



# HALF YEAR REPORT DECEMBER 2022

Top End Energy Limited  
ABN 73 650 478 774





Directors	Mr Emmanuel Correia – Non-Executive Chairman Mr Oliver Oxenbridge - Managing Director Mr Greg Lee - Executive Director Mr Richard Lampe - Non-Executive Director Dr Michael Fischer - Non-Executive Director (appointed 21 July 2022)
Joint Company Secretaries	Ms Michelle Kennedy Ms Kelly Moore
Registered office	Level 2 10 Outram Street West Perth, WA 6005
Share register	Automic Registry Services Level 1, 191 St Georges Terrace Perth WA 6000 Ph: 1300 288 664 <a href="http://www.automic.com.au">www.automic.com.au</a>
Auditor	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 15 Milligan Street Perth WA 6000
Stock exchange listing	Top End Energy Limited shares are listed on the Australian Securities Exchange (ASX code: TEE)
Website	<a href="http://www.topendenergy.com.au">www.topendenergy.com.au</a>



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity' or the 'Group') consisting of Top End Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

### **Directors**

The following persons were Directors of Top End Energy Limited during the period and up to the date of this report, unless otherwise stated:

Mr Emmanuel Correia – Non-Executive Chairman  
Mr Oliver Oxenbridge – Managing Director  
Mr Greg Lee – Executive Director  
Mr Richard Lampe – Non-Executive Director  
Dr Michael Fischer – Non-Executive Director (appointed 21 July 2022)

### **Review of operations**

#### **Financial Performance and Corporate**

The loss for the Consolidated entity after providing for income tax and non-controlling interest amounted to \$1,201,907 (31 December 2021: loss \$639,471). As at 31 December 2022, the Company has cash reserves of \$4,323,303 (30 June 2022: \$5,407,795).

During the period, 500,000 unlisted options with an exercise price of \$0.30 and expiry date of 30 November 2025 were issued to Dr Michael Fischer. The options were issued post Shareholder approval at the in accordance with the terms of Dr Fischer's Letter of Appointment in respect to his appointment as a Non-Executive Director of the Company on 21 July 2022.

The following is a summary of the activities of the Consolidated entity for the half-year ended 31 December 2022. Its recommended that this half-yearly report be read in conjunction with any public announcements made by the Company during this period.





## Company Assets

### ATP 1069 Project (Queensland)

ATP 1069 is a granted hydrocarbon permit located 130km north-west of Charleville in Central Queensland, covering an area of approximately 1,047km<sup>2</sup>. The Company holds a 100% ownership interest in the Permit.

The Company is pursuing potential conventional natural gas prospectivity in the deeper Adavale Basin part of the Permit. The Gilmore gas field, situated 50 km west of the Permit, has demonstrated commercial conventional gas production from the Lissoy Sandstone and Log Creek Formation of the Adavale Basin. Initial seismic interpretation suggests these formations may be present within ATP 1069, but no wells have been drilled to these depths on the Permit. The Company's ongoing and intended 2023 work program is targeted to further increase the chance of geological success of the Coolibah conventional gas prospect and ultimately refine drilling locations for a potential exploration well.

The following Prospective Resources at the Coolibah Prospect have been independently assessed by Discover Geoscience ("Discover"):

Coolibah Prospect (100%) <sup>1</sup>	PMean	P10	P50	P90
Gas in Place (bcf)	1,951	4,140	1,288	400
Prospective Resources (bcf) <sup>2 3</sup>	715	1,573	491	150

**Table 1: Coolibah Prospective Resources independently assessed by Discover**

Key activities undertaken on ATP 1069 during the period included:

