring to secure such supply, and provided that the affected Party itself is not in breach of any relevant obligation; and
- (k) any production shutdown or interruption which is validly required or directed by any Government Agency which is not due to the act or default of the affected Party, and which the affected Party is not reasonably able to prevent or overcome, or the effects of which the affected Party is not reasonably able to predict and take measures to avoid, by the exercise of reasonable technical and commercial diligence and prudence.

**FEED** means the comprehensive design and engineering definition of a Petroleum development project, including all ancillary operations, necessary to develop and produce a discovery of an accumulation of Petroleum by drilling, whose existence until that moment was unproven by drilling, through the design, evaluation and optimisation, equipment selection and integration, constructability analysis, cost estimation and execution planning to the standard and with the detail required by the Board which provides the basis for a final investment decision by the Board.

**Government Agency** means any government or governmental, semi-governmental or judicial or statutory department, entity or authority or any other party under a law which has a right to impose a requirement or whose consent is required regarding Company Operations and includes any minister, registrar or officer of such entity or authority.

**Half-Year** means the calendar half year ending 30 June and 31 December in any year and **Half-Yearly** has the corresponding meaning.

**Information** means all information available with respect to the Permits and Project Area including, but not limited to, including all surveys, maps, aerial photographs, data, drawings, notes, drill cores, drill cores logs, geophysical, geological or drill maps, and sampling reports, whether recorded or stored electronically or otherwise.

**Insolvency Provision** means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

**Manager** means the Party appointed to pursuant to clause 5.2.



**Natural Gas** means Petroleum in a gaseous state at atmospheric pressure and temperature, and includes any liquid or liquefiable hydrocarbons or other impurities produced in association with that gaseous Petroleum, whether produced from Petroleum reservoirs or coal seams, but excludes crude oil, condensate, and natural gas liquids blended with heavier hydrocarbons.

**Parties** means the parties to this Agreement and their respective successors and permitted assigns and the successors and permitted assigns and (where applicable) legal personal representatives of any person which at any time hereafter becomes a Party and each of those persons and **Party** means any one of the Parties.

**Permits** means certain applications for onshore exploration permits located in the Northern Territory, Australia, the details of which are set out in Schedule 1 and any extensions, modifications, renewals or replacements of these permits.

**Permitted Encumbrance** means any of the following:

- (a) reservations, limitations, provisos and conditions contained in any original grant of any of the Permits and statutory exceptions to title;
- (b) workmen's liens and other encumbrances that arise as a matter of law;
- (c) any environmental bond or environmental bond requirements or rehabilitation requirements in respect of the Permits; and
- (d) rights reserved to or vested in any Government Agency by the terms of any law, instrument or grant affecting the Permits; and
- (e) any security granted to a bona-fide arm's length financier providing funding for the exploitation of Petroleum by the Company.

**Petroleum** has the meaning given to that term in the Petroleum Law, and includes Natural Gas.

**Petroleum Law** means the relevant legislation and regulations governing the Permits, including the Petroleum Act 1984 (NT) and all associated regulations.

**Pre-FEED Study** means a study assessing the feasibility of an initial project concept or alternative concepts for the development of a Discovery across all engineering disciplines having regard to the commercial and execution risks of the project, which study is intended to lead to identifying a single technical concept which can form the basis for FEED.

**Program** has the meaning given to that term in clause 6.1 (a).

**Project Area** means the area covered by the Permits, any area covered by any other licence applied for or acquired for the purposes of this Agreement (including, without limitation, any Permits that are acquired by the Company or such other area as is agreed in writing by all Shareholders from time to time.

**Related Company** means with respect to any Party, a related body corporate of such Party within the meaning of section 50 of the Corporations Act.

**Required Funds** has the meaning given to that term in clause 6.4.

**Shareholder** means a holder of a Company Share.

**Shareholder Interest** means the total number of Company Shares held by a Shareholder, expressed as a percentage of the total number of Company Shares on issue.

**Simple Majority** means:

- (a) in the case of a resolution of Shareholders, a resolution passed by more than 50% of the total number of votes exercised by those Shareholders present in person or by proxy, attorney or representative and entitled to vote; and
- (b) in the case of a resolution of the Board, a resolution passed by more than 50% of the total number of votes exercised by those Directors (where, applicable, present in person or by proxy, attorney or representative) and entitled to vote.

**Special Majority** means:

- (a) in the case of a resolution of Shareholders, a resolution passed by more than 75% of the total number of votes exercised by those Shareholders present in person or by proxy, attorney or representative and entitled to vote; and
- (b) in the case of a resolution of the Board, a resolution passed by more than 75% of the total number of votes exercised by those Directors (where, applicable, present in person or by proxy, attorney or representative) and entitled to vote.

**Start Date** means the date of completion under the Binding Heads of Agreement.

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

**TEE Group Entity** means TEE or any Related Company of TEE.

**Transfer** means to sell, assign, transfer, convey or otherwise dispose of any interest in or confer rights in respect of and **Transferring** and **Transferred** have corresponding meanings.

**Valuer** means an independent firm of accountants having appropriate qualifications and experience relevant to determining the value who is agreed by the Parties or failing agreement within 5 Business Days, is appointed by the president for the time being of the Institute of Chartered Accountants in Australia (Western Australia Branch).

## 1.2 Interpretation

In this Agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;

- (c) a reference to any Party includes that Party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (d) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (g) reference to Parties, clauses, schedules, exhibits or annexure are references to Parties, clauses, schedules, exhibits and annexure to or of this Agreement and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (i) a reference to **\$** or **dollar** is to the currency of the Commonwealth of Australia.

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## **2. SHAREHOLDERS' OBJECTIVES AND COMMITMENTS**

### **2.1 Objectives**

The objectives of the Parties in entering into this 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
- (c) to ensure that the Business is managed to maximise the Company's value and achieve economic returns for Shareholders.

### **2.2 Business**

The business of the Company is to explore and develop the Permits including:

- (a) maintain the Permits and explore and evaluate the Project Area for reserves of Petroleum;
- (b) conduct operations for the exploration, appraisal, development, production and offtake of Petroleum from the Project Area;

- (c) if exploration and appraisal indicates the probable existence of a commercial reservoir of Petroleum in any part of the Project Area, to carry out a Pre-FEED Study or a FEED; and
  - (d) to do anything else necessary to exploit the Permits,
- (together, the **Business**).

### **2.3 Commitments of Shareholders**

To fulfil the objectives set out in clause 2.1, each Shareholder undertakes to the Company and each other Shareholder that it will:

- (a) co-operate and use its best endeavours to ensure that the Company successfully carries on the Business;
- (b) not use confidential Information in a way which damages or is reasonably likely to damage the Company or any of the other Shareholders;
- (c) not delay unreasonably any action, approval, direction, determination or decision required of the Shareholder;
- (d) give approvals or make decisions required of the Shareholder in good faith and in the best interests of the Company and the carrying on of the Business as a commercial venture; and
- (e) act honestly and with integrity and be just and faithful in the Shareholder's activities and dealings with the Company, the Business and the other Shareholders.

### **2.4 Exercise of powers**

Each Shareholder further undertakes to each other and to the Company that it will exercise all its rights as a Shareholder under this Agreement to ensure that:

- (a) the Company performs its obligations under, and the Company acts in accordance with, this Agreement;
- (b) the Business is conducted in the best interests of the Company and in a reasonably prudent and business-like manner to promote the success of the Company for the benefit of its Shareholders as a whole; and
- (c) each Director nominated by it from time to time and all other employees of or consultants to the Company conduct themselves and exercise their rights and obligations (subject to statutory and fiduciary duties) in a manner wholly consistent with the objectives and commitments set out in this clause 2,

and the Company undertakes to performs its obligations under this Agreement.

### **2.5 Fees and charges**

Nothing in this clause 2 prohibits a Shareholder from charging the Company proper and reasonable fees for services the Shareholder provides to the Company (directly or indirectly) that are approved by the Board and notified to all Shareholders.

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### 3. INTERNAL ADMINISTRATION

#### 3.1 Directors

- (a) **(Maximum number):** The Board of the Company shall consist of no less than one (1) Director (excluding alternate directors) and no more than four (4) Directors.
- (b) **(Appointment):**  
Subject to clause 3.1 (d) (i):
- (i) Holdco will be entitled to appoint, at any time, two (2) Directors and may require the removal or substitution of any Director so appointed;
  - (ii) Mckam will be entitled to appoint, at any time, one (1) Director and may require the removal or substitution of any Director so appointed; and
  - (iii) any other Shareholder that has a Shareholder Interest of at least 25% will be entitled to appoint one (1) Director and may require the removal or substitution of any Director so appointed.
- (c) **(Removal of a Director by a Shareholder):** Subject to clause 3.1 (d), a Director may only be removed by the Shareholder who appointed that Director except where a Shareholder breaches the terms of this Agreement in which case the other Shareholders may require the resignation of such Directors appointed as nominees of the Defaulting Shareholder and the Defaulting Shareholder will be entitled to appoint or re-appoint its nominee Directors once the breach of this Agreement by it is rectified.
- (d) **(Automatic removal of Director)**
- (i) A person will be automatically and immediately removed as a Director:
    - (A) if the person is, or becomes, ineligible to be a Director under the provisions of this Agreement, the Constitution or the Corporations Act or any other applicable law; or
    - (B) where the Shareholder Interest held by the Shareholder who appointed that Director is reduced to less than 25% in accordance with this Agreement. For the avoidance of doubt, in these circumstances, the Shareholder who appointed that Director is not entitled to appoint or re-appoint its nominee Director.
  - (ii) In these circumstances, the Shareholders must procure (so far as legally able) the resignation of the Director.
  - (iii) Clause (i) shall not apply where all Shareholders resolve otherwise in writing.

- (e) **(Initial Directors):** The Shareholders must procure that, as at the Start Date, the Board comprises:
  - (i) Oliver Oxenbridge and Greg Lee – as the nominees of Holdco; and
  - (ii) Richard Lampe - as the nominee of Mckam.
- (f) **(Manner of appointment and removal):** Every appointment and removal of a Director takes effect when the written notice of appointment or removal is received at the registered office of the Company. However, in the case of an appointment, the appointment takes effect when the written consent to act as a Director is received at the registered office of the Company if that is later than the receipt of the notice of appointment.
- (g) **(Remuneration and expenses):**
  - (i) Unless by unanimous decision the Board decides otherwise, Directors will not be entitled to receive remuneration for acting as Directors.
  - (ii) The Company must pay all reasonable expenses incurred by the Directors in the conduct of their duties as a Director as approved by the Board from time to time including the costs of attending Board meetings.
- (h) **(Protection of Directors):** Notwithstanding any other provision of this Agreement, no Director is required to grant or maintain any personal guarantees for the benefit of the Company.

### 3.2 Chairperson

- (a) **(Appointment and removal):** Subject to clause 3.2(c), the Directors, by Simple Majority vote:
  - (i) may appoint one of their number as Chairperson of the Board; and
  - (ii) can remove that Chairperson.
- (b) **(Casting vote):** The Chairperson will not have a casting vote.
- (c) **(First Chairperson):** The Shareholders must procure that, on the Commencement Date, Greg Lee is appointed Chairperson.

### 3.3 Board meetings

- (a) **(Frequency):** At least 4 Board meetings must be held each Financial Year and otherwise as required from time to time to suit the relevant circumstances.
- (b) **(Time, date, location):** The Chairperson, after consulting with the Board, must determine the time, date and location of all Board meetings. If there is no Chairperson, the Board must decide these matters by a Simple Majority vote.
- (c) **(Notice of meetings):** Directors must be given at least 10 Business Days' notice of a Directors' meeting, unless otherwise agreed by all Directors.

- (d) (**Agenda**): The notice of a Directors' meeting must include an agenda and, unless all Directors otherwise agree, a Board meeting may only resolve matters specifically referred to in the agenda. The Chairperson, after consultation with the Directors, must determine the contents of the agenda.
- (e) (**Quorum**): A quorum for Board meetings is constituted by the attendance (in person or by alternate) of a Director appointed by each Shareholder that has a Director appointed under clause 3.1(b). If a quorum is not present at any Board meeting within 30 minutes of its scheduled time and date, the Board meeting will be deferred for a period of 2 Business Days and at that deferred meeting, a quorum will be constituted by the attendance of at least two (2) Directors.
- (f) (**Telephone meeting**): Directors may attend Board meetings by telephone or by electronic or audio-visual means enabling all participants to be recognised and their contribution to the debate and voting intensions heard or appropriately registered, as the case requires.
- (g) (**Written resolutions**): If all the Directors sign a document containing a statement they are in favour of a resolution in the terms set out in the document, a resolution in those terms is deemed to have been passed at a Board meeting held at the date and time at which the document was last signed by a Director. For this purpose, two or more separate documents containing statements in identical terms each of which is signed by one or more Directors are together deemed to constitute one and the same document.
- (h) (**Voting**):
  - (i) (**Number of votes**): All Directors appointed by a Shareholder will together hold the number of votes equivalent to that Shareholder's Interest.
  - (ii) (**Simple Majority**): Subject to clause 3.3(h)(iii), Board decisions must be made by a Simple Majority vote.
  - (iii) (**Special Majority approval**): Decisions on any matter set out in Schedule 2 must be made by a Special Majority vote of Directors.

