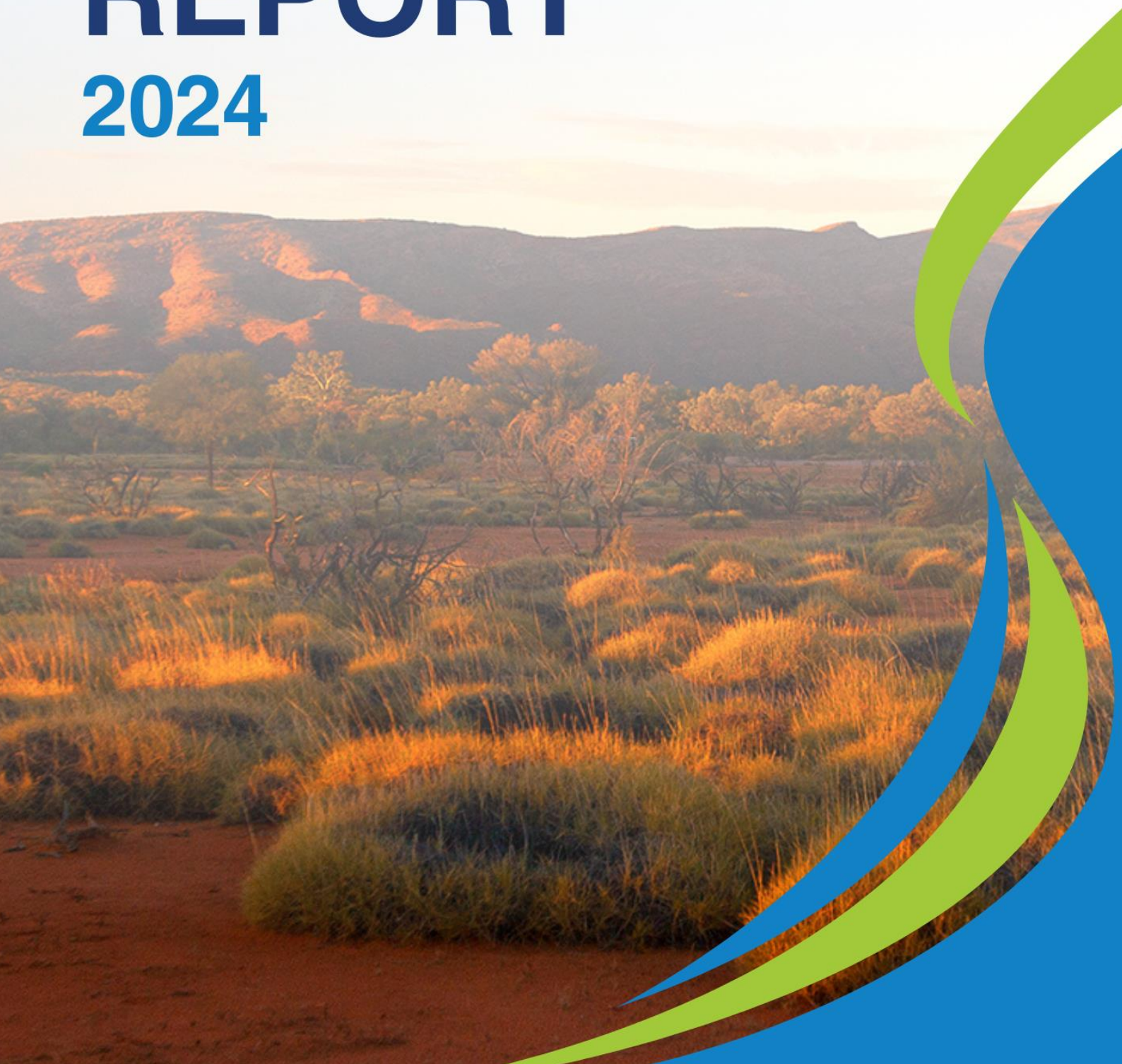




TOP END
—ENERGY—
THE ENERGY OF TOMORROW

ANNUAL REPORT

2024



| | |
|---------------------------|---|
| Directors | Mr Emmanuel Correia - Non-Executive Director Mr Andrew Somoff - Non-Executive Director Mr Richard Lampe - Non-Executive Director Dr Michael Fischer - Non-Executive Director |
| 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 Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000 |
| Solicitors | Steinepreis Paganin Level 14, QV1 Building 250 St Georges Terrace 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 |

Dear fellow shareholders,

I am pleased to present the 2024 Annual Report for Top End Energy Limited.

The past year has been one of considerable advancement for Top End. We strive to be an innovative onshore gas exploration and development business, and I believe that mindset has truly shone through over this period.

In February 2024, we announced the acquisition of granted Northern Territory (**NT**) acreage in the Beetaloo and South Nicholson Basins (Exploration Permits (**EP**) 144, 153 and 154) from Hancock Prospecting. The acreage is highly prospective for natural hydrogen and helium, as well as conventional and unconventional hydrocarbons. I am pleased to say that our purchase of these permits involved zero upfront consideration and limited near-term expenditure commitments. As such, it has delivered us a genuine low-cost option on multiple high impact play types that are well-known to our team and fully aligned with our existing technical focus.

Initial geophysical and geological evaluation undertaken on EP 144 post acquisition identified a significant gas play fairway (up to ~3,500km²), based on offset drilling (NDI Carrara-1) and seismic interpretation. The offset well also suggests localised presence of both hydrogen and helium, with high hydrogen concentration samples of up to 27% (air-corrected) previously acquired.

As announced after the year end, our confidence in the unconventional gas potential of EP 144 was further increased following results of core samples from drillholes on overlapping mineral licenses. Preliminary analysis of the samples confirms Proterozoic organic-rich source rocks are present with up to 3.1wt% total organic carbon (**TOC**).

This is a particularly exciting development given that EP 144 is located close to the Northern Gas Pipeline, providing potential access to Mt Isa and the East Coast gas market. It is also the only granted EP in the South Nicholson Basin within the NT. We are currently undertaking a low-cost work program in this area to further understand the extent and characteristics of key source rock intervals on EP 144 and acquire samples of hydrogen and helium.

In June 2024, we received the formal Ministerial grant of EP 258 in the NT. This was truly a landmark achievement for Top End, given that it was the first EP granted in the NT in almost 10 years. It represented the culmination of a multi-year application and approval process encompassing native title holder agreement and NT Ministerial approvals.

As well as enabling us to begin exploration activities on that acreage in earnest, the grant also unlocks the pathway for additional priority NT permits to be granted in the short term (including EPs 257, 259 and 261). It is a huge result and a testament to the dedication of our team and the prospectivity of our acreage position.

In August 2024, we announced the appointment of Andrew Somoff as a Non-Executive Director. Andrew brings over 30 years of energy industry experience to Top End, positioning the business well for its next phase of development.

Andrew's appointment coincided with the stepping down of our founding Managing Director, Oliver Oxenbridge. I would like to thank Olly for his dedication to the role over his tenure and recognise the significant underlying progression of the business under his leadership.

This is also an opportune time to say thank you to Greg Lee for his service to Top End. Greg was also a founding member of the team and stepped down from the Board earlier this year.

I would like to finish with two further expressions of gratitude. Firstly, to the entire Top End team, our contract partners and key project stakeholders, thank you for hard work and diligence over the past year. It is greatly appreciated.

Finally, to you, our shareholders, thank you for your ongoing support. It is highly valued and never taken for granted. I look forward to sharing the coming 12 months with you as we advance Top End towards targeted commercial exploration success.

Yours faithfully,



Emmanuel Correia

Non-Executive Chairman

Top End Energy Limited

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 2024.

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 (resigned 30 August 2024)
Mr Gregory Lee - Executive Director (resigned 5 February 2024)
Mr Richard Lampe - Non-Executive Director
Dr Michael Fischer - Non-Executive Director
Mr Andrew Somoff - Non-Executive Director (appointed 30 August 2024)

Principal activities

The principal activities of the Company and its subsidiaries include the acquisition, exploration and development oil, gas and other potentially marketable product streams, including helium and hydrogen. The Company currently holds interests in Australia.

Review of operations

The following is a summary of the activities of the consolidated entity for the financial year ended 30 June 2024. 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 amounted to \$3,188,175 (30 June 2023: \$1,975,668). As at 30 June 2024, the Company had cash reserves of \$2,721,947 (30 June 2023: \$3,625,570).

In February 2024, Top End successfully raised \$2.1 million (before costs) via a placement of 17,406,250 fully paid ordinary shares at an issue price of \$0.12 per share. The funds raised as intended to support near-term exploration activities, holding costs, and ongoing corporate working capital.

During the financial year the Company was awarded \$200,000 in co-funding grants under Round 17 of the Geophysics and Drilling Collaborations program (Regional Scale Geophysics and Innovative Targeting), administered by the NT Geological Survey.

On 5 February 2024, the Company announced the resignation of Executive Director, Gregory Lee.

Overview

Top End is committed to the active exploration and development of a diverse portfolio of complementary energy assets, primarily located in the Northern Territory (**NT**) of Australia (refer to Figure 1). The Company's exploration efforts focus on unlocking natural gas, helium, and natural hydrogen resources —vital commodities for the ongoing global energy transition.

AUSTRALIAN PORTFOLIO



1. MCARTHUR BASIN

One of Australia's most active gas exploration regions containing the Beetaloo sub-basin

2. SOUTH NICHOLSON BASIN

Underexplored natural hydrogen, helium and conventional hydrocarbon potential

3. AMADEUS BASIN

Existing hydrocarbon system with untested and historically overlooked margin extension opportunity

4. ADAVALE BASIN

Proven producing region with material conventional gas prospect identified

Figure 1: Top End's diversified portfolio of Australian exploration regions

During the financial year ended 30 June 2024 (**FY2024** or the **Financial Year**), Top End achieved two significant milestones that have materially enhanced the value of its asset portfolio.