- The Company completed its initial prospectivity review of the permit, focusing on conventional gas prospectivity of the under-explored Adavale Basin. The assessment resulted in the identification of the Coolibah conventional gas prospect. The Coolibah prospect is a large structural feature (~278km<sup>2</sup>) identified from geological and geophysical studies focused on assessing the conventional gas potential of Devonian aged formations including the Buri Limestone. The Buri Limestone is of equivalent age to the producing formation of the nearby Gilmore Gas Field.
- An independent Prospective Resource assessment for the Coolibah prospect was completed by Discover, with a PMean estimate of 715 bcf.
- The Company refined the scope of the intended infill seismic acquisition of up to 120km of new 2D lines to focus on the Coolibah Prospect. The objectives of the infill seismic campaign will be to reduce subsurface geological risk by:
  - assessing the likely distribution and quality of hydrocarbon reservoirs and confirmation of a structural closure with sealing capacity; and
  - identifying possible drilling locations for an exploration well to be drilled later in 2023.

<sup>1</sup> Please see ASX announcement "Certified Prospective Resource & Operational Update" (29 November 2022); the Company is not aware of any new information or data that materially affects the information included in the ASX announcement and all material assumptions and technical parameters underpinning the estimates in the ASX announcement continue to apply and have not materially changed.

<sup>2</sup> **CAUTIONARY STATEMENT: the estimated quantities of hydrocarbons that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.**

<sup>3</sup> The Prospective Resource estimates have been prepared using the probabilistic method and are presented on an unrisks basis. In a probabilistic resource distribution, P90 (Low), P50 (Best), P10 (High) estimates represent the 90%, 50% and 10% probability respectively that the quantity recovered will equal or exceed the estimate assuming a success case in the prospect.



Post period end, the Company announced the appointment of Terrex Pty Ltd ('Terrex') to execute a new 120km 2D seismic acquisition over the Coolibah Prospect in Q1/Q2 2023. The Company also announced the relinquishment of 1,012 sub-blocks of the permit in accordance with the Company's obligations under the Petroleum and Gas (Production and Safety) Act 2004. The retained sub-blocks were specifically selected by the Company to include the broader Coolibah prospect and surrounding area, as well as the two wells previously drilled on the permit (Barwinock 1 and Barwinock 2). Consequently, the relinquishment should not impact the Company's primary intended work activities for the Permit, which are focused on progressing the Coolibah prospect to drill-ready status<sup>4</sup>.

### **Territory Gas (TG) Project (Northern Territory)**

The Company holds an approximately 53% beneficial interest in 30 permit applications across the Northern Territory, covering ~ 160,000km<sup>2</sup>. The Company has prioritised key permits based on initial technical assessments of the available data. Of these key permits, the Company is engaging with the Northern Land Council ('NLC'), native title holders and traditional owners to reach exploration agreements ahead of the formal grant and work program approvals for EP 258 and potentially EP 257 and EP 259.

EP 258 and EP 259 are located on the edge of the Greater McArthur Basin, south of discoveries within the Velkerri and Kyalla Shales and the conventional Moroak and Bessie Creek Sandstone reservoirs. Although there is no seismic data on the permits, seismic lines ending north of the permits suggest that both the conventional Bessie Sandstone and unconventional Velkerri Shale play systems may be present within the deeper basin sections of the permits. The Velkerri Shale is a shale gas target for operators such as Santos Limited (ASX:STO), Tamboran Resources Limited (ASX: TBN) and Empire Energy Group Ltd (ASX: EEG) across the Beetaloo sub-basin.

The primary objective of the intended initial exploration activities, subject to receiving formal grant of permits, is to confirm the presence of the proven conventional Bessie Sandstone and unconventional Velkerri Shale formations.

While EP 258 and EP 259 are the near-term focus in the NT, the Company also continues to pursue other prioritised permit applications, targeting the formal grant of additional applications in 2023.

In November 2022, the Company increased its equity interest in Territory Gas Pty Ltd from 50.00% to 53.25% through its fully owned subsidiary, NT Territory Holdco Pty Ltd.

