APPENDIX 4D – HALF YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

27 February 2024

DETAILS OF THE REPORTING PERIOD

This report details the consolidated results of Provaris Energy Ltd, ABN: 53 109 213 470 ("Provaris" or "Company") and its controlled entities ("Group") for the half-year ended 31 December 2023. Comparatives are for the half-year ended 31 December 2022.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				2023 $'000	2022 $'000
2.1	Revenue from ordinary activities		0%	—	—
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	Down	2%	(3,754)	(3,846)
2.3	Net profit/(loss) for the year attributable to members	Down	2%	(3,754)	(3,846)
				Cents	**Cents**
2.4	Net Tangible assets per security – at the end of the period			0.37	1.37

OPERATING RESULTS

For commentary on the financial results please refer to the information provided in the Directors Report in the attached interim financial report. The half-year report should be read in conjunction with the most recent annual report.

DIVIDENDS

No dividends have been paid or declared since the start of the financial half-year by the Company. The directors do not propose to pay either a final or interim dividend. The Company does not have a dividend reinvestment plan.

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

The Group did not gain or lose control over any entities during the half-year ended 31 December 2023.

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Group did not have any associates or participation in any joint ventures during the half-year ended 31 December 2023.

AUDIT OF FINANCIAL STATEMENTS

This report is based on the attached half-year financial report which has been reviewed by our auditors.

PROVARIS

Provaris Energy Ltd

Consolidated Financial Report
for the Half Year ended 31 December 2023

This document should be read in conjunction with the Annual Financial Report of Provaris Energy Ltd for the year ended 30 June 2023

Corporate Directory

DIRECTORS:	Greg Martin (Independent, Non-Executive Chairman) Martin Carolan (Managing Director and CEO) Garry Triglavcanin (Executive Director) Retired 19 January 2024 Andrew Pickering (Independent, Non-Executive Director) David Palmer (Independent, Non-Executive Director)
COMPANY SECRETARY:	Norman Marshall
ABN:	53 109 213 470
ASX CODE:	PV1
WEBSITE:	https://www.provaris.energy/
REGISTERED OFFICE:	19/40 St Quentin Avenue Claremont, Western Australia 6010 Tel: +61 (8) 9322 6955 Fax: +61 (8) 6267 8155
AUDITORS:	Ernst and Young 11 Mounts Bay Road Perth, Western Australia 6000 Tel: +61 (8) 9429 2222
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, Western Australia 6000 GPO Box D182 Perth, Western Australia 6840 Tel: +61 1300 787 272 Fax: +61 (8) 9323 2033

The directors of Provaris Energy Ltd A.C.N. 109 213 470 ("Provaris" or "Company") present their report including the consolidated financial report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the half-year ended 31 December 2023. The Company is a listed public company limited by shares and incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company who held office during the half-year and up to the date of this report, unless otherwise indicated, are:

Greg Martin	Independent, Non-Executive Chairman
Martin Carolan	Managing Director and CEO
Garry Triglavcanin *(1 July 2023 – 19 January 2024)*	Executive Director
Andrew Pickering	Independent, Non-Executive Director
David Palmer	Independent, Non-Executive Director

OPERATING RESULTS

The operating loss for the Consolidated Entity, after income tax, amounted to $3,754,190 (2022: $3,846,406).

REVIEW OF OPERATIONS

During the half-year to 31 December 2023 Provaris made substantial progress in relation to its key business activities, comprising:

- Design of its proprietary compressed hydrogen storage tanks, with construction of a prototype tank to commence in March 2024 at Prodtex AS' established facilities in Norway, utilising digital twin robotic cell laser welding (***H2 Tank***);
- Advancement of a business plan for the manufacture and sale of smaller scale H2 Tanks to address the rapidly growing market for such tanks in Europe, which provides the opportunity for Provaris to generate nearer term sales and cash flow;
- Design of its proprietary ***H2Leo*** barge (26,000m^3) and ***H2Neo*** carrier (26,000m^3) and larger ***H2Max*** carrier (120,000m^3) for the storage and marine transportation of hydrogen in compressed form; each of which will employ Provaris' H2 Tank technology; and
- Identification and advancement of greenfield hydrogen production and export projects in Norway and regional Europe, in collaboration with partners and which would utilise Provaris' H2Leo barge and H2Neo and H2 Max carriers to transport the hydrogen to customers designated import terminals.

