ANNUAL REPORT
30 June 2023

Top End Energy Limited
ABN 73 650 478 774

Directors	Mr Emmanuel Correia - Non-Executive Director 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 Kelly Moore Ms Michelle Kennedy
Registered office	Level 2 10 Outram Street West Perth, WA 6005
Share register	Automic Registry Services Level 5, 191 St Georges Terrace Perth WA 6000 Ph: 1300 288 644 www.automic.com.au
Auditor	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 15 Milligan Street Perth WA 6000
Stock exchange listing	Top End Energy Limited shares are listed on the Australian Securities Exchange (ASX code: TEE)
Website	www.topendenergy.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 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 year ended 30 June 2023.

Directors

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

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

Principal activities

Top End Energy operates in the oil and gas industry with a focus on exploring for oil, gas and other associated, and potentially marketable, product streams (including Helium and Hydrogen) in Queensland, the Northern Territory and Western Australia. The Group intends to seek to minimise the carbon footprint of its hydrocarbon activities through potential measures including, but not limited to, carbon offsetting and carbon capture and sequestration ('CCS').

Review of operations

The following is a summary of the activities of the consolidated entity for the financial year ended 30 June 2023. It is recommended that this annual report be read in conjunction with any public announcements made by the Company during this period.

CORPORATE

The loss for the Group after providing for income tax and non-controlling interest amounted to $1,683,260 (30 June 2022: $4,720,908). As at 30 June 2023, the Company had cash reserves of $3,625,570 (30 June 2022: $5,407,795).

During the year, 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.

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 1,048km^2. The Company holds a 100% ownership interest in the permit.

The Company is pursuing potential conventional natural gas prospectivity in the deeper Adavale Basin towards the southern part of the Permit. The Gilmore gas field, situated approximately 75 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 the permit, but no wells have been drilled to these depths on the Permit. The Company's ongoing work program is targeted to further increase the chance of geological success of the Coolibah conventional gas prospect and refine drilling locations for a potential exploration well.

The Permit is strategically located in proximity to existing infrastructure and the east coast gas market, which is forecast to face significant near-term supply shortfall. Strong support for natural gas is expected in light of sustained underinvestment in supply, ongoing international geo-political tensions and a refocusing on security of energy supply.

The following Prospective Resources at the Coolibah Prospect have been independently assessed by Discover Geoscience ('Discover')[1]:

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

Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both a 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.

Table 1: Coolibah Prospective Resources independently assessed by Discover

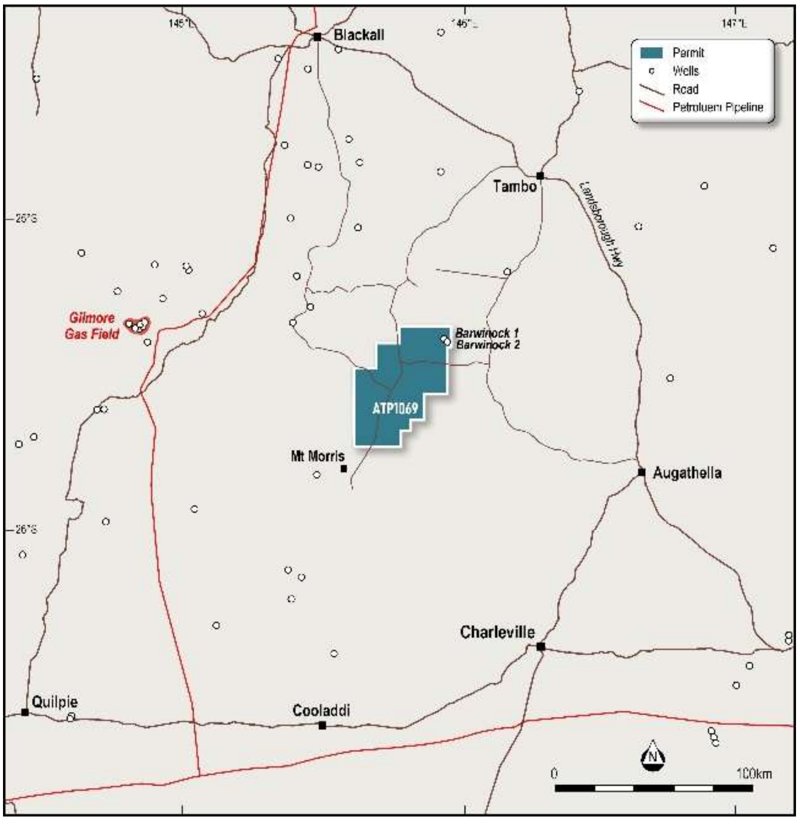

Figure 1: TEE's 100% owned permit in Queensland (ATP 1069)

[1]*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.*

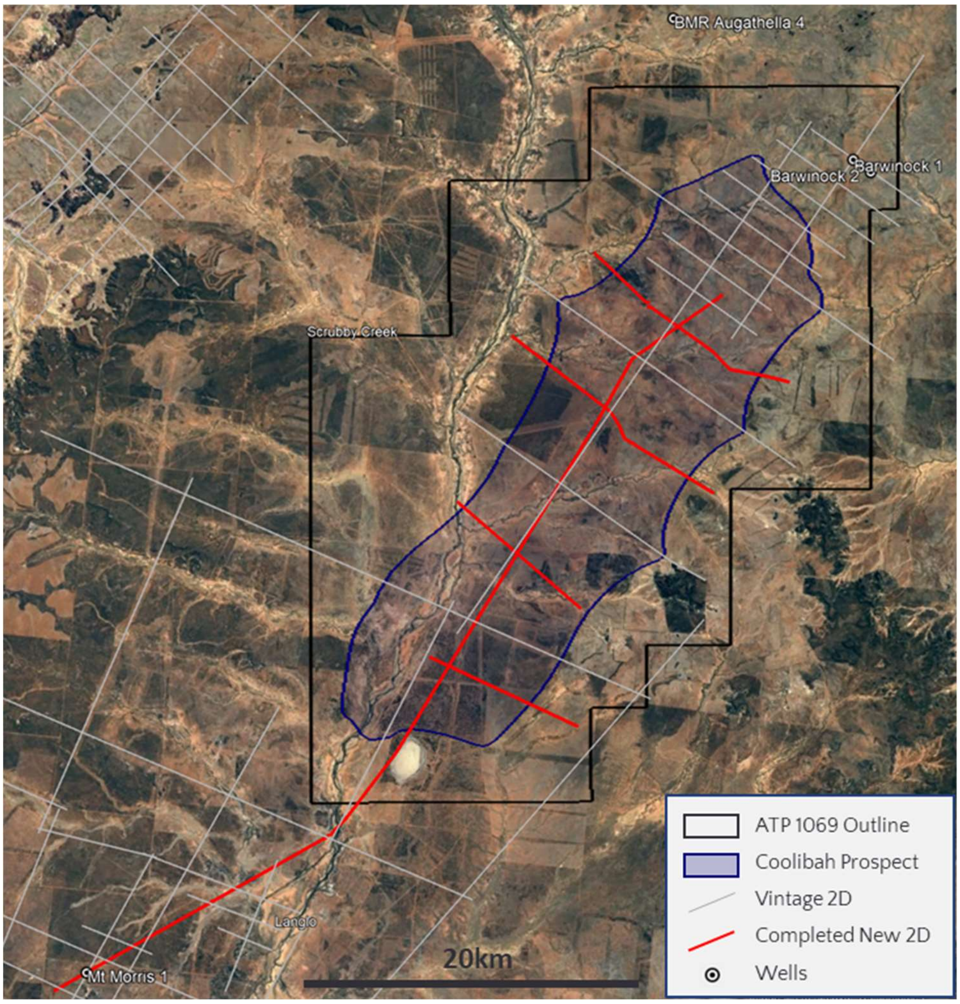

Figure 2: The Coolibah prospect on ATP 1069 and recently acquired 2D seismic

Key activities undertaken on ATP 1069 during the year included:

- The reprocessing and interpretation of existing 2D seismic data. The Company engaged Howman Seismic to digitise analogue seismic data and undertake pre-stack time migration processing of ~220 km of vintage seismic lines. The reprocessed data, together with additional scanned and vectorised data, was integrated into updated hydrocarbon reservoir, charge and migration modelling of the Adavale Basin
- The Company used the reprocessed data to complete 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 of approximately 278 km^2 targeting 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 Geoscience, with a PMean estimate of 715 bcf.
- In February 2023, the Company awarded a contract to Terrex Pty Ltd ('Terrex') to undertake the acquisition of approximately 120 line kilometres of new infill 2D seismic over the Coolibah prospect. Terrex mobilised seismic equipment and machinery to the Permit in late June 2023 and commenced line clearing and preparation ahead of data recording.
- The objectives of the infill seismic campaign are 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 with a drilling decision to be made in H2 2023.
- Ahead of the commencement of seismic activities, the Company executed and procured all necessary agreements and approvals, including:
  - negotiation and execution of eight Land Access Agreements with the respective owners of the land on which the acquisition was to be undertaken;
  - third-party environmental assessment of the proposed seismic line locations for the avoidance of environmentally sensitive areas;
  - cultural heritage survey by representatives of the Bidjara Group of Peoples;
  - third-party assessment for the identification and avoidance of Native Title claim areas;
  - completion of a pre-clearance survey by representatives of the Company and Terrex over the proposed seismic line locations;
  - confirmation from a third-party ecologist accompanying the pre-clearance survey that adequate measures had been taken to manage pastoral, native vegetation and environmentally sensitive areas; and
  - grant of a Data Acquisition Authority to allow acquisition outside the Permit boundary in order to "tie-in" the new data with data from the historic Mount Morris well to the southwest of the Permit.
- Pursuant to a formal tender process, the Company awarded the contract for the processing of the 2D seismic data once acquired to Earth Signal Processing Ltd ('Earth Signal').
- The Company also secured formal approval from the Queensland Department of Resources of the Company's Later Work Program application, covering the 2D seismic work flow as well as the drilling of exploration and appraisal wells for the remainder of the license period.

After the year end, the 2D seismic acquisition was successfully completed without incident and in line with budget[2]. The acquisition ultimately consisted of approximately 110 line kilometres. The acquired data is currently being processed by Earth Signal.

[2] *Please see ASX announcement "ATP 1069 2D Seismic Acquisition Complete" (7 August 2023)*

TERRITORY GAS (TG) PROJECT (NORTHERN TERRITORY)

The Company holds an approximately 58% beneficial interest in 30 exploration permit ('EP') applications across the Northern Territory ('NT'), covering ~160,000 km^2 (gross). The Company has prioritised key permits based on initial technical assessments of the available data. Of these key permits, the Company has had significant engagement with the Northern Land Council ("NLC"), native title holders and NT government representatives to achieve the formal grant and work program approvals for EP 258.

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

The primary objective of the intended initial exploration activities, subject to receiving formal grant, is to confirm the presence of the conventional Bessie Sandstone and unconventional Velkerri Shale formations.
While EP 258 and the adjacent EP 259 are the near-term focus in the NT, the Company has also commenced native title proceedings for EP 257 in the McArthur Basin and EP 279 and EP 280 in the Amadeus Basin.

During the year, the Company's interest in the TG Project increased from 50% to 58% pursuant to the Company's JV partner Mckam Aust Pty Ltd electing not to participate in funding rounds.

