



31 October 2022

Companies Announcements Office
ASX Limited
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

SEPTEMBER 2022 QUARTER (“QUARTER”) OPERATIONS REPORT

Clean Carbon Transaction

On 2 August the Company (BPH) announced that, following its shareholders meeting on 21 June 2022 at which shareholders voted unanimously to approve to make an investment in hydrogen technology company Clean Hydrogen Technologies Corporation (Clean Hydrogen Technologies), BPH and its investee Advent Energy Ltd (Advent) have now settled for the acquisition of a 10% interest in Clean Hydrogen Technologies for \$1,000,000 USD (8% BPH and 2 % Advent). BPH and Advent have a further first right of refusal to invest in Clean Hydrogen Technologies to a maximum of a further US\$1m for a further 10%, on or before 31 December 2022.

Anthony Huston has been appointed as a director to the Board of the Vendor.

Capital

On 18 August 2022 the Company announced that it had received binding commitments to raise approximately \$1.5 million (before costs) (Placement). The Placement comprised the issue of 115,384,615 new fully paid ordinary shares (Placement Shares) in the Company at an issue price of \$0.013 per share. The Placement was undertaken pursuant to the Company’s existing placement capacity under ASX Listing Rule 7.1 and 7.1A.

In addition to the Placement, the Company launched a non-renounceable Entitlement Offer to raise approximately \$400,000 (before costs) through the issue of up to 30,769,230 million new shares (Entitlement Shares) at \$0.013 per New Share (Entitlement Offer). Placement and Entitlements Issue participants will receive one (1) free Attaching Option for every one (1) New Shares subscribed for under the Placement and Entitlement Offer, exercisable at \$0.03 each with an expiry date of 30 September 2024 (Attaching Options). The Attaching Options will be subject to Shareholder Approval at the General Meeting and are expected to be granted in late November 2022, and will be listed subject to ASX requirements being met.

The Company also intends, subject to ASX approval and in compliance with the Corporations Act, to undertake a loyalty option issue of one (1) option for every eight (8) shares held to all shareholders registered on a record date proposed to be on or around late November 2022 (Loyalty Options). The Loyalty Options will have the same exercise price and expiry date as the Attaching Options.

Everblu Capital Limited (Everblu) acted as the Lead Manager for the Placement and Entitlements Issue. Everblu will be paid a cash fee of 6% on funds raised by Everblu under the Placement and 1 Broker Option per 3 Placement Shares issued exercisable at \$0.03 per share, expiring 30 September 2024. The Broker Options are subject to shareholder approval and if approval is not granted then a cash equivalent will be payable.

The intended use of funds will be for:

- \$0.90 million - Further Investment in Clean Hydrogen Technology
- \$0.68 million - Funding for exploration and development of oil and gas investments
- \$0.32 million - For working capital including costs of the offer

Subsequent to period end the Company announced it had received binding commitments to raise approximately \$1.196 million (before costs) for the issue of 66,494,825 new fully paid ordinary shares ("Placement Shares") in the Company at an issue price of \$0.018 per share, to be issued in two tranches as follows:

1. 52,099,087 Placement Shares will be issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1A ("Tranche 1"); and
2. the remaining 14,395,738 Placement Shares will be issued subject to shareholder approval being granted at the next General Meeting of the Company ("Tranche 2"), expected to be held in late November 2022.

Placement participants will receive one (1) free attaching option for every one (1) New Share subscribed for under the Placement, exercisable at \$0.03 each with an expiry date of 30 September 2024 ("Attaching Options"). The Attaching Options will be subject to Shareholder Approval at the General Meeting and are expected to be granted on or around late November 2022. The Company intends to apply for quotation of the Attaching Options, subject to ASX requirements being met.

Everblu Capital Limited ("Everblu") acted as the Lead Manager for the Placement and will be paid a cash fee of 6% on funds raised and 1 Broker Option for every 3 Placement Shares issued, exercisable at \$0.03 per share, expiring 30 September 2024. The Broker Options are subject to Shareholder approval.

96,235,678 listed share options with an exercise price of \$0.05 per share expired on 29 July 2022.