The half-year period also continued to demonstrate progress for the development and industry acceptance of our integrated compressed hydrogen supply chain. Both Australian and Norway based management spent time working from Provaris' Oslo office, with the focus on the above activities in Europe.

I. DEVELOPMENT ACTIVITY - EUROPE

Two Collaboration Agreements for the development of green hydrogen export projects in Norway were advanced during the period to demonstrate the combined benefits of grid connected renewable power and Provaris' proprietary H2Neo carriers and H2Leo barges.

Provaris' compressed hydrogen export supply chain stands out for its simplicity and energy efficiency, resulting in a very competitive delivered cost to markets in Europe which have an important requirement of

10 million tonnes of hydrogen by 2030.

The combination of simplicity, energy efficiency, cost competitiveness and delivery timeline of compression as an alternative to other hydrogen carriers is now being recognised through two MOUs entered with major German power and utility companies evaluating Provaris' compressed hydrogen carriers for supply of hydrogen to Germany.

FjordH2 Project in collaboration with Norwegian Hydrogen AS

Following on from the successful completion of a Prefeasibility Study in June 2023, the partners continued with development activities for a 270MW electrolyser, compression, and marine jetty facility. The proposed hydrogen export volume of ~40,000 tonnes per annum will utilise Provaris' H2Leo barge storage to optimise production and a fleet of two (2) H2Neo carriers for the efficient and low-cost transport to key ports in Europe. Initial studies indicate a very competitive transport cost of hydrogen within the range of EUR 1.00-1.50/kg (excluding H2 production costs).

All planned project activities for 2023 were successfully executed, maturing the FjordH2 project toward FEED-level engineering and permitting as a bulk-scale hydrogen export site. Feasibility outcomes confirmed the capital and energy efficiency advantages of a compressed hydrogen supply chain, showcasing a highly competitive cost for delivering gaseous hydrogen from Norway to Europe

Provaris' compressed hydrogen export supply chain stands out for its simplicity and energy efficiency, resulting in a very competitive delivered cost to Europe. This flexible and low-cost solution aligns perfectly with Norwegian Hydrogen's ambition for scaling up a portfolio of hydrogen generation across multiple sites for transportation as gaseous green hydrogen to Europe.

Post the Period, Provaris and Norwegian Hydrogen extended the Collaboration Agreement for an additional 6 months to June 2024. Norwegian Hydrogen's 250 MW grid capacity application remains assessed as mature and remains in the capacity queue of Statnett (national TSO). Future development activities for the FjordH2 project will align with the confirmed power capacity reservation.

Afjord Project in collaboration with Gen2 Energy AS

Gen2 Energy AS and Provaris signed a Collaboration Agreement in June 2023 for the parties to undertake a comprehensive Prefeasibility Study to assess the technical and economic feasibility of producing and supplying compressed green hydrogen from a hydrogen production project in Åfjord, Norway to key European ports, leveraging Provaris' advanced marine storage and shipping supply chain, including Provaris' H2Leo storage barge and H2Neo carriers. During the period, the study deliverables included a detailed economic model with positive results and a decision by both parties to approve the Gate 1 evaluation stage.

The success of the collaboration activity continues to highlight the attractive economics Provaris' unique supply chain solution offers to Norwegian export sites. Further work in the period includes an integrated Project Schedule, Technical Review by Gen2 Energy of the H2Neo cargo containment system and carrier (including site visit and meetings to review the prototype H2 Tank program); and a Preliminary review of all safety risks/hazards for the project site.

Final Prefeasibility Report is scheduled for completion in Q1 2024 along with discussion on future commercial agreements for development and operation.

Two MOUs with major German power and utility companies to evaluate compressed hydrogen carriers for supply of hydrogen to Germany

In late 2024 the Company entered into non-binding Memorandum of Understandings with two major German power and utility companies, including Uniper Global Commodities SE (Uniper). Provaris and the utilities will work together to qualify the technical, operational, and economic benefits of Provaris' H2Neo carriers and compressed hydrogen supply chain.

Extensive marketing in Europe by management has resulted in an increase in awareness that compression offers a flexible and energy efficient delivery model for the regional supply of 'gaseous' pipeline ready green hydrogen as one alternative to support Germany's ambitions for decarbonisation of industry and energy security.