Acquisition of NT Exploration Permits 144, 153, and 154

On 27 February 2024, Top End executed a binding term sheet to acquire the granted NT EPs 144, 153 and 154 (the **Permits**) from Minerals Australia Pty Ltd and Jacaranda Minerals Limited, both wholly owned subsidiaries of Hancock (collectively, the **Vendors**)¹. On 14 May 2024, the Company announced that it had entered into a full-form Sale and Purchase Agreement (**SPA**) with the Vendors². Subsequently, on 31 May 2024, the Northern Land Council consented to the transfer of the titles in accordance with the terms of the Co-existence and Exploration Deeds with the Traditional Owners of the respective Permits³.

Further approval was secured on 2 July 2024, when the delegate of the Minister of Mining granted permission for the acquisition of the NT acreage under section 96 of the *Petroleum Act 1984*. The successful completion of the SPA was announced on 12 July 2024, subsequent to the financial year-end⁴.

The acquired Permits cover a combined area of 27,885km² across the northern flanks of the Beetaloo (A) and South Nicholson (B) basins in the NT (refer to Figure 2). These underexplored areas present multiple independent play types, offering a significant opportunity for transformational resource discoveries. The Permits are fully granted, with Native Title agreements already in place, positioning Top End for further exploration success.

Grant of NT Exploration Permit 258

On 6 June 2024, the Company announced the successful grant of EP 258⁵, located on the margin of the McArthur Basin NT (refer to Figure 3, C). EP 258 is highly prospective for conventional and unconventional gas, as well as hydrogen and helium. This was a pivotal achievement, marking the first exploration permit granted in the NT since 2015 and the culmination of a multi-year application and approval process. The grant of EP 258 sets a strong foundation for the future, facilitating the potential approval of additional high-priority permits within Top End's NT portfolio.

Top End's Exploration Portfolio

The acquisition of the NT EPs 144 153 and 154, coupled with successful grant of EP 258, provides Top End with multiple near-term, technically independent drilling prospects. As of 24 September 2024, the Company hold interests in the following tenements:

- A 100% interest in granted NT EPs 144, 153, and 154 covering a combined area of approximately 27,885 km².
- An approximately 58% beneficial interest in 29 exploration permit applications and one granted exploration permit (EP 258) within the NT, covering approximately 160,000 km².
- A 100% interest in Authority to Prospect (ATP) 1069 in Queensland's Adavale Basin.
- A 100% interest in EP 501 over Western Australia's Amadeus Basin.

Top End has prioritised key permits based on initial technical assessments, with three distinct prospect areas demonstrating high potential for natural gas, helium and hydrogen prospectivity. These areas will be the focus for near-term exploration activities (refer to Figure 2).

¹ Please see ASX announcement "Acquisition of Granted NT Acreage and \$2.1m Capital Raising" (27 February 2024).

² Please see ASX announcement "Update on Granted NT Acreage Acquisition" (14 May 2024).

³ Please see ASX announcement "Key Stakeholder Consent to NT Acquisition Received" (31 May 2024).

⁴ Please see ASX announcement "Completion of NT Granted Acreage Acquisition" (12 July 2024).

⁵ Please see ASX announcement "Formal Ministerial Grant of NT Exploration Permit 258" (6 June 2024).

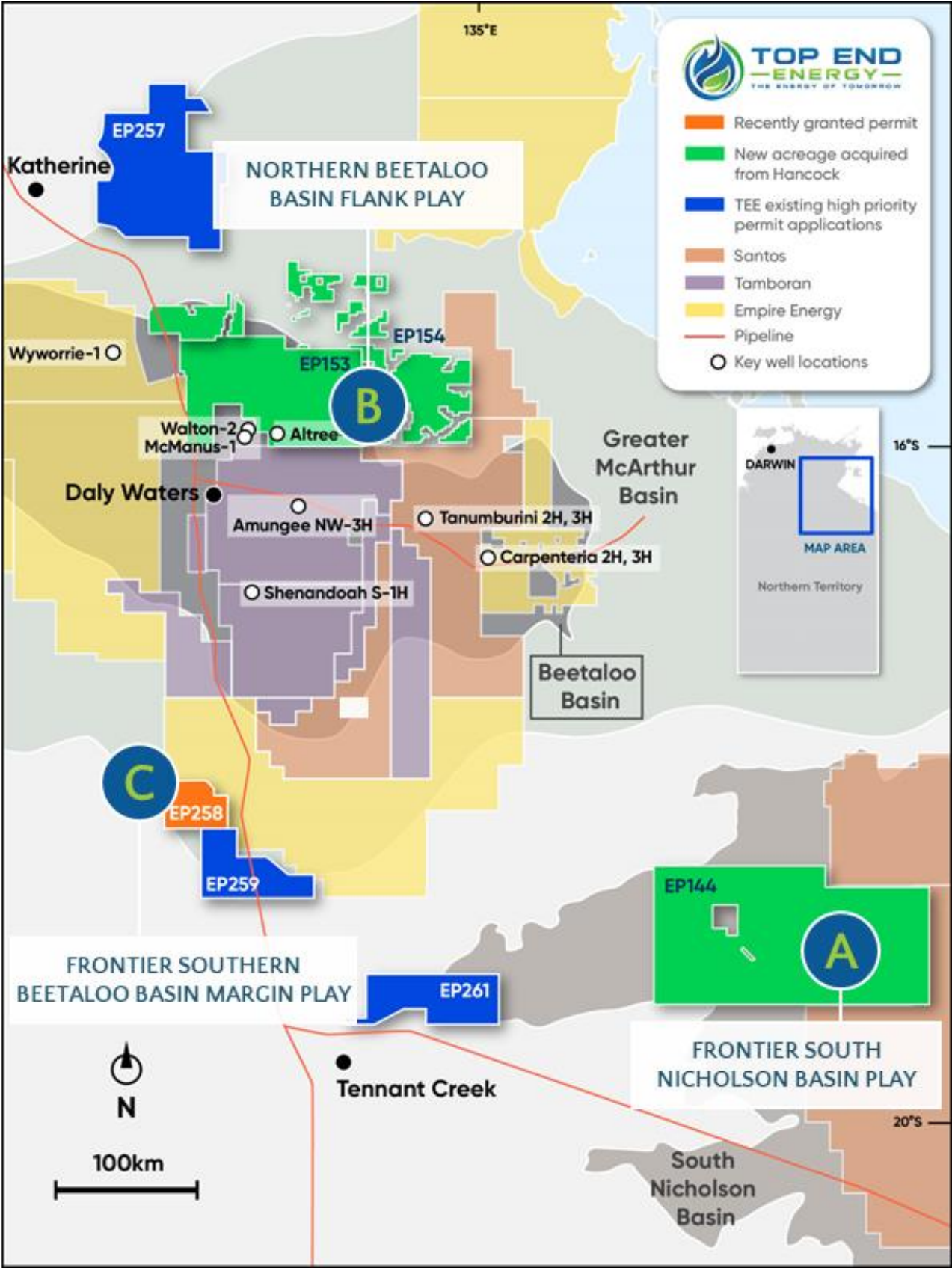


Figure 2: Top End’s diversified portfolio of granted acreage, highlighting the Beetaloo Basin and South Nicholson Basin areas.

A. Frontier South Nicholson Basin Play

EP 144 covers the Southern Nicholson Basin and includes a Paleoproterozoic-aged Wonarah Basement High. Historical remote sensing and geophysical data interpretation have identified basement-related lineaments and structural trends, which could act as migration pathways for natural hydrogen helium, and conventional hydrocarbons. EP 144 represents highly prospective, underexplored acreage in a proven hydrocarbon region, with potential links to the Proterozoic shale plays of the Lawn Hill Platform and the Beetaloo Sub-basin Velkerri Formation. Notably, Santos Ltd (ASX:STO) is the only other energy company with a granted acreage position in the South Nicholson Basin (refer to Figure 3).