### 3.4 General meetings of Shareholders

- (a) (**Voting**):
  - (i) (**Number of votes**): Each Shareholder will have one (1) vote per Company Share it holds.
  - (ii) (**Simple Majority**): Subject firstly to all applicable laws, and subject also to clauses 3.4(a)(iii) and 3.4(a)(iv), all decisions of the Shareholders must be made by a Simple Majority vote.
  - (iii) (**Special Majority approval**): Decisions on any matters set out in Schedule 3 must be made by a Special Majority vote of Shareholders.

- (iv) **(90% majority approval)**: Decisions on the following matters must be passed by a vote of Shareholders holding no less than 90% of the Shares from time to time:
  - (A) the Transfer of the Permits (or any portion of a Permit) other than in the ordinary course of business and on arm's length terms, or as required by any applicable law;
  - (B) the issue of equity securities in the Company other than a Share; and
  - (C) the winding up or voluntary liquidation of the Company.
- (b) **(Written resolutions)**: If all the Shareholders sign a document containing a statement that they are in favour of a resolution in the terms set out in the document, a resolution in those terms is deemed to have been passed at a general meeting of the Shareholders held at the date and time at which the document was last signed by a Shareholder. For this purpose, two or more separate documents containing statement in identical terms each of which is signed by one or more Shareholders are together deemed to constitute one in the same document.
- (c) **(Governing law and Constituent Documents)**: In all other respects, the applicable governing legislation and the Constituent Documents shall govern the matters relating to general meetings of the Company.

### 3.5 Account signatories

The Board is to nominate the signatories for each bank account and credit facility established by or on behalf of the Company.

### 3.6 Costs and expenses

Costs and expenses incurred by the Shareholders relating to the attendance of their respective representatives at Board meetings are part of the Company Expenditure however costs and expenses incurred by the Shareholders relating to the attendance of their respective representatives at Shareholder meetings must be borne by them and are not part of the Company Expenditure. Costs and expenses incurred by the Manager relating to attendance at Board meetings are part of the Company Expenditure.

### 3.7 Commercial dealings to be at arm's length

All commercial dealings between the Company and:

- (a) a Shareholder; or
- (b) a Related Company; or
- (c) any other associate with whom the Company has or in all the circumstances can reasonably be expected to have a material association or pecuniary interest, however arising,

shall be:



- (d) on an arms' length basis; and
- (e) on terms no less favourable to the Company than the terms available from other sources considering all elements of the dealings.

### **3.8 Clause to apply to subsidiaries**

Subject to any applicable laws, the Shareholders must exercise their respective powers as holders of Shares, and the Company must exercise its powers, to ensure that this clause 3 applies, with appropriate changes necessary to apply them to the circumstances, to the Company's subsidiaries so that:

- (a) the Shareholders have the same rights of appointment to the board of directors of the Company's subsidiaries as they have the Board under this Agreement;
- (b) no additional director is appointed to the board of directors of any of the Company's subsidiaries other than a Director;
- (c) the meeting procedures of the directors of the Company's subsidiaries are subject to the same rules and restrictions as apply to the Directors;
- (d) the voting entitlements of the directors of the Company's subsidiaries are the same as the voting entitlements of the Directors under this clause 3; and
- (e) decisions required to be made by the Shareholders under clause 3.4(a) in respect of the Company apply equally to any of the relevant matters with respect to any subsidiary.

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## **4. FINANCIAL REPORTING**

### **4.1 Financial Reports**

The Parties must ensure that the records and accounts of the Company are prepared and maintained by the Manager, under the supervision of the Board, in accordance with the Accounting Standards, good international accounting practice and all other applicable legal requirements.

### **4.2 Audit**

If required by law, the Company shall cause, and the Manager shall ensure that the Company causes, within two (2) months (or such other period of time agreed by the Shareholders) of the end of each Financial Year and the first half of each Financial Year, a copy of the audited financial report, directors' report and auditor's report of the Company, as at the end of that Financial Year, or first half of the Financial Year, prepared in accordance with all applicable laws and Accounting Standards.

### **4.3 Provision of information**

The Company must provide, and the Manager shall ensure that the Company provides:

- (a) to each of the Directors and to each of the Shareholders as soon as available and in any event within 60 days after the end of each Financial Year a copy

of the audited accounts of the Company as at the end of that Financial Year in all reasonable detail and subject to any contrary determination by the Board prepared in conformity with the Accounting Standards;

- (b) to each of the Directors and to each of the Shareholders as soon as available, and in any event not later than 60 days after the end of each Half-Year, a copy of the accounts of the Company as at the end of that Half-Year prepared in reasonable detail sufficient to present to the auditors of the Company if an audit or review is required by either Shareholder;
- (c) such figures and confirmations to each Shareholder as may be reasonably required by that Shareholder for inclusion in or for the preparation of its own accounts and reports within 30 days after the end of each Half-Year and each Financial Year of that Shareholder or within such other period as may be reasonably required by the Shareholders to comply with their reporting obligations under applicable laws, rules and regulations; and
- (d) as soon as available, such other financial accounts, projections, budgets and reports that may be prepared on behalf of the Company from time to time as well as any other information as may be required by the Board from time to time.

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## **5. MANAGER**

### **5.1 Interaction with clause 6**

The rights and responsibilities of the Manager pursuant to this clause 5 must be read subject to the provisions of clause 6 relating to approval of Programs and provision of funding. Notwithstanding anything to the contrary elsewhere in this Agreement, the performance by the Manager of its obligations under this Agreement is subject to the Manager being provided with sufficient funds by the Parties under this Agreement to enable the Manager to perform those obligations.

### **5.2 Appointment of Manager**

- (a) Subject to clause 5.2(b), the Parties agree that:
  - (i) with effect from the Start Date (subject to clause 5.2(a)(iii)), and for so long as Holdco (or a Related Company of Holdco) holds no less than 50% of the Company Shares on issue, Holdco may appoint itself or a TEE Group Entity (at Holdco's sole election but subject to the TEE Group Entity entering into a deed of adherence with the Shareholders and the Company as contemplated by clause 5.2(b)) as the manager of Company Operations (**Manager**);
  - (ii) in the absence of the Shareholders unanimously agreeing otherwise, the Manager shall be removed immediately should:
    - (A) if Holdco or a TEE Group Entity is the Manager, this Agreement is terminated for any reason (other than as a result of a breach or Event of Default by McKam); or
    - (B) the Manager commits a material breach of its obligations under this clause 5 or clause 6 and that breach remains

unremedied for 60 days following provision of notice to the Manager; and

- (iii) the Manager will otherwise be appointed or removed by the Board by Simple Majority Vote.
- (b) Where a third party is appointed to act as the Manager (**Third Party Manager**), the Third-Party Manager must enter a deed of adherence with the Shareholders and the Company, whereby the Third-Party Manager agrees on reasonable terms to comply with all requirements of the Manager under this Agreement.
- (c) The Manager:
- (i) may resign with 60 days' written notice to the Shareholders but must continue to act as Manager until the Shareholders or Board (as applicable) appoint a replacement Manager under this clause;
  - (ii) may be removed in accordance with clause 5.2(a); or
  - (iii) may be removed if it commits gross negligence or wilful default.
- Upon retirement or removal of the Manager, the Shareholders must, in accordance with clause 5.2(a), appoint a replacement Manager, or failing this, by resolution of the Board, however, if the Manager removed (but not retiring) under clause 5.2(a) is Holdco, or a TEE Group Entity, then the replacement Manager must not be Holdco or a TEE Group Entity unless all Shareholders agree otherwise.
- (d) The Manager (by itself or through its employees, agents or contractors) reports to the Board and must, under the overall supervision and control of the Board:
- (i) manage, direct and control Company Operations on behalf of and as agent for the Company and for this purpose will have possession and control of all Company Property;
  - (ii) exercise and discharge its powers and duties under this Agreement in accordance with Approved Programs, and decisions made by the Board; and
  - (iii) act in utmost good faith in all its dealings as Manager with each Shareholder and the Board.
- (e) The Manager must provide a detailed quarterly report to the Board with respect to the operations of the Company which includes financial information (including financial statements for the year to date and at the end of the previous quarter) regarding the Company, an update on the Company's progress, spending and capital requirements having regard to the annual Program and any other information reasonably requested by a Director.

### 5.3 Manager's obligations

The Manager will, in respect of the Company Operations and Company Property, for and on behalf of the Company:

- (a) carry out Company Operations in accordance with Approved Programs approved under clause 6;
- (b) not knowingly do or omit to do, and will at all times take reasonable care to ensure that it will not do or omit to do, any act, deed, matter or thing whereby the Permits are liable to be cancelled, forfeited, lost, refused, surrendered or otherwise in any way jeopardised;
- (c) observe and perform all stipulations and conditions relating to the Permits, including without limitation all stipulations and conditions prescribed under the Petroleum Law and all statutory obligations relating to activities on the Permits;
- (d) conduct all Company Operations in accordance with safe and efficient practices that are consistent with practices ordinarily exercised by skilled and experienced operators engaged in the petroleum exploration and exploitation industry in Australia;
- (e) take out and maintain insurances in respect of all risks that a prudent person would insure against in relation to the conduct of the Business including indemnity insurance policies in respect of the Permits and other assets of the Company and such additional insurances as required by the Board provided that the Manager must wherever possible procure that all such insurances include a provision that the insurer has no right of subrogation against any Shareholder or the Manager and that the Shareholders and Manager are to be named, to the extent of their interests, on each policy of insurance;
- (f) make or arrange for all payments of all rents, rates and other fees and charges under Petroleum Law or otherwise in connection with the Permits and all payments required by leases, licences, the Permits, contracts and other agreements;
- (g) pay all taxes, assessments and like charges except taxes determined or measured by a Shareholder's sales revenue or net income;
- (h) keep the Company Property and the Permits free and clear of all liens and Encumbrances, except for those existing at the time of, or created concurrent with, the acquisition of such Company Property and Permits (such as the Permitted Encumbrances), or repairer's liens which will be released or discharged in a diligent manner, or liens and Encumbrances specifically approved by the Manager;
- (i) maintain separate books and accounts for the Company in accordance with the Accounting Standards consistently applied and the accounting principles set down from time to time by the Institute of Chartered Accountants in Australia;
- (j) maintain separate books and accounts for any subsidiaries of the Company in accordance with the Accounting Standards, consistently applied;

- (k) do all other acts reasonably necessary to operate, maintain and protect the Company Property and the Permits;
- (l) apply for all necessary permits, licences and approvals required for Company Operations;
- (m) comply with applicable federal, state and local laws and regulations; and
- (n) prepare and file all required reports and notices in relation to the Company Property and the Permits.

#### **5.4 Manager may litigate**

The Manager may prosecute, initiate and defend all litigation or administrative or arbitration proceedings or insurance claims arising out of Company Operations for which it is responsible provided that:

- (a) unless otherwise instructed by a Shareholder, the Manager may conduct such proceedings or claims for and on behalf of and in the name of each Shareholder;
- (b) the Manager must regularly report to the Shareholders the conduct of such commenced or threatened proceedings and claims, including any proceedings and claims related to environmental impacts, and keep the Shareholders informed of the progress of such proceedings and claims; and
- (c) the Manager may not institute, compromise or settle any court or arbitration proceedings or insurance claims exceeding an amount determined by the Board without the prior approval of the Board.

#### **5.5 Disposal of Company Property**

The Manager may dispose of Company Property, whether by sale, assignment, abandonment or other transfer, in the ordinary course of business, except that:

- (a) the Manager may only surrender or consent to the abandonment or surrender of any part of the Permits with the prior consent of the Board; and
- (b) without prior authorisation from the Board, the Manager will not dispose of Company Property having a total value in excess of \$50,000 in any one transaction.

#### **5.6 Engagement of personnel**

- (a) The Manager may engage management, technical and labour personnel necessary for performance of its obligations.
- (b) The Manager may propose the engagement of management, technical and labour personnel necessary for the Company Operations and such engagement will be subject to the approval of the Board.