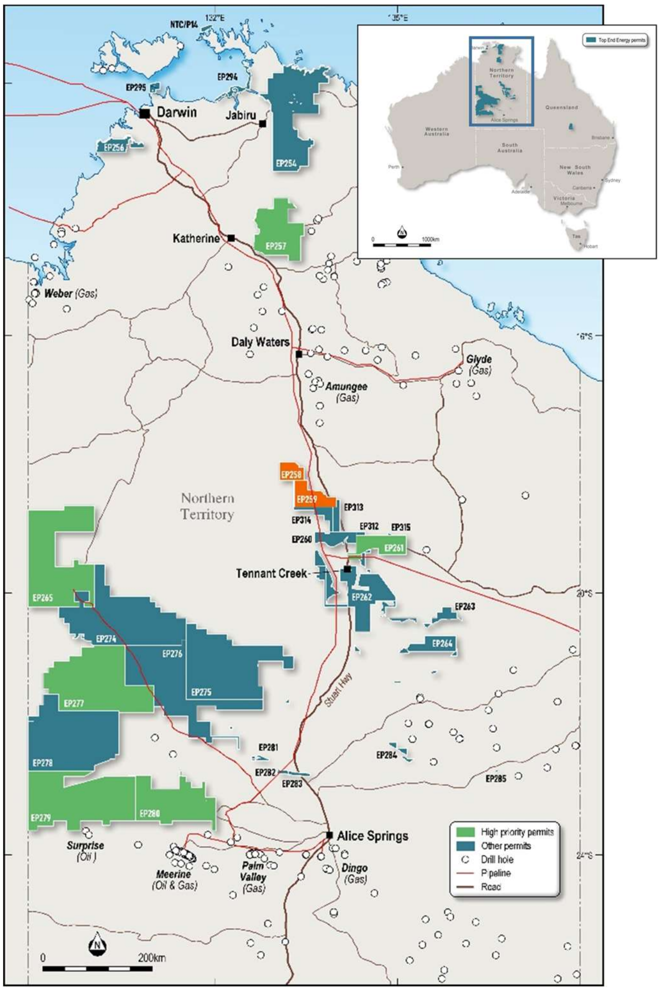

Figure 3: TEE's portfolio in the NT and prioritised permit applications

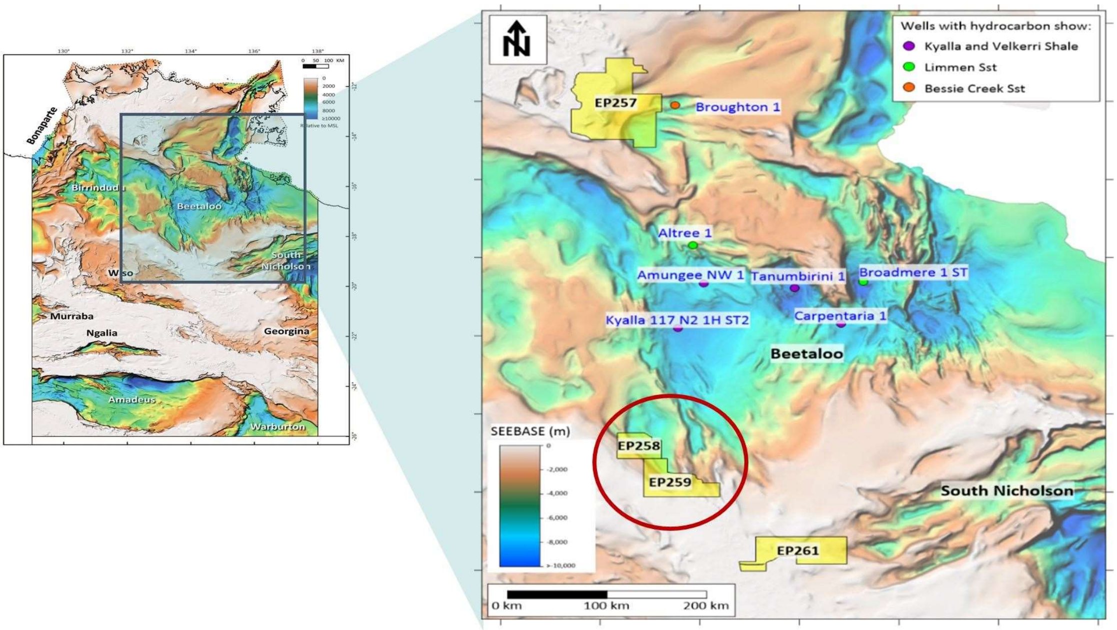

Figure 4: TEE's key permits in the Greater McArthur Basin

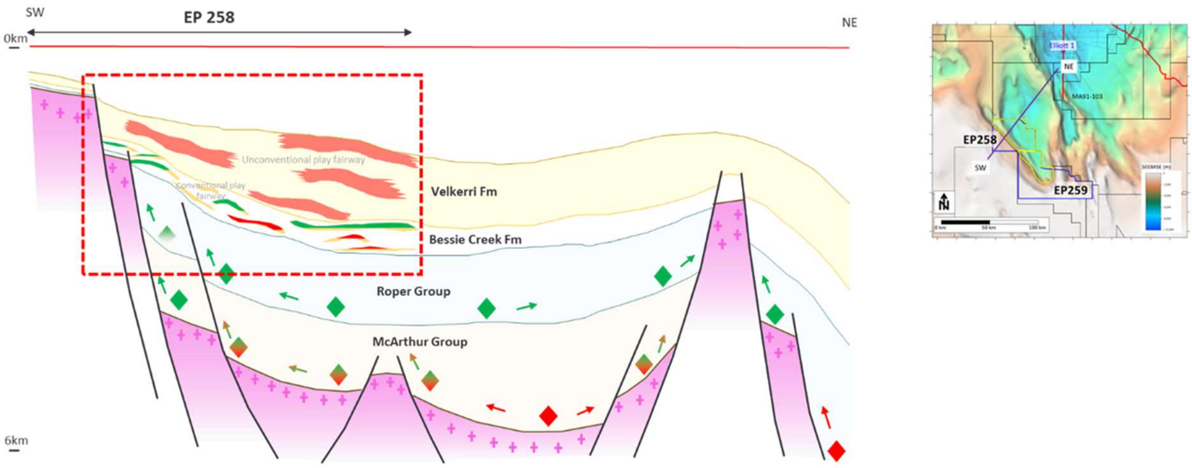

Figure 5: Regional schematic highlighting the potential of the untested southern margin of the Greater McArthur Basin and EP 258

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

- Progressing the workstreams necessary to achieve grant of the prioritised permit applications, with an immediate focus on EP 258.
- The Company reached an agreed position with representatives of the Northern Land Council ('NLC') on the in-principle terms of an exploration agreement ancillary to an agreement under section 31(1)(b) of the Native Title Act (the 'Exploration Agreement') for EP 258, subject to final instructions from native title holders.
- Three on country meetings ('OCM') with the native title holders of EP 258 were held during the year. The purpose of these meetings was for native title holders to decide whether to agree to the Exploration Agreement.
- In April 2023, the Company announced that it was notified by the NLC that the NLC had received instructions from the native title holders for the Top End (Default PBC/CLA) Aboriginal Corporation ('Top End PBC') to enter into the Exploration Agreement. The Top End PBC is the native title body corporate acting as the agent for the native title holders.
- Pursuant to the NLC's internal processes, the Exploration Agreement was executed by both the Company and the Top End PBC on behalf of the native title holders in June 2023. The execution of the Exploration Agreement is the key pre-requisite for achieving formal grant of the permit.
- The Company has since been working with the NT Government ('NTG') and the NLC to finalise the form of the Section 31 Deed, which is a statutory document that the NTG relies on for the consent of the native title party to the grant of the permit under the Native Title Act.
- In parallel, the Company has progressed key approvals and access agreement workstreams required for the Company to undertake the planned acquisition of up to 150km of 2D seismic survey, including:
    - submission of an application for an Aboriginal Areas Protection Authority certificate in accordance with the proposed Exploration Agreement and provisioning for necessary archaeological surveys to be undertaken;
    - drafting of the Environmental Management Plan and engagement with contractors for undertaking necessary environmental and ecological baseline studies; and
    - engagement with the relevant pastoral lease holders regarding land access.
- On 1 March 2023, the Company announced the engagement of Xcalibur Aviation to undertake the acquisition of approximately 2,500 line kilometres of Falcon airborne gravity gradiometry ('AGG') data over the entirety of EP 258, subject to the formal grant of the permit.
- The objective of the AGG survey is to better understand the location and orientation of structural lineaments and basin architecture including basement highs, deep-seated faults and density contrasts between reservoirs and seals across the permit. Interpretation of the AGG dataset in conjunction with regional magnetic surveys and play fairway mapping will help to optimise the location, orientation and specifications of the planned 2D seismic survey.
- The Company also commenced native title proceedings for EP 257 and EP 259 in the McArthur Basin and EP 279 and EP 280 in the Amadeus Basin.

AWARD OF ADDITIONAL PERMIT (WESTERN AUSTRALIA)
During the year, the Company was successful in its application for Area L22-6 as part of the Western Australian ('WA') Government Petroleum Acreage Release 2P/2022. Area L22-6 is an area of approximately 6,300 km2 over the WA extension of the Amadeus Basin.

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 parties to identify and protect Aboriginal sites within the boundaries of the exploration permit. To this end, the Company initiated contact and is working with the representatives of the Tjamu Tjamu Aboriginal Corporation and Ngaanyatjarra Lands Council to negotiate the terms of Heritage Protection Agreements ('HPA'). Upon grant, the Company will hold a 100% interest in the area.

The Company will be able to leverage its existing knowledge of and foothold in the Amadeus Basin to deliver an optimised work program across the key Amadeus permits. The Amadeus is a proven yet underexplored hydrocarbon generating basin containing oil and gas fields that have been producing since the 1980s. The stratigraphy and facies of the WA Amadeus Basin is analogous to the eastern succession and proven Neoproterozoic petroleum systems and plays are expected to be present. The presence of Helium and Hydrogen in historical wells Magee-1 and Mount Kitty-1 in the Northern Territory Amadeus Basin also represents the opportunity to explore for these gases in natural form in the WA Amadeus Basin.

CLEAN ENERGY PROJECTS
In line with Company's stated intentions to leverage its existing footprint and explore complimentary clean energy solutions, the Company commenced assessing the potential for natural Hydrogen and Helium across the existing portfolio.

The Company commissioned Cryptid Energy Consultants to conduct an initial Phase 1 screening study to assess natural Hydrogen prospectivity potential across the Company's prioritised NT acreage. The study suggests the area of interest ('AOI') has the potential to be highly prospective for natural Hydrogen. Evidence of key natural Hydrogen systems elements have been identified across the AOI and further studies are being considered along with on-ground surveys to further mature this prospectivity. Key systems elements interpreted to be present for natural Hydrogen are also encouraging for the exploration of Helium.

Significant changes in the state of affairs

- On 6 December 2022, the Company issued 500,000 unlisted options with an exercise price of $0.30 and an expiry date of 30 November 2025 to Dr Michael Fischer. The options were issued post Shareholder approval 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.
- On 1 February 2023, the Company appointed Ms Kelly Moore and Ms Michelle Kennedy as Joint Company Secretaries, following the resignation of Mr Shane Hartwig.
- On 13 June 2023, the Company executed the Exploration Agreement for EP 258 in the McArthur Basin, Northern Territory, paving the way for the formal grant of the Permit.

The Company confirms that it expects to utilise the funds raised under its Prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of funds remain intact.

Risks overview

The Group's activities have inherent risk and the Board is unable to provide certainty of the expected results of these activities. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are outlined below:

Exploration and Development Risk
Hydrocarbon exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. The Company is subject to customary risks associated with an exploration company, such as dry wells or sub-commercial discoveries, the volatility of commodity prices and exchange rates, exploration costs, unanticipated operational and technical difficulties, native title and Aboriginal heritage and risks with respect to the holding of exploration tenure.

Grant of Permit Applications
All of the permits on the TG Project are not granted (i.e. they are applications). As noted in the review of operations in this Annual Report, the Company has progressed the process of grant for the priority permits in the Northern Territory, prioritising EP258. Grant of the Northern Territory permit applications is a key focus of the Company with management (and the Board as required) actively engaging with the relevant stakeholders, namely the NLC, the native title holders and the NT Government.

Native Title and Aboriginal Land Risk
The Company's activities in Australia are subject to the Native Title Act 1993 (Cth) and the Aboriginal Land Rights (Norther Territory) Act 1979 (Cth). Under these regimes, the relevant Aboriginal persons land must be consulted about proposed activities on the land and formal agreement is for required for certain acts, including the grant of petroleum permits. Management and the Board of Directors closely monitor the potential effect of native title claims or Aboriginal heritage matters involving permits in which the Company has or may have an interest.