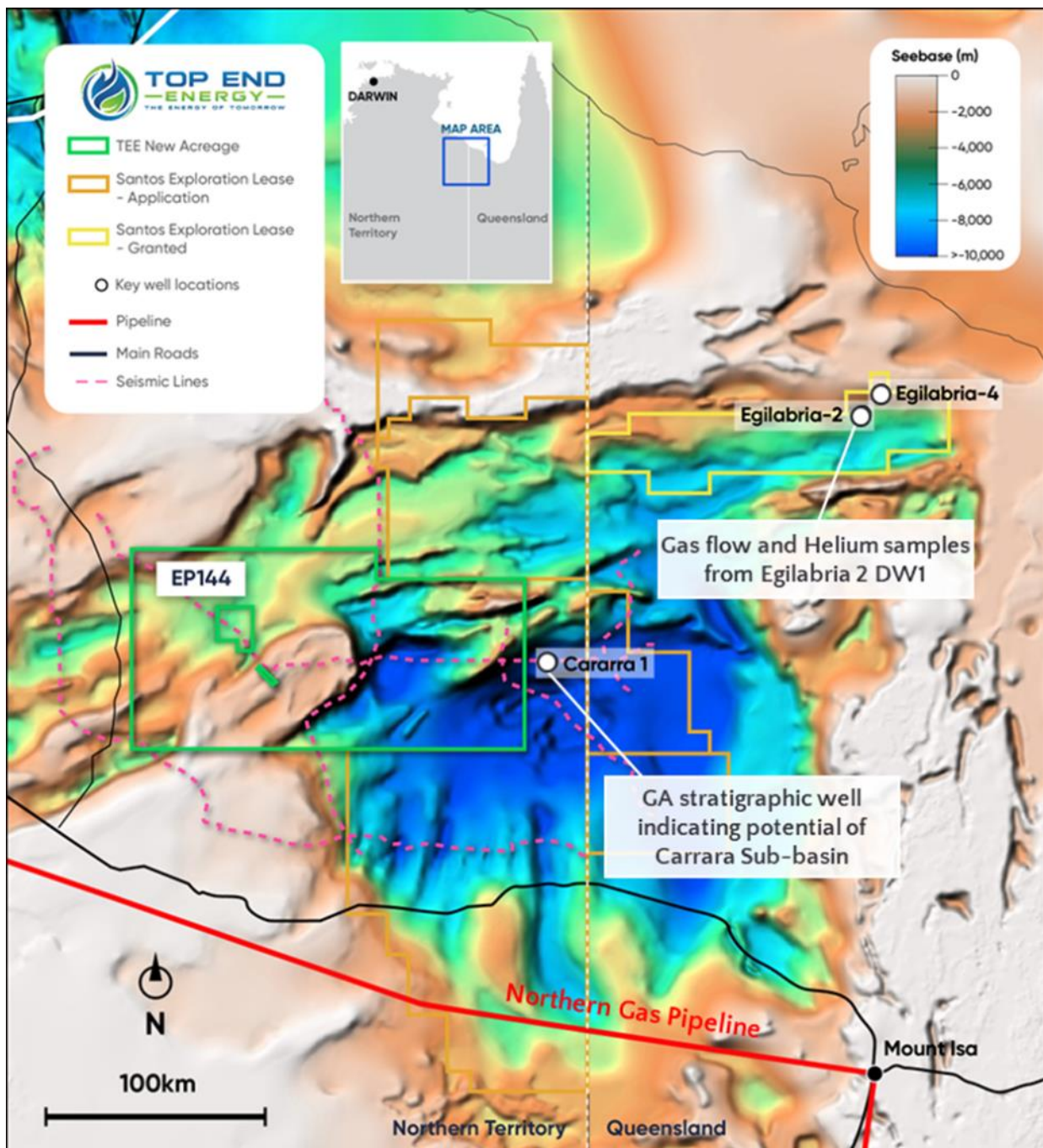


Figure 3: EP144 location covering the South Nicholson Basin, proximate to pipeline infrastructure.

EP 144 is strategically located near the Northern Gas Pipeline, which provides access to Mount Isa and the East Coast gas market. Additionally, the region hosts significant existing hard rock exploration and mining activities with Teck Resources (NYSE: TECK), South32 (ASX: S32) and Encounter Resources (ASX: ENR) all active across the basin. This offers potential opportunities for data sharing, exploration collaboration and offtake agreements.

A Co-existence and Exploration Agreement is in place with the Traditional Owners of the EP 144, and the permit is currently in the third year of the initial five-year exploration period. This may be renewed for two further terms of up to five years each. Environmental Management Plans and Well Operations Management Plans have been approved for stratigraphic well drilling on the Permit, and the Company is actively engaging with pastoral leaseholders to extend Land Access Agreements.

Geophysical and geological evaluation undertaken on EP 144 post acquisition has identified a significant gas play fairway (up to ~3,500km²), based on offset drilling (NDI Carrara-1 stratigraphic well), seismic interpretation and analysis of additional existing data. NDI Carrara-1 also suggests localised presence of both hydrogen and helium, with high hydrogen concentration in samples of up to 27% (air-corrected) previously acquired⁶.

In combination with the assessment and interpretation of existing data, the Company has also been engaging with mining companies actively drilling on overlapping mineral licenses. Encounter Resources Limited (**Encounter**) is one such company holding minerals acreage over EP 144. In December 2023, an eight well drilling campaign was completed on Encounter's mineral tenure and Top End recently examined the resulting core samples and following observation of Proterozoic black shale sections in multiple drill hole cores, the Company procured samples from the cores to be assessed for TOC, pyrolysis and thermal maturity. Preliminary analysis by Stratum Reservoir in the United States confirms organic-rich source rocks are present within the Permit with up to 3.1wt% TOC and HI 24 mg HC/gTOC in the sampled intervals. This is consistent with Lawn Hill shale interval intersected in the NDI Carrara-1 well, which sampled up to 3.2 wt% TOC and mean HI 3 mg HC/gTOC. As the holes drilled by Encounter have not yet been logged, the core samples acquired by the Company were done so during core viewing.

Subject to agreement from Encounter, the Company intends to undertake a geophysical wireline logging program on the drill holes, including gamma ray, density, resistivity and sonic logs with a subsequent resampling of whole core intervals post logging. The expectation is that this will provide more precise data on source rock intervals for further testing. Further preliminary TOC, pyrolysis and thermal maturity evaluation remains ongoing.

It is the Company's expectation that deeper source rock intervals are also present on the Permit, including the River sequence source rocks. The River sequence has been intersected by other historical wells across the South Nicholson Basin and interpreted on 2D seismic data to be present in the Permit.

Near-term work program activities on EP 144 will be focused on better understanding both the unconventional gas potential and the potential for natural hydrogen and helium.

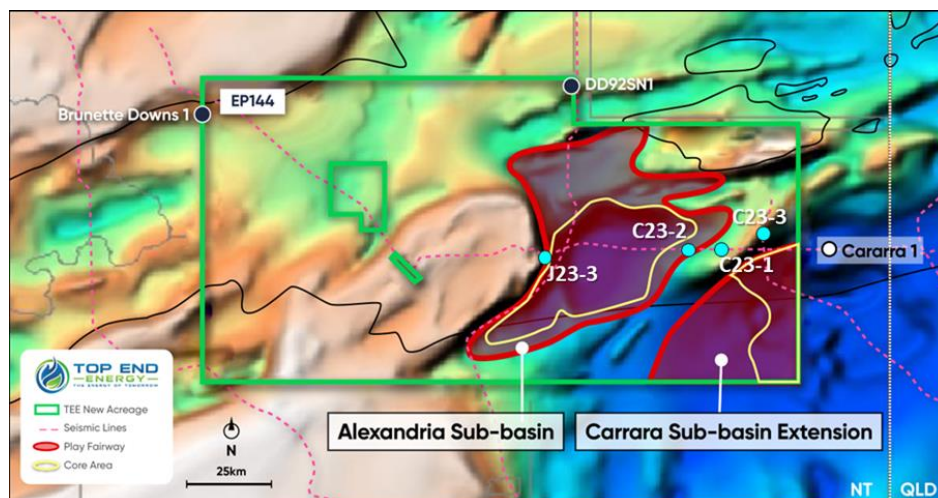


Figure 4: Identified gas play fairway on EP 144 and location of drillholes on Encounter's overlapping mineral acreage.

⁶ Please refer to ASX Announcement "Organic-Rich Source Rocks on EP 144" (19 September 2024).

B. Northern Beetaloo Basin Flank Play

EP 153 and EP 154 offer Top End multiple play opportunities on the northern flank of the Beetaloo Sub-basin (refer Figure 5). The natural hydrogen and helium potential in this area is of particular interest, as it is interpreted to be a natural extension of the play fairway previously mapped by the Company in 2023 over its existing EP application 257. The presence of granitoid basement geology and the Urupunga Fault Trend suggest potential charge and migration pathways for natural hydrogen and helium. Additionally, the Cambrian limestones present in the area are believed to be conduits for thermal fluids migrating to the surface, providing an initial focus for sampling and other early-stage exploration activities.

Ongoing drilling and testing activities in the core Beetaloo area of the McArthur Basin continue to mature the basin's unconventional natural gas potential. Key well testing results from other basin operators are expected in the coming months, alongside the development of pilot plant plans, which could pave the way for expanded operations and commercialisation of discovered resources. It is interpreted that unconventional gas-bearing reservoirs extend into the southern margins of EP 153, positioning the Permit to benefit from future development activities and providing a potential avenue for the commercialisation of discovered resources.

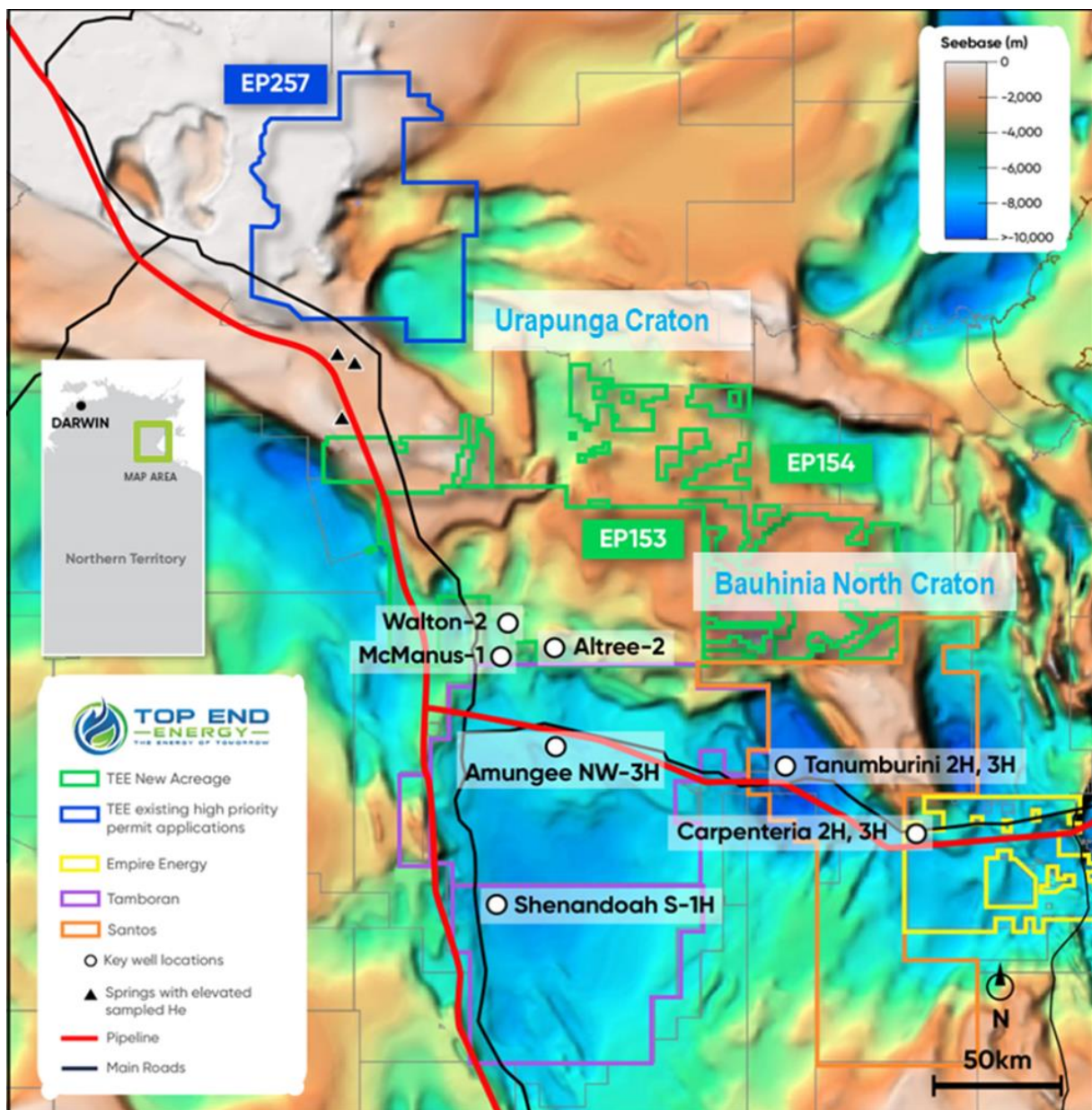


Figure 5: EP 153 and EP 154 location covering the Northern Flank of the Beetaloo Sub-Basin.