## **5.7 Obligations to Board and Shareholders**

The Manager will report and be responsible to the Board and will keep the Board and Shareholders advised of all Company Operations by submitting in writing to the Board and Shareholders:

- (a) where a Shareholder is subject to continuous disclosure obligations on a stock exchange or otherwise, a report of any information which a reasonable person would expect to have a material effect on the price or value of a Party's securities, as soon as the Manager becomes aware of such information;
- (b) Half-Yearly progress reports which include statements of expenditures, work undertaken and results achieved within 30 days after the end of each Half-Year;
- (c) annual summaries of data acquired;
- (d) copies of all material reports concerning Company Operations produced by the Manager and all reports required to be submitted under the Petroleum Law or other legislation or regulations; and
- (e) such other reports and information as may be requested from time to time by the Board or the Shareholders.

## **5.8 Exclusive rights to carry out Company Operations**

The Parties agree that the Company must allow the Manager exclusive possession of the Project Area and the Manager shall have the exclusive right to carry out Company Operations.

## **5.9 Incidental rights**

For the purpose of carrying out Company Operations, the Parties agree that the Manager may:

- (a) access (by its employees, agents or contractors, and with or without vehicles and temporary or permanent plant) the Project Area via the Permits;
- (b) enter upon and occupy the Project Area;
- (c) explore for Petroleum within the Project Area;
- (d) carry out Exploration Operations within the Project Area;
- (e) bring plant and machinery on to the Project Area;
- (f) exercise all or any of the rights of the registered holder and beneficial owner of the Permits; and
- (g) take samples, including bulk samples, from the Project Area.

## 5.10 Access to Information by Shareholders

The Manager shall, on receiving reasonable notice from any of the Shareholders, provide that Shareholder with copies of any other relevant Permit data, provided that any such report or relevant Permit data is provided at the cost of the Shareholder requesting it and a copy of such information is made available to all other Shareholders at the same time.

## 5.11 Limitation on Manager's powers

Notwithstanding anything to the contrary in this Agreement, the Manager may not:

- (a) make any of the decisions set out in Schedule 2 without a Special Majority vote of the Board or the Shareholders (where applicable in accordance with clause 3.3(h)(iii)); and
- (b) make any of the decisions set out in Schedule 3 without a Special Majority vote of the Shareholders.

## 5.12 Indemnity and Liability of Manager

- (a) Except as a Shareholder to the extent of its Shareholder Interest, the Manager is not liable to the Company or the Shareholder for any losses and damages suffered and costs and expenses incurred by the Manager in the course of conducting Company Operations, even if arising from the negligence of the Manager or any person for whom the Manager may be vicariously liable, except to the extent the loss, damage, cost or expense arises due to the fraud or Wilful Misconduct of the Manager (or that person) and is not special, indirect or consequential loss.
- (b) The Parties must severally and in proportion to their Shareholder Interests, indemnify and keep the Manager and its directors, employees, agents and contractors (**Indemnified Persons**) indemnified in respect of any losses and damages suffered and costs and expenses incurred by the Indemnified Persons (including any claims made by third parties) in the course of conducting Company Operations, except to the extent the loss, damage, cost or expense arises due to the Manager materially breaching its obligations under this Agreement, the gross negligence, Wilful Misconduct or fraud of an Indemnified Person and is not special, indirect or consequential loss.
- (c) The Manager must indemnify and hold harmless the Company and the Shareholders, and its and their respective directors, employees, agents and contractors (**Company Indemnified Persons**) from and against all damage, loss, expense or liability of any nature suffered or incurred by the Company Indemnified Persons (including any claims made by third parties) in connection with its management of Exploration Operations while it is the Manager, including any personal injury, disease, illness or death, or physical loss of or damage to property, of the Company Indemnified Persons or any third party, caused by the Manager materially breaching its obligations under this Agreement, gross negligence, fraud or Wilful Misconduct of the Manager, its directors, employees, agents and contractors.

- (d) For the purpose of this clause, **Wilful Misconduct** means an act or omission that is a reckless and intentional disregard of:
- (i) any provision of this Agreement;
  - (ii) any Approved Program, except in the case of an emergency;
  - (iii) any law required to be observed in connection with Exploration Operations; or
  - (iv) the terms or conditions of a Permit,

but does not include any error of judgement or mistake made by the Manager or any of its directors, employees, agents or contractors in the exercise, in good faith, of any function, authority or discretion conferred upon the Manager.

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## **6. PROGRAMS, FUNDING AND DILUTION**

### **6.1 Manager responsibility and minimum expenditure**

- (a) The Manager will be responsible for preparing all programs and budgets for Company Operations, which for the avoidance of doubt, will include a minimum spend budget which will cover all Company outgoings for the financial year (**Program**).
- (b) An annual Program in respect of Company Operations must be prepared in respect of each Financial Year for approval by the Board and must include details of the program of Company Operations proposed for that period and an itemised budget specifying all estimated Company Expenditure proposed to be charged by the Manager under this Agreement.
- (c) The proposed annual Approved Program must be provided to Shareholders at least 30 days before the start of the relevant Financial Year or by such other date as agreed by the Board.

### **6.2 Approval of Programs**

- (a) The Board must meet and consider and vote upon each proposed Program submitted to it, at least 30 days before its commencement and may approve such Program with or without amendment (**Approved Programs**).
- (b) The Manager will carry out all Programs approved by the Board.
- (c) If for any reason the Board has not approved a proposed Program by the time the Program is due to commence, the Board must continue to meet and use all reasonable efforts to adopt an Approved Program and in the interim it is treated as having approved a Program to:
  - (i) keep each Permit in good standing; and
  - (ii) satisfy existing work obligations in relation to each Permit under this Agreement or the Petroleum Law or otherwise; and



- (iii) progress the Company Operations at a level that a reasonably prudent manager and operator would advance to it to retain the maximum value while preserving working capital, using the last Approved Program (if any) as a guide.

### 6.3 Funding

Subject to clause 6.5, each Shareholder has the right (but not the obligation) to contribute to the funding of Company Expenditure required to be incurred under an Approved Program in accordance with its respective Shareholder Interest.

### 6.4 Additional funds

Where the Manager determines that the Company requires further funds for Company Operations in accordance with an Approved Program (**Required Funds**), the Board may only determine to raise the Required Funds by :

- (a) requesting Shareholders contribute the Required Funds in proportion to their respective Shareholder Interests through the issue of new Shares to the Shareholders (an **Equity Cash Call**);
- (b) seeking finance in the Company's name of the Required Funds from the Company's banker or from another third-party financier on reasonable commercial terms; or
- (c) a combination (a) and (b).

For the avoidance of doubt, such decisions of the Board are subject to compliance with majorities required under clause 3.3(h).

### 6.5 Pricing for Equity Cash Calls

Where the Board has elected to make an Equity Cash Call, the issue price per Share payable by Shareholders under an Offer in accordance with clauses 6.6 and 6.7 must be:

- (a) \$615 per Share (**Base Price**) for a period from the Commencement Date until the earlier of:
  - (i) the date on which the total funds raised under Equity Cash Calls made by the Company reaches \$2,500,000; and
  - (ii) two (2) years from the Commencement Date,  
(the **Fixed Period**); or
- (b) after expiry of the Fixed Period:
  - (i) such issue price per Share (**Alternate Price**) as determined by the Board by Special Majority vote; or
  - (ii) in the absence of the Board being able to agree an Alternate Price in accordance with clause 6.5(b)(i) within twenty (20) Business Days,

the issue price per Share reflective of the fair market value of a Share determined by a Valuer as follows:

- (A) the Valuer shall be appointed by the Company as soon as reasonably practicable following expiry of the 20 Business Day period described above;
- (B) the Valuer shall be instructed to make a determination within 30 days;
- (C) each of the Shareholders shall be entitled to make written submissions to the Valuer which the Valuer may or may not take into account;
- (D) the decision from the Valuer shall be binding on the Parties;
- (E) the costs of the Valuer shall be borne by the Company; and
- (F) the Valuer shall, in determining the fair market value have regard to:
  - (I) the value of the Company Property and the total Company Expenditure at the date the Equity Cash Call is made;
  - (II) the value ascribed to the Shares held by Holdco in the books of TEE or any holding company of Holdco listed on any stock exchange; and
  - (III) any other factors the Valuer reasonably determines are relevant to calculating the fair market value.

## 6.6 Offer

Where the Board has elected to make an Equity Cash Call, the Board must offer each Shareholder the number of Shares calculated in accordance with the following formula (**Offer**):

where: 
$$R = C \times \frac{A}{B}$$

A = the number of Shares held by that Shareholder;

B = the total number of Shares on issue;

C = the total number of Shares to be issued under the relevant Equity Cash Call; and

R = the number of Shares being offered to that Shareholder.

## 6.7 Subscription Notice

The Board must make the Offer to each Shareholder by notice in writing (**Subscription Notice**) stating:

- (a) the total number of Shares available for subscription and the number being offered to each Shareholder; and
- (b) the terms of issue of the Shares, including the issue price per Share.

#### **6.8 Response to Offer**

Within twenty (20) Business Days after receiving the Offer, each Shareholder must give notice to the Board stating:

- (a) whether it accepts all or a specified number of Shares contained in its Offer or rejects in full its Offer; and
- (b) if it wants to subscribe for a greater number of Shares than the number in its Offer, that it offers to subscribe for a specified number of those Shares not subscribed for by other Shareholders under their Offers.

#### **6.9 Failure to respond**

If a Shareholder does not give notice to the Board within the period specified in clause 6.8 of its acceptance or rejection of its Offer, the Shareholder is taken to have rejected its Offer.

#### **6.10 Issue to third parties**

If any Shares are not taken up under the Offer, the Board may issue those Shares:

- (a) first, to any Shareholders that have offered to subscribe for more Shares under clause 6.8(b) (and, if there is competition between them, on a pro rata basis to their acceptances under clause 6.8(a)); and
- (b) secondly, to any person (including a person already holding Shares), at any time within 90 days after the end of the period under clause 6.8 on terms no more favourable than those offered to Shareholders.

#### **6.11 Assumption Deed**

The Board may only issue Shares to a person that is not a Shareholder if the person and the holding company of the person (if applicable) has executed, and delivered to the Company, an Assumption Deed.

#### **6.12 Encumbrances**

Except for a Permitted Encumbrance, the Shareholders must not provide their Company Shares as security or create or give any Encumbrance over their Company Shares in favour of any Party unless the party to whom the Encumbrance is granted first enters into a deed covenanting to comply with the provisions of this Agreement in respect of the Company Shares.

#### **6.13 Borrowings**

- (a) Subject to clause 7.1, this clause does not prohibit any external borrowings by the Company, on terms and conditions determined by the Board.

- (b) The Parties agree that the Company may only enter into external borrowings that are for the purpose of and directly related to Company Operations but must not enter into external borrowings until after the completion of a positive FEED, without the consent of all Shareholders.
- (c) Where the Company enters into any borrowings pursuant to this clause with a party other than a Shareholder or a Related Company of a Shareholder, then, notwithstanding any other clause in this Agreement, where required by the lender, each Shareholder must agree to pledge their respective Company Shares for the purpose of providing the security required by the lender provided that any such pledge applies equally to each Shareholder having regard to their Shareholder Interest.

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## **7. SHAREHOLDER'S PROVISION OF GUARANTEES**

### **7.1 No guarantees unless agreement**

The Shareholders must ensure that the Company does not undertake any activity, including, without limitation, entering into a contract or arrangement to provide services or obtaining external borrowings from a financial institution or other third party that requires the Shareholders to give a guarantee, bond or other security without the prior written consent of all Shareholders.

### **7.2 Apportionment of liability**

If Shareholders agree to provide the security referred to in clause 7.1 and the Shareholders agree with the financial institution or third party that any liability is to be assumed jointly, or jointly and severally, by them under that security, the Shareholders agree that:

- (a) the amount of such liability will be apportioned between the Shareholders in their respective Shareholder Interests; and
- (b) notwithstanding any agreement with or action by the beneficiary of that guarantee, undertaking or obligation, the Shareholders between themselves will be liable to make contribution to each other and indemnify each other so that any such liability is ultimately borne by the Shareholders in their respective Shareholder Interests.

### **7.3 Guarantees are irrevocable**

Any guarantee, bond, undertaking or other security given, either jointly or jointly and severally, by the Shareholders is irrevocable unless all the Shareholders agree in writing (acting reasonably).

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## **8. DIVIDEND POLICY**

### **8.1 Dividends from profit**

Directors must distribute profits from free cash within 60 days of the end of each Financial Year to the fullest extent possible from the amount legally available for distribution after making such provision as the Board considers necessary or desirable for:

- (a) expenditure for Company Operations including fulfilment of current obligations and to meet budgeted or proposed future capital and operational expenditure; and
- (b) complying with banking and other financing or contractual covenants (if any); and
- (c) ensuring the solvency of the Company is maintained.

## **8.2 Dividends payable proportionately**

Any dividends declared by the Company will be distributed to the Shareholders in accordance with their Shareholder Interest.