Capital
The further exploration and development of the Group's projects may require additional funding. If the Group is unable to obtain additional funding as needed, it may be required to scale back its exploration programmes. The Group's cash flow forecast is regularly reviewed by the Board of Directors to determine future funding requirements and funding strategies.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2023 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 financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
The Group is subject to environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

Information on directors

Name:	Emmanuel Correia
Title:	Non-Executive Chairman - appointed 25 May 2021 (length of service: 2 years 4 months)
Experience and expertise:	Mr. Correia has over 25 years' public company and corporate finance experience in Australia, North America and the United Kingdom and is a founding director of Peloton Capital and Peloton Advisory. Mr. Correia is an experienced public company director/officer and, prior to establishing Peloton Capital in 2011, he was a founder and major shareholder of Cardrona Capital which specialised in providing advisory services to the small/mid cap market in Australia.
Other current directorships:	BPM Minerals Limited from 11 September 2020 and Pantera Minerals from 23 December 2020.
Former directorships (last 3 years):	Ookami Limited (July 2021 – November 2022), Canyon Resources Limited (July 2016 – December 2020) and Argent Minerals Limited (December 2017 - March 2021).
Interests in shares:	750,001
Interests in options:	1,750,000

Name:	Oliver Oxenbridge
Title:	Managing Director - appointed 1 September 2021 (length of service: 2 years 1 month)
Experience and expertise:	Mr Oliver Oxenbridge has over 10 years of experience in the international oil and gas and broader energy space across investment banking, private equity, and corporate development. He has been involved in numerous large and mid-cap M&A transactions as both advisor and investor, with global experience spanning deal sourcing, structuring, execution and asset management.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	250,000
Interests in options:	150,000
Interests in rights:	2,250,000

Name:	Gregory Lee
Title:	Executive Director - appointed 23 June 2021 (length of service: 2 years 3 months)
Experience and expertise:	Mr Lee is a Petroleum Engineer and has over 30 years of diversified oil and gas experience in both technical and managerial positions. The main focus of his responsibilities has been on acquisitions and divestments, project management, planning and supervision, oil and gas field development and operation, production technology and reservoir enhancement, field operations, drilling and completions activities, exploration, carbon dioxide capture and storage.
Other current directorships:	Doriemus Plc from 29 September 2017.
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	1,500,000

Name:	Richard Lampe
Title:	Non-Executive Director - appointed 24 March 2022 (length of service: 1 year 6 months)
Experience and expertise:	Mr Lampe has over 15 years of experience across financial services, agribusiness and natural resources. He brings to the table many skills and capabilities including asset identification, due diligence, stakeholder reporting, strategic and business planning, feasibility studies and business case development.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	300,000
Interests in options:	650,000

Name:	Michael Fischer
Title:	Non-Executive Director - appointed 21 July 2022 (length of service: 1 year 2 months)
Experience and expertise:	Dr Fischer is a company director and board advisor with close to four decades of global oil and gas experience spanning Asia Pacific, Africa, and Europe. Dr Fischer has held senior executive positions in BP, Woodside, OMV, Ophir Energy, Nido Petroleum Ltd and Bangchak Corporation, encompassing extensive global experience in exploration and production (E&P) operations, business development and international portfolio management.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	500,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Ms Kelly Moore *(appointed 1 February 2023)*
Ms Michelle Kennedy *(appointed 1 February 2023)*
Mr Shane Hartwig *(resigned 1 February 2023)*

Ms Moore is a qualified Chartered Accountant and Company Secretary with extensive experience in providing accounting and secretarial advice to public companies. Ms Moore holds a Bachelor of Commerce degree from the University of Western Australia, is a member of the Institute of Chartered Accountants, Australia and New Zealand, is a graduate of the Australian Institute of Company Directors and an associate member of the Governance Institute of Australia.

Ms Kennedy is a qualified Chartered Accountant with experience in providing financial reporting and corporate advisory services to public companies. Ms Kennedy holds a Bachelor of Commerce degree from the University of Western Australia and is a member of the Institute of Chartered Accountants, Australia and New Zealand.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	**Held**
Emmanuel Correia	6	6
Oliver Oxenbridge	6	6
Gregory Lee	6	6
Richard Lampe	6	6
Michael Fischer	6	6

Held: represents the number of meetings held during the time the director held office.

In addition to the formal Board meeting's, the Board met regularly throughout the period to discuss the Company's activities and passed circular resolutions on all material matters.

Corporate governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Company's policies are consistent with the ASX Principles, and comparable to ASX listed entities of similar size and nature. The Company's detailed corporate governance policy statement can be found on the Company's website at www.topendenergy.com.au.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, raising capital for current and additional projects and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum annual aggregate remuneration was initially set at $300,000 by the Board. Any variations in future periods will require an ordinary resolution of Shareholders at a general meeting.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. No STI KPI's were set for the year ended 30 June 2023.

The long-term incentives ('LTI') include long service leave and share-based payments. Share base payments are awarded to executives under the Company's Employee Securities Incentive Plan (Plan) and can include a Plan Share, Option, Performance Right or other Convertible Security. The purpose of the Plan is to:

- assist in the reward, retention and motivation of eligible participants;
- link the reward of eligible participants to shareholder value and creation; and
- align the interests of eligible participants with shareholders of the Group by providing an opportunity to eligible participants to receive an equity interest in the Company in the form of Securities.

Use of remuneration consultants
The Board did not engage a remuneration consultant to make any recommendations in relation to its remuneration policies for any key management personnel for the Company during the financial year.

Voting and comments made at the Company's Annual General Meeting ('AGM')
At the 29 November 2022 AGM, 99.99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
2023	**Base salary $**	**Consulting fees $**	**Cash bonus $**	**Other[1] $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:								
Emmanuel Correia	72,600	-	-	-	-	-	-	72,600
Richard Lampe	40,000	-	-	-	4,200	-	-	44,200
Michael Fischer[2]	37,849	-	-	-	3,974	-	63,159	104,982
Executive Directors:								
Oliver Oxenbridge[3]	200,000	-	-	23,375	21,000	-	42,587	286,962
Gregory Lee	60,000	48,529	-	-	-	-	-	108,529
	410,449	48,529	-	23,375	29,174	-	105,746	617,273

[1]Other benefits relate to movement in accrued annual leave entitlements for the year ended 30 June 2023.
[2] Dr Fischer was appointed as a Non-Executive Director of the Company on 21 July 2023.
[3]Mr Oxenbridge's base salary increased from $180,000 to $275,000 per annum plus the statutory rate of superannuation, effective 1 April 2023.

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
2022	**Base salary $**	**Consulting fees $**	**Cash bonus $**	**Other[1] $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	Total **$**
Non-Executive Directors:								
Emmanuel Correia	66,000	-	-	-	6,000	-	7,000	79,000
Richard Lampe	10,860	-	-	-	1,086	-	65,000	76,946
Executive Directors:								
Oliver Oxenbridge	145,833	-	-	12,340	14,583	-	233,135	405,891
Gregory Lee	77,500	-	-	-	-	-	10,500	88,000
	300,193	-	-	12,340	21,669	-	315,635	649,837

[1]Other benefits relate to movement in accrued annual leave entitlements for the year ended 30 June 2022.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Non-Executive Directors:						
Emmanuel Correia	100%	91%	-	-	-	9%
Richard Lampe	100%	16%	-	-	-	84%
Michael Fischer	40%	-	-	-	60%	-
Executive Directors:						
Oliver Oxenbridge	58%	43%	-	-	42%	57%
Gregory Lee	100%	88%	-	-	-	12%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Oliver Oxenbridge
Title:	Managing Director
Agreement commenced:	1 September 2022 (terms updated on 1 April 2023 to increase base salary)
Term of agreement:	The employment agreement may be terminated by either Mr Oxenbridge or the Company by providing two months' notice in writing.
Details:	Base salary: $275,000 per annum, plus superannuation.