Key activities undertaken on the TG Project during the period included:

- On country meeting's ('OCM') with the native title holders of Exploration Permit (EP) 258 were held in Tennant Creek. The purpose of the meetings was for native title holders to decide whether to agree to the terms of the proposed exploration agreement ancillary to an agreement under section 31(1)(b) of the Native Title Act (the "Exploration Agreement").
- Heading into the latest meeting, the Company had reached an agreed position with representatives of the NLC on the in-principle terms of the Exploration Agreement subject to instruction from native title holders, and amended for feedback from the native title holders following the first OCM in September.
- All key decision makers from the native title holder group were in attendance at the November OCM and feedback from the NLC was positive. Despite not proposing changes to the Exploration Agreement nor having any queries for the Company in relation to proposed exploration activities on the permit, certain key decision makers who were unable to attend the first OCM have ultimately requested more time to consider the Exploration Agreement. The execution of the Exploration Agreement by the native title holders is the key pre-requisite for achieving formal grant of the permit.
- The Company continued to progress key approvals and access agreements required for the Company to undertake the planned acquisition of 2D seismic survey.

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<sup>4</sup> Please see ASX Announcement "Appointment of Contractor for ATP 1069 2D Seismic Acquisition" (20 February 2023).



Post period end, the Company announced the appointment of Xcalibur Aviation (Australia) Pty Ltd ('Xcalibur') to undertake the acquisition of approximately 2,500 line kilometres of Falcon airborne gravity gradiometry ('AGG') data over the Company's Southern McArthur Basin EP 258, subject to receiving formal grant of the permit<sup>5</sup>.

### **Western Australia (Amadeus Basin)**

During the period, the Company was successful in its application for Area L22-6 as part of the Western Australian (WA) Government Petroleum Acreage Release 2P/2022, a 6,300 km<sup>2</sup> area over the WA extension of the Amadeus Basin. The grant of the permit is subject to the successful negotiation and execution of relevant agreements with the determined native title holders. Notice has been provided under section 29 of the Commonwealth Native Title Act 1993 that the application attracts the expedited procedure. The grant of the application will be subject to the Company formally agreeing with the Native Title Party to identify and protect Aboriginal sites within the boundaries of the exploration permit. This process is expected to take six to twelve months to complete. Upon grant the Company will hold a 100% interest in the area<sup>6</sup>.

### **Renewable / Transitional Energy Projects**

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

During the period, the Company commissioned Cryptid Energy Consultants to undertake an initial study to assess the potential for natural Hydrogen. The Company's portfolio has been tiered into priority areas and will be addressed in phases, with the initial focus being the McArthur Basin margin assets. Basin margins where deep seated faults exist, may be conduits for natural Hydrogen migration, providing the opportunity for the Company to explore for natural Hydrogen and hydrocarbons concurrently. The Company is also actively assessing new business opportunities in the natural Hydrogen and Helium space.

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<sup>5</sup> Please see ASX Announcement "Appointment of Contractor for Gravity Gradiometry in NT" (1 March 2023).

<sup>6</sup> Please see ASX Announcement "Successful Award of WA Amadeus Basin Acreage" (24 January 2023).



### **Matters subsequent to the end of the period**

Subsequent to 31 December 2022, Mr Shane Hartwig resigned as Company Secretary effective 1 February 2023. Ms Kelly Moore and Ms Michelle Kennedy have been appointed as Joint Company Secretaries from 1 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future periods.

### **Auditor's independence declaration**

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

### **Rounding off of amounts**

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest dollar, unless otherwise indicated.

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

On behalf of the Directors

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Emmanuel Correia  
Non-Executive Chairman

15 March 2023  
Perth, Western Australia

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

As lead auditor for the review of Top End Energy Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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

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



Phillip Murdoch  
Director

BDO Audit (WA) Pty Ltd  
Perth, WA  
15 March 2023



**Top End Energy Limited**  
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**31 December 2022**



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**Top End Energy Limited**
**Consolidated statement of profit or loss and other comprehensive income  
For the half-year ended 31 December 2022**


