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IPB

IPB PETROLEUM

ANNUAL REPORT 2023

ACN 137 387 350

COMPANY PROFILE

IPB Petroleum Limited (ACN 137 387 350) is an Australian oil and gas exploration, appraisal and development company. IPB Petroleum holds a large exploration permit in what it believes to be in the oil prone southern margin of the Browse Basin offshore northwest Australia.

Our aim is to achieve superior returns for our shareholders, through successful exploration, appraisal, and if successful development and production from oil and gas assets both in Australia and Overseas.

This report meets our compliance and governance requirements and is designed to provide easy to read information for shareholders on IPB Petroleum's performance for the year to 30 June 2023.

Front Cover:

Image of top deck of semi-submersible drill rig Sedco 702 which was the rig that drilled the Gwydion initial discovery well (BHP 1995).