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## **9. ANTI-BRIBERY, CORRUPTION AND COMPLIANCE**

Each of the Parties and the Manager acknowledges and agrees for itself, its affiliates and related entities and for each of its officers, directors, employees and agents, that it:

- (a) is subject to the anti-bribery and anti-corruption provisions of the laws of Western Australia, the Northern Territory and, where applicable to them, other legal jurisdictions (collectively the **Anticorruption Laws**);
- (b) must conduct its activities relating to this Agreement in accordance with its obligations under the Anticorruption Laws;
- (c) must not make, offer, or authorise with respect to the matters the subject of this Agreement, any payment, gift, promise or other advantage to any private party or public official, whether directly or through any other person or entity, which is in breach of the Anticorruption Laws;
- (d) will keep and maintain through the term of this Agreement and for at least three years following its expiration or termination, accurate and reasonably detailed books and financial records of expenses and receipts in connection with its performance under, and payments made or received in connection with, this Agreement; and
- (e) will notify the other Parties promptly upon becoming aware of any actual or potential breach of this clause 9.

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## **10. ASSIGNMENTS AND ENCUMBRANCES**

No Party may Transfer, encumber, part with possession of, grant any option or power of attorney over or in any other way directly or indirectly deal with its interests under this Agreement, the Permits or any Shareholder Interest or any part thereof except as expressly permitted by the terms of this Agreement.

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## 11. TRANSFER OF COMPANY SHARES

### 11.1 Restrictions on Transfer

A Shareholder must not Transfer any Company Shares it holds or to which it is entitled except:

- (a) as set out in this Agreement; or
- (b) where all the Shareholders otherwise agree.

### 11.2 Transfer to wholly owned subsidiary

- (a) **(Permitted Transfer):** A Shareholder may Transfer all (not part) of its Company Shares to a wholly owned subsidiary of that Shareholder (for the purposes of this clause only, **Wholly Owned Subsidiary**) if, in addition to complying with clause 11.4, the Shareholder procures that, and the Shareholder and the Wholly Owned Subsidiary agree that, the Company Shares must be immediately retransferred to the Shareholder if the Wholly Owned Subsidiary ceases to be wholly owned by the Shareholder within 3 years of the original Transfer.
- (b) **(Shareholder remains liable):** A Shareholder remains liable for the performance of the duties, responsibilities and obligations assumed by any Wholly Owned Subsidiary, except that performance by the Wholly Owned Subsidiary will, to the extent so performed, discharge the Shareholder from the performance of those duties, responsibilities and obligations.

### 11.3 Transfer by issue of Transfer notice

Subject to clause 11.2, a Shareholder must not Transfer, directly or indirectly, its Company Shares unless it first issues a transfer notice to the Board in accordance with clause 12.1 and complies with clause 11.4 in respect of that Transfer.

### 11.4 Conditions of Transfer

Subject to clause 12, unless all the other Shareholders agree, the following conditions of Transfer must be satisfied before a Transfer of Company Shares is effective:

- (a) where Company Shares are proposed to be Transferred to a third party (including a Wholly Owned Subsidiary under clause 11.2) the third party must execute and deliver to each other Party an Assumption Deed;
- (b) all loans from the Company to the Shareholder Transferring its Company Shares are repaid in full;
- (c) all loans to the Company from the Shareholder Transferring its Company Shares are repaid in full or replaced by loans from the transferee to the Company and supporting securities commensurate with those held by or given by the transferor in relation to the Company; and
- (d) if the Transfer of Company Shares requires the approval of any relevant authority, then that Transfer is conditional on the approval of that relevant

authority on terms acceptable to the transferor and transferees, acting reasonably.

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## 12. PRE-EMPTIVE RIGHTS

### 12.1 Notice of intention to sell

- (a) 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 (**Other Shareholders**) and to the Company that it wants to transfer the Company Shares specified in the Transfer Notice (**Offered Shares**).
- (b) A Transfer Notice must specify the consideration per Company Share (**Prescribed Price**) at or above which the sale is to proceed and all other terms and conditions of the proposed sale.
- (c) If the Proposing Transferor has received a bona fide arm's length offer from a third party, a Transfer Notice must have annexed to it a statutory declaration by an authorised officer of the Proposing Transferor confirming receipt from the third party (**Offeror**) of a bona fide arm's length offer (which for this purpose includes a firm expression of willingness) to purchase the Offered Shares at the Prescribed Price on the terms described in the Transfer Notice. If it has, the authorised officer must declare in the statutory declaration the name of the Offeror, the price at which the Offeror is prepared to purchase the Offered Shares and any other terms of such offer.
- (d) The Proposing Transferor cannot revoke a Transfer Notice once given except with the consent of the Other Shareholders.
- (e) A Transfer Notice constitutes an offer to sell the Offered Shares to the Other Shareholders at the Prescribed Price and on the terms described in the Transfer Notice. The offer must remain open for a period of 30 days commencing on the date of the giving of the Transfer Notice (**Offer Period**).

### 12.2 Acceptance

- (a) Any Other Shareholder entitled to accept the offer in accordance with clause 12.1(e) may, by notice (**Acceptance Notice**) to the Proposing Transferor before 4:00 pm on the last day of the Offer Period, accept the offer for the Offered Shares. An Acceptance Notice once given is irrevocable.
- (b) Where no offer has been received from a third party at or above the price referred to in the Transfer Notice, any Other Shareholder wishing to lodge an Acceptance Notice but disputing the price of the Company Shares may ask for a valuation to be carried out by a Valuer at the Other Shareholder's cost. The Valuer must value the Company Shares on the basis of an arm's length sale between a willing but not anxious buyer and a willing but not anxious seller. The Parties must use all reasonable endeavours to procure that such a valuation be obtained and advised to all Shareholders within 28 days of a request for valuation, and the Offer Period will be extended if required for 7 days after the valuation is obtained. The Valuer's valuation will become the

Prescribed Price for the purpose of this sub-clause only if lower than the price specified by the Proposing Transferor.

- (c) Where Acceptance Notices are received for a greater number of Company Shares than the Offered Shares, the Offered Shares will be allocated among the Other Shareholders so accepting as nearly as may be in proportion to their respective holdings of Company Shares.

### **12.3 Notice of valid acceptance**

If Acceptance Notices are received for all the Offered Shares, the Proposing Transferor must immediately upon the close of the Offer Period, notify each Other Shareholder who has lodged an Acceptance Notice as to the number of the Offered Shares it is required to purchase, namely the number accepted by it or allocated to it, as the case may be (**Allocation Notice**). The Proposing Transferor must also give a copy of such notice to the Company. Completion of the sale of the Offered Shares to the Other Shareholders will take place as soon as possible and within 2 months of the date of the Allocation Notice. Payment must be made in cleared funds and in the absence of agreement to the contrary will occur at the registered office of the Proposing Transferor.

### **12.4 Transfer of Company Shares upon payment**

At completion of the sale of the Offered Shares to the Other Shareholders, the Proposing Transferor will be bound, upon payment by each Other Shareholder, to transfer the appropriate number of Company Shares to that Other Shareholder and to hand over a transfer duly executed by it in respect of those Company Shares with the certificates for those Company Shares. The Proposing Transferor's obligation to transfer such Company Shares is conditional on its receiving payment for all the Offered Shares.

### **12.5 Company may act as attorney**

If a Proposing Transferor, after having become bound to transfer any Company Shares to any Other Shareholder, defaults in transferring such Company Shares, the Company:

- (a) is authorised to:
  - (i) execute on behalf of and as attorney for the Proposing Transferor any necessary transfer; and
  - (ii) receive the purchase moneys;
- (b) must:
  - (i) (subject to any other legal requirements in respect of the Transfer) cause the name of the Other Shareholder to be entered in the register of members of the Company as holder of such Company Shares; and
  - (ii) hold the purchase moneys on trust for the Proposing Transferor.



The receipt by the Company of the purchase moneys will be a good discharge to the Other Shareholder (who will not be bound to see to the application of those moneys) and after the name of the Other Shareholder has been entered in the register in purported exercise of the aforesaid powers, the validity of the proceeding will not be questioned by any person. The Company must promptly endeavour to account to the Proposing Transferor for the purchase moneys.

## **12.6 Transfer permitted to third party, by default**

If, at the close of the Offer Period, Acceptance Notices have not been received for all the Offered Shares, the Proposing Transferor may at any time up to the expiration of 3 months after the close of the Offer Period transfer all or any part of the Offered Shares to any other third party (subject to clause 11.1) on a bona fide arm's length basis at any price per Share not being less than the Prescribed Price and on other terms of sale which, when taken as a whole, are not materially more favourable to the third party than those set out in the Transfer Notice, provided that such third party first executes an Assumption Deed. The Proposing Transferor must give to each other Shareholder a full copy of any agreement with the third-party buyer relating to the sale of the Offered Shares within 7 days after signing of the agreement.

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## **13. DRAG-ALONG**

### **13.1 Offer to purchase**

If a bona fide third-party purchaser (**Drag Buyer**) offers, on arm's length terms, to purchase 100% of the share capital of the Company (**Offer**), the Party receiving that Offer must communicate the Offer and its terms to all Shareholders.

### **13.2 Drag-Along right**

If one or more Shareholders holding (in aggregate) not less than a 90% Shareholder Interest wish to accept the Offer by the Drag Buyer (**Drag Seller**), then the Drag Seller is entitled to serve a notice (**Drag Notice**) on the remaining Shareholders (**Dragged Shareholders**) requiring each of them to sell all of their Shares in the Company to the Drag Buyer on the terms stipulated in the Drag Notice.

### **13.3 Drag Notice**

The Drag Notice must specify:

- (a) the identity of the Drag Buyer and Drag Seller;
- (b) the consideration payable for each Share;
- (c) the proposed completion date of the sale, which shall not be less than 30 Business Days after the date of the Drag Notice; and
- (d) any other material terms of the proposed sale.

### **13.4 Terms of purchase**

The terms on which the Drag Seller requires Dragged Shareholders to sell their Shares must be the same sale price per Company Share, or substantially the same price if there are different classes of shares in the Company, and otherwise on the same

terms, or terms no less favourable, on which the Drag Seller is selling its Shares however recognising the difference in value of each share class. If the value of the different classes or series of shares cannot be agreed by the Parties, the Parties must appoint a Valuer to determine this difference in value.

### **13.5 Effect of Drag Notice**

If a Drag Notice is given, then:

- (a) each Dragged Shareholder must, on the completion date specified in the Drag Notice, sell its Shares to the Drag Buyer on the terms stated in the Drag Notice and deliver to the Drag Buyer:
  - (i) title to its Shares, free from Encumbrances;
  - (ii) duly executed share transfer(s) in relation to the Shares signed by the Dragged Shareholder; and
  - (iii) the share certificates for the relevant Shares; and
- (b) the Drag Seller must not complete the proposed sale to the Drag Buyer unless at the same time and date, the Drag Buyer buys all the Shares of each Dragged Shareholder at the price and on the terms stated in the Drag Notice.

### **13.6 Sale of Shares**

- (a) The Company is authorised by the Dragged Shareholders to receive and give a good discharge for the purchase monies on behalf of each Dragged Shareholder, and apply those monies to the Dragged Shareholders in proportion to the number of Shares sold by them as a total of the Dragged Shares sold.
- (b) Each Dragged Shareholder must procure that all steps are taken as are required of it to effect the sale contemplated in the Drag Notice.

### **13.7 Warranties**

The Parties acknowledge and agree that no Dragged Shareholder will, or will be required to:

- (a) make any representations, warranties, indemnities or guarantees; or
- (b) enter into any restrictive covenant or non-compete provisions more onerous than those imposed on the Drag Seller,

in connection with any sale of Shares under this clause except for usual warranties and representations as to the ownership by it of the Shares and that it has the requisite authority and capacity to complete the sale.

### **13.8 Pre-Emptive rights on transfer**

The Parties agree that the pre-emptive right on transfer under clause 12 shall not apply to the exercise of drag-along rights under this clause 13 by the Drag Seller.

### 13.9 Lapse of Drag Notice

The Drag Notice and all obligations thereunder will lapse if for any reason the Drag Seller does not sell and transfer all of its Shareholder Interest to the Drag Buyer within 60 days of the date of the notice.

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## 14. TAG-ALONG

### 14.1 Tag-Along

If, after complying with the terms of clause 12, one or more Shareholders (**Tag Seller**) intends to sell, in an arm's length transaction to an independent third party purchaser (**Tag Buyer**), Shares where the proposed sale is of Shares representing not less than 75% Shareholder Interest, the Tag Seller must before that sale give notice (**Tag Notice**) to each other Shareholder (**Tag Shareholder**) of its intention to sell its Shares to the Tag Buyer.