	<b>Note</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Other income	4	31,916	-
<b>Expenses</b>			
Professional fees	5	(163,756)	(311,888)
Employee benefits expense		(69,130)	(69,141)
Director fees		(93,549)	(5,769)
Depreciation and amortisation expense		(67,500)	-
Exploration expense	6	(419,704)	-
Share based payments	10	(182,745)	(110,908)
Other expenses		(237,439)	(141,765)
<b>Loss before income tax expense</b>		<b>(1,201,907)</b>	<b>(639,471)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year</b>		<b>(1,201,907)</b>	<b>(639,471)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year</b>		<b><u>(1,201,907)</u></b>	<b><u>(639,471)</u></b>
Loss for the half-year is attributable to:			
Non-controlling interest		(219,244)	-
Owners of Top End Energy Limited		(982,663)	(639,471)
		<b><u>(1,201,907)</u></b>	<b><u>(639,471)</u></b>
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		(219,244)	-
Owners of Top End Energy Limited		(982,663)	(639,471)
		<b><u>(1,201,907)</u></b>	<b><u>(639,471)</u></b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share for loss attributable to the owners of Top End Energy Limited</b>			
Basic and diluted loss per share	9	(1.41)	(3.48)

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

**Top End Energy Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2022**



	<b>Note</b>	<b>31 Dec 2022</b>	<b>30 June 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,323,303	5,407,795
Trade and other receivables		83,416	38,317
Prepayments		208,015	195,634
Total current assets		<u>4,614,734</u>	<u>5,641,746</u>
<b>Non-current assets</b>			
Exploration and evaluation	7	267,253	171,343
Prepayments		46,875	140,625
Total non-current assets		<u>314,128</u>	<u>311,968</u>
<b>Total assets</b>		<u>4,928,862</u>	<u>5,953,714</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		131,245	133,064
Borrowings		-	3,870
Provisions		225,000	225,000
Total current liabilities		<u>356,245</u>	<u>361,934</u>
<b>Total liabilities</b>		<u>356,245</u>	<u>361,934</u>
<b>Net assets</b>		<u>4,572,617</u>	<u>5,591,780</u>
<b>Equity</b>			
Issued capital		9,524,131	9,524,131
Reserves	8	993,379	810,635
Accumulated losses		(5,736,533)	(4,753,870)
Equity attributable to the owners of Top End Energy Limited		4,780,977	5,580,896
Non-controlling interest		(208,360)	10,884
<b>Total equity</b>		<u>4,572,617</u>	<u>5,591,780</u>

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

**Top End Energy Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2022**



	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	1	-	(32,962)	(32,961)
Loss after income tax expense for the half-year	-	-	(639,471)	(639,471)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(639,471)	(639,471)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,128,117	-	-	1,128,117
Share-based payments (note 10)	-	110,908	-	110,908
Balance at 31 December 2021	<u>1,128,118</u>	<u>110,908</u>	<u>(672,433)</u>	<u>566,593</u>

  

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	9,524,131	810,635	(4,753,870)	10,884	5,591,780
Loss after income tax expense for the half-year	-	-	(982,663)	(219,244)	(1,201,907)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(982,663)	(219,244)	(1,201,907)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 10)	-	182,744	-	-	182,744
Balance at 31 December 2022	<u>9,524,131</u>	<u>993,379</u>	<u>(5,736,533)</u>	<u>(208,360)</u>	<u>4,572,617</u>

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

**Top End Energy Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2022**



	<b>Note</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(556,860)	(361,783)
Interest and other finance costs paid		(161)	(484)
Net cash used in operating activities		(557,021)	(362,267)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation	6,7	(524,042)	-
Net cash used in investing activities		(524,042)	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	525,000
Payment of capital raising costs, including deferred IPO expenses		-	(99,349)
Repayment of borrowings		(3,429)	(10,641)
Net cash from/(used in) financing activities		(3,429)	415,010
Net increase/(decrease) in cash and cash equivalents		(1,084,492)	52,743
Cash and cash equivalents at the beginning of the financial half-year		5,407,795	275,001
Cash and cash equivalents at the end of the financial half-year		<u>4,323,303</u>	<u>327,744</u>

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





## **Note 1. General information**

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2023. The directors have the power to amend and reissue the financial statements.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

### **Rounding off of amounts**

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest dollar, unless otherwise indicated.