Name:	Gregory Lee
Title:	Executive Director
Agreement commenced:	15 August 2021
Term of agreement:	Mr Lee is engaged through the Petrotech Consulting Trust. The engagement may be terminated by either party by providing two months' notice.
Details:	The Consultant will be paid a consulting fee of: (a) $5,000 per calendar month; and (b) $1,250 per day for any day worked in excess of (4) days per calendar month, based on an 8-hour day.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation
Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Emmanuel Correia	1,000,000	01/07/2021	30/11/2025	30/11/2025	$0.30	$0.007
Gregory Lee	1,500,000	01/07/2021	30/11/2025	30/11/2025	$0.30	$0.007
Richard Lampe	500,000	24/03/2022	30/11/2025	30/11/2025	$0.30	$0.130
Michael Fischer	500,000	06/12/2022	30/11/2025	30/11/2025	$0.30	$0.130

Options granted carry no dividend or voting rights.

Performance rights
The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Number of rights granted during the year 2023	Number of rights granted during the year 2022	Number of rights vested during the year 2023	Number of rights vested during the year 2022
Oliver Oxenbridge	-	3,000,000	-	-

The Performance Rights will vest in five tranches, subject to the satisfaction of certain vesting conditions and a minimum service condition of 24 months:

Tranche	**Vesting Conditions**
Tranche 1	The Tranche 1 Performance Rights will vest subject to the grant of an exploration permit in respect of the permit applications held by either NT Gas Pty Ltd and/or Territory Gas at the time the Company lists on the ASX within 18 months from the commencement of the performance period, being 1 September 2021.
Tranche 2	The Tranche 2 Performance Rights will vest subject to the Company undertaking and successfully completing a seismic acquisition campaign on one of the assets owned by the Company (or one of its subsidiaries) at the time of listing on the ASX within 36 months from the commencement of the performance period, being 1 September 2021.
Tranche 3	The Tranche 3 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 150% of the IPO issue price for 20 consecutive trading days within 12 months from the date of the Company's listing on the ASX.
Tranche 4	The Tranche 4 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 200% of the IPO issue price for 20 consecutive trading days within 24 months from the date of the Company's listing on the ASX.
Tranche 5	The Tranche 5 Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least 250% of the IPO issue price for 20 consecutive trading days within 36 months from the date of the Company's listing on the ASX.

Valuation Assumptions	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Number of performance rights	750,000	750,000	500,000	500,000	500,000
Underlying share price	$0.20	$0.20	$0.20	$0.20	$0.20
Exercise price	Nil	Nil	Nil	Nil	Nil
20-day VWAP barrier	N/A	N/A	$0.30	$0.40	$0.50
Expected share price volatility	110%	110%	110%	110%	110%
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free rate	0.055%	0.195%	0.055%	0.055%	0.195%
Fair value at grant date per right	$0.200	$0.200	$0.134	$0.150	$0.160
Value per tranche	$150,000	$150,000	$67,000	$75,000	$80,000

The Performance Rights have been valued using the Black-Scholes model and a trinomial barrier up-and-in option pricing model.

The Performance Rights over ordinary shares are granted under the Company's Employee Securities Incentive Plan for nil cash consideration and carry no dividend or voting rights. When exercised, each Performance Right will be converted into one ordinary share.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Emmanuel Correia	750,001	-	-	-	750,001
Oliver Oxenbridge	250,000	-	-	-	250,000
Gregory Lee	-	-	-	-	-
Richard Lampe	300,000	-	-	-	300,000
Michael Fischer	-	-	-	-	-
	1,300,001	-	-	-	1,300,001

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Emmanuel Correia	1,750,000	-	-	-	1,750,000
Oliver Oxenbridge	150,000	-	-	-	150,000
Gregory Lee	1,500,000	-	-	-	1,500,000
Richard Lampe	650,000	-	-	-	650,000
Michael Fischer	-	500,000	-	-	500,000
	4,050,000	500,000	-	-	4,550,000

	Vested and exercisable	Vested and unexercisable*	Unvested	Balance at the end of the year
Options over ordinary shares				
Emmanuel Correia	75,000	1,675,000	-	1,750,000
Oliver Oxenbridge	75,000	75,000	-	150,000
Gregory Lee	-	1,500,000	-	1,500,000
Richard Lampe	75,000	575,000	-	650,000
Michael Fischer	-	-	500,000	500,000
	225,000	3,825,000	500,000	4,550,000

*Vested options are in escrow until 4 April 2024.

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Emmanuel Correia	-	-	-	-	-
Oliver Oxenbridge	3,000,000	-	-	-	3,000,000
Gregory Lee	-	-	-	-	-
Richard Lampe	-	-	-	-	-
Michael Fischer	-	-	-	-	-
	3,000,000	-	-	-	3,000,000

Transactions with Key Management Personnel
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 29 for terms of options.
- The Company incurred $34,879 of rent expenses (2022: $2,906) payable to a related entity for rent of the corporate office during year. $2,906 remains outstanding at year end (2022: nil).

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Top End Energy Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
01/07/2021	30/11/2025	$0.30	2,500,000
06/07/2021	30/11/2025	$0.30	15,000,000
03/09/2021	30/11/2025	$0.30	5,000,000
24/03/2022	30/11/2025	$0.30	500,000
24/03/2022	30/11/2025	$0.30	3,800,000
06/12/2022	30/11/2025	$0.30	500,000
			27,300,000

The Options were issued for nil cash consideration. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of Top End Energy Limited under performance rights at the date of this report are as follows:

Tranche	Expiry Date	Number under performance rights
Tranche 1[1]	01/09/2026	-
Tranche 2	01/09/2026	750,000
Tranche 3	01/09/2026	500,000
Tranche 4	01/09/2026	500,000
Tranche 5	01/09/2026	500,000
		2,250,000

[1]Tranche 1 Performance Rights lapsed post year end.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of Options

There were no ordinary shares of Top End Energy Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Shares issued on the exercise of Performance Rights

There were no ordinary shares of Top End Energy Limited issued on the exercise of Performance Rights during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of BDO Audit (WA) Pty Ltd
There are no officers of the Company who are former partners of BDO Audit (WA) Pty Ltd.

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.

Auditor
BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts
The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the ‘rounding off’ of amounts in the directors’ report. Amounts in the directors’ report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Correia

____
Emmanuel Correia
Non-Executive Chairman

29 September 2023
Perth, Western Australia

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

As lead auditor for the audit of Top End Energy Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2023

Top End Energy Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Income			
Interest income		82,758	29
Expenses			
Professional fees	5	(354,412)	(536,289)
ASIC and ASX fees		(48,995)	(103,504)
Employee benefits expense		(168,020)	(173,842)
Director fees		(201,556)	(144,470)
Depreciation and amortisation expense		(135,000)	(67,500)
Insurance		(38,727)	(28,710)
Exploration expense	6	(659,422)	(3,227,143)
Share based payments expense	29	(105,745)	(315,635)
Other expenses	7	(346,388)	(112,109)
Finance costs		(161)	(1,451)
Loss before income tax expense		(1,975,668)	(4,710,624)
Income tax expense	8	-	-
Loss after income tax expense for the year		(1,975,668)	(4,710,624)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(1,975,668)	(4,710,624)
Loss for the year is attributable to:			
Non-controlling interest		(292,408)	10,284
Owners of Top End Energy Limited		(1,683,260)	(4,720,908)
		(1,975,668)	(4,710,624)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(292,408)	10,284
Owners of Top End Energy Limited		(1,683,260)	(4,720,908)
		(1,975,668)	(4,710,624)
		Cents	Cents
Basic loss per share	19	(2.42)	(12.85)
Diluted loss per share	19	(2.42)	(12.85)