The prefeasibility level studies will focus on the German utilities' portfolio requirement for green hydrogen supply volumes of gaseous hydrogen by 2028 when the decommissioning of GW-scale coal-fired generation is required.

II. H2NEO CARRIER – PROTOTYPE TANK DESIGN, TESTING AND FINAL CLASS APPROVALS

Final Class Approvals and Prototype Tank

In July, as part of our investigations for the required H2 Tank prototype testing, Provaris awarded Norway based Prodtex AS (***Prodtex***) a contract to design, construct and test a prototype scaled H2 Tank, alongside SINTEF, Norway's leading independent research organisation. American Bureau of Shipping (***ABS***) and Det Norske Veritas (***DNV***) are appointed for joint certification and final Class Approvals, is targeted for Q2 2024.

Design of the prototype H2 Tank was completed during the Period, with detailed planning for construction and testing to take place at Prodtex's production facility located in Fiskå, Norway in 2024. The next stage will include completion of the digital twin of the prototype to enable construction to commence in Q2 2024, supporting our target of completion of all testing and award of Final Class Approvals during Q2 2024.

The prototype H2 Tank design is based on the layering of carbon steel plate with 8 mm thickness and 700 MPA minimum yield strength, sourced from SSAB in Sweden, and certified by DNV and ABS. Construction of the H2 Tank will include the exclusive use robots and laser welding equipment available at Prodtex' existing facilities in Norway.

Design work for the prototype has been performed in parallel to the full-scale H2Neo carrier tanks to verify constructability, safety and construction costs.

Automated tank fabrication, using the proven application of robotics and laser welding technology, offers cost advantages over existing solutions, positioning Provaris as a front-runner in the delivery of low-cost hydrogen storage tanks.

- Increased productivity (~20x)
- 100% quality assurance (NDT)
- Reduction in construction costs
- Reduced heat & energy costs
- Reduction in CO2 footprint
- Extends Provaris IP to new revenue products

Carbon Steel Plate and Welding Procedures

Separate to the prototype H2 Tank program, Provaris completed the qualification of selected cargo tank materials and welding procedures in collaboration with C-FER Technologies (Edmonton, Canada). The testing program was initiated in mid-2022, with the final Stage 3 phase completed after overcoming various issues with the test equipment for connecting the steel plates to the fatigue test facility. The purpose of the testing is to demonstrate that the weld could survive over 100,000 cycles during the full-thickness tests, for both stainless steel (as a tank liner) and carbon steel material. The specimens are welded according to an established design.

Results include the stainless steel plate averaging 170,000 cycles across four samples, and carbon steel achieving >150,000 cycles.

The success of the program proves the welding procedures developed produce seam welds in both high-strength carbon steel and stainless steel that can safely meet the design and operational requirements of a hydrogen storage tank. These results support future reviews and due diligence with shipyards and commercial partners.

Extension of Compressed Hydrogen Containment Tank IP for production and sale of small-scale tanks in 2024

Provaris has received numerous inbound enquiries in recent years about the potential to supply small-scale hydrogen storage tanks using our proprietary carbon steel containment H2 Tank design. Typically, the requirement has been for industrial applications at a scale of 1 to 5 tonnes of hydrogen capacity.

Through scaling up the prototype H2 Tank specifications, Provaris is developing versatile tank designs with capacities of 1, 5, and 10 tonnes of gaseous hydrogen, using layered carbon-steel with a design pressure of 250 barg.

Subject to the successful completion of the prototype H2Tank, the production and sale of tanks could provide Provaris with an early revenue and cash generating business in late calendar year 2024. Discussions are underway with various European industrial partners regarding their hydrogen storage requirements seeking an alternative to high cost carbon or glass fibre solutions.

III. DEVELOPMENT ACTIVITY - AUSTRALIA

Provaris acknowledges that its proposed Tiwi H2 Project is located on the traditional lands of the Munupi people. It is a privilege to have the support and such a close working relationship with the Munupi Clan and other key stakeholders.