### 14.2 Tag Notice

The Tag Notice must specify:

- (a) the identity of the Tag Buyer and Tag Seller;
- (b) the consideration payable for each Share;
- (c) the percentage of the total number of Shares held by the Tag Seller proposed to be sold (the **Tag Proportion**);
- (d) the proposed completion date of the sale, which shall not be less than 15 Business Days after the date of the Tag Notice; and
- (e) any other material terms of the proposed sale.

### 14.3 Effect of Tag Notice

- (a) Within 10 Business Days of receipt of a Tag Notice, each of the Tag Shareholders may, by irrevocable notice, notify the Tag Seller that they wish to sell a percentage of their Shares in the Company that is equal to the Tag Proportion (**Tag Shares**) at the price and on the terms set out in the Tag Notice.
- (b) If no notice is received from a Tag Shareholder within 10 Business Days of the date of service of the Tag Notice, the Tag Seller may proceed to sell its Shares to the Tag Buyer on the terms set out in the Tag Notice.
- (c) If any Tag Shareholder gives the Tag Seller notice under clause 14.3:
  - (i) the Tag Seller may not sell its Shares to the Tag Buyer unless it procures that the Tag Buyer contemporaneously acquires the Tag Shares of the accepting Tag Shareholders on the terms of sale set out in the Tag Notice;
  - (ii) that Tag Shareholder must, on the completion date specified in the Tag Notice, deliver to the Tag Buyer:

- (A) title to its Tag Shares, free from Encumbrances;
  - (B) duly executed share transfer(s) in relation to the Tag Shares signed by the Tag Shareholder; and
  - (C) the share certificates for the Tag Shares;
- (iii) the Company is authorised by the Tag Shareholders to receive and give a good discharge for the purchase monies on behalf of each Tag Shareholder, and apply those monies to the accepting Tag Shareholder in the proportion to the number of Tag Shares sold by them as a total of the Shares sold to the Tag Buyer; and
- (iv) that Tag Shareholder must procure that all steps are taken as are required of it to effect the sale contemplated in the Tag-Along Notice.

#### 14.4 Warranties

Tag Shareholders who accept the Tag Notice may be required to give to the Tag Buyer representations, warranties and/or indemnities equivalent to those given by the Tag Seller, provided that any liability for any such representations, warranties or indemnities given to the Tag Buyer in any documentation to effect the sale is several (and not joint and several) and is allocated between the Tag Seller and the Tag Shareholders pro rata in proportion to the number of Shares sold.

#### 14.5 Limitations

The tag-along rights set out in this clause 14:

- (a) only apply to a sale of Shares to a bona fide third-party purchaser; and
- (b) are subject to the Tag Seller first complying with the rights of pre-emption on transfer under clause 12; and
- (c) do not apply if a Drag Notice is given under clause 13.

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### 15. ASSIGNMENT – CHANGE OF CONTROL OF SHAREHOLDER

#### 15.1 Deemed Offer

Subject to clause 15.2, if a Change of Control occurs in respect of a Shareholder, then, unless the other Shareholder(s) 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:
  - (i) the effective or implied price paid by a third party for Shares in respect of the Change of Control event; and
  - (ii) either:

- (A) fair market value of its Shareholder Interest as agreed between the Changed Shareholder and all other Shareholders; or
  - (B) failing agreement within 14 days, as determined by a Valuer appointed under this Agreement, who must make such determination within 30 days of his or her appointment;
- (b) each Shareholder has 60 days from the date that the Price is agreed or determined in accordance with clause 15.1(a) to accept the offer;
- (c) if the offer is not accepted within this period, then the Changed Shareholder may retain the Shareholder Interest;
- (d) if the offer is accepted, completion of the sale and purchase of the Changed Shareholder's Shareholder Interest must occur within 60 days after acceptance and, at the time of completion, the Changed Shareholder must deliver the title documents and signed transfer documents in respect of the Shareholder Interest and a discharge of all Encumbrances to the Shareholder who has elected to purchase the Changed Shareholder's Shareholder Interest; and
- (e) at the same time, the Shareholder who has elected to purchase the Changed Shareholder's Shareholder Interest must pay the Price to the Changed Shareholder in immediately available funds.

## **15.2 Exceptions to clause 15.1**

Clause 15.1 will not apply in respect of:

- (a) any Shareholder that is listed on a recognised stock exchange at the time the Change of Control occurs or whose ultimate parent company is listed on a recognised stock exchange at the time the Change of Control occurs but provided that the relevant Change of Control occurs with respect to the company listed on a recognised stock exchange as well as the Shareholder;
- (b) completion occurring under the Binding Heads of Agreement; or
- (c) the listing of TEE on the Australian Securities Exchange.

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## **16. ASSUMPTION DEED**

If the Company proposes to issue or register a transfer of Company Shares to a person who is not already a Shareholder, the Shareholders must procure the Board to make the issue or registration conditional on, and the Company must require, the prior execution of an Assumption Deed by the incoming shareholder.

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## 17. WARRANTIES

### 17.1 Warranties by the Company

The Company warrants and represents to the Shareholders that:

- (a) **No Event of Insolvency:** No Event of Insolvency has occurred in relation to the Company nor is there any act which has occurred or any omission made which may result in an Event of Insolvency occurring in relation to the Company.
- (b) **No litigation:** The Company is not involved in any litigation, arbitration or administrative proceeding relating to claims or amounts relating to the Company nor is any such litigation, arbitration or administrative proceeding pending or threatened.
- (c) **Investigations:** None of the Company and its directors are the subject of any investigation by any regulatory body of any country nor is any such investigation pending or threatened.
- (d) **Tax Investigations:** The Company is not the subject of any investigation or audit by the tax office of any country or state nor is any such investigation or audit pending or threatened.
- (e) **Incorporation:** The Company is validly incorporated in accordance with the laws of its place of incorporation and its Constituent Documents.
- (f) **Compliance with laws:** Company is not in material breach of any provision of any relevant laws.
- (g) **Execution:** The execution and delivery of this Agreement has been duly and validly authorised by all necessary corporate action on behalf of the Company.
- (h) **Corporate power:** The Company has the full corporate power and lawful authority to execute and deliver this Agreement and to observe and perform or cause to be observed and performance all of its obligations in and under this Agreement.
- (i) **Consistency:** The terms of this Agreement are not inconsistent with and do not contravene the provisions of any other agreements or contract to which the Company is a party.

### 17.2 Warranties by each Shareholder

The representations and warranties given by each Shareholder as at the Execution Date are as follows:

- (a) **Power and capacity:** The Shareholder has full corporate power and lawful authority to execute and deliver this Agreement and to observe and perform or cause to be observed and performed all of its obligations in and under this Agreement;

- (b) **Authority:** The execution and delivery of this Agreement has been duly and validly authorised by all necessary corporate action on the Shareholder's behalf;
- (c) **No legal impediment:** The execution, delivery and performance of this Agreement by it does not constitute a breach of any law or obligation, or cause a default under any agreement by which it is bound;
- (d) **No Event of Insolvency:** No Event of Insolvency has occurred in relation to the Company nor is there any act which has occurred or any omission made which may result in an Event of Insolvency occurring in relation to the Shareholder; and
- (e) **No litigation:** There is no litigation or proceeding pending or threatened against the Shareholder.

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## **18. CONFIDENTIALITY**

### **18.1 No publicity**

Subject to clause 18.2, no Party may make a public announcement relating to this Agreement or the affairs of the Company without first getting the written consent of the other Parties. A Party must not withhold its consent unreasonably.

### **18.2 Publicity required by law or court**

A Shareholder may make a public announcement relating to this Agreement or the affairs of the Company if such disclosure is required by law, an order of a court of competent jurisdiction or by stock exchange rules, but must, prior to making the public announcement provide to the other Shareholders a copy of the proposed announcement and use reasonable endeavours to allow the other Shareholders the opportunity to comment and make reasonable amendments, such amendments to be received at the earliest possible occasion to ensure compliance with all applicable laws or stock exchange rules.

### **18.3 Use of Confidential Information**

Each Party (in this clause, **Recipient**) agrees in relation to Confidential Information of another Party or of the Company (**Owner**):

- (a) to use the Confidential Information only for the purposes of the Business; and
- (b) to keep that Confidential Information confidential and not disclose it or allow it to be disclosed to any third party except:
  - (i) with the consent of the Owner;
  - (ii) with the consent of the Company and the Shareholders with respect to Confidential Information of the Company; or
  - (iii) to officers, employees and consultants or advisers of the Recipient and the Recipient's Related Bodies Corporate who have a need to know (and only to the extent that each has a need to know) and

are aware that the Confidential Information must be kept confidential,

and the Parties must take or cause to be taken reasonable precautions necessary to maintain the secrecy and confidentiality of the Confidential Information.

#### **18.4 Exclusions**

The obligations of confidentiality under this Agreement do not extend to information that (whether before or after this Agreement is executed):

- (a) is disclosed to a Recipient under or in relation to this Agreement but at the time of disclosure is rightfully known to or in the possession or control of the Recipient and not subject to an obligation of confidentiality on the Recipient;
- (b) is public knowledge (otherwise than as a result of a breach of this Agreement); or
- (c) is required by law to be disclosed and the Recipient required to make the disclosure has taken all reasonable steps to oppose or prevent the disclosure and to limit, as far as reasonably possible, the extent of the disclosure.

#### **18.5 Continuing obligations**

On ceasing to be a Party or on the termination of this Agreement, each Party must:

- (a) continue to keep confidential all Confidential Information of each other Party and the Company; and
- (b) at each Owner's option, return to that Owner or destroy and certify the destruction of that Owner's Confidential Information.

#### **18.6 Survives termination**

The rights and obligations of a Party set out in this Agreement with respect to Confidential Information survive for a period of 5 years from the earlier of the date that the Party ceases to be a Party to this Agreement and the date of termination of this Agreement.

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### **19. EXPERT DETERMINATION**

#### **19.1 Expert determination**

- (a) If there is a dispute between the Shareholders in relation to the funding obligations or pricing mechanism under clause 6, or where a matter is permitted or required by this Agreement to be determined by an Expert (including, for the avoidance of doubt, under clause 21.2(b)), or if the Parties otherwise agree, a Party may refer the matter to an Expert for determination.
- (b) The Expert must be chosen by agreement of the Parties or failing agreement within 30 days after a Party proposes a person or body, by the person or body nominated by the Institute of Arbitrators & Mediators Australia.



## 19.2 Expert requirements

- (a) In relation to the making of a determination by an Expert:
  - (i) each Party may at its own cost be represented by a legal practitioner or any other representative;
  - (ii) each Party is to make a written submission to the Expert as to its contentions in relation to the issue in dispute;
  - (iii) each Party is to make a written response to the submission of the other Party;
  - (iv) after receiving the Parties' submissions and responses, the Expert may request further submissions or information from the Parties or either of them;
  - (v) the Expert is not bound by the rules of evidence or the rules of natural justice;
  - (vi) the Expert may make his or her own inquiries with regard to the issue in dispute, but the Expert is to advise the Parties as to the results of those inquiries and allow the Parties to make further submissions with regard to the results of those inquiries before making a determination; and
  - (vii) the Expert is to proceed with the determination with all reasonable expedition.
- (b) A determination made by an Expert under this clause is to be final in relation to the matter in issue and binding on the Parties in the absence of manifest error.
- (c) The Expert may make such order as he thinks fit as to the payment by the Parties of his or her costs or expenses and the costs and expenses of the Parties in relation to the determination.
- (d) In making a determination under this clause, an Expert will not act as an arbitrator.

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## 20. DISPUTES

### 20.1 Meaning of "Dispute"

In this clause 20, the term **Dispute** means any controversy, claim or dispute arising out of or in relation to this Agreement between any two or more Parties but does not include, for the avoidance of doubt, any matter referred to in clause 19 that will be determined by an Expert.

### 20.2 Other Disputes

The Parties agree to use all reasonable efforts to resolve any Dispute. A Party must not start court proceedings (except proceedings seeking injunctive or interlocutory

relief to preserve property or rights or to avoid losses that are not compensable in damages) in respect of a Dispute unless it has complied with this clause.

### **20.3 Notification of Dispute**

A Party or the Manager wishing to claim that a Dispute has arisen must give notice (**Dispute Notice**) to each other Party and the Manager (**Disputants**) giving details of the Dispute.

### **20.4 Reasonable efforts to resolve a Dispute**

During the 10 Business Day period after a Dispute Notice is given under clause 20.3 or such longer period unanimously agreed in writing by the Disputants (**Initial Period**), a senior representative of each Disputant (with authority to settle the Dispute) must use their reasonable efforts to resolve the Dispute.

### **20.5 Failure to resolve a Dispute**

If the senior representatives are unable to resolve the Dispute under clause 20.4, then the Dispute may be immediately referred by a Party to mediation.