Significant activities by the Company's investees' during the September 2022 quarter were as follows:

Advent Energy Pty Ltd ("Advent")

PEP 11 Permit

Advent Energy Limited's (BPH 36.1% direct interest) 100% subsidiary Asset Energy Pty Ltd has applied to the Federal Court pursuant to section 5 of the Administrative Decisions (Judicial Review) Act 1977 (Cth) and section 39B of the Judiciary Act 1903 (Cth) to review the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (Joint Authority), constituted under section 56 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) (Act), to refuse to vary and suspend the conditions of Exploration Permit for Petroleum

No.11 (PEP 11 Permit), pursuant to section 264(2) of the Act, and to refuse to extend the term of the PEP 11 Permit, pursuant to section 265 of the Act. The application was made in January 2020.

Asset Energy Pty Ltd is a 100 % owned subsidiary of Advent Energy Ltd and has lodged the appeal as Operator for and on behalf of the PEP11 Joint Venture Partners, Bounty Oil and Gas NL (ASX:BUY) and Asset Energy Pty Ltd.

PEP11 interests are: Advent Energy 85 %
Bounty Oil and Gas 15%

In light of media coverage regarding former Prime Minister Scott Morrison's use of ministerial powers to block the PEP-11 gas exploration licence, the Company announced it was undertaking a full review of its options, including potential for legal channels, as part of its strategy to protect shareholder value.

In June 2022, Asset Energy Pty Ltd (wholly-owned subsidiary of BPH's investee Advent Energy Ltd) commenced proceedings in the Federal Court of Australia alleging that the former Prime Minister Scott Morrison was biased and failed to afford procedural fairness in his decision not to grant an extension of term and a suspension and variation of the minimum work requirements under PEP-11.

Following revelations that Scott Morrison took responsibility in a number of portfolios including Resources, Prime Minister Anthony Albanese has sought advice as to whether Mr Morrison's appointments and decisions (which includes the PEP-11 decision) were beyond power. The documents in the proceedings have been made publicly available by the Federal Court of Australia including Asset Energy's Application for Judicial Review and the orders which Asset Energy is seeking from the Court

Advent has received a copy of the Environmental Plan for PEP-11 Baleen well from the Xodus group. The plan is currently being reviewed prior to release. Xodus Group are a leading global energy environmental consultancy with a strong track record in the Australian offshore sector where they are subject matter experts in environmental impact assessment and regulatory approvals. The plan is a prerequisite for the planned drilling of the Baleen well. It will be released as part of the regulated process under the Government environmental regulator authority NOPSEMA.

Taranaki Basin

On 4 April the Company announced its investee company Advent, through its subsidiary Aotearoa Offshore Ltd NZ (AOLNZ), had the right to acquire a 30% participating interest in Petroleum Exploration Permits (PEP) 57075, 60092 and 60093 covering an area of 5,180 km² in the Taranaki Basin from OMV New Zealand Limited (OMV NZ). The three permits are governed by individual (but identical) Joint Venture Operating Agreements (JVOA's) and, as such, each intersects in the same fashion with the Farm Out Agreement (FOA). The FOA covers all three permits.

The following are conditions precedent of the FOA: (1) AOLNZ obtains any necessary Governmental Agency approvals; (2) OMV NZ obtains the consent of the Joint Venture to the transaction; (3) the Joint Venture has agreed and signed an amendment to the Joint Venture to enable OMV NZ to require additional security, (on terms reasonably acceptable to the farminee),

from the Joint Venture parties in respect of liabilities arising out of future exploration activities; and (4) OMV NZ has obtained the approval of the Minister for Energy required under section 41 of the Crown Minerals Act. If CP's 1 to 3 are not satisfied within 6 months of signing either party may terminate the FOA and the agreement will cease to be of any effect. The FOA was executed on 24 December 2021, meaning this 6 month period expired on 24 June 2022. No action is required or will be taken from either Advent or OMV NZ given both parties intent to proceed and have AOLNZ on permit Title's pending the Ministry of Business, Innovation and Employment's ongoing process.