C. Frontier Southern Beetaloo Basin Margin Play

The recently granted EP 258 has the potential to host wet gas accumulations in relatively shallow basin margin plays around the Beetaloo Sub-basin (refer Figure 6). Initial exploration activities at EP 258 will focus on confirming the presence of the unconventional Velkerri Shale formations, assessing the conventional play potential of the Bessie Creek Sandstone, and validating any prospective natural hydrogen and helium resources.

In parallel with the grant application for EP 258, a targeted exploration program was developed to advance the permit and identify resource targets for a potential future drilling campaign. This exploration program includes the following key workstreams:

- Completion of an Airborne Gravity Gradiometry (**AGG**) survey: commissioned to aid structural interpretation and optimise parameters for the location of a seismic survey;
- Targeted 2D seismic acquisition and data processing: designed based on the outcomes of the AGG survey to enhance exploration precision; and
- Integration of AGG, 2D seismic, and geochemical data: to identify drilling prospects and inform future exploration efforts.

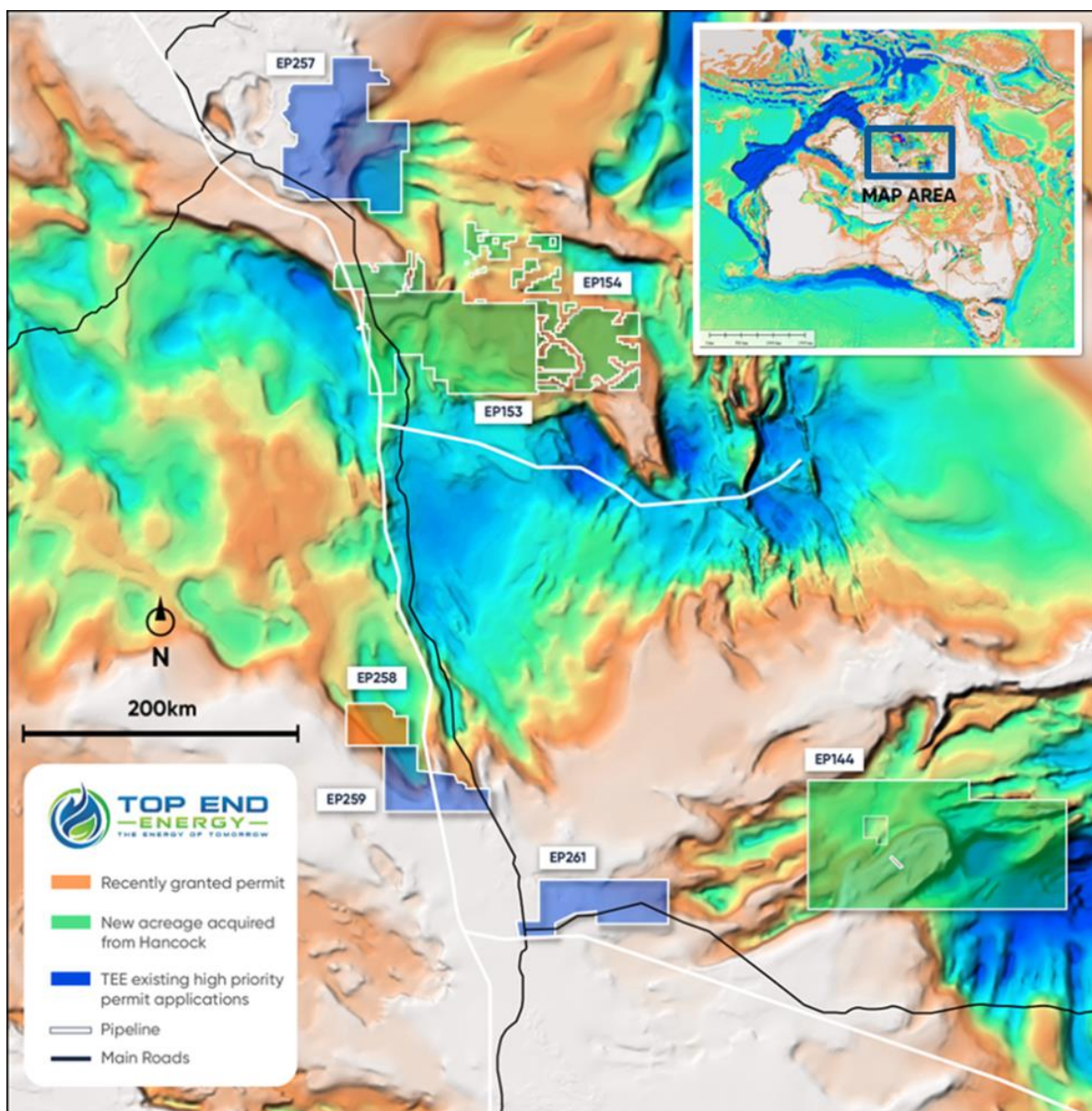


Figure 6: Recently granted EP 258 location on the southern margin of the Beetaloo Sub-Basin.

D. ATP 1069 in Queensland

The Company holds a 100% interest in ATP 1069, located 130km north-west of Charleville in Central Queensland. The focus of the Company's work program activities to date has been maturing identified conventional natural gas potential in the Adavale Basin. The Company completed the acquisition of approximately 109-line kilometres of high quality 2D seismic in 2023. While preliminary interpretation of this new seismic data, in conjunction with reprocessed legacy seismic and offset well data, indicated multiple potential targets, further geophysical data would need to be acquired before prospects could be matured to drill-ready status. To accommodate these workstreams and ultimately support an upgrade in tenure, the licence required extension beyond the current expiry date of 31 January 2025.

The Company has been unable to extend the tenure beyond the existing expiry date and therefore, deemed it prudent to impair the existing carrying value of the asset. In compliance with regulatory obligations, the Company is preparing to plug and abandon the Barwinock-2 vertical exploration well, which is currently suspended, and rehabilitate the surrounding site. The Company estimates the costs associated with these activities to be approximately \$164,701.

Removal of ATP 1069 streamlines the Company's portfolio, reduces G&A costs associated with Queensland regulatory compliance, and permits capital resources to be concentrated on the Company's prioritised assets in the NT.

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 Group. The Group 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

The Group holds a large number of permit applications. As noted in the review of operations in this Annual Report, Top End has achieved grant of EP 258 during the year and progressed the process of grant for the other priority permits in the Northern Territory. Grant of the Northern Territory permit applications is a key focus of the Group with management (and the Board as required) actively engaging with the relevant stakeholders, namely the Northern Land Council (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 (Northern Territory) Act 1979 (Cth). Under this regime, 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

On 12 July 2024, the Company announced the completion of the transaction to acquire granted Northern Territory permits EP 144, EP 153 and EP 154 (the **Permits**) from wholly owned subsidiaries of Hancock Prospecting Pty Ltd (the **Vendors**), following satisfaction of the conditions precedent under the Share and Purchase Agreement. The consideration for the acquisition of the Permits is:

- the grant of a royalty to the Vendors equal to 2.5% of any gross revenue (measured and determined at the wellhead) received by Top End from sale, removal, or other disposal of any petroleum from the Permits; and
- the assumption of the Vendor's obligations under an existing royalty deed with Jacaranda Coal Pty Ltd (ACN 131 388 942) (formerly Jacaranda Coal Limited) for a royalty equal to 1% of the gross revenue (measured and determined at the wellhead) received by Top End from sale, removal, or other disposal of any petroleum from the Permits.

On 30 August 2024, Mr Andrew Somoff was appointed as a Non-executive Director of the Company. He succeeded Mr Oliver Oxenbridge, Top End's inaugural Managing Director, following Mr Oxenbridge's resignation on the same date. Mr Somoff has assumed responsibility for key executive functions under a consulting agreement.