### **20.6 Mediation**

Mediation of a Dispute must:

- (a) be conducted in Western Australia by the person or body agreed to by the Parties or, failing agreement, as nominated by the President of the Institute of Arbitrators & Mediators Australia on request by a Party;
- (b) be conducted in accordance with such rules as may be agreed to by the Parties or, failing agreement, in accordance with the rules nominated by the person or body agreed or nominated to conduct the mediation;
- (c) be at the cost and expense of the Parties equally (except that each Party must pay its own advisers, consultants and legal fees and expenses) unless the Parties otherwise agree; and
- (d) if not earlier resolved, be continued for a period expiring on the date being 14 days after the nomination of the mediator (or such other period as the Parties may agree) after which any Party may at any time after that date commence litigation proceedings in respect of the Dispute.

### **20.7 Compliance with Agreement**

Until the Dispute is resolved, the Disputants must continue to observe their obligations under this Agreement in a timely manner.

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## **21. DEFAULT**

### **21.1 Event of Default**

An event of default occurs in respect of a Shareholder where:

- (a) an Event of Insolvency occurs in respect of that Shareholder; or

- (b) that Shareholder, commits a breach of this Agreement and:
  - (i) the breach is material and is not capable of being cured; or
  - (ii) the breach is capable of being cured, but is not cured within sixty (60) days after a notice specifying the breach or default is given to that Shareholder or Manager by another Shareholder,

**(Event of Default).**

## **21.2 Consequences of default**

- (a) **(Termination):** If an Event of Default occurs in respect of a Shareholder (**Defaulting Shareholder**), a call option is created in favour of the non-defaulting Shareholder(s) in respect of all of the Defaulting Shareholder's Company Shares (**Defaulting Shares**). The Company must promptly notify each Shareholder in writing of the creation and grant of the call option to the non-defaulting Shareholder(s) and the number of Defaulting Shares the subject of that call option (and otherwise act in accordance with clause 21.2(b) of this Agreement).

- (b) **(Call Option):**

- (i) The Defaulting Shareholder and the non-defaulting Shareholder(s) must use their best endeavours to agree on the fair market value of the Defaulting Shares the subject of the call option as at the date of the relevant Event of Default.
- (ii) If the Parties cannot agree on the fair market value within 20 Business Days from the date of the Event of Default, an Expert may be appointed under clause 19 of this Agreement (who, in turn, may appoint a Valuer) to make a determination within 20 Business Days of appointment.
- (iii) In addition to the requirements set out in clause 19.2, the following provisions will apply to the determination and application of the fair market value:
  - (A) the fair market value will be discounted by either 20% or a value otherwise determined sufficient and appropriate by the Expert to compensate the non-defaulting Shareholder for the loss suffered due to the Event of Default and must take into account all amounts due from the Defaulting Shareholder to any other Shareholder or the Company or a Third Party under this Agreement and all amounts paid by any of the other Shareholders to cure the Event of Default;
  - (B) the fair market value shall be determined as at the date of the Event of Default;
  - (C) the Company must instruct the Expert to provide a report to the Company disclosing their determination of the fair market value of the Defaulting Shares (and a summary of the basis for that determination) (**Expert's Report**); and

- (D) the decision of the Expert binds the Parties and is final.
- (iv) Exercising Call Option:
  - (A) The Company shall circulate a copy of the Expert's Report to the Defaulting Shareholder and non-defaulting Shareholder(s).
  - (B) Any non-defaulting Shareholder may exercise the call option granted to them by giving notice (**Exercise Notice**) to the Defaulting Shareholder and to the Company within 10 Business Days after the date on which that Shareholder received a copy of the Experts Report.
  - (C) The sale and purchase of the call option shall be completed at such time and place as the non-defaulting Shareholder shall reasonably specify in the Exercise Notice.
  - (D) Each of the Shareholders must use all reasonable endeavours to ensure that completion occurs as soon as reasonably practicable after receiving the Exercise Notice.
  - (E) The Defaulting Shareholder must, within 20 Business Days of receipt of the Exercise Notice, execute and deliver all deeds and documents necessary for, and complete, the Transfer (and registration, if required) of its Shareholding Interest to the non-defaulting Shareholder which gave the Exercise Notice on terms acceptable to that Shareholder acting reasonably.
- (c) (**Suspension of Shareholder rights**): Notwithstanding anything to the contrary in the Constituent Documents, after a non-defaulting Shareholder gives the Defaulting Shareholder a notice of an Event of Default (and until that Event of Default is remedied to the reasonable satisfaction of the non-defaulting Shareholders) the Defaulting Shareholder will have all rights attaching to its Shareholder Interest suspended and in particular is prohibited from:
  - (i) voting at any meeting of the Company;
  - (ii) receiving, participating in any distribution or dividend made, declared or proposed to be made by the Company;
  - (iii) transferring its Company Shares in the Company (notwithstanding any other provisions of this Agreement or the Constituent Documents);
  - (iv) having any Director appointed by it vote at any meeting of the Board or permitting any such Director acting as a director of the Company; and
  - (v) receiving information as to the operations, activities or affairs of the Company, except as required by any applicable laws.

### 21.3 Other arrangements by agreement

Nothing in clause 21.2 prevents all the Shareholders from agreeing to another solution to the occurrence of an Event of Default.

---

## 22. FORCE MAJEURE

### 22.1 Suspension of obligations

- (a) Notwithstanding any other provision of this Agreement, a Party will not be liable for any failure to perform, or delay in the performance of any of its obligations, under this Agreement (other than an obligation to obtain, use or pay money) if the failure or delay in performing that obligation is a direct result of a Force Majeure Event for as long as the Force Majeure Event continues, and no liability or claim shall result on account of a failure of that Party to perform that obligations.
- (b) The Party unable to perform an obligation (**Affected Party**) as referred to in clause 22.1(a) must:
  - (i) notify the other Party immediately of the Force Majeure Event, including describing with reasonably full particulars the impact or anticipated impact of the Force Majeure Event on the Affected Party's performance and its estimate of the likely duration of the Force Majeure Event and on giving of that notice, that obligation is suspended but only to the extent that and for so long as it is affected by the Force Majeure Event;
  - (ii) use its reasonable endeavours to continue or resume its performance of the obligation in accordance with this Agreement as soon as possible, including:
    - (A) using its reasonable endeavours to remedy or cause to be remedied any impact of the Force Majeure Event that is capable of remedy as quickly as possible; or
    - (B) making alternative arrangements with a third party or parties to enable it to fulfil its obligations, provided those alternative arrangements are satisfactory to the other Party and do not involve any additional cost to the other Party (unless the other Party agrees otherwise); and
  - (iii) keep the other Party informed in relation to any change in its ability to continue or resume its performance.
- (c) An Affected Party is not obliged to undertake uneconomic measures so as to overcome a Force Majeure Event.
- (d) Notwithstanding the Force Majeure Event, the Company must continue to pay the Manager such monies as are necessary to maintain the Company Property in good condition and keep the Permits in good standing in accordance with this Agreement and good oilfield practice.

## **22.2 Extended Force Majeure**

In the event that any Force Majeure Event cannot be removed, overcome or abated within 6 months (or such other period as the Parties shall mutually agree) from the date the Parties affected first became so affected, a meeting of the Parties will be convened for the purpose of considering the modification or termination of this Agreement.

---

## **23. RELATIONSHIP BETWEEN THE PARTIES**

### **23.1 No agency or partnership**

Nothing in this Agreement is to be treated as creating:

- (a) a partnership between the Parties (or any of them) and the Company; or
- (b) a relationship of principal and agent between the Parties or between the Parties (or any of them) and the Company.

### **23.2 No capacity to bind other Parties**

No Party may act or has any authority to act as agent of or in any way bind or commit another Party to any obligation, representation or warranty other than as provided for under this Agreement.

### **23.3 Several obligations**

The rights, duties, obligations and liabilities of the Parties under this Agreement are several and not joint nor joint and several.

---

## **24. RELATIONSHIP BETWEEN THE PARTIES AND THE COMPANY**

Each Party must:

- (a) exercise all its rights, powers and remedies in relation to the Company in a way that gives effect to the terms of this Agreement;
- (b) cause all votes that may be cast either by it or by any other person under its control or influence at general meetings of the Company to be cast in a way that gives effect to the terms of this Agreement; and
- (c) procure that any Director nominated by it or by any other person under its control or influence casts all votes that may be cast at meetings of the Board in a way that gives effect to the terms of this Agreement.

---

## **25. RELATIONSHIP BETWEEN THIS AGREEMENT AND THE CONSTITUENT DOCUMENTS**

### **25.1 Agreement and Constituent Documents to be read together**

The Shareholders agree that the instruments that govern the relationship amongst themselves and between themselves and the Company are this Agreement and in the case of the Company only, the Constituent Documents and it is intended that this Agreement and the Constituent Documents be read together.

## **25.2 Agreement prevails**

As between the Shareholders, if there is any inconsistency (whether expressly referred to or to be implied from this Agreement or otherwise) between the provisions of this Agreement and those of the Constituent Documents, the Constituent Documents are to be read subject to this Agreement and the provisions of this Agreement prevail to the extent of the inconsistency.

## **25.3 Amendment to Constituent Documents**

Nothing in this Agreement is deemed to constitute an amendment to the Constituent Documents. However, if it is necessary for any term of this Agreement to be effective that that term be included in the Constituent Documents, then each Shareholder must procure the amendment of the Constituent Documents accordingly.

## **25.4 Shareholders' undertaking**

Each Shareholder undertakes with each other Shareholder to:

- (a) exercise all rights, powers and remedies under the Constituent Documents so as to give full force and effect to the terms of this Agreement; and
- (b) observe and comply fully and properly with the Constituent Documents to the intent and effect that the Constituent Documents will be enforceable by the Shareholders amongst themselves and in whatever capacity.

---

## **26. NOTICES**

### **26.1 Requirements for notice**

Each notice or consent authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed and prepaid mail or email in each case addressed to the Party at its address set out in clause 26.2, or as the case may be to such other address as it may from time to time notify to the other Parties pursuant to clause 28.3.

### **26.2 Address of Parties**

The initial address of the Parties shall be as follows:

- (a) In the case of Mckam and the Company:

Address: 40 Latrobe Street  
EAST BRISBANE QLD 4169

Email: art.malone@oillr.com  
with a copy to adahl@mccullough.com.au

Attention: Mr Paul Douglas Williams

- (b) In the case of Holdco:

Address: c/- Steinepreis Paganin  
Level 4, 16 Milligan Street

PERTH WA 6000

Email: emmanuel.correia@pelotoncapital.com.au

Attention: Mr Emmanuel Correia

### **26.3 Change of address**

Each Party individually, may from time to time change its address by giving notice pursuant to clause 26.1 to the other Parties.

### **26.4 Receipt of notice**

Any notice given pursuant to clause 26.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery if delivered prior to 5:00 pm (local time) on a Business Day or on the next following Business Day if delivered after 5:00 pm (local time) on a Business Day or on a day other than a Business Day;
- (b) if sent by mail, on the second clear Business Day after the day of posting or on the tenth clear Business Day after the day of posting if posted to or from an address outside Australia; or
- (c) if sent by email, on the first to occur of:
  - (i) receipt by the sender of an email acknowledgement from the recipient's information system showing that the email has been delivered to the email address stated above;
  - (ii) the time that the email enters an information system which is under the control of the recipient; and
  - (iii) the time that the email is first opened or read by an employee or officer of the recipient.

---

## **27. TERMINATION**

### **27.1 Termination**

Subject to clause 27.2, this Agreement terminates on the earliest of:

- (a) with respect to a Shareholder, the date on which that Shareholder ceases to hold a Shareholder Interest (whether as a result of a dilution, withdrawal, Transfer or other valid cause);
- (b) if a Party becomes entitled to exercise a right of termination expressly provided for under this Agreement and exercises that right, the date on which the termination becomes effective;
- (c) one Shareholder holding or becoming entitled to hold a 100% Shareholder Interest in the Company;



- (d) the Company being wound up;
- (e) on completion of the sale of all of the Company Shares; or
- (f) a date otherwise mutually agreed to between the Parties, in writing.

## **27.2 Certain Obligations Continue Beyond Termination**

Upon termination of this Agreement for any reason, all rights and obligations of the Shareholders to each other in their capacity as shareholders and joint venturers cease, other than:

- (a) the obligations of confidentiality set out in clause 18 of this Agreement; and
- (b) the obligation to pay any actual or contingent liabilities relating to Company Operations up to the date of termination, including the cost of all rehabilitation obligations, or otherwise arising from this Agreement that have not been discharged as at the date of termination.