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

Top End Energy Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	9	3,625,570	5,407,795
Trade and other receivables	11	97,007	38,317
Prepayments	12	147,500	195,634
Total current assets		3,870,077	5,641,746
Non-current assets			
Exploration and evaluation	13	329,713	171,343
Prepayments	12	-	140,625
Total non-current assets		329,713	311,968
Total assets		4,199,790	5,953,714
Liabilities			
Current liabilities			
Trade and other payables	14	252,933	133,064
Borrowings		-	3,870
Other current liabilities	15	225,000	225,000
Total current liabilities		477,933	361,934
Total liabilities		477,933	361,934
Net assets		3,721,857	5,591,780
Equity			
Issued capital	16	9,524,131	9,524,131
Reserves	17	916,380	810,635
Accumulated losses		(6,437,130)	(4,753,870)
Equity attributable to the owners of Top End Energy Limited		4,003,381	5,580,896
Non-controlling interest	18	(281,524)	10,884
Total equity		3,721,857	5,591,780

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

Top End Energy Limited
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2021	1	-	(32,962)	-	(32,961)
Profit/(loss) after income tax expense for the year	-	-	(4,720,908)	10,284	(4,710,624)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	(4,720,908)	10,284	(4,710,624)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 16)	9,524,130	-	-	-	9,524,130
Share-based payments (note 29)	-	810,635	-	-	810,635
Acquisition of non-controlling interest	-	-	-	600	600
Balance at 30 June 2022	9,524,131	810,635	(4,753,870)	10,884	5,591,780

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
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 year	-	-	(1,683,260)	(292,408)	(1,975,668)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(1,683,260)	(292,408)	(1,975,668)
Transactions with owners in their capacity as owners:					
Share-based payments (note 29)	-	105,745	-	-	105,745
Balance at 30 June 2023	9,524,131	916,380	(6,437,130)	(281,524)	3,721,857

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

	Note	Consolidated 2023 $	Consolidated 2022 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(932,982)	(972,942)
Payment for exploration and evaluation		(673,301)	(72,281)
Interest received		76,747	-
Interest and other finance costs paid		(161)	-
Net cash used in operating activities	10	(1,529,697)	(1,045,223)
Cash flows from investing activities			
Payments for exploration and evaluation		(206,158)	-
Financial Provisioning Cash Surety payment		-	(105,250)
Financial Provisioning Cash Surety refund		-	81,443
Net cash used in investing activities		(206,158)	(23,807)
Cash flows from financing activities			
Proceeds from issue of shares - Seed Capital		-	525,000
Proceeds from issue of shares - IPO	16	-	6,400,000
Share issue transaction costs		-	(691,252)
Repayment of borrowings		(3,870)	(31,924)
Security deposits		(42,500)	-
Net cash from/(used in) financing activities		(46,370)	6,201,824
Net increase/(decrease) in cash and cash equivalents		(1,782,225)	5,132,794
Cash and cash equivalents at the beginning of the financial year		5,407,795	275,001
Cash and cash equivalents at the end of the financial year	9	3,625,570	5,407,795

Note 1. General information

The financial statements cover Top End Energy Limited as a Group consisting of Top End Energy Limited and the entities it controlled at the end of, or during, the 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 Group'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 29 September 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

The annual financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of the business.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention unless otherwise disclosed.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Top End Energy Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Top End Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance. The Group's non-controlling interest is recognised as its share of net assets of the subsidiaries disclosed in note 28.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Note 2. Significant accounting policies (continued)

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Leases
The Group leases its office premises and has elected to apply the recognition exemption for short-term leases which is available under AASB 16 *Leases*. The recognition exemption allows for the right-of-use asset and lease liability not to be recognised on commencement date of the lease. The Group will recognise the payments associated with the lease as an expense on a straight-line basis over the lease term.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Rehabilitation provision
A provision has been made for the present value of anticipated costs for future rehabilitation of disturbed areas and abandonment of wells. The Group's exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for restoration activities in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, reserve estimates and discount rates could affect the carrying amount of this provision.

Impairment of Exploration and Evaluation Assets
The Directors assess at each reporting date whether there is an indication that an asset has been impaired. Exploration and evaluation assets capitalised in relation to an area of interest are impaired when the criteria set out in note 13 is no longer met or when a project or area of interest is abandoned.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Control of entities where less than half of voting rights held
The Group holds a 57.68% interest in Territory Gas Aust Pty Ltd, NT Gas Aust Pty Ltd and Territory Gas Aust Pty Ltd through its wholly owned subsidiary, NT Territory Holdco Pty Ltd. The Directors have concluded that the Group controls the 57.68% owned subsidiaries as the Company has the power to direct the relevant activities of these entities.

Note 4. 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 5. Professional fees

	Consolidated	
	2023 $	2022 $
Audit and accounting fees	149,776	169,534
Legal fees	15,389	217,790
Consulting fees	189,247	148,965
	354,412	536,289

Note 6. Exploration expense

	Consolidated	
	2023 $	2022 $
Exploration expense	659,422	3,227,143

The Company holds a 57.68% (30 June 2022: 50.00%) beneficial interest in 30 exploration permit ("EP") applications across the Northern Territory ("NT"), covering ~160,000 km^2. 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. On 13 June 2023, the Company announced the execution of the Exploration Agreement for EP 258, which paves the way for formal grant of the permit.

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, the Company has also commenced native title proceedings for EP 257 in the McArthur Basin and EP 279 and EP 280 in the Amadeus Basin.

Note 6. Exploration expense (continued)

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

Note 7. Other expenses

	Consolidated 2023 $	Consolidated 2022 $
Advertising and marketing	187,508	57,274
Subscriptions and memberships	13,166	3,661
Rent and office costs	23,253	2,907
Investor relations	24,000	-
Travel	9,154	15,978
Other expenses	89,307	32,289
	346,388	112,109

Note 8. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,975,668)	(4,710,624)
Tax at the statutory tax rate of 30% (2022: 25%)	(592,700)	(1,177,656)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-allowable items	1,384	12,535
Revenue losses not recognised	555,871	258,573
Other deferred tax balances not recognised	3,721	827,639
Share-based payments	31,724	78,909
Income tax expense	-	-

Note 8. Income tax expense (continued)

	Consolidated 2023 $	2022 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carry forward revenue losses	888,366	316,396
Capital raising costs	286,632	382,773
Provisions and accruals	47,670	17,665
Other	69,848	-
Total deferred tax assets not recognised	1,292,516	716,834

	Consolidated 2023 $	2022 $
Deferred asset/tax liability		
Deferred asset/tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Exploration and evaluation expenditure	(31,414)	-
Interest receivable	(1,803)	-
Carry forward revenue losses	33,217	-
Deferred tax asset/liability	-	-

The corporate tax rate for eligible companies is 25% providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Tax Consolidation
For the purpose of income taxation, the Company and its 100% Australian controlled eligible entities have formed a tax consolidated group effective from 26 April 2021.

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 8. Income tax expense (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Cash and cash equivalents

	Consolidated	
	2023	2022
	$	$
Cash at bank	3,625,570	5,407,795

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 10. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2023	2022
	$	$
Loss after income tax expense for the year	(1,975,668)	(4,710,624)
Adjustments for:		
Depreciation and amortisation	67,500	67,500
Share-based payments (note 29)	105,745	315,635
Non-cash exploration cost for asset acquisition	-	3,150,000
Change in operating assets and liabilities:		
Increase in trade and other receivables	(16,190)	-
Decrease in prepayments	188,759	71,277
Increase in trade and other payables	100,157	60,989
Net cash used in operating activities	(1,529,697)	(1,045,223)

Note 11. Trade and other receivables

	Consolidated	
	2023	2022
	$	$
Security deposits	42,500	-
Other receivables	29,817	23,807
GST receivable	24,690	14,510
	97,007	38,317

Accounting policy for trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Note 12. Prepayments

	Consolidated	
	2023	2022
	$	$
Current assets		
Prepayments	147,500	195,634
Non-current assets		
Prepayments	-	140,625

On 9 November 2021, the Company entered into an agreement with S3 Consortium Pty Ltd ('S3'), whereby S3 will provide marketing services over a two-year period following completion of the IPO ('S3 Agreement'). The services have been measured at the fair value of the 1,875,000 fully paid ordinary shares issued (which is determined to be $0.20 per share). The issue of the shares represents a prepayment for services provided and will be recognised as a marketing expense over the two year contract period. There was nil balance (30 June 2022: $140,625) in excess of twelve months at the period ended 30 June 2023 that related to the prepayment for digital marketing services.