### **New or amended Accounting Standards and Interpretations adopted**

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

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

## **Note 3. Operating segments**

The Group has identified one operating segment being the exploration for natural gas in Australia. The determination of operating segments is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Reportable segments disclosed are on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure; and
- investment being focused on the same resource or type of resource.

All amounts reported to the Board of Directors as the CODM during the year were on a consolidated Group basis.



**Note 4. Other income**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$</b>	<b>\$</b>
Interest income	31,916	-

**Note 5. Professional fees**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$</b>	<b>\$</b>
Accounting and audit fees	64,263	70,668
Legal fees	7,493	136,036
Consulting fees	92,000	105,184
	<u>163,756</u>	<u>311,888</u>

**Note 6. Exploration expense**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$</b>	<b>\$</b>
Exploration expense	419,704	-

The Company holds a 53.25% (30 June 2022: 50.00%) beneficial interest in 30 exploration permit ("EP") applications across the Northern Territory ("NT"), covering ~160,000 km<sup>2</sup>. The Company has prioritised key permits based on initial technical assessments of the available data. Of these key permits, the Company is engaging with the Northern Land Council ("NLC"), native title holders and traditional owners to reach exploration agreements ahead of the formal grant and work program approvals for EP 258 and potentially EP 259.

While EP 258 and EP 259 are the near-term focus in the NT, the Company also continues to pursue other prioritised permit applications. In addition to achieving grant of the existing priority permits, it will also commence native title proceedings for EP 257 in the McArthur Basin and EP 279 and EP 280 in the Amadeus Basin.

Expenditure incurred in relation to these permits is expensed as incurred given the permits are still subject to formal grant approvals.

**Note 7. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation ATP 1069	177,253	13,843
Exploration and evaluation - restoration costs	225,000	225,000
Less: Accumulated amortisation	(135,000)	(67,500)
	<u>90,000</u>	<u>157,500</u>
	<u>267,253</u>	<u>171,343</u>



**Note 7. Non-current assets - exploration and evaluation (continued)**

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>\$</b>
Balance at 1 July 2022	171,343
Expenditure during the half-year	163,410
Amortisation expense	(67,500)
	<u>267,253</u>
Balance at 31 December 2022	<u>267,253</u>

**Note 8. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve	<u>993,379</u>	<u>810,635</u>

*Share-based payments reserve*

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

**Note 9. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(1,201,907)	(639,471)
Non-controlling interest	219,244	-
Loss after income tax attributable to the owners of Top End Energy Limited	<u>(982,663)</u>	<u>(639,471)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	69,625,001	18,374,318
	<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share	(1.41)	(3.48)

**Note 10. Share-based payments**

**Options**

On 6 December 2022, post receipt of shareholder approval at the Company's AGM on 29 November 2022, Dr Mike Fischer was issued with 500,000 options as a reasonable and appropriate method to provide cost effective remuneration. The options are unlisted and vest immediately with an exercise price of \$0.30 and expiry of 30 November 2025.



**Note 10. Share-based payments (continued)**

The below summarises the inputs used to value the options issued to Dr Mike Fischer using the Black Scholes method:

- Underlying share price - \$0.22
- Compounded risk-free interest rate - 3.66%
- Share price volatility - 100%
- Expected dividends - nil

Set out below are movements in Options for the period ended 31 December 2022:

**31 Dec 2022**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/07/2021	30/11/2025	\$0.30	2,500,000	-	-	-	2,500,000
06/07/2021	30/11/2025	\$0.30	15,000,000	-	-	-	15,000,000
03/09/2021	30/11/2025	\$0.30	5,000,000	-	-	-	5,000,000
24/03/2022	30/11/2025	\$0.30	500,000	-	-	-	500,000
24/03/2022	30/11/2025	\$0.30	3,800,000	-	-	-	3,800,000
06/12/2022	30/11/2025	\$0.30	-	500,000	-	-	500,000
			26,800,000	500,000	-	-	27,300,000

