

Emperor Energy Limited

ABN 56 006 024 764

Half-year Financial Report - 31 December 2023

Emperor Energy Limited

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31 December 2023

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Emperor Energy Limited
Corporate directory
31 December 2023

Directors	Carl Dumbrell Nigel Harvey Philip McNamara
Company secretary	Carl Dumbrell
Registered office & Principal place of business	Level 4, 55 York Street Sydney NSW 2000
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Lawyer	Thomson Geer Exchange Tower Level 27, 2 The Esplanade Perth WA 6831
Auditor	Byrons Audit Pty Ltd Suite 2 Level 14, 9 Castlereagh Street Sydney NSW 2000
Stock exchange listing	Emperor Energy Limited shares are listed on the Australian Securities Exchange (ASX: EMP)
Website	www.emperorenergy.com.au

Emperor Energy Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Emperor Energy Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

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

Carl Dumbrell (Non-Executive Director)

Nigel Harvey (Non-Executive Director)

Philip McNamara (Non-Executive Director)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of investment in selected exploration, production and development opportunities in the upstream oil and gas sector.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$472,680 (31 December 2022: \$586,882).

Financial Position

The net assets of the consolidated entity increased by \$95,359 to \$5,522,639 as at 31 December 2023 (30 June 2023: \$5,427,280). The consolidated entity's working capital, being current assets less current liabilities was in surplus as at 31 December 2023 by \$156,639 (30 June 2023: surplus \$172,035). The consolidated entity had a negative cash flows from operating activities of \$360,093 for the six months (31 December 2022: deficit of \$519,139) and expended \$110,785 (31 December 2022: \$312,135) in relation to exploration and evaluation activities.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, results of those operations, or the consolidated entity's state of affairs in future financial years.

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.

Tenement holding summary

Below is a list of the tenements held by Emperor Energy Limited as of 31 December 2023:

Petroleum Tenement	Location	Beneficial Percentage held
Vic/P47	Victoria	100% / Operator
Backreef Area	Western Australia	100% / Operator

Emperor Energy did not acquire or dispose, farm in or farm out, or incur any change of beneficial interest in any petroleum tenements during the quarter.

During the 31st December 2023 Quarter Emperor Energy entered into a conditional sales and purchase agreement to acquire 3 gold mining leases in North Queensland, Australia. It is expected that this acquisition will be completed in March 2024.

Emperor Energy Limited
Directors' report
31 December 2023

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

On behalf of the directors



Carl Dumbrell
Director

1 March 2024

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Emperor Energy Limited and Its Controlled Entities

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Emperor Energy Limited and the entities it controlled during the half-year ended 31 December 2023.



Byrons Audit Pty Ltd



Irene Wang
Director

5th March 2024

Sydney NSW 2000

Emperor Energy Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 December 2023	31 December 2022
		\$	\$
Revenue		1,933	3,289
Expenses			
Administration expenses		(470,101)	(562,347)
Finance costs		(4,512)	(6,524)
Impairment		-	(21,300)
Loss before income tax expense		(472,680)	(586,882)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Emperor Energy Limited		(472,680)	(586,882)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Emperor Energy Limited		<u>(472,680)</u>	<u>(586,882)</u>
		Cents	Cents
Basic earnings per share	13	(0.17)	(0.25)
Diluted earnings per share	13	(0.17)	(0.25)

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

Emperor Energy Limited
Statement of financial position
As at 31 December 2023

		Consolidated	
	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	184,932	313,070
Trade and other receivables		27,855	46,248
Other financial assets	5	27,452	30,227
Total current assets		<u>240,239</u>	<u>389,545</u>
Non-current assets			
Financial Assets designated as FVTPL		130	160
Petroleum exploration expenditure	6	5,365,870	5,255,085
Total non-current assets		<u>5,366,000</u>	<u>5,255,245</u>
Total assets		<u>5,606,239</u>	<u>5,644,790</u>
Liabilities			
Current liabilities			
Trade and other payables	7	83,600	217,510
Total current liabilities		<u>83,600</u>	<u>217,510</u>
Non-Current liabilities			
Trade and other payables	7	-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>83,600</u>	<u>217,510</u>
Net assets		<u><u>5,522,639</u></u>	<u><u>5,427,280</u></u>
Equity			
Issued capital	8	32,312,772	31,744,732
Reserves		140,250	140,250
Accumulated losses		<u>(26,930,383)</u>	<u>(26,457,702)</u>
Total equity		<u><u>5,522,639</u></u>	<u><u>5,427,280</u></u>