The Company advanced the 2.8 GW renewable green hydrogen export project (**Tiwi H2**) during the period. Located on the Tiwi Islands, Northern Territory, the Tiwi H2 project will develop an integrated compressed hydrogen export supply chain for export for markets in South East Asia, avoiding up to almost 1 million tonnes of CO2 emissions annually. Tiwi H2 has been awarded Major Project Status by the Northern Territory Government, as recognition of its long-term impact on jobs and economic benefits to the Territory.

A Design Feasibility Report was completed in July 2023, advancing the concept design of the solar farm and transmission system to a 30% level, including the Owner's Engineer's (CE Partners) completion, providing the basis for optioneering and design optimisation. Based on the proposed 2,640 ha Solar Precinct area, revised modelling of the generation outcomes resulted in the expected peak hydrogen production and export volume for the Tiwi H2 project being revised to 90,000 tpa, with a +/- 10,000 tpa allowance for planned optimisation processes, which will include the targeting of a reduction in identified power losses and further evaluation of equipment design and selection.

Key focus for the period also included engagement with the Tiwi Land Council to progress the proposed draft project and land agreements submitted by Provaris in early 2023. The draft agreements include the proposal for a significant community benefits package. Provaris remains in dialogue with the Tiwi Land Council, Tiwi Plantation Corporation, Office of Township Leasing and Deloitte (Port Melville) to finalise contractual agreements and secure land access required for the Tiwi H2 project.

Further progress was made on the Environmental Impact Statement covering both the Northern Territory and Federal Government EPBC approval processes, with timing for submission subject to successful land agreement discussions.

Provaris held discussions with potential joint venture partners who share the vision of developing export hydrogen projects from Northern Australia. A project partner will enhance the overall success and impact of the project and provide non-dilutive financing to further the development of the project.

Tiwi H2 development activities and expenditure in 2024 will be aligned with the outcome of a commercially acceptable response from the Tiwi Land Council on project and land agreements submitted in 2023.

IV. CORPORATE

In November 2023 the Company's annual general meeting was held virtually. All resolutions considered at the meeting were passed. The Company raised $1.9 million from a well subscribed placement of new shares to new and existing institutional and sophisticated investors. Directors demonstrated support of the Company's development progress by committing to participate in the Placement for a total of $230,000, subject to shareholder approval in a meeting scheduled on 27 February 2024.

Share Capital Movements

Date	Details
10 August 2023	Issued 448,656 fully paid ordinary shares to Matthew Reynolds as part payment for services provided by Deutsche Gesellschaft für Wertpapieranalyse GmbH
30 November 2023	Share capital and accumulated losses were reduced by $66,748,312 deemed to be of a permanent nature
8 December 2023	Issued 41,750,000 fully paid ordinary shares pursuant to the Company's December 2023 placement

EVENTS SUBSEQUENT TO BALANCE DATE

In January 2024, World-leading Classification Society DNV was engaged to issue a Front-End Engineering Design Statement (FEED Statement) for Provaris' proprietary H2Neo carrier design and approval of its proprietary Prototype H2 Tank.

In January 2024, Founding Executive Director Garry Triglavcanin retired as a Board Director, and was appointed to a new leadership role as Product Development Director.

In January 2024, Provaris and Norwegian Hydrogen extended the Collaboration Agreement for an additional 6 months to June 2024.

In February 2024, a General Meeting of shareholders was held with all resolutions passed.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

AUDITORS INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company have provided a signed auditors independence declaration to the directors in relation to the review for the half-year ended 31 December 2023. This declaration is set out on page 18.

Signed in accordance with a resolution of the directors.

Martin Carolan
Managing Director and CEO

27 February 2024
Perth, Western Australia

DIRECTORS' DECLARATION

The directors of Provaris Energy Ltd ("Company") declare that:

a) in their opinion the accompanying financial statements and notes of the Consolidated Entity;

   i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   ii) give 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

b) in their opinion, subject to the matters set out in Note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Martin Carolan
Managing Director and CEO