---

## **28. GENERAL**

### **28.1 Enurement**

The provisions of this Agreement will, subject as provided herein, enure for the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

### **28.2 Governing law**

This Agreement shall be governed by and construed in accordance with the laws of Western Australia and each Party irrevocably submits unconditionally to the non-exclusive jurisdiction of the Courts of that jurisdiction and of all Courts competent to hear appeals from them in relation to any legal action, suit or proceeding arising out of or with respect to this Agreement.

### **28.3 Government Agency or Petroleum Law approval**

Where the issue of Company Shares pursuant to this Agreement is subject to any necessary consent or approval from a Government Agency or under the Petroleum Law, the Parties agree to use their best endeavours to promptly obtain all necessary consents and approvals as soon as possible.

### **28.4 Further assurance**

Each Party agrees, at its own expense, on the request of another Party, to do everything reasonably necessary to give full effect to this Agreement and the transactions contemplated by it, including, but not limited to, the execution of documents.

### **28.5 Entire understanding**

On and from the Execution Date, this Agreement constitutes the full and complete understanding between the Parties in relation to its subject matter and supersedes all prior negotiations, understandings and agreements with respect thereto.

**28.6 Modifications in writing**

No modification, amendment or other variation of this Agreement will be valid or binding on a Party unless made in writing duly executed or signed by or on behalf of that Party.

**28.7 Severance**

If any provision of this Agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

**28.8 Waivers in writing**

Unless otherwise provided in this Agreement, no waiver or relaxation partly or wholly of any of the terms and conditions of this Agreement will be valid or binding on a Party unless in writing and duly executed or signed by or on behalf of that Party and any such waiver or relaxation will apply (unless agreed otherwise and duly executed or signed by or on behalf of that Party so waiving or relaxing such terms and conditions) to the particular occasion in question and will not be continuing and will not constitute a waiver or relaxation of any other term or condition of this Agreement.

**28.9 Costs**

Each Party must bear their own legal costs, in respect of the preparation, negotiation and execution of this Agreement. Unless otherwise agreed, all duties and registration fees paid relating to the registration and performance of this Agreement, are Company Expenditure.

**28.10 Counterparts**

This Agreement may be executed in any number of counterparts, each of which, when executed shall constitute an original, but all counterparts together will constitute one and the same agreement.

**28.11 Assignment**

None of the Parties may assign any of the rights or obligations conferred by this agreement without the consent of the other Parties.

**EXECUTED** by the Parties as an agreement.

**EXECUTED** by **NT TERRITORY HOLDCO PTY LTD ACN 650 696 610** )  
in accordance with section 127 of the )  
Corporations Act 2001 (Cth): )

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Signature of director

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Signature of director/company secretary\*

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Name of director

---

Name of director/company secretary\*

\*please delete as applicable

**EXECUTED** by )  
**MCKAM AUST PTY LTD** )  
**ACN 619 865 011** )  
in accordance with section 127 of the )  
Corporations Act 2001 (Cth): )

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Signature of director

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Signature of director/company secretary\*

---

Name of director

---

Name of director/company secretary\*

\*please delete as applicable

**EXECUTED** by )  
**TERRITORY GAS PTY LTD** )  
**ACN 631 911 9734** )  
in accordance with section 127 of the )  
Corporations Act 2001 (Cth): )

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Signature of director

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Signature of director/company secretary\*

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Name of director

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Name of director/company secretary\*

## SCHEDULE 1 – THE PERMITS

### Exploration permits — NT Gas Aust Pty Ltd

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	%	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
EP256	EP	256	Current	Application	2011-10-18				NT GAS AUST PTY LTD	100	A	Applicant	0	34	BLKS
EP279	EP	279	Current	Application	2011-10-25	2013-06-20			NT GAS AUST PTY LTD	100	A	Applicant	0	194	BLKS
EP265	EP	265	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	200	BLKS
EP282	EP	282	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	4	BLKS
EP257	EP	257	Current	Application	2011-10-18	2012-04-27			NT GAS AUST PTY LTD	100	A	Applicant	0	96	BLKS
EP294	EP	294	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	23	BLKS
EP275	EP	275	Current	Application	2011-10-25	2013-06-20			NT GAS AUST PTY LTD	100	A	Applicant	0	196	BLKS
EP295	EP	295	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	4	BLKS
EP281	EP	281	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	5	BLKS
EP280	EP	280	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	121	BLKS

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	%	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
EP285	EP	285	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	2	BLKS
EP284	EP	284	Current	Revised Application	2020-07-14				NT GAS AUST PTY LTD	100	A	Applicant	0	6	BLKS
NTC/P 14	NTC/P	14	Current	Application	2012-02-09				NT GAS AUST PTY LTD	100	A	Applicant	0	5	BLKS
EP276	EP	276	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	200	BLKS
EP274	EP	274	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	192	BLKS
EP277	EP	277	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	198	BLKS
EP283	EP	283	Current	Revised Application	2020-05-07				NT GAS AUST PTY LTD	100	A	Applicant	0	5	BLKS
EP254	EP	254	Current	Application	2011-10-18	2012-04-27			NT GAS AUST PTY LTD	100	A	Applicant	0	169	BLKS
EP278	EP	278	Current	Application	2011-10-25	2013-06-20			NT GAS AUST PTY LTD	100	A	Applicant	0	198	BLKS

### Exploration Permits — Territory Gas Aust Pty Ltd

Title ID	Title Type Code	Title Number	Status	Transaction Type	Effective Date	Consent Date	Veto Start Date	Veto Final Date	Party Name	%	Holder Type Code	Hold Type	Area SqKm	Area Units	Area Measure
EP260	EP	260	Current	Revised Application	2020-05-07				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	63	BLKS
EP262	EP	262	Current	Revised Application	2020-05-07				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	99	BLKS
EP261	EP	261	Current	Revised Application	2020-05-07				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	61	BLKS
EP314	EP	314	Current	Application	2011-10-20				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	21	BLKS
EP313	EP	313	Current	Application	2011-10-20				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	11	BLKS
EP259	EP	259	Current	Application	2011-10-20	2015-02-04			TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	39	BLKS
EP312	EP	312	Current	Application	2011-10-20				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	2	BLKS
EP258	EP	258	Current	Revised Application	2020-07-14				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	19	BLKS
EP263	EP	263	Current	Revised Application	2020-07-14				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	43	BLKS
EP264	EP	264	Current	Revised Application	2020-05-07				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	41	BLKS
EP315	EP	315	Current	Application	2011-10-20				TERRITORY GAS AUST PTY LTD	100	A	Applicant	0	2	BLKS

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**SCHEDULE 2 – MATTERS REQUIRING SPECIAL MAJORITY BOARD APPROVAL**

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The Company shall not, without the prior approval by Special Majority of the Directors approve any of the following:

- (a) The creation or permitting the creation of any Encumbrance over any Company Property unless such Encumbrance arises by operation of law.
- (b) Surrender of the whole or any part of the Permits (other than as required by the Petroleum Law).
- (c) Suspension, closure, termination or abandonment of all or any material part of Company Operations for any reason.
- (d) Payment or agreement to pay salaries, wages, consulting fees, management fees or other remuneration to the Shareholders, or any related party or employee of the Shareholders in excess of 10% of the annual budget of the Company.
- (e) Declaring any dividends in the Company or distributing any assets of the Company to shareholders of the Company.
- (f) Any sole payment of expenditure in excess of the greater of \$50,000 and 10% of the budget approved under any annual Program, other than as provided for in any annual Program.

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**SCHEDULE 3 – DECISIONS REQUIRING SPECIAL MAJORITY  
SHAREHOLDER APPROVAL**

---

- (a) The issue of any equity security in a wholly owned subsidiary of the Company.
- (b) Making any call on partly paid shares of the Company.
- (c) Any amendment to the Constituent Documents.
- (d) Change of name of the Company.
- (e) Any increase or decrease in the maximum number of Directors.
- (f) The cessation or substantial variation or winding-up of the Business or the Company's activities.



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## SCHEDULE 4 – ASSUMPTION DEED

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Assumption deed poll dated

### Party

[Name of acceding party] of [address of acceding party] (**New Party**)

### Background

This deed poll is supplemental to a shareholders' agreement in respect of Territory Gas Pty Ltd (ACN 639 119 734) (the **Company**) dated [insert] 2021 (**Shareholders Agreement**).

- A.** The New Party wishes to [acquire] / [subscribe for] shares in the Company and is required by clause [6.11] / [12.6] / [16] of the Shareholders Agreement to enter into this deed poll before it is registered as a holder of shares in the Company.
- B.** The obligations of the New Party in this deed poll are given for the benefit of all parties to the Shareholders Agreement (including each party who is a party by accession) (**Continuing Parties**).

### Operative provisions

- (a) Words and expressions defined in the Shareholders Agreement have the same meaning when used in this deed poll. The general rules of interpretation set out in clause 1 of the Shareholders Agreement also apply to this deed poll.
- (b) The New Party confirms that it has been provided with a copy of the Shareholders Agreement.
- (c) With effect from the date on which the New Party is registered as a holder of shares in the Company, the New Party agrees to become party to the Shareholders Agreement and covenants with each Continuing Party to be bound by and comply with all provisions of the Shareholders Agreement as a Shareholder.

**[Insert appropriate execution clause for the New Party]**

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## **ANNEXURE F – MATERIAL CONTRACTS**

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### **Territory Gas and its subsidiaries**

Nil

### **Purchaser**

The Purchaser has or intends to enter into the following material contracts:

1. Agreement to acquire ATP 1069.
2. Letters of appointment with each of the directors of the Purchaser.
3. An executive services agreement with the Managing Director of the Purchaser.
4. A Lead Manager agreement with the Lead Manager to the IPO and to the Company generally.
5. Letters of appointment with each of the advisers to the IPO.
6. Additional ancillary agreements that the Purchaser considers necessary in order to complete the IPO.

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**ANNEXURE G – LAST ACCOUNTS**

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**Territory Gas Aust Pty Ltd**  
42 153 719 772  
**Financial Statements**  
For the Year Ended 30 June 2020

**Territory Gas Aust Pty Ltd**  
**Financial Statements**  
**For the Year ended 30 June 2020**

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**Territory Gas Aust Pty Ltd  
Profit and Loss Statement  
For the Year ended 30 June 2020**

	<i>Note</i>	<b>2020</b> \$	<b>2019</b> \$
<b>Expenditure</b>			
Consultancy Fees		74,793	280,235
Filing Fees		267	263
Legal Costs		15,571	14,819
<b>Total Expenditure</b>	<b>2</b>	<u><b>90,631</b></u>	<u><b>295,317</b></u>
<b>Loss</b>		<u><b>(90,631)</b></u>	<u><b>(295,317)</b></u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**Territory Gas Aust Pty Ltd  
Statement of Appropriations  
For the Year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Accumulated Losses at Beginning of Year	(432,069)	(136,753)
Loss before Income Tax	(90,632)	(295,316)
<b>Loss after Income Tax</b>	<b><u>(522,701)</u></b>	<b><u>(432,069)</u></b>
<b>Loss after Prior Year Adjustments</b>	<b><u>(522,701)</u></b>	<b><u>(432,069)</u></b>
<b>Accumulated Loss at 30 Jun 2020</b>	<b><u><u>(522,701)</u></u></b>	<b><u><u>(432,069)</u></u></b>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**Territory Gas Aust Pty Ltd**  
**Balance Sheet**  
**As at 30 June 2020**

	<i>Note</i>	<b>2020</b> \$	<b>2019</b> \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	1,200	1,200
<b>Total Assets</b>		<u><b>1,200</b></u>	<u><b>1,200</b></u>
<b>Non-Current Liabilities</b>			
Financial Liabilities	4	522,701	432,069
<b>Total Liabilities</b>		<u><b>522,701</b></u>	<u><b>432,069</b></u>
<b>Net Liabilities</b>		<u><b>(521,501)</b></u>	<u><b>(430,869)</b></u>
<b>Equity</b>			
Issued Capital		1,200	1,200
Accumulated Losses	5	(522,701)	(432,069)
<b>Total Equity</b>		<u><b>(521,501)</b></u>	<u><b>(430,869)</b></u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*



## Territory Gas Aust Pty Ltd

### Notes to the Financial Statements

#### For the Year ended 30 June 2020

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#### 1 Significant Accounting Policies

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

##### Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

##### (a) Going Concern

Notwithstanding the deficiency of net assets in the company, the financial report of the company has been prepared on a going concern basis. This basis has been applied as the director have received a guarantee of continuing financial support and it is the directors' belief that such financial support will continue to be made available.

##### (b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

##### (c) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or management valuation. All assets, excluding freehold land and buildings held for investment, are depreciated over their useful lives.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by Territory Gas Aust Pty Ltd. Depreciation commences from the time the asset is held ready for use. Any leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable asset are considered to fall within standard parameters. Standard rates of depreciation have been used for each class of asset.