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

Emperor Energy Limited
Statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2022	30,550,302	(25,488,540)	-	5,061,762
Loss after income tax expense for the half-year	-	(586,882)	-	(586,882)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	(586,882)	-	(586,882)
<i>Transactions with owners in their capacity as owners:</i>				
Share placement to creditors, directors & other parties	285,000	-	-	285,000
Contributions of equity, net of transaction costs (note 8)	909,430	-	-	909,430
Share options to lead manager – transaction costs	-	-	140,250	140,250
Balance at 31 December 2022	<u>31,744,732</u>	<u>(26,075,422)</u>	<u>140,250</u>	<u>5,809,560</u>
Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2023	31,744,732	(26,457,702)	140,250	5,427,280
Loss after income tax expense for the half-year	-	(472,680)	-	(472,680)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	(472,680)	-	(472,680)
<i>Transactions with owners in their capacity as owners:</i>				
Share placement to directors	225,000	-	-	225,000
Contributions of equity, net of transaction costs (note 8)	343,040	-	-	343,040
Balance at 31 December 2023	<u>32,312,772</u>	<u>(26,930,383)</u>	<u>140,250</u>	<u>5,522,639</u>

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

Emperor Energy Limited
Statement of cash flows
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 December 2023	31 December 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(422,296)	(321,146)
Refund(Payments) of taxes and other		60,250	(194,758)
Interest & other finance costs paid		-	(6,524)
Interest received		1,953	3,289
		<u> </u>	<u> </u>
Net cash used in operating activities		(360,093)	(519,139)
		<u> </u>	<u> </u>
Cash flows from investing activities			
Net payments for other financial assets		-	-
Payments for exploration and evaluation		(110,785)	(312,135)
		<u> </u>	<u> </u>
Net cash used in investing activities		(110,785)	(312,135)
		<u> </u>	<u> </u>
Cash flows from financing activities			
Proceeds from issue of shares		350,000	1,122,000
Payment of share issue costs		(7,260)	(79,552)
		<u> </u>	<u> </u>
Repayments of borrowings		-	(26,611)
		<u> </u>	<u> </u>
Net cash from financing activities		342,740	1,015,837
		<u> </u>	<u> </u>
Net (decrease)/increase in cash and cash equivalents		(128,138)	184,563
Cash and cash equivalents at the beginning of the financial half-year		313,070	572,044
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	4	<u>184,932</u>	<u>756,607</u>

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

1. General information

Emperor Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The address of the registered office and principal place of business is Level 4, 55 York Street, Sydney, NSW 2000.

The principal activities of the consolidated entity consisted of investment in selected exploration, production and development opportunities in the upstream oil and gas sector.

2. Presentation of financial statements

The financial statements cover Emperor Energy Limited as a consolidated entity consisting of Emperor Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements have been presented in Australian dollars (\$) as this is the currency of the primary economic environment that the group operates in.

3. Significant accounting policies

The general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

The general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

3.1 New Accounting Standards and Interpretations adopted

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

3.2 New Accounting Standards and Interpretation 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 consolidated entity for the period ended 31 December 2023.

3.3 Going concern

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

For the six months ended 31 December 2023, the consolidated entity incurred a loss after tax of \$472,680 (31 December 2022: \$586,882) and had net cash outflows from operating and exploration activities of \$470,878 (31 December 2022: \$831,274). Additionally, as at 31 December 2023 the consolidated entity had a net current asset of \$156,639 (30 June 2023: net current assets \$172,035) and net assets of \$5,522,639 (30 June 2023: \$5,427,280).

In considering the appropriateness of this basis of preparation, the directors have reviewed the consolidated entity working capital forecasts for a minimum of 12 months from the date of the approval of this financial statement. At 31 December 2023, the consolidated entity had \$184,932 of available cash.

Since the end of the last financial year, the directors have taken a number of actions to ensure the consolidated entity can continue to fund its operations and further explore and develop the consolidated entity's tenements. These steps comprise:

1. Capital raise in November and December 2023;
2. Payment of directors' fees in shares;
3. Global search to secure a farm-in partner for Vic/P47.

The directors have prepared a detailed cash flow forecast through to 31 March 2025 and based on the budgeted expenditure, the consolidated entity will be required to raise additional funds (through the methods set out above) with a minimum overall raising of \$2,000,000 for exploration and operating costs (which excludes any drilling activities) before capital raising costs by 31 March 2025.

Emperor Energy Limited
Notes to the financial statements
31 December 2023

The consolidated entity currently does not have any production income and in order to continue as a going concern is reliant on achieving a capital raising of at least \$2,000,000 over the 12 months to 31 March 2025.

Based on the current management plan, management believes that these funds will be sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis of preparation.

In the event that the consolidated entity is unsuccessful in the matters set out above, there is material uncertainty whether the consolidated entity will 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.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

4. Current assets - cash and cash equivalents

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Cash at bank	<u>184,932</u>	<u>313,070</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents include 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.