27 February 2024
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Half-Year to 31 December 2023 $	Half-Year to 31 December 2022 $
Income from non-operating activities	2	68,570	94,473
Corporate and administrative expenses		(2,126,977)	(2,169,568)
Project development		(1,664,377)	(1,522,219)
Amortisation of intangible asset	4	-	(207,161)
Share based payments	2	(31,406)	(41,931)
LOSS BEFORE INCOME TAX		(3,754,190)	(3,846,406)
Income tax		-	-
LOSS AFTER INCOME TAX		(3,754,190)	(3,846,406)
NET LOSS FOR THE PERIOD		(3,754,190)	(3,846,406)
OTHER COMPREHENSIVE EXPENSE			
Items that may be reclassified to profit and loss			
Exchange differences on translating foreign operations		(9,703)	(3,402)
OTHER COMPREHENSIVE EXPENSE AFTER INCOME TAX		(9,703)	(3,402)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(3,763,893)	(3,849,808)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.68)	(0.70)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.68)	(0.70)

The accompanying notes form part of this financial report

Consolidated Statement of Financial Position
as at 31 December 2023

	Note	31 December 2023	30 June 2023
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	2,488,445	5,069,836
Other current assets		219,369	158,785
Total Current Assets		2,707,814	5,228,621
NON-CURRENT ASSETS			
Intangible asset - Intellectual property	4	-	-
Total Non-Current Assets		-	-
Total Assets		2,707,814	5,228,621
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	389,393	782,327
Provisions		139,437	114,609
Total Current Liabilities		528,830	896,936
Total Liabilities		528,830	896,936
NET ASSETS		2,178,984	4,331,685
EQUITY			
Issued capital	6	20,764,320	85,901,440
Reserves	7	3,846,698	3,856,401
Accumulated losses		(22,432,034)	(85,426,156)
TOTAL EQUITY		2,178,984	4,331,685

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Half-Year to 31 December 2023 $	Half-Year to 31 December 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(2,135,224)	(2,096,114)
Interest received		48,637	47,901
Project development		(2,162,420)	(1,590,437)
Government grants and tax incentives received		-	115,500
NET CASH USED IN OPERATING ACTIVITIES		(4,249,007)	(3,523,150)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
NET CASH FROM INVESTING ACTIVITIES		**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares under Share Placement		1,670,000	-
Capital raising costs		(22,317)	-
NET CASH FROM FINANCING ACTIVITIES		1,647,683	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,601,324)	(3,523,150)
Net foreign exchange differences		19,933	7,572
Cash and cash equivalents at beginning of period		5,069,836	11,616,888
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3	2,488,445	8,101,310

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

ATTRIBUTABLE TO MEMBERS OF PROVARIS ENERGY LTD	Issued Capital $	Share-Based Payments Reserve $	Currency Translation Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2023	85,901,440	3,871,570	(15,169)	(85,426,156)	4,331,685
Currency translation	-	-	(9,703)	-	(9,703)
Loss for period	-	-	-	(3,754,190)	(3,754,190)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	(9,703)	(3,754,190)	(3,763,893)
Reduction in Issued Capital	(66,748,312)	-	-	66,748,312	-
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Issue of shares - consultant	31,406	-	-	-	31,406
Issue of shares under placement	1,670,000				1,670,000
Issue costs of share placement	(90,214)	-	-	-	(90,214)
AT 31 DECEMBER 2023	20,764,320	3,871,570	(24,872)	(22,432,034)	2,178,984
AT 1 JULY 2022	85,811,930	3,726,806	(6,096)	(73,018,816)	16,513,824
Currency translation	-	-	(3,402)	-	(3,402)
Loss for period	-	-	-	(3,846,406)	(3,846,406)
Total comprehensive loss for the period	-	-	(3,402)	(3,846,406)	(3,849,808)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Issue of shares under ESP	28,500	-	-	-	28,500
Expense of Performance Rights under PRP	-	13,431	-	-	13,431
At 31 December 2022	85,840,430	3,740,237	(9,498)	(76,865,222)	12,705,947

The accompanying notes form part of this financial report

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This interim condensed financial report for the interim half-year reporting period ended 31 December 2023 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting ("AASB 134") and was authorised for issue in accordance with a resolution of the directors on 27 February 2024.

This consolidated condensed financial report is intended to provide users with an update on the latest annual financial statements of Provaris Energy Ltd ("Company") and its controlled entities ("Group"). It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2023, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and in the corresponding interim reporting period, except those accounting policies which have changed as a result of the adoption of new and revised accounting standards and interpretations as described below.

Going concern basis for preparation of financial statements

The Group incurred a loss after tax of $3,754,190 (2022: $3,846,406) and had cash outflows from operations of $4,249,007 (2022: $3,523,150) for the half year ended 31 December 2023. The Group held cash and cash equivalents at 31 December 2023 of $2,488,445 (30 June 2023: $5,069,836).