**Performance Rights**

Set out below are movements in Performance Rights for the period ended 31 December 2022:

	Number of Rights 31 Dec 2022
Outstanding at the beginning of the financial half-year	3,000,000
Granted	-
Forfeited	-
Exercised	-
Expired	-
Outstanding at the end of the financial half-year	<u>3,000,000</u>



## **Note 11. Related party transactions**

### **Parent entity**

Top End Energy Limited is the parent entity.

### **Subsidiaries**

Interests in subsidiaries are set out in note 14.

### **Transactions with related parties**

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

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

- On 6 December 2022, the Company issued Dr Michael Fischer 500,000 Options on appointment as remuneration for nil consideration. Refer to note 10 for terms of options.
- The Company paid \$17,439 (2021: nil) to a related entity for rent of the corporate office during the period. No balance remains outstanding at period end.

### **Terms and conditions**

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

### **Loans to/from related parties**

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

## **Note 12. Commitments**

The Group does not have any significant commitments as at 31 December 2022 (31 December 2021: nil).

## **Note 13. Contingent liabilities**

### **ATP 1069 Project**

As part of the terms of acquiring ATP1069, the Company entered into a Royalty Deed with the vendor. The Royalty Deed may give rise to a contingent liability in future periods, which is payable upon when the wells to which the permit relates start producing petroleum. Until such time, no liability has been recognised.

### **Territory Gas Project**

The consideration for the acquisition of Territory Gas Pty Ltd included 19,500,000 Deferred Shares, which will convert into ordinary shares of the Company following satisfaction of the following milestones;

- EPA 257, EPA 258 and EPA 259 are granted within 18 months of settlement;
- Completion of an independent estimate of prospective resources of 5 trillion cubic feet of gas or greater on the Permits (as verified by an independent competent person) within two years of settlement; and
- Spudding of at least one well on the Permits within four years of settlement.

As at 31 December 2022, no deferred consideration has been recognised in relation to the Deferred Shares as at balance date there is insufficient reasonable grounds on which to assess the probability of the milestones being met.

The Group had no contingent liabilities as at 31 December 2021.





#### **Note 14. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>31 Dec 2022 %</b>	<b>30 June 2022 %</b>
Tomorrow Energy Corporation Pty Ltd	Australia	100.00	100.00
NT Territory Holdco Pty Ltd	Australia	100.00	100.00

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Principal activities</b>	<b>Parent</b>		<b>Non-controlling interest</b>	
			<b>Ownership interest 31 Dec 2022 %</b>	<b>Ownership interest 30 June 2022 %</b>	<b>Ownership interest 31 Dec 2022 %</b>	<b>Ownership interest 30 June 2022 %</b>
Territory Gas Pty Ltd	Australia	Exploration	53.25	50.00	46.75	50.00
NT Gas Aust Pty Ltd	Australia	Exploration	53.25	50.00	46.75	50.00
Territory Gas Aust Pty Ltd	Australia	Exploration	53.25	50.00	46.75	50.00

#### **Note 15. Events after the reporting period**

Subsequent to 31 December 2022, Mr Shane Hartwig resigned as Company Secretary effective 1 February 2023. Ms Kelly Moore and Ms Michelle Kennedy have been appointed as Joint Company Secretaries from 1 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future periods.



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

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Emmanuel Correia  
Non-Executive Chairman

15 March 2023  
Perth, Western Australia

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Top End Energy Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Top End Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

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

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

#### Responsibility of the directors for the financial report

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



#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a small, light font.

Phillip Murdoch

Director

Perth, WA

15 March 2023



Level 2, 10 Outram Street  
West Perth, WA 6005  
Australia  
[info@topendenergy.com.au](mailto:info@topendenergy.com.au)

ASX:TEE

**[topendenergy.com.au](http://topendenergy.com.au)**