5. Current assets – other financial assets

Prepayments	<u>27,452</u>	<u>30,227</u>
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6. Non-current assets - petroleum exploration expenditure

Exploration and evaluation - at cost	<u>5,365,870</u>	<u>5,255,085</u>
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Note 6. Non-current assets - petroleum exploration expenditure (continued)

Reconciliations

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

Consolidated	Exploration \$
Balance at 1 July 2023	5,255,085
Expenditure during the half-year	<u>110,785</u>
Balance at 31 December 2023	<u><u>5,365,870</u></u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

7. Trade and other payables

	Consolidated 31 December 2023 \$	30 June 2023 \$
Trade and other payables	<u>83,600</u>	<u>217,510</u>

8. Equity - issued capital

	Consolidated			
	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	<u>340,737,478</u>	<u>268,862,478</u>	<u>32,312,772</u>	<u>31,744,732</u>
	<u><u>340,737,478</u></u>	<u><u>268,862,478</u></u>	<u><u>32,312,772</u></u>	<u><u>31,744,732</u></u>

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2023	268,862,478		31,744,732
Placement	14 November 2023	37,500,000	\$0.008	300,000
Issue of shares in lieu of directors' fees	4 December 2023	28,125,000	\$0.008	225,000
Placement	29 December 2023	6,250,000	\$0.008	50,000
Less costs	31 December 2023	-	-	(6,960)
Balance	31 December 2023	<u><u>340,737,478</u></u>		<u><u>32,312,772</u></u>

8. Equity - issued capital (continued)

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.

9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

10. Commitments

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
<i>Exploration and evaluation</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,230,425	725,000
One to five years	25,600,000	26,250,000
	<u>26,830,425</u>	<u>26,975,000</u>

The consolidated entity has interests in exploration and evaluation permits. These interests give rise to expenditure commitments.

Backreef Area

The consolidated entity own 100% of the Backreef block in the Canning Basin, Western Australia. Backreef-1 was drilled in October 2010 to a depth of 1800m. Oil was discovered in porous and permeable Laurel dolomites. The well is currently cased and suspended at 1155m.

10. Commitments (continued)

VIC/P47

**Table 1.1: Summary of Contingent Resources for Judith area of VIC/P47
(3D-GEO, October 2022)**

Judith Gas Discovery		Contingent Resources		
		Low 1C	Best 2C	High 3C
GIIP	Bcf	204	322	463
Sales gas	Bcf	118	198	297
Condensate	MMbbl	1.7	2.9	4.6

**Table 1.2: Summary of Prospect Prospective Resources for Judith area of VIC/P47
Judith and Longtom Sandstones (3D-GEO, October 2022)**

Greater Judith Area		Unrisked Prospective Resources		
		P90	P50	P10
Judith Deep	Bcf	56	100	157
West	Bcf	102	166	244
Central	Bcf	46	430	859
North	Bcf	36	208	410
North East	Bcf	67	379	701
North West	Bcf	18	126	293
South	Bcf	21	218	788
Total	Bcf	346	1627	3452

**Table 1.3: Summary of Lead Prospective Resources for Judith area of VIC/P47
Kipper and Golden Beach Sandstones (3D-GEO, March 2022)**

Greater Judith Area		Unrisked Prospective Resources		
		P90	P50	P10
New Resource Statement				
Kipper Sand	Bcf	194	314	478
Upper Golden Beach Sandstone Sequence	Bcf	70	143	247
Lower Golden Beach Sandstone Sequence	Bcf	9	21	40
Golden Beach Basal Sand	Bcf	83	144	231
Total	Bcf	356	622	996

The 100% Emperor Energy owned Vic/P47 Exploration Permit containing the Judith structure is in good standing with the National Offshore Petroleum Titles Authority (NOPTA).

Emperor Energy is progressing on schedule through the Permit Work Program (Figure 1) and is now undertaking an engagement process with stakeholders as part of development of the Judith-2 Exploration Drilling Environmental Plan. This process is required following the Federal Court of Australia decision on 21 September 2022 Tipakalippa v National Offshore Petroleum Safety and Environmental Management Authority (No 2) [2022] FCA 1121.

Emperor Energy applied to NOPTA on 8th August 2023 for an extension to its current work program to allow the necessary time to complete this additional work. The approval for 24-month extension was granted on 13 February 2024 by NOPTA. It provides security of tenure for Emperor Energy to complete the approvals process for drilling Judith-2 and secure a farm-in partner to co-fund the well.