The Group's cashflow forecast for the period ended 28 February 2025 reflects that the Group will require additional working capital during this period to enable it to continue to meet its ongoing operational and project expenditure commitments. The Directors are satisfied that the Group will be able to secure additional working capital as required through raising additional equity. Accordingly, the Directors consider it appropriate to prepare the consolidated financial statements on a going concern basis.

In the event the Group is unable to raise additional working capital to meet its ongoing operational and project expenditure commitments as and when required, there is material uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern and, therefore whether it will be able to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

Certain comparative information in the consolidated statement of profit or loss and other comprehensive income has been reclassified to ensure consistency with current year presentation. These reclassifications have no effect on the reported results of operations.

New or amended Accounting Standards or Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period and were relevant to the Group. The adoption of the new and amended accounting standards and interpretations had no material impact on the Group. Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

	Half-Year to 31 December 2023 $	Half-Year to 31 December 2022 $
NOTE 2. INCOME AND EXPENSES		
The loss before income tax includes the following income and expenses where disclosure is relevant in explaining the performance of the Group:		
NON-OPERATING ACTIVITIES		
Interest received	48,637	47,901
Unrealised exchange gains	19,933	7,572
Grant income	-	39,000
TOTAL INCOME FROM NON-OPERATING ACTIVITIES	68,570	94,473
EXPENSES INCLUDE:		
Employee benefits and consultants' expenses	1,343,629	1,543,019
Share based payments expense	31,406	41,931
Depreciation expense	-	775

	31 December 2023 $	30 June 2023 $
NOTE 3. CASH AND CASH EQUIVALENTS		
Cash at bank	2,488,445	5,069,836
	2,488,445	5,069,836
NOTE 4. INTANGIBLE ASSET - INTELLECTUAL PROPERTY		
Development cost	-	-
Less: amortisation	-	-
	-	-

Intellectual property comprises compressed natural gas (CNG) marine transport design technology and associated patents derived from the acquisition of 100% of Sea NG Corporation (SeaNG), renamed GEV Canada Corporation, in 2017.

At 1 July 2020, a decision was made to begin to amortise the Intellectual Property as it satisfied the criteria as being available for use. The Intellectual Property will be amortised on a straight-line basis over a period of 15 years, as it matches the expected usage of the asset. The amortisation expense for the period was nil (2022: $207,161).

Provaris is focused on progression of its hydrogen projects, including new IP ("H2-IP") for the storage and marine transportation of hydrogen in compressed form (including the H2Neo & H2Max carriers and H2Leo barge). Although some high-level enquiries have been received from external parties with potential for CNG projects, that would have once contemplated the use of the CNG Optimum IP, given the move to the new H2-IP, it is likely that any commercialisation event involving CNG would be delivered via the new H2-IP compressed gas tank and carrier design, with modifications to meet the certification and safety approvals to store and transport natural gas (instead of hydrogen). Therefore, it is uncertain whether the CNG Optimum IP will ever be commercialised, and as such the intangible asset was derecognised on 30 June 2023 as no future benefits are expected.

NOTE 5. TRADE AND OTHER PAYABLES

Trade creditors	340,525	464,390
Sundry creditors and accrued expenses	48,868	317,937
	389,393	782,327

NOTE 6. ISSUED CAPITAL

	31 December 2023 $	30 June 2023 $
ORDINARY SHARES		
591,479,208 (30 June 2023: 549,280,552) fully paid ordinary shares *(a)*	20,764,320	85,491,804
LOYALTY OPTIONS (EXPIRED MAY 2023)		
Nil (30 June 2023: 96,681,458) loyalty options	-	409,636
	20,764,320	85,901,440