Note 13. Exploration and evaluation

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Exploration and evaluation ATP 1069	307,213	13,843
Exploration and evaluation - restoration costs	225,000	225,000
Less: Accumulated amortisation	(202,500)	(67,500)
	22,500	157,500
	329,713	171,343

Accounting policy for exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the Consolidated statement of financial position where it is expected that;

- the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale;
- or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Expenditure capitalised includes net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. The costs of acquiring interests in new exploration and evaluation licences are capitalised if the rights to tenure of the acquired licences are current.

Costs incurred prior to a licence being granted are expensed in the Statement of profit or loss and other comprehensive income in the period in which they are incurred.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil and gas properties.

Note 14. Trade and other payables

	Consolidated 2023 $	Consolidated 2022 $
Trade payables	66,776	59,411
Accrued liabilities	106,725	41,050
Other payables	79,432	32,603
	252,933	133,064

Refer to note 20 for further information on financial instruments.

Note 14. Trade and other payables (continued)

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Other current liabilities

	Consolidated 2023 $	2022 $
Provision for restoration and rehabilitation	225,000	225,000

Accounting policy for restoration and rehabilitation provisions
The provision for restoration and rehabilitation as at 30 June 2023 relates to the future estimated costs in undertaking the plug and abandon of the Barwinock 2 Well. The obligation was assumed upon the acquisition of ATP 1069.

Note 16. Issued capital

	Consolidated 2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	69,625,001	69,625,001	9,524,131	9,524,131

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	1		1
Issued capital - seed investors	6 July 2021	15,000,000	$0.02	300,000
Issued capital - seed investors	3 September 2021	5,000,000	$0.10	500,000
Issued capital - payment for digital marketing services	9 November 2021	1,875,000	$0.20	375,000
Issued capital - IPO	9 February 2022	32,000,000	$0.20	6,400,000
Issued capital - consideration shares	24 March 2022	15,750,000	$0.20	3,150,000
Share issue costs, net of tax				(1,200,870)
Balance	1 July 2022	69,625,001		9,524,131
Balance	30 June 2023	69,625,001		9,524,131

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 16. Issued capital (continued)

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 17. Reserves

	Consolidated	
	2023 $	2022 $
Share-based payments reserve	916,380	810,635

During the year, the movement in the share-based payment reserve consisted of the following:

	Consolidated	
	2023 $	2022 $
Opening Balance	810,635	-
Director Options	63,158	82,500
Managing Director Performance Rights	42,587	233,135
Lead Manager Options	-	495,000
	916,380	810,635

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 18. Non-controlling interest

	Consolidated 2023 $	Consolidated 2022 $
Non-controlling interest	(281,524)	10,884

The Company, through its wholly owned subsidiary, NT Territory Holdco Pty Ltd, holds 57.68% direct interest in Territory Gas Pty Ltd (Territory Gas). Territory Gas is considered a subsidiary as the Company has full management rights.

Note 19. Loss per share

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax	(1,975,668)	(4,710,624)
Non-controlling interest	292,408	(10,284)
Loss after income tax attributable to the owners of Top End Energy Limited	(1,683,260)	(4,720,908)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	69,625,001	36,751,031
Weighted average number of ordinary shares used in calculating diluted loss per share	69,625,001	36,751,031
	Cents	**Cents**
Basic loss per share	(2.42)	(12.85)
Diluted loss per share	(2.42)	(12.85)

At 30 June 2023, 27,300,000 options (30 June 2022: 26,800,000) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Accounting policy for earn/(loss) per share

Basic earnings/(loss) per share
Basic earnings/(loss) per share is calculated by dividing the profit or loss attributable to the owners of Top End Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings/(loss) per share
Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 20. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on minimising potential adverse effects on the financial performance of the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Risk management is carried out by the Board of Directors ('the Board'). Risk management procedures include identification and analysis of the risk exposure of the Group and implementing appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The Group is not exposed to any significant foreign currency risk.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group's main interest rate exposure relates to funds on deposit with banking institutions. Accordingly, the Group does not hedge its interest rate exposure.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk.

The Group is not exposed to any material credit risk.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 20. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	146,208	-	-	-	146,208
Total non-derivatives		146,208	-	-	-	146,208

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	92,015	-	-	-	92,015
Insurance funding loan	4.54%	3,870	-	-	-	3,870
Total non-derivatives		95,885	-	-	-	95,885

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 21. Fair value measurement

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd (and it's related entities), the auditor of the Company:

	Consolidated	
	2023 $	2022 $
Audit services - BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	36,061	51,780
Other services - BDO Corporate Finance (WA)		
Independent limited assurance report	-	29,355
Guidance Note 19 *Performance Securities* Report	-	36,050
	-	65,405
	36,061	117,185

Note 23. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2023 $	2022 $
Short-term employee benefits	482,353	312,533
Post-employment benefits	29,174	21,669
Share-based payments	105,746	315,635
	617,273	649,837

Note 24. Related party transactions

Parent entity
Top End Energy Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

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:

Note 24. Related party transactions (continued)

- On 6 December 2022, the Company issued Dr Michael Fischer 500,000 Options on appointment as remuneration for nil consideration. Refer to note 29 for terms of options.
- The Company incurred $34,879 of rent expenses (2022: $2,906) payable to a related entity for rent of the corporate office during year. $2,906 remains outstanding at year end (2022 : nil).

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2023 $	Parent 2022 $
Loss after income tax	(1,196,630)	(1,444,456)
Total comprehensive loss	(1,196,630)	(1,444,456)

Statement of financial position

	Parent 2023 $	Parent 2022 $
Total current assets	3,339,929	5,625,938
Total assets	3,733,088	5,834,530
Total current liabilities	232,917	127,381
Total liabilities	232,917	127,382
Equity		
Issued capital	5,257,839	6,373,931
Share-based payments reserve	916,380	810,635
Accumulated losses	(2,674,048)	(1,477,418)
Total equity	3,500,171	5,707,148

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 25. Parent entity information (continued)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 26. Commitments

There are no material commitments as at 30 June 2023 (30 June 2022: Nil).

Note 27. Contingent liabilities

ATP 1069 Project
The Company entered into a Royalty Deed upon acquisition of ATP1069. The Royalty Deed may give rise to a contingent liability in future periods, which is payable 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 30 June 2023, 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.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Tomorrow Energy Corporation Pty Ltd	Australia	100.00	100.00
NT Territory Holdco Pty Ltd	Australia	100.00	100.00

Note 28. Interests in subsidiaries (continued)

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 2:

			Parent		Non-controlling interest	
Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest 2023 %	Ownership interest 2022 %	Ownership interest 2023 %	Ownership interest 2022 %
Territory Gas Pty Ltd	Australia	Exploration	57.68	50.00	42.32	50.00
NT Gas Aust Pty Ltd	Australia	Exploration	57.68	50.00	42.32	50.00
Territory Gas Aust Pty Ltd	Australia	Exploration	57.68	50.00	42.32	50.00

Note 29. Share-based payments

	Consolidated	
	2023 $	2022 $
Share based payments expense	105,745	315,635

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.

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 30 June 2023.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the 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

Note 29. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.42 years (30 June 2022: 3.42 years).

Performance Rights

Set out below are movements in Performance Rights for the period ended 30 June 2023.

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable at the end of the year
01/09/2021	01/09/2026	750,000	-	-		750,000	-
01/09/2021	01/09/2026	750,000	-	-	-	750,000	-
01/09/2021	01/09/2026	500,000	-	-	-	500,000	-
01/09/2021	01/09/2026	500,000	-	-	-	500,000	-
01/09/2021	01/09/2026	500,000	-	-	-	500,000	-

As at 30 June 2023, the directors assessed the non-market performance condition for Tranche 1 as unable to be met and accordingly the share-based payment expense recognised to date in relation to this tranche has been reversed through share based payments expense. The Tranche 1 performance rights were cancelled post year end.

As at 30 June 2023, the non-market vesting conditions for Tranche 2 had been met and the employment vesting condition was met post year end on 1 September 2023.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.52 years (30 June 2022: 1.30 years).