10. Commitments (continued)

Year	Start Date	End Date	Activity Description	Indicative Expenditure (AUD)	Complete?
1-3	23/02/2018	22/08/2023	Geotechnical studies including detailed resource assessment, preliminary reservoir engineering, target selection and well planning	\$400,000	✓
			Purchase of 45 km ² of multi-client 3D seismic from CGG - comprising all available MC3D full-fold coverage in VIC/P47*	\$580,000	✓
			Interpretation and mapping of newly purchased 45 km ² of Multi Client 3D seismic data*	\$150,000	In progress
			Confirmation of drilling target/s and detailed well planning and preparation	\$1,300,000	
			Drill one well	\$25,000,000	
4	23/08/2023	22/08/2024	Post-well evaluation studies	\$500,000	
5	23/08/2024	22/08/2025	Geotechnical studies including commerciality assessment	\$300,000	

Figure 1: Vic/P47 Permit Work Program showing work completed and in progress

Gold Mining Lease

On 16 October 2023, the consolidated entity executed an Asset Sale and Purchase Agreement to acquire 3 Mining Leases with a total area of 128 Hectares located between Townsville and Charters Towers City in North Queensland.

Emperor Energy is acquiring the Mining Lease for a consideration of \$450,000 cash plus the issuance of \$50,000 in fully paid ordinary shares in Emperor Energy (**Emperor Shares**) to the Vendor.

The Emperor Shares to be issued to the Vendor will be issued under Emperor Energy's existing Listing Rule 7.1 capacity. The issue price will be equal to the volume weighted average price of the Buyer's fully paid ordinary shares as traded on the ASX for the 30 days up to and including the trading day prior to the date of satisfaction (or waiver) of all the Conditions of the Asset Sale and Purchase Agreement.

The Agreement contains several conditions precedent including.

1. The Buyer completing its due diligence by 31 October 2023.
2. The Buyer completing a capital raising to fund the acquisition of the Mining Leases.
3. The Buyer receiving confirmation of approval of an amendment to the existing Environmental Authority for the Mining Leases to allow for an exploration drilling program.
4. The Buyer receiving confirmation from the Landowner that it will consent to the Buyer entering onto the area of the Mining Lease to conduct exploration and mining activities.
5. The Seller receiving notice to the effect that, subject to compliance with the Resources Act and on conditions reasonably acceptable to the Buyer, the Minister will or is likely to approve the transfer of the Mining Leases to the Buyer in accordance with the Resources Act
6. The Buyer receiving all regulatory and third-party approvals necessary to give effect to the transfer of the Mining Leases
7. The Buyer receiving a valid assignment, assumption, adherence, novation or transfer of all Material Contracts duly executed by the Seller and all relevant third parties.

It is expected that the acquisition of the Mining Leases will be completed prior to 31 March 2024.

The consolidated entity will need to raise capital, or identify a farmin partner to fund all the planned activities above.

11. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2023 %	30 June 2023 %
OBL Backreef No.10 Pty Ltd	Australia	100.00	100.00
Emperor Resources Pty Ltd	Australia	100.00	100.00
Shelf Oil Pty Ltd	Australia	100.00	100.00
Backreef Energy Pty Ltd	Australia	100.00	100.00

12. Events after the reporting period

Other than as disclosed, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, results of those operations, or the consolidated entity's state of affairs in future financial years:

13. Earnings per share

	Consolidated	
	31 December 2023 \$	31 December 2022 \$
Loss after income tax attributable to the owners of Emperor Energy Limited	<u>(472,680)</u>	<u>(586,882)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>275,787,000</u>	<u>234,867,957</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>275,787,000</u>	<u>234,867,957</u>
	Cents	Cents
Basic earnings per share	(0.17)	(0.25)
Diluted earnings per share	(0.17)	(0.25)

Emperor Energy Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Carl Dumbrell
Director

1 March 2024

Emperor Energy Limited

ACN 006 024 764

Independent Auditor's Review Report to the members of Emperor Energy Limited and Its Controlled Entities

Report on the Review of the Half -Year Financial Report

Conclusion

We have reviewed the accompanying half-year Financial Report of Emperor Energy Limited and its controlled entities, which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year Financial Report of Emperor Energy Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the review. 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* has been provided to the Directors of Emperor Energy Limited.

Material Uncertainty related to Going Concern

Without modifying our conclusion, we draw attention to the Going Concern paragraph under Note 3 in the half-year Financial Report which indicates that the consolidated entity incurred a net loss of \$472,680 and net cash outflows from operating and exploration activities of \$470,878 during the half-year ended 31 December 2023. Strategies are in place to ensure the ongoing financial viability of the consolidated entity however if these are unsuccessful then these conditions, together with other matters as set forth in the Going Concern paragraph under Note 3, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the half year Financial Report.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the consolidated entity are responsible for:

- the preparation of the half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year Financial Report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



Byrons Audit Pty Ltd



Irene Wang
Director

5th March 2024

Sydney NSW 2000