The carrying value of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

##### (d) Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**Territory Gas Aust Pty Ltd**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2020**

<b>2</b>	<b>Expenses</b>	<b>2020</b>	<b>2019</b>
		\$	\$
	Bank Charges	1	(1)
	Other Expenses	90,631	295,317
		<u>90,632</u>	<u>295,316</u>
<b>3</b>	<b>Cash and Cash Equivalents</b>	<b>2020</b>	<b>2019</b>
		\$	\$
	<b>Cash and Cash Equivalents</b>		
	Cash on Hand	1,200	1,200
	<b>Total Cash and Cash Equivalents</b>	<u>1,200</u>	<u>1,200</u>
	<b>Cash Reconciliation</b>		
	Cash and Cash Equivalents	1,200	1,200
		<u>1,200</u>	<u>1,200</u>
<b>4</b>	<b>Financial Liabilities</b>	<b>2020</b>	<b>2019</b>
		\$	\$
	<b>Non-current</b>		
	Loan - McKam Pty Ltd	522,701	432,069
	<b>Total Non-current</b>	<u>522,701</u>	<u>432,069</u>
	<b>Total Financial Liabilities</b>	<u>522,701</u>	<u>432,069</u>
<b>5</b>	<b>Retained Profits / Accumulated Losses</b>	<b>2020</b>	<b>2019</b>
		\$	\$
	Accumulated Losses at Beginning of Financial Year	(432,069)	(136,753)
	<b>Less</b>		
	Net loss attributable to members	90,632	295,316
	<b>Retained Profits at 30 June 2020</b>	<u>(522,701)</u>	<u>(432,069)</u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**Territory Gas Aust Pty Ltd  
Director's Declaration  
For the Year ended 30 June 2020**

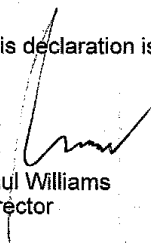
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The Director has determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in the Notes to the Financial Statements.

The Director of the Company declares that:

1. The financial statements and notes, as set out in the financial report present fairly the Company's financial position as at 30 June 2020 and its performance for the reporting period ended on that date in accordance with the accounting policies described in the Notes to the Financial Statements; and
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution by the Director.

  
Paul Williams  
Director

Dated this 7 day of June 2021

**Territory Gas Aust Pty Ltd  
Compilation Report  
For the Year ended 30 June 2020**

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We have compiled the accompanying special purpose financial statements of Territory Gas Aust Pty Ltd, which comprise the Balance Sheet as at 30 June 2020, the Statement of Profit or Loss for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in the Notes to the Financial Statements.

**The Responsibility of the Director**

The Director of Territory Gas Aust Pty Ltd is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the significant accounting policies used are appropriate to meet the needs of the director and for the purpose that the financial statements were prepared.

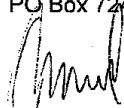
**Our Responsibility**

On the basis of information provided by the Director, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies described in the Notes to the Financial Statements and APES 315: Compilation of Financial Information. We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the significant accounting policies described in the Notes to the Financial Statements. We have complied with the relevant ethical requirements of APES 110: Code of Ethics for Professional Accountants.

**Assurance Disclaimer**

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements. The special purpose financial statements were compiled exclusively for the benefit of the director who is responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.

**Value Beyond Pty Ltd**  
Chartered Accountants  
PO Box 7245, East Brisbane QLD 4169



Ian Wood  
7 June 2021

**Territory Gas Pty Ltd**  
ACN 639 119 734  
**Financial Statements**  
For the Year Ended 30 June 2020

**Territory Gas Pty Ltd**  
**Financial Statements**  
**For the Year ended 30 June 2020**

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**Territory Gas Pty Ltd**  
**Profit and Loss Statement**  
**For the Year ended 30 June 2020**

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	<i>Note</i>	<i>2020</i>
		<i>\$</i>
Profit/(Loss) after Income Tax		<u>-</u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**Territory Gas Pty Ltd**  
**Statement of Appropriations**  
**For the Year ended 30 June 2020**

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	2020 \$
Retained Profits at Beginning of Year	-
Profit before Income Tax	-
Profit after Prior Year Adjustments	<u>-</u>
Unappropriated Profit at 30 June 2020	<u><u>-</u></u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

- 2 -



**Territory Gas Pty Ltd**  
**Balance Sheet**  
**As at 30 June 2020**

	<i>Note</i>	<i>2020</i> \$
<b>Current Assets</b>		
Financial Assets	3	100
<b>Total Assets</b>		<u>100</u>
<b>Equity</b>		
Issued Capital	4	100
<b>Total Equity</b>		<u>100</u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

- 3 -

**Territory Gas Pty Ltd**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2020**

---

**1 Significant Accounting Policies**

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

**Basis of Preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or management valuation. All assets, excluding freehold land and buildings held for investment, are depreciated over their useful lives.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by Territory Gas Pty Ltd. Depreciation commences from the time the asset is held ready for use. Any leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable asset are considered to fall within standard parameters. Standard rates of depreciation have been used for each class of asset.

The carrying value of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

**(b) Income Tax**

The income tax expense (revenue) for the reporting period comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

**(c) Investments in Associates**

Investments in associated companies are stated at cost or directors' valuation. Dividends are brought to account in the financial statements when received.

**2 Dividends Proposed or Paid**

**2020**  
**\$**

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**Territory Gas Pty Ltd**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2020**

<b>3</b>	<b>Financial Assets</b>	<b>2020</b>
		<b>\$</b>
	<b>Current</b>	
	<i>Shares in Associated Companies</i>	
	- NT Gas Aust Pty Ltd	50
	- Territory Gas Aust Pty Ltd	50
		<u>100</u>
	<b>Total Financial Assets</b>	<u><u>100</u></u>
<b>4</b>	<b>Issued Capital</b>	<b>2020</b>
		<b>\$</b>
	<b>Reconciliation of Shares on Issue</b>	
	<b>Ordinary Class Shares</b>	<b>100</b>
	Movement of Shares on Issue during the Reporting Period	100
	<b>Shares on Issue at End of Reporting Period</b>	<u>100</u>
	<b>Issued Capital</b>	<u><u>100</u></u>
<b>5</b>	<b>Retained Profits / Accumulated Losses</b>	<b>2020</b>
		<b>\$</b>
	Retained Profits at Beginning of Financial Year	-
	<b>Retained Profits at 30 June 2020</b>	<u><u>-</u></u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**Territory Gas Pty Ltd  
Director's Declaration  
For the Year ended 30 June 2020**

---

The Director has determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in the Notes to the Financial Statements.

The Director of the Company declares that:

1. The financial statements and notes, as set out in the financial report present fairly the Company's financial position as at 30 June 2020 and its performance for the reporting period ended on that date in accordance with the accounting policies described in the Notes to the Financial Statements; and
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution by the Director.

  
Paul Williams  
Director

Dated this 10 day of JUNE 2021

**NT Gas Aust Pty Ltd**  
**ABN 44 153 719 781**  
**Financial Statements**  
**For the Year Ended 30 June 2020**

**NT Gas Aust Pty Ltd**  
**Financial Statements**  
**For the Year ended 30 June 2020**

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**NT Gas Aust Pty Ltd**  
**Profit and Loss Statement**  
**For the Year ended 30 June 2020**

	<i>Note</i>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
Expenditure			
Filing Fees		267	263
Total Expenditure	2	<u>267</u>	<u>263</u>
Loss		<u>(267)</u>	<u>(263)</u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**NT Gas Aust Pty Ltd**  
**Statement of Appropriations**  
**For the Year ended 30 June 2020**

	2020 \$	2019 \$
Accumulated Losses at Beginning of Year	(1,012)	(749)
Loss before Income Tax	(267)	(263)
Loss after Income Tax	<u>(1,279)</u>	<u>(1,012)</u>
Loss after Prior Year Adjustments	<u>(1,279)</u>	<u>(1,012)</u>
Accumulated Loss at 30 Jun 2020	<u><u>(1,279)</u></u>	<u><u>(1,012)</u></u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*



**NT Gas Aust Pty Ltd**  
**Balance Sheet**  
**As at 30 June 2020**

	<i>Note</i>	2020 \$	2019 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	-	188
<b>Total Assets</b>		<u>-</u>	<u>188</u>
<b>Non-Current Liabilities</b>			
Financial Liabilities	5	79	-
<b>Total Liabilities</b>		<u>79</u>	<u>-</u>
<b>Net (Liabilities)/Assets</b>		<u>(79)</u>	<u>188</u>
<b>Equity</b>			
Issued Capital	6	1,200	1,200
Accumulated Losses	7	(1,279)	(1,012)
<b>Total Equity</b>		<u>(79)</u>	<u>188</u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**NT Gas Aust Pty Ltd**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2020**

---

**1 Significant Accounting Policies**

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

**Basis of Preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Going Concern**

Notwithstanding the deficiency of net assets in the company, the financial report of the company has been prepared on a going concern basis. This basis has been applied as the director have received a guarantee of continuing financial support and it is the directors' belief that such financial support will continue to be made available.

**(b) Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or management valuation. All assets, excluding freehold land and buildings held for investment, are depreciated over their useful lives.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by NT Gas Aust Pty Ltd. Depreciation commences from the time the asset is held ready for use. Any leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable asset are considered to fall within standard parameters. Standard rates of depreciation have been used for each class of asset.

The carrying value of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

**(c) Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

<b>2 Expenses</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Other Expenses	267	263
	<u>267</u>	<u>263</u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**NT Gas Aust Pty Ltd**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2020**

3	Dividends Proposed or Paid	2020 \$	2019 \$
4	Cash and Cash Equivalents	2020 \$	2019 \$
	Cash and Cash Equivalents		
	Cash on Hand	-	188
	<b>Total Cash and Cash Equivalents</b>	<u>-</u>	<u>188</u>
	Cash Reconciliation		
	Cash and Cash Equivalents	-	188
		<u>-</u>	<u>188</u>
5	Financial Liabilities	2020 \$	2019 \$
	Non-current		
	Loans - Related Parties	79	-
	<b>Total Non-current</b>	<u>79</u>	<u>-</u>
	<b>Total Financial Liabilities</b>	<u>79</u>	<u>-</u>
6	Issued Capital	2020 \$	2019 \$
	Reconciliation of Shares on Issue		
	Ordinary Class Shares	<u>1,200</u>	<u>1,200</u>
	Shares on Issue at Beginning of Reporting Period	1,200	1,200
	Shares on Issue at End of Reporting Period	<u>1,200</u>	<u>1,200</u>
	<b>Issued Capital</b>	<u>1,200</u>	<u>1,200</u>
7	Retained Profits / Accumulated Losses	2020 \$	2019 \$
	Accumulated Losses at Beginning of Financial Year	(1,012)	(749)
	Less		
	Net loss attributable to members	267	263
	<b>Retained Profits at 30 June 2020</b>	<u>(1,279)</u>	<u>(1,012)</u>

*The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.*

**NT Gas Aust Pty Ltd  
Director's Declaration  
For the Year ended 30 June 2020**

---

The Director has determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in the Notes to the Financial Statements.

The Director of the Company declares that:

1. The financial statements and notes, as set out in the financial report present fairly the Company's financial position as at 30 June 2020 and its performance for the reporting period ended on that date in accordance with the accounting policies described in the Notes to the Financial Statements; and
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution by the Director.

  
Paul Williams  
Director

Dated this 10 day of JUNE 2021

---

**NT Gas Aust Pty Ltd  
Compilation Report  
For the Year ended 30 June 2020**

---

We have compiled the accompanying special purpose financial statements of NT Gas Aust Pty Ltd, which comprise the Balance Sheet as at 30 June 2020, the Statement of Profit or Loss for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in the Notes to the Financial Statements.

**The Responsibility of the Director**

The Director of NT Gas Aust Pty Ltd is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the significant accounting policies used are appropriate to meet the needs of the director and for the purpose that the financial statements were prepared.

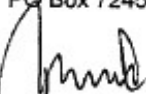
**Our Responsibility**

On the basis of information provided by the Director, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies described in the Notes to the Financial Statements and APES 315: Compilation of Financial Information. We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the significant accounting policies described in the Notes to the Financial Statements. We have complied with the relevant ethical requirements of APES 110: Code of Ethics for Professional Accountants.

**Assurance Disclaimer**

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements. The special purpose financial statements were compiled exclusively for the benefit of the director who is responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.

**Value Beyond Pty Ltd**  
PO Box 7245, East Brisbane QLD 4169



Ian Wood  
10 June 2021

**ANNEXURE H – LIABILITIES OF HOLDCO, TERRITORY GAS AND  
SUBSIDIARIES NOT PROVIDED FOR IN THE LAST ACCOUNTS**

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Liability for an ASIC fee of \$273 incurred on 14 October 2020.