No other matter or circumstance has arisen since 30 June 2024 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: 3 years 4 months) |
| Experience and expertise: | Mr. Correia has over 30 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 Helix Resources Limited from November 2023. |
| Former directorships (last 3 years): | Pantera Minerals Limited (December 2020 - March 2024) and Ookami Limited (July 2021 – November 2022). |
| Interests in shares: | 750,001 |
| Interests in options: | 1,750,000 |
| Name: | Richard Lampe |
| Title: | Non-Executive Director - appointed 24 March 2022 (length of service: 2 years 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: 2 years 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

Name: Mr Andrew Somoff
Title: Non-Executive Director - appointed 30 August 2024 (length of service: 1 month)
Experience and expertise: Mr Somoff brings over 30 years of experience in the energy sector, encompassing all aspects of project management, engineering, operational and resource management. Throughout his career, Mr Somoff has held senior executive roles with industry leaders such as Santos, Chevron and Baker Hughes. He has also provided drilling and operational services to major companies including ConocoPhillips, Exxon, Shell and Saudi Aramco. Most recently, Mr Somoff was involved in exploration and appraisal campaigns in the offshore Canning Basin, leading to the discovering of over 250 million barrels of oil equivalent. His extensive operational experience is complemented by commercial expertise, having managed integrated portfolios exceeding US\$400 million, servicing a diverse range of clients from industry supermajors to national oil companies and independents.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: Nil
Interests in options: Nil

Name: Oliver Oxenbridge
Title: Managing Director - appointed 1 September 2021, resigned 30 August 2024 (length of service: 3 years)
Experience and expertise: Mr Oliver Oxenbridge has over 12 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: 3,000,000

| | |
|--------------------------------------|--|
| Name: | Gregory Lee |
| Title: | Executive Director - appointed 23 June 2021, resigned 5 February 2024 (length of service: 2 years 10 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. His responsibilities have covered 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: | None |
| Former directorships (last 3 years): | Dorimius Plc (September 2017 to April 2024) |
| Interests in shares: | None |

'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 and Ms Michelle Kennedy

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 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 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 2024, and the number of meetings attended by each director were:

| | Full Board | |
|--------------------------|-------------------|-------------|
| | Attended | Held |
| Emmanuel Correia | 9 | 9 |
| Oliver Oxenbridge | 9 | 9 |
| Gregory Lee ¹ | 6 | 6 |
| Richard Lampe | 6 | 9 |
| Michael Fischer | 9 | 9 |

¹ Mr Lee resigned effective 5 February 2024.

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 web-site 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 is currently 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
- 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 long-term incentives (**LTI**) include 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 AGM held on 23 November 2023, 98.03% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. 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 | |
|-----------------------------|---------------------|-----------------|------------|--------------------|--------------------------|--------------------|----------------------|---------|
| | Base salary | Consulting fees | Cash bonus | Other ¹ | Super-annuation | Long service leave | Equity-settled | Total |
| 2024 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive</i> | | | | | | | | |
| <i>Directors:</i> | | | | | | | | |
| Emmanuel Correia | 72,600 | - | - | - | - | - | - | 72,600 |
| Richard Lampe | 40,000 | - | - | - | 4,400 | - | - | 44,400 |
| Michael Fischer | 40,000 | - | - | - | 4,400 | - | - | 44,400 |
| <i>Executive Directors:</i> | | | | | | | | |
| Oliver Oxenbridge | 275,000 | - | - | 23,675 | 30,250 | - | 91,748 | 420,673 |
| Gregory Lee ² | 35,000 | 25,000 | - | - | - | - | - | 60,000 |
| | 462,600 | 25,000 | - | 23,675 | 39,050 | - | 91,748 | 642,073 |

¹Other benefits relate to movement in accrued annual leave entitlements for the year ended 30 June 2024.

²Mr Lee resigned as Executive Director of the Company on 5 February 2024.

| | Short-term benefits | | | | Post-employment benefits | Long-term benefits | Share-based payments | |
|---------------------------------|---------------------|-----------------|------------|--------------------|--------------------------|--------------------|----------------------|---------|
| | Base salary | Consulting fees | Cash bonus | Other ¹ | Super-annuation | Long service leave | Equity-settled | Total |
| 2023 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors:</i> | | | | | | | | |
| 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 |
| <i>Executive Directors:</i> | | | | | | | | |
| 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 |

¹Other benefits relate to movement in accrued annual leave entitlements for the year ended 30 June 2023.

²Dr Fischer was appointed as a Non-Executive Director of the Company on 21 July 2023.

³Mr Oxenbridge's base salary increased from \$180,000 to \$275,000 per annum plus the statutory rate of superannuation effective 1 April 2023.

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

| Name | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| <i>Non-Executive Directors:</i> | | | | | | |
| Emmanuel Correia | 100% | 100% | - | - | - | - |
| Richard Lampe | 100% | 100% | - | - | - | - |
| Michael Fischer | 100% | 40% | - | - | - | 60% |
| <i>Executive Directors:</i> | | | | | | |
| Oliver Oxenbridge | 78% | 58% | - | - | 22% | 42% |
| Gregory Lee | 100% | 100% | - | - | - | - |

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 (resigned 30 August 2024) |
| Title: | Managing Director |
| Agreement commenced: | 1 September 2022 (Terms updated on 1 April 2023 to increase 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 (resigned 5 February 2024) |
| 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 2024.

Options

There were no options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

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 2024 are set out below:

| Name | Number of rights granted during the year 2024 | Number of rights granted during the year 2023 | Number of rights vested during the year 2024 | Number of rights vested during the year 2023 |
|-------------------|--|--|---|---|
| Oliver Oxenbridge | 750,000 | - | 1,250,000 | - |

The Performance Rights issued under Mr Oxenbridge's employment agreement were split into five tranches, with the specific vesting conditions set-out below, in addition to 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 |
|------------------------------------|-----------|-----------|-----------|-----------|------------|
| Grant date | 1/09/2021 | 1/09/2021 | 1/09/2021 | 1/09/2021 | 1/09/2021 |
| 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 |
| Vesting status | Lapsed | Vested | Vested | Lapsed | Not vested |

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

Due to delays between the date of Mr Oxenbridge's employment agreement and the initial listing of the Company on the ASX, the performance period for the Tranche 1 Performance Rights was considered by the Board to be an insufficient period of time to satisfy the vesting criteria. As such, at the Company's FY2023 AGM the shareholders voted in favour to issue 750,000 Performance Rights to Mr Oxenbridge on the same terms as the Tranche 1 Performance Rights with a vesting date of 31 March 2024. The Performance Rights have been valued using the Black-Scholes model, with key inputs summarised below:

| Tranche | Vesting Condition |
|-------------------------|--|
| Tranche 1 - replacement | The Tranche 1 Performance Rights will vest upon satisfaction of receiving exploration permit 258 by 31 March 2024. |

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 04/12/2023 | 04/12/2025 | \$0.16 | - | 90.00% | - | 3.62% | \$0.16 |

The vesting criteria for the re-issued Tranche 1 Performance Rights subsequently became incapable of being satisfied on 31 March 2024, just prior to the formal Ministerial grant of EP 258 on 4 June 2024.

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 |
| Richard Lampe | 300,000 | - | - | - | 300,000 |
| Oliver Oxenbridge | 250,000 | - | - | - | 250,000 |
| Gregory Lee ¹ | - | - | - | - | - |
| Michael Fischer | - | - | - | - | - |
| | 1,300,001 | - | - | - | 1,300,001 |

¹ Mr Lee resigned effective 5 February 2024

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 ² | Balance at the end of the year | Vested |
|-------------------------------------|--|----------|-----------|--|--------------------------------------|------------------|
| <i>Options over ordinary shares</i> | | | | | | |
| Emmanuel Correia | 1,750,000 | - | - | - | 1,750,000 | 1,750,000 |
| Richard Lampe | 650,000 | - | - | - | 650,000 | 650,000 |
| Oliver Oxenbridge | 150,000 | - | - | - | 150,000 | 150,000 |
| Gregory Lee ¹ | 1,500,000 | - | - | (1,500,000) | - | - |
| Michael Fischer | 500,000 | - | - | - | 500,000 | - |
| | <u>4,550,000</u> | <u>-</u> | <u>-</u> | <u>(1,500,000)</u> | <u>3,050,000</u> | <u>2,550,000</u> |

¹Mr Lee resigned effective 5 February 2024

²Represents number of options held on date of resignation

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 | Exercised | Expired/ forfeited/ other | Balance at the end of the year | Vested |
|--|--|----------------|-----------|---------------------------------|--------------------------------------|------------------|
| <i>Performance rights over ordinary shares</i> | | | | | | |
| Emmanuel Correia | - | - | - | - | - | - |
| Richard Lampe | - | - | - | - | - | - |
| Oliver Oxenbridge ¹ | 3,000,000 | 750,000 | - | (750,000) | 3,000,000 | 1,250,000 |
| Gregory Lee ² | - | - | - | - | - | - |
| Michael Fischer | - | - | - | - | - | - |
| | <u>3,000,000</u> | <u>750,000</u> | <u>-</u> | <u>(750,000)</u> | <u>3,000,000</u> | <u>1,250,000</u> |

¹On 29 September 2023, 750,000 performance rights lapsed (Tranche 1) as the conditions could no longer be met. On 4 December 2023, the Company issued 750,000 performance rights on the same terms and condition as Tranche 1 with a vesting date of 31 March 2024.

²Mr Lee resigned effective 5 February 2024

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:

- Pantera Minerals Limited, a company of which Mr Emmanuel Correia was a Director, charged the Company \$25,128 for rent expenses (2023: \$34,879) of the corporate office during year. There was no balance outstanding at year end (2023: \$2,906).

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 |
| | | | <u>27,300,000</u> |

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 rights |
|-----------|-------------|---------------------|
| Tranche 1 | 4/12/2025 | 750,000 |
| 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 |
| | | <u>3,000,000</u> |

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 2024 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 2024 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

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of BDO Audit Pty Ltd

There are no officers of the Company who are former partners of BDO Audit 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 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



Emmanuel Correia
Non-Executive Chairman

30 September 2024
Perth, Western Australia



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor of Top End Energy Limited for the year ended 30 June 2024, 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 entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'P. Murdoch', with a long horizontal flourish extending to the right.

Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
30 September 2024

| | |
|---|----|
| Statement of profit or loss and other comprehensive income | 27 |
| Statement of financial position | 28 |
| Statement of changes in equity | 29 |
| Statement of cash flows | 30 |
| Notes to the financial statements | 31 |
| Consolidated entity disclosure statement | 48 |
| Directors' declaration | 49 |
| Independent auditor's report to the members of Top End Energy Limited | 50 |
| Shareholder information | 54 |

Top End Energy Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



| | | Consolidated | |
|--|-------------|---------------------|-----------------------------|
| | Note | 2024 | 2023 |
| | | \$ | restated¹ |
| | | \$ | \$ |
| Income | | | |
| Other income | 6 | 66,856 | 82,758 |
| Expenses | | | |
| Professional fees | 7 | (447,324) | (354,412) |
| ASIC and ASX fees | | (52,088) | (48,995) |
| Employee benefits expense | | (202,635) | (168,020) |
| Director fees | | (151,960) | (201,556) |
| Depreciation and amortisation expense | | (22,500) | (135,000) |
| Insurance | | (36,837) | (38,727) |
| Exploration expense | | (647,087) | (659,422) |
| Exploration asset write off | 12 | (1,284,791) | - |
| Share based payments expense | 26 | (83,255) | (105,745) |
| Other expenses | 8 | (326,236) | (346,388) |
| Finance costs | | (318) | (161) |
| Loss before income tax expense | | (3,188,175) | (1,975,668) |
| Income tax expense | 9 | - | - |
| Loss after income tax expense for the year attributable to the owners of Top End Energy Limited | | (3,188,175) | (1,975,668) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive loss for the year attributable to the owners of Top End Energy Limited | | (3,188,175) | (1,975,668) |
| | | Cents | Cents |
| Basic loss per share | 17 | (4.24) | (2.84) |
| Diluted loss per share | 17 | (4.24) | (2.84) |

¹Refer to note 4 for information on restatement of comparatives.

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

| | | Consolidated | |
|--|------|--------------------|-------------------------------------|
| | Note | 2024 \$ | 2023 restated ¹ \$ |
| Assets | | | |
| Current assets | | | |
| Cash, cash equivalents and restricted cash | 10 | 2,721,947 | 3,625,570 |
| Trade and other receivables | | 122,540 | 97,007 |
| Prepayments | | 10,200 | 147,500 |
| Total current assets | | <u>2,854,687</u> | <u>3,870,077</u> |
| Non-current assets | | | |
| Exploration and evaluation assets | 12 | <u>172,367</u> | <u>329,713</u> |
| Total non-current assets | | <u>172,367</u> | <u>329,713</u> |
| Total assets | | <u>3,027,054</u> | <u>4,199,790</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 519,526 | 252,933 |
| Provisions | 14 | <u>164,701</u> | <u>225,000</u> |
| Total current liabilities | | <u>684,227</u> | <u>477,933</u> |
| Total liabilities | | <u>684,227</u> | <u>477,933</u> |
| Net assets | | <u>2,342,827</u> | <u>3,721,857</u> |
| Equity | | | |
| Issued capital | 15 | 11,250,021 | 9,524,131 |
| Reserves | 16 | 999,635 | 916,380 |
| Accumulated losses | | <u>(9,906,829)</u> | <u>(6,718,654)</u> |
| Total equity | | <u>2,342,827</u> | <u>3,721,857</u> |

¹Refer to note 4 for information on restatement of comparatives.

Top End Energy Limited
Statement of changes in equity
For the year ended 30 June 2024



| | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Non- controlling interest restated ¹ \$ | Total equity \$ |
|--|-------------------------|----------------|-----------------------------|--|--------------------|
| Consolidated | | | | | |
| Balance at 1 July 2022 | 9,524,131 | 810,635 | (4,753,870) | 10,884 | 5,591,780 |
| Adjustment for reclassification (note 4) | - | - | 10,884 | (10,884) | - |
| Balance at 1 July 2022 - restated ¹ | 9,524,131 | 810,635 | (4,742,986) | - | 5,591,780 |
| Loss after income tax expense for the year | - | - | (1,975,668) | - | (1,975,668) |
| Other comprehensive income for the year, net of tax | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | (1,975,668) | - | (1,975,668) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Share-based payments (note 16) | - | 105,745 | - | - | 105,745 |
| Balance at 30 June 2023 - restated ¹ | 9,524,131 | 916,380 | (6,718,654) | - | 3,721,857 |
| Consolidated | | | | | |
| Balance at 1 July 2023 - restated ¹ | 9,524,131 | 916,380 | (6,718,654) | - | 3,721,857 |
| Loss after income tax expense for the year | - | - | (3,188,175) | - | (3,188,175) |
| Other comprehensive income for the year, net of tax | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | (3,188,175) | - | (3,188,175) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs (note 15) | 1,725,890 | - | - | - | 1,725,890 |
| Share-based payments (note 16) | - | 83,255 | - | - | 83,255 |
| Balance at 30 June 2024 | 11,250,021 | 999,635 | (9,906,829) | - | 2,342,827 |

¹Refer to note 4 for information on restatement of comparatives.

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

| | | Consolidated | |
|--|------|--------------|-------------|
| | Note | 2024 | 2023 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Payments to suppliers and employees (inclusive of GST) | | (1,105,832) | (932,982) |
| Payment for exploration and evaluation | | (642,839) | (673,301) |
| Interest received | | 59,821 | 76,747 |
| Interest and other finance costs paid | | (318) | (161) |
| Net cash used in operating activities | 11 | (1,689,168) | (1,529,697) |
| Cash flows from investing activities | | | |
| Payments for exploration and evaluation | | (1,149,387) | (206,158) |
| Net cash used in investing activities | | (1,149,387) | (206,158) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 15 | 2,088,750 | - |
| Share issue transaction costs | 15 | (153,818) | - |
| Repayment of borrowings | | - | (3,870) |
| Security deposits | | - | (42,500) |
| Net cash from/(used in) financing activities | | 1,934,932 | (46,370) |
| Net decrease in cash and cash equivalents | | (903,623) | (1,782,225) |
| Cash and cash equivalents at the beginning of the financial year | | 3,625,570 | 5,407,795 |
| Cash and cash equivalents at the end of the financial year | 10 | 2,721,947 | 3,625,570 |

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

Note 1. General information

The financial statements cover Top End Energy Limited as a 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 30 September 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

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.

As disclosed in the financial report, the Group incurred a net loss after tax for the period ended 30 June 2024 of \$3,188,175 (30 June 2023: \$1,975,668) and had net operating cash outflows of \$1,689,168 (30 June 2023: outflow \$1,529,697). As at 30 June 2024, the Group had cash and cash equivalents of \$2,721,947 (30 June 2023: \$3,625,570) and a net current asset position of \$2,170,460 (30 June 2023: \$3,392,144).

The ability of the Group to continue as a going concern is dependent on the ability of the Company to successfully raise capital. Whilst not immediately required, the Group will need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads.

These conditions give rise to a material uncertainty which may cast significant doubt over the Groups ability to continue as a going concern.

Based on the Group's demonstrated ability to successfully raise capital, the directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to raise additional funding to enable it to pay its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. If necessary, the Group can also delay exploration expenditure and the directors can also institute cost saving measures to further reduce corporate and administrative costs.

In the event that the funding options available to the Group do not transpire and the Group is unable to meet its liabilities by their respective due dates, there is material uncertainty as to whether the Group can continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

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.

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**).

Note 2. Material accounting policy information (continued)

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 22.

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 2024 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'.

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. As the allocation of losses to the non-controlling interest in full, even if that results in a deficit balance. As the allocation of losses to the non-controlling interests may not be recuperable, the Group no longer recognises the Group's non-controlling interest as its share of net assets of the subsidiaries disclosed in note 25.

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.

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.

Note 2. Material accounting policy information (continued)

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.

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 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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 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.

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 12 is no longer met or when a project or area of interest is abandoned.

Note 4. Restatement of comparatives

Certain comparative amounts have been re-presented to confirm with the financial year's presentations to better reflect the nature of the financial position and performance of the Company, in particular, the restating of the comparative information to remove the allocation of the Group's losses to the non-controlling interests, being \$292,408 as at 30 June 2023. This amount is not considered to be material to the financial statements.

Note 5. 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 6. Other income

| | Consolidated | |
|-----------------|--------------|--------|
| | 2024 | 2023 |
| | \$ | \$ |
| Interest income | 66,856 | 82,758 |

Note 7. Professional fees

| | Consolidated | |
|---------------------------|--------------|---------|
| | 2024 | 2023 |
| | \$ | \$ |
| Audit and accounting fees | 174,469 | 149,776 |
| Legal fees | 85,306 | 15,389 |
| Consulting fees | 187,549 | 189,247 |
| | 447,324 | 354,412 |

Note 8. Other expenses

| | Consolidated | |
|-------------------------------|--------------|---------|
| | 2024 | 2023 |
| | \$ | \$ |
| Advertising and marketing | 141,275 | 187,508 |
| Subscriptions and memberships | 37,894 | 13,166 |
| Rent and office costs | 20,955 | 23,253 |
| Investor relations | 26,660 | 24,000 |
| Travel | 8,551 | 9,154 |
| Other expenses | 90,901 | 89,307 |
| | 326,236 | 346,388 |

Note 9. Income tax expense

| | Consolidated | |
|--|--------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Loss before income tax expense | (3,188,175) | (1,975,668) |
| Tax at the statutory tax rate of 30% | (956,453) | (592,700) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Other non-allowable items | 14,839 | 1,384 |
| Revenue losses not recognised | 420,578 | 555,871 |
| Other deferred tax balances not recognised | 496,059 | 3,721 |
| Share-based payments | 24,977 | 31,724 |
| Income tax expense | - | - |

| | Consolidated | |
|---|--------------|-----------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Deferred tax assets not recognised</i> | | |
| Deferred tax assets not recognised comprises temporary differences attributable to: | | |
| Carry forward revenue losses | 1,356,637 | 888,366 |
| Capital raising costs | 231,302 | 286,632 |
| Exploration and evaluation expenditure | 261,090 | - |
| Provisions and accruals | 23,248 | 47,670 |
| Project acquisition costs | 473,375 | 69,848 |
| Total deferred tax assets not recognised | 2,345,652 | 1,292,516 |

| | Consolidated | |
|---|--------------|----------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Deferred asset/tax liability</i> | | |
| Deferred asset/tax liability comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Exploration and evaluation expenditure | - | (31,414) |
| Interest receivable | (3,914) | (1,803) |
| Carry forward revenue losses | 6,974 | 33,217 |
| Prepayments | (3,060) | - |
| Deferred tax asset | - | - |

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.

Note 9. Income tax expense (continued)

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. The tax consolidated group has adopted the stand alone taxpayer allocation method for measuring the current and deferred tax amounts.

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.