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 29. Share-based payments (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 30. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2023 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 financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

E Correia

Emmanuel Correia
Non-Executive Chairman

29 September 2023
Perth, Western Australia

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INDEPENDENT AUDITOR'S REPORT

To the members of Top End Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Top End Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Top End Energy Limited, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Share-based payments

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 29, a share-based payment expense was recognised relating to rights, options and shares granted in both the current and prior periods. Share-based payments are a complex accounting area and due to the estimates and judgements used in determining the fair value of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.	Our procedures included, but were not limited to the following: • Reviewing relevant documentation to obtain an understanding of the contractual nature, terms and conditions of the share based payment arrangements; • Testing management's methodology for calculating the fair value of the performance rights including assessing the key valuation inputs using internal specialists where required; • Evaluating management's assessment of the likelihood of meeting the performance conditions attached to the performance rights; • Assessing the allocation of the share-based payment expense over management's expected vesting period; and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 19 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Top End Energy Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth

29 September 2023

Additional information required by ASX Limited and not shown elsewhere in this report is as follows. This information is current as at 20 September 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares		Performance Rights	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued	Number of holders	% of total securities issued
1 to 1,000	17	0.01	-	-	-	-
1,001 to 5,000	193	0.86	-	-	-	-
5,001 to 10,000	97	1.16	-	-	-	-
10,001 to 100,000	268	15.69	6	1.47	-	-
100,001 and over	100	82.28	33	98.53	1	100.00
	675	100.00	39	100.00	1	100.00
Holding less than a marketable parcel	131	0.37	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

		Ordinary shares Number held	% of total shares issued
1	MCKAM AUST PTY LTD (CHARLOTTE INVESTMENT A/C)	15,750,000	22.62
2	INYATI FUND PTY LTD (INYATI FUND NO2 UNIT A/C)	5,062,500	7.27
3	S3 CONSORTIUM PTY LTD	1,875,000	2.69
4	AFL CORPORATE PTY LTD	1,750,000	2.51
5	S3 CONSORTIUM HOLDINGS PTY LTD (NEXTINVESTORS DOT COM A/C)	1,575,000	2.26
6	DIDCAL PTY LTD (AB CHAPMAN FAMILY S/F A/C)	1,000,000	1.44
6	PULNER PTY LTD (SATOBE A/C)	1,000,000	1.44
6	ALEXANDER HOLDINGS (WA) PTY LTD	1,000,000	1.44
7	ARIA INVESTMENT FUNDS PTY LTD	919,400	1.32
8	PETERLYN PTY LTD (RPC SALMON SUPER FUND A/C)	849,999	1.22
9	DR PAUL LAWRENCE CRAIG	800,000	1.15
10	MRS LOUISE JANE HARTWIG	750,000	1.08
10	CARDRONA ENERGY PTY LTD	750,000	1.08
10	MR THOMAS JAMES LOH	750,000	1.08
11	VALOREM CAPITAL PTY LTD	720,000	1.03
12	MELBOR PTY LTD (RJW FAMILY A/C)	675,000	0.97
13	TOMELA PTY LTD (THE COTTEE FAMILY A/C)	650,000	0.93
14	CULLODEN INVESTMENTS PTY LTD (GEOFF TAYLOR FAMILY A/C)	600,000	0.86
14	BLUE COASTERS PTY LTD	600,000	0.86
15	JAINDI INVESTMENTS PTY LTD	593,750	0.85
16	PHEAKES PTY LTD (SENATE A/C)	562,500	0.81
17	WESTBELLE PTY LTD (THE STATION A/C)	550,000	0.79
18	CRYING ROCK PTY LTD (CRYING ROCK A/C)	500,000	0.72
18	MR JASON ALEXANDER BOND & MS JENNIFER KATE LANGDON (THE J BOND SUPER FUND A/C)	500,000	0.72
18	MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL (WALL FAMILY SUPER A/C)	500,000	0.72
18	OCEAN REEF HOLDINGS PTY LTD	500,000	0.72
19	GREENSEA INVESTMENTS PTY LTD	475,000	0.68
20	ACACIA EQUITIES PTY LTD	450,000	0.65
		41,708,149	59.91

Unquoted and restricted equity securities

	Number on issue	Number of holders
Options exercisable at 30 cents and expiring on 30 November 2025	13,037,500	35
Options exercisable at 30 cents and expiring on 30 November 2025 escrowed 24 months from quotation	14,262,500	9
Shares escrowed 24 months from quotation	25,087,500	7
Performance rights escrowed 24 months from quotation	3,000,000	1

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
INYATI FUND PTY LTD (INYATI FUND NO2 UNIT A/C)	$0.30 Options, expiring 30/11/2025	9,425,000

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
MCKAM AUST PTY LTD (CHARLOTTE INVESTMENT A/C)	15,750,000	22.62
INYATI FUND PTY LTD (INYATI FUND NO2 UNIT A/C)	5,062,500	7.27
S3 CONSORTIUM HOLDINGS PTY LTD (NEXTINVESTORS DOT COM A/C)	3,725,000	5.35

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options and Performance Rights
No voting rights attached until conversion into ordinary shares.

There are no other classes of equity securities.

Use of Funds

The Company has used the funds that it had at the time of admission in a way consistent with its initial business objectives.

Petroleum tenements held by the Company and its subsidiaries at 30 June 2023 and their location are listed below:

Permit / Application	Location	Interest %
ATP 1069	Queensland	100.00
EP(A) 254	Northern Territory	57.68
EP(A) 256	Northern Territory	57.68
EP(A) 257	Northern Territory	57.68
EP(A) 258	Northern Territory	57.68
EP(A) 259	Northern Territory	57.68
EP(A) 260	Northern Territory	57.68
EP(A) 261	Northern Territory	57.68
EP(A) 262	Northern Territory	57.68
EP(A) 263	Northern Territory	57.68
EP(A) 264	Northern Territory	57.68
EP(A) 265	Northern Territory	57.68
EP(A) 274	Northern Territory	57.68
EP(A) 275	Northern Territory	57.68
EP(A) 276	Northern Territory	57.68
EP(A) 277	Northern Territory	57.68
EP(A) 278	Northern Territory	57.68
EP(A) 279	Northern Territory	57.68
EP(A) 280	Northern Territory	57.68
EP(A) 281	Northern Territory	57.68
EP(A) 282	Northern Territory	57.68
EP(A) 283	Northern Territory	57.68
EP(A) 284	Northern Territory	57.68
EP(A) 285	Northern Territory	57.68
EP(A) 294	Northern Territory	57.68
EP(A) 295	Northern Territory	57.68
EP(A) 312	Northern Territory	57.68
EP(A) 313	Northern Territory	57.68
EP(A) 314	Northern Territory	57.68
EP(A) 315	Northern Territory	57.68
NTC/(A) 14	Northern Territory	57.68
L22-6	Western Australia	100.00

The Company's petroleum tenements in the Northern Territory and Western Australia are permit applications. Grant of applications is subject to reaching agreements with traditional owners and native title holders pursuant to the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) and the Native Title Act 1993 (Cth)

Resource estimates have been prepared by Discover Geoscience in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineers.

The primary target for the Company's permit in Queensland is the Buri Limestone, a reservoir with the potential to be productive for gas within ATP 1069 and the Adavale Basin more generally.

The Prospective Resource assessment has been conducted by Dave Gilbert. Mr. Gilbert is not an employee of the Company or any entity related to the Company. Mr. Gilbert is a subsurface advisor and contractor of Discover and has over 40 years of global experience evaluating and managing oil and gas exploration assets and is a qualified petroleum reserves and resources evaluator (QPRRE) as defined by ASX listing rules. The resources information included in this report is based on, and fairly represents, information and supporting documentation reviewed by Mr Gilbert. Mr Gilbert is qualified in accordance with ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Discover is a well-known and respected independent energy advisory firm, with a history of providing impartial advice to the petroleum industry including providing Independent Technical Specialist Reports (ITSRs) and Competent Persons Reports (CPRs) for stock exchange and regulatory requirements.

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