MOVEMENTS IN ORDINARY SHARES	Date	Number of Shares	$
Opening balance	01-Jul-22	547,780,465	85,402,294
Shares issued pursuant to Employee Share Plan	6-Jul-22	500,000	28,500
Balance at 31 December 2022		548,280,465	85,430,794
Shares issued pursuant to Employee Share Plan	1-Feb-23	1,000,000	61,000
Exercise of loyalty entitlement options at $0.12	25-May-23	87	10
Balance at 30 June 2023		549,280,552	85,491,804
Expired Loyalty Options	1-Jul-23	-	409,636
Shares issued to consultant	10-Aug-23	448,656	31,406
Reduction of share capitals *(a)*	30-Nov-23	-	(66,748,312)
Share placement at $0.04 per share	8-Dec-23	41,750,000	1,670,000
Less: Issue costs of share placement	8-Dec-23	-	(90,214)
AT THE END OF THE FINANCIAL PERIOD	31-Dec-23	591,479,208	20,764,320

(a) Reduction of Share Capital

On 30 November 2023, the Company reduced its share capital by $66,748,312 in accordance with section 258F of the *Corporations Act 2001*, reducing accumulated losses relating to activities no longer undertaken, therefore deemed to be of a permanent nature, by the same amount.

There is no impact on shareholders from the capital reduction as no shares have been cancelled or rights varied, and there is no change in the net asset position of the Company. There is also no impact on the availability of the Company's tax losses from this capital reduction. The table below reflects the position at 31 December 2023 before and after the capital reduction.

	Before capital reduction	After Capital reduction
Issued capital	87,512,632	20,764,320
Reserves	3,846,698	3,846,698
Accumulated losses	(89,180,346)	(22,432,034)
Total equity/net assets	**2,178,984**	**2,178,984**

PERFORMANCE SHARES

There are no unvested performance shares at 31 December 2023 (31 December 2022 Nil).

	31 December 2023 $	30 June 2023 $
NOTE 7. RESERVES		
Share based payments reserve	3,871,570	3,871,570
Currency translation reserve	(24,872)	(15,169)
	3,846,698	3,856,401
MOVEMENTS IN SHARE BASED PAYMENTS RESERVE		
At the beginning of the financial period	3,871,570	3,726,806
Issue of unlisted options as payment for consulting services	-	80,000
Issue of PV1AM Performance Rights to employees	-	64,764
AT THE END OF THE PERIOD	3,871,570	3,871,570
MOVEMENTS IN CURRENCY TRANSLATION RESERVE		
At the beginning of the financial period	(15,169)	(6,096)
Consolidation of foreign currency subsidiaries	(9,703)	(9,073)
AT THE END OF THE PERIOD	(24,872)	(15,169)

NOTE 8. FINANCIAL INSTRUMENTS

(a) Overview of Financial Instruments

Set out below is an overview of the financial instruments held by the Group as at 31 December 2023:

	31 December 2023 $	30 June 2023 $
CASH AND RECEIVABLES		
Cash and cash equivalents	2,488,445	5,069,836
Other current assets	219,369	158,785
	2,707,814	5,228,621
TRADE AND OTHER PAYABLES		
Less than 6 months	389,383	782,327
	389,383	782,327

(b) Fair values

Due to the short-term nature of the financial assets and liabilities, the carrying amounts approximate fair value.

NOTE 9. SEGMENT INFORMATION

The Group has only one operating segment, being the development of compressed shipping solutions.

NOTE 10. CONTINGENT LIABILITIES-

There have been no significant changes in contingent liabilities since the last annual reporting date (30 June 2023: None).

NOTE 11. EVENTS SUBSEQUENT TO BALANCE DATE

In January 2024, World-leading Classification Society DNV was engaged to issue a Front-End Engineering Design Statement (FEED Statement) for Provaris' proprietary H2Neo carrier design and approval of its proprietary Prototype H2 Tank.

In January 2024, Founding Executive Director Garry Triglavcanin retired as a Board Director, and was appointed to athe new leadership role as Product Development Director.

In January 2024, Provaris and Norwegian Hydrogen extended the Collaboration Agreement for an additional 6 months to June 2024.

In February 2024, a General Meeting of shareholders was held with all resolutions passed.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's independence declaration to the directors of Provaris Energy Ltd

As lead auditor for the review of the half-year financial report of Provaris Energy Ltd for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Provaris Energy Ltd and the entities it controlled during the financial period.

Ernst & Young

Pierre Dreyer
Partner
27 February 2024

Building a better
working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's review report to the members of Provaris Energy Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Provaris Energy Ltd (the Company) and its subsidiaries (collectively the Group), 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 the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which describes the events or conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

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

Auditor's responsibilities 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. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
27 February 2024