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 10. Cash, cash equivalents and restricted cash

| | Consolidated | |
|-----------------|------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Cash at bank | 2,621,947 | 3,625,570 |
| Restricted cash | 100,000 | - |
| | <u>2,721,947</u> | <u>3,625,570</u> |

Accounting policy for cash, cash equivalents and restricted cash

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. Restricted cash represents a cash deposit held as security against the Group's bank guarantee as a requirement under the exploration agreement for EP258.

Note 11. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|---|---------------------|--------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Loss after income tax expense for the year | (3,188,175) | (1,975,668) |
| Adjustments for: | | |
| Depreciation and amortisation | 22,500 | 67,500 |
| Share-based payments (note 26) | 83,255 | 105,745 |
| Revision to P&A obligation | (60,299) | - |
| Exploration asset write-off | 1,345,089 | - |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables | (25,533) | (16,190) |
| Decrease in prepayments | 137,300 | 188,759 |
| Increase/(decrease) in trade and other payables | (3,305) | 100,157 |
| Net cash used in operating activities | <u>(1,689,168)</u> | <u>(1,529,697)</u> |

Note 12. Exploration and evaluation assets

| | Consolidated | |
|--|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Exploration and evaluation assets | <u>172,367</u> | <u>307,213</u> |
| Exploration and evaluation - restoration costs | 225,000 | 225,000 |
| Less: Accumulated amortisation | <u>(225,000)</u> | <u>(202,500)</u> |
| | - | 22,500 |
| | <u>172,367</u> | <u>329,713</u> |

Reconciliations

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

| Consolidated | \$ |
|-------------------------|------------------|
| Balance at 1 July 2022 | 171,343 |
| Additions | 293,370 |
| Amortisation expense | <u>(135,000)</u> |
| Balance at 30 June 2023 | 329,713 |
| Additions | 1,210,244 |
| P&A adjustment | (60,299) |
| Impairment of assets | (1,284,791) |
| Amortisation expense | <u>(22,500)</u> |
| Balance at 30 June 2024 | <u>172,367</u> |

Note 12. Exploration and evaluation assets (continued)

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.

The exploration asset associated with the ATP 1069 Project in Queensland has been written-off as at 30 June 2024 as the Company has been unable to extend the tenure beyond the existing license expiry date of 31 January 2025.

Note 13. Trade and other payables

| | Consolidated | |
|---------------------|----------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Trade payables | 149,623 | 66,776 |
| Accrued liabilities | 282,775 | 106,725 |
| Other payables | 87,128 | 79,432 |
| | <u>519,526</u> | <u>252,933</u> |

Refer to note 18 for further information on financial instruments.

Note 14. Provisions

| | Consolidated | |
|--|----------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Provision for restoration and rehabilitation | <u>164,701</u> | <u>225,000</u> |

The provision for restoration and rehabilitation relates to the future estimated costs in undertaking the plug and abandon of the Barwinock 2 Well at ATP 1069. The provision was revised during the year to more accurately reflect the estimated costs and the scope of work required for the Company to discharge its obligations.

Note 15. Issued capital

| | 2024 Shares | Consolidated 2023 Shares | 2024 \$ | 2023 \$ |
|------------------------------|----------------|--------------------------------|------------|------------|
| Ordinary shares - fully paid | 87,031,251 | 69,625,001 | 11,250,021 | 9,524,131 |

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|-------------------------------|--------------|------------|-------------|------------|
| Balance | 1 July 2022 | 69,625,001 | | 9,524,131 |
| Balance | 1 July 2023 | 69,625,001 | | 9,524,131 |
| Issued capital - placement | 6 March 2024 | 17,406,250 | \$0.12 | 2,088,750 |
| Share issue costs, net of tax | | - | | (362,860) |
| Balance | 30 June 2024 | 87,031,251 | | 11,250,021 |

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.

Broker Options

Share issue costs include the fair value of Broker Options which form part of the fee payable to Inyati Capital Pty Ltd (**Inyati**) for managing the placement completed by the Company during the year. The issue of the Broker Options are subject to shareholder approval and will be exercisable at \$0.25 each on or before 3 years from the date of issue.

The fair value of the options at grant date of \$0.08 per option was determined using the Black Scholes valuation model with the following inputs:

- Underlying share price of \$0.15
- Compounded risk-free interest rate of 3.71%
- Implied life of 3 years
- Share price volatility of 100%
- Dividend yield of nil

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 16. Reserves

| | Consolidated 2024 \$ | 2023 \$ |
|------------------------------|----------------------------|------------|
| Share-based payments reserve | 999,635 | 916,380 |

Note 16. Reserves (continued)

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

| | Consolidated | |
|--|----------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Opening Balance | 916,380 | 810,635 |
| Director Options | - | 63,158 |
| Managing Director Performance Rights (note 26) | 83,255 | 42,587 |
| | <u>999,635</u> | <u>916,380</u> |

Share-based payments reserve

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

Note 17. Loss per share

| | Consolidated | |
|---|--------------------|--------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Loss after income tax attributable to the owners of Top End Energy Limited | <u>(3,188,175)</u> | <u>(1,975,668)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>75,156,850</u> | <u>69,625,001</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>75,156,850</u> | <u>69,625,001</u> |
| | Cents | Cents |
| Basic loss per share | (4.24) | (2.84) |
| Diluted loss per share | (4.24) | (2.84) |

At 30 June 2024, 1,250,000 vested performance rights (30 June 2023: nil) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Note 18. 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

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.

Note 18. Financial instruments (continued)

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.

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.

| | Weighted average interest rate | 1 year or less | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Remaining contractual maturities |
|----------------------------|--------------------------------------|----------------|--------------------------|--------------------------|--------------|--|
| | % | \$ | \$ | \$ | \$ | \$ |
| Consolidated - 2024 | | | | | | |

Non-derivatives

Non-interest bearing

| | | | | | | |
|--------------------------|---|---------|---|---|---|---------|
| Trade and other payables | - | 236,751 | - | - | - | 236,751 |
| Total non-derivatives | | 236,751 | - | - | - | 236,751 |

| | Weighted average interest rate | 1 year or less | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Remaining contractual maturities |
|----------------------------|--------------------------------------|----------------|--------------------------|--------------------------|--------------|--|
| | % | \$ | \$ | \$ | \$ | \$ |
| Consolidated - 2023 | | | | | | |

Non-derivatives

Non-interest bearing

| | | | | | | |
|--------------------------|---|---------|---|---|---|---------|
| Trade and other payables | - | 146,208 | - | - | - | 146,208 |
| Total non-derivatives | | 146,208 | - | - | - | 146,208 |

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 19. Remuneration of auditors (continued)

Note 19. Remuneration of auditors

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

| | Consolidated | |
|---|--------------|--------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Audit services - BDO Audit Pty Ltd¹</i> | | |
| Audit and review of the financial statements | 56,013 | 36,061 |

¹The BDO entity performing the audit of the group transitioned from BDO Audit (WA) Pty Ltd on 22 April 2024. The disclosure includes amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respected related entities.

Note 20. 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 | |
|------------------------------|--------------|---------|
| | 2024 | 2023 |
| | \$ | \$ |
| Short-term employee benefits | 511,275 | 482,353 |
| Post-employment benefits | 39,050 | 29,174 |
| Share-based payments | 91,748 | 105,746 |
| | 642,073 | 617,273 |

Note 21. Related party transactions

Parent entity

Top End Energy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 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 21. Related party transactions (continued)

- Pantera Minerals Limited, a company of which Mr Emmanuel Correia was a Director, charged the Company \$25,128 for rent expenses (2023: \$34,879) of the corporate office during year. There was no balance outstanding at year end (2023: \$2,906).

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 22. Parent entity information

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

Statement of profit or loss and other comprehensive income

| | Parent | |
|--------------------------|-------------|-------------|
| | 2024 \$ | 2023 \$ |
| Loss after income tax | (2,916,395) | (1,196,630) |
| Total comprehensive loss | (2,916,395) | (1,196,630) |

Statement of financial position

| | Parent | |
|------------------------------|-------------|-------------|
| | 2024 \$ | 2023 \$ |
| Total current assets | 2,537,808 | 3,339,929 |
| Total assets | 2,537,808 | 3,733,088 |
| Total current liabilities | 426,411 | 232,917 |
| Total liabilities | 426,411 | 232,917 |
| Equity | | |
| Issued capital | 6,983,729 | 5,257,839 |
| Share-based payments reserve | 999,635 | 916,380 |
| Accumulated losses | (5,871,967) | (2,955,572) |
| Total equity | 2,111,397 | 3,218,647 |

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 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Note 22. Parent entity information (continued)

Material accounting policy information

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 23. Commitments

There are no material commitments as at 30 June 2024 (30 June 2023: Nil).

Note 24. Contingent liabilities

Territory Gas Project

The consideration for the acquisition of Territory Gas Pty Ltd included 19,500,000 deferred shares, which convert into ordinary shares of the Company following satisfaction of certain milestones. As the first two milestones are no longer able to be satisfied, 6,500,000 deferred shares remain convertible into ordinary shares upon spudding of at least one well on the permits comprising the Territory Gas Project within four years of the Company acquiring the Project.

As at 30 June 2024, 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 25. 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 | |
|-------------------------------------|---|--------------------|-----------|
| | | 2024 % | 2023 % |
| Tomorrow Energy Corporation Pty Ltd | Australia | 100.00% | 100.00% |
| NT Territory Holdco Pty Ltd | Australia | 100.00% | 100.00% |
| Mcarthur Energy Pty Ltd* | Australia | 100.00% | - |

*The company was incorporated during the year ended 30 June 2024.

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:

| Name | Principal place of business / Country of incorporation | Principal activities | Parent | | Non-controlling interest | |
|-------------------------------|---|----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | | Ownership interest 2024 % | Ownership interest 2023 % | Ownership interest 2024 % | Ownership interest 2023 % |
| Territory Gas Pty Ltd | Australia | Exploration | 57.68% | 57.68% | 42.32% | 42.32% |
| NT Gas Aust Pty Ltd | Australia | Exploration | 57.68% | 57.68% | 42.32% | 42.32% |
| Territory Gas Aust Pty Ltd | Australia | Exploration | 57.68% | 57.68% | 42.32% | 42.32% |

As the allocation of losses to the non-controlling interests may not be recuperable, the Group no longer recognises the Group's non-controlling interest as its share of net assets of the subsidiaries listed above. Accordingly, comparatives have been restated to enhance comparability. Refer to note 4 for further details.