Cortical Dynamics Limited ("Cortical")

Investee Cortical Dynamics Limited is an Australian based medical device neurotechnology company that is developing BARM™, an industry leading EEG (electrical activity) brain function monitor. BARM™ is being developed to better detect the effect of anaesthetic agents on brain activity under a general operation, aiding anaesthetists in keeping patients optimally anaesthetised. The Australian manufactured and designed, electroencephalographically based (EEG-based), BARM™ system is configured to efficiently image and display complex information related to the clinically relevant state of the brain. When commercialized the BARM™ system will be offered on a stand-alone basis or integrated into leading brand operating room monitors as "plug and play" option.

BARM™ has already received TGA approval, Korean MFDS approval, the CE mark and the company has now made application for its FDA approval in the USA. The BARM™ system is protected by five patent families in multiple jurisdictions worldwide consisting of 36 granted patents. Cortical will continue to drive the development of BARM™ and maintain its intellectual property.

Cortical has been granted a key patent relating to its Brain Anaesthesia Response Monitor (BARM) technology in the United States. Cortical has developed an extensive patent portfolio encapsulating the BARM monitoring unit, providing patent protection across a number of key brain monitoring markets. Currently, Cortical has patents awarded in France, Belgium, Germany, Great Britain, Netherlands, Switzerland, Italy, Ireland, Australia, New Zealand, the United States, Japan and the People's Republic of China. The new Patent is titled "Apparatus and process for measuring brain activity" was made under United States Patent Application No. 17/614701.

Cortical has entered into a partnership with Austrian EEG experts ENCEVIS /AIT with a view to further enhance the BARM™ technology. The AIT Austrian Institute of Technology is Austria's largest research and technology organisation employing over 1,300 people. The Republic of Austria (through the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology) owns 50.46% of AIT, while the Federation of Austrian Industries owns the other 49.54%. ENCEVIS is a division of AIT that specialises in EEG.

In June 2022 Cortical won a prestigious grant from the MTPConnect BMTH program, the matched funding that will help Cortical develop an AI and machine learning capacity for BARM™. Conjunctionally Cortical has appointed a world class Head of Data Analytics who will focus on developing for the company a deep understanding of sedation level monitoring systems using Artificial Intelligence including neurophysiology (EEG), machine learning, statistical analysis, anaesthesiology. Application areas will include optimal management of anaesthesia and sedatives in the operating room and the ICU. In addition Cortical has appointed a full-time project manager.

Cortical continues the FDA 510K filing process for BARM™ in the USA assisted by Washington based technical advisors MCRA. The Food and Drug Administration ("FDA") is the federal agency of

the United States Department of Health and Human Services which regulates the sale of medical device products (including diagnostic tests) in the U.S. and monitors the safety of all regulated medical products. FDA approval is a necessary precursor for sales of BARM™ to commence in the USA.

Item 1 and 2 details of payments to / receipts from related parties (Appendix 4C)

Line 6.1: \$19,000 paid to a director as remuneration and net \$24,000 fees paid to Grandbridge Limited.

Line 6.2: A NET loan of \$233,000 to investee Advent Energy Limited and a loan of \$45,000 to MEC Resources Limited.

Authorised by

A handwritten signature in black ink, appearing to read 'D. Breeze'.

David Breeze
Chairman

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
BPH ENERGY LIMITED	
ABN	Quarter ended ("current quarter")
41 095 912 002	SEPTEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(173)	(173)
(d) leased assets		
(e) staff costs	(19)	(19)
(f) administration and corporate costs	(162)	(162)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (settlement of ex-directors' fees)		
1.9 Net cash from / (used in) operating activities	(351)	(351)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments	(1,124)	(1,124)
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities	(278)	(278)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(1,402)	(1,402)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,702	1,702
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(121)	(121)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	1,581	1,581

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,895	2,895
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(351)	(351)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,402)	(1,402)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,581	1,581

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,723	2,723

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,723	2,895
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,723	2,895

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of receipts from / (payments to) related parties and their associates included in item 1	(43)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(278)
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	105	105
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	105	105
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The facilities shown above are owing to Grandbridge Limited (including \$88,000 owing by a BPH subsidiary). The balance is unsecured and interest free.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(351)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,723
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,723
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.8
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<div>Answer:</div>	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<div>Answer:</div>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<div>Answer:</div>	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28th October 2022

Authorised by: David Breeze (Director)
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.