Note 26. Share-based payments

| | Consolidated 2024 \$ | 2023 \$ |
|------------------------------|----------------------------|------------|
| Share based payments expense | (83,255) | (105,745) |

Options

Set out below are movements in Options for the year ended 30 June 2024.

| 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 |
| | | | 27,300,000 | - | - | - | 27,300,000 |

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.42 years (30 June 2023: 2.42 years).

Performance Rights

On 4 December 2023, the Company issued 750,000 performance rights to the Managing Director. The Director Performance Rights will vest upon 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 listed on the ASX by 31 March 2024. The Director Performance Rights have been valued at \$120,000 using the Black-Scholes model. The fair value is allocated as a share-based payment expense to each reporting period evenly over the performance measurement period. Details of the vesting criteria for performance rights granted in prior periods is set out in the remuneration report.

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

Set out below are movements in Performance Rights for the year ended 30 June 2024.

| 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 | 3,000,000 | - | - | (750,000) | 2,250,000 | 1,250,000 |
| 04/12/2023 | 04/12/2025 | - | 750,000 | - | - | 750,000 | - |

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.17 years (30 June 2023: 0.52 years).

Note 26. Share-based payments (continued)

For the Performance Rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------------|-------------------|------------------------|-------------------|-------------------------------|--------------------------------|
| 04/12/2023 | 04/12/2025 | \$0.16 | - | 90.00% | - | 3.62% | \$0.16 |

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.

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 27. Events after the reporting period

On 12 July 2024, the Company announced the completion of the transaction to acquire granted Northern Territory permits EP 144, EP 153 and EP 154 (the **Permits**) from wholly owned subsidiaries of Hancock Prospecting Pty Ltd (the **Vendors**), following satisfaction of the conditions precedent under the Share and Purchase Agreement. The consideration for the acquisition of the Permits is:

- the grant of a royalty to the Vendors equal to 2.5% of any gross revenue (measured and determined at the wellhead) received by Top End from sale, removal, or other disposal of any petroleum from the Permits; and
- the assumption of the Vendor's obligations under an existing royalty deed with Jacaranda Coal Pty Ltd (ACN 131 388 942) (formerly Jacaranda Coal Limited) for a royalty equal to 1% of the gross revenue (measured and determined at the wellhead) received by Top End from sale, removal, or other disposal of any petroleum from the Permits.

The acquisition will be accounted for as an asset acquisition as the acquisition does not meet the criteria to be treated as a business combination under AASB 3 *Business Combinations*.

On 30 August 2024, Mr Andrew Somoff was appointed as a Non-executive Director of the Company. He succeeded Mr Oliver Oxenbridge, Top End's inaugural Managing Director, following Mr Oxenbridge's resignation on the same date. Mr Somoff has assumed responsibility for key executive functions under a consulting agreement.

No other matter or circumstance has arisen since 30 June 2024 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.

| Entity name | Entity type | Place formed / Country of incorporation | Ownership interest | |
|-------------------------------------|----------------|---|--------------------|---------------|
| | | | % | Tax residency |
| Tomorrow Energy Corporation Pty Ltd | Body Corporate | Australia | 100.00% | Australia |
| NT Territory Holdco Pty Ltd | Body Corporate | Australia | 100.00% | Australia |
| Mcarthur Energy Pty Ltd | Body Corporate | Australia | 100.00% | Australia |
| Territory Gas Pty Ltd | Body Corporate | Australia | 57.68% | Australia |
| NT Gas Aust Pty Ltd | Body Corporate | Australia | 57.68% | Australia |
| Territory Gas Aust Pty Ltd | Body Corporate | Australia | 57.68% | Australia |

Basis of preparation

This consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



Emmanuel Correia
Non-Executive Chairman

30 September 2024
Perth, Western Australia

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 2024, 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 material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, 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 2024 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 Group in accordance with 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation assets

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>At 30 June 2024, the carrying value of the exploration and evaluation assets represents a significant asset of the Group, as disclosed in note 12.</p> <p>As a result, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (“AASB 6”), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p> | <p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure remained current at the reporting date, which included obtaining and assessing supporting documentation such as license status records; • Considering the Group’s intention to carry out significant ongoing exploration programmes for the area of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and directors’ minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Evaluating and assessing the accuracy of the Group’s calculation on the impairment recognised for the year ended 30 June 2024; • Considering whether any facts or circumstances existed to suggest further impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 12 of the Financial Report. |

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, 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:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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 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 16 to 22 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Top End Energy Limited, for the year ended 30 June 2024, 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 Pty Ltd

BDO
A handwritten signature in blue ink, appearing to read 'P Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 30 September 2024

Additional information required by ASX Limited and not shown elsewhere in this report is as follows. This information is current as at 16 September 2024.

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 | - | - | - | - | - |
| 1,001 to 5,000 | 176 | 0.63 | - | - | - | - |
| 5,001 to 10,000 | 114 | 1.10 | - | - | - | - |
| 10,001 to 100,000 | 263 | 12.83 | 6 | 1.47 | - | - |
| 100,001 and over | 129 | 85.44 | 33 | 98.53 | 1 | 100.00 |
| | <u>699</u> | <u>100.00</u> | <u>39</u> | <u>100.00</u> | <u>1</u> | <u>100.00</u> |
| Holding less than a marketable parcel | <u>169</u> | <u>0.49</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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) | 14,987,775 | 17.22 |
| 2 INYATI FUND PTY LTD (INYATI FUND NO2 UNIT A/C) | 6,437,500 | 7.40 |
| 3 S3 CONSORTIUM HOLDINGS PTY LTD (NEXTINVESTORS DOT COM A/C) | 2,656,250 | 3.05 |
| 4 S3 CONSORTIUM PTY LTD | 1,875,000 | 2.15 |
| 5 MORERESOURCES PTY LTD | 1,750,000 | 2.01 |
| 6 DIDCAL PTY LTD (AB CHAPMAN FAMILY S/F A/C) | 1,500,000 | 1.72 |
| 6 MR BEN WEST STATHAM & MRS ELLE LOUISE STATHAM (THE BELLE S/F A/C) | 1,500,000 | 1.72 |
| 6 ALEXANDER HOLDINGS (WA) PTY LTD | 1,500,000 | 1.72 |
| 7 CRYING ROCK PTY LTD (CRYING ROCK A/C) | 1,300,000 | 1.49 |
| 8 MR JASON ALEXANDER BOND & MS JENNIFER KATE LANGDON (THE J BOND SUPER FUND A/C) | 1,100,000 | 1.26 |
| 9 MR BENJAMIN WEST STATHAM (BEN STATHAM TT A/C) | 1,000,000 | 1.15 |
| 9 MR THOMAS JAMES LOH | 1,000,000 | 1.15 |
| 9 LL FORCE PTY LTD | 1,000,000 | 1.15 |
| 9 MERLIN WEST HOLDINGS PTY LTD | 1,000,000 | 1.15 |
| 10 PETERLYN PTY LTD (RPC SALMON SUPER FUND A/C) | 850,000 | 0.98 |
| 11 OILLR PTY LTD (OILLR INVESTMENT A/C) | 762,225 | 0.88 |
| 12 MRS LOUISE JANE HARTWIG | 750,000 | 0.86 |
| 12 OCEAN REEF HOLDINGS PTY LTD | 750,000 | 0.86 |
| 12 CARDRONA ENERGY PTY LTD | 750,000 | 0.86 |
| 13 MR NATHAN CARATTI | 700,000 | 0.80 |
| 14 HOLDREY PTY LTD (DON MATHIESON FAMILY A/C) | 688,179 | 0.79 |
| 15 MELBOR PTY LTD (RJW FAMILY A/C) | 675,000 | 0.78 |
| 16 ALWAYS HOLDINGS PTY LTD (BUHAGIAR S/F A/C) | 635,000 | 0.73 |
| 17 BLUE COASTERS PTY LTD | 601,223 | 0.69 |
| 18 BDE (WA) PTY LTD (J&J ROBERTS FAMILY A/C) | 600,000 | 0.69 |
| 18 MACAVA PTY LTD (LAGO SUPER FUND A/C) | 600,000 | 0.69 |
| 18 MGL CORP PTY LTD | 600,000 | 0.69 |
| 18 LONE JET PTY LTD | 600,000 | 0.69 |
| 19 JAINDI INVESTMENTS PTY LTD | 593,750 | 0.68 |
| 20 PHEAKES PTY LTD (SENATE A/C) | 562,500 | 0.65 |
| | 49,324,402 | 56.66 |

Unquoted and restricted equity securities

| | Number on issue | Number of holders |
|--|-----------------|-------------------|
| Options exercisable at 30 cents and expiring on 30 November 2025 | 27,300,000 | 39 |
| Performance Rights | 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

The names of the substantial holders as disclosed in substantial shareholding notices given to the Company are:

| | Ordinary shares | |
|--|-----------------|--------------------------|
| | Number held | % of total shares issued |
| MCKAM AUST PTY LTD (CHARLOTTE INVESTMENT A/C) | 15,750,000 | 18.09 |
| INYATI FUND PTY LTD (INYATI FUND NO2 UNIT A/C) | 5,625,000 | 8.08 |
| 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.

| 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 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 (EP 501) | Western Australia | 100.00 |
| EP 144 ¹ | Northern Territory | 100.00 |
| EP 153 ¹ | Northern Territory | 100.00 |
| EP 154 ¹ | Northern Territory | 100.00 |

The Company's petroleum tenements in the Northern Territory under application, are marked (A). 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).

¹After the year end (on 12 July 2024), the Company announced the completion of the transaction to acquire EP 144, 153 and 154 in the Northern Territory from wholly owned subsidiaries of Hancock. Approval for the transfer of titles to the Company was received on 24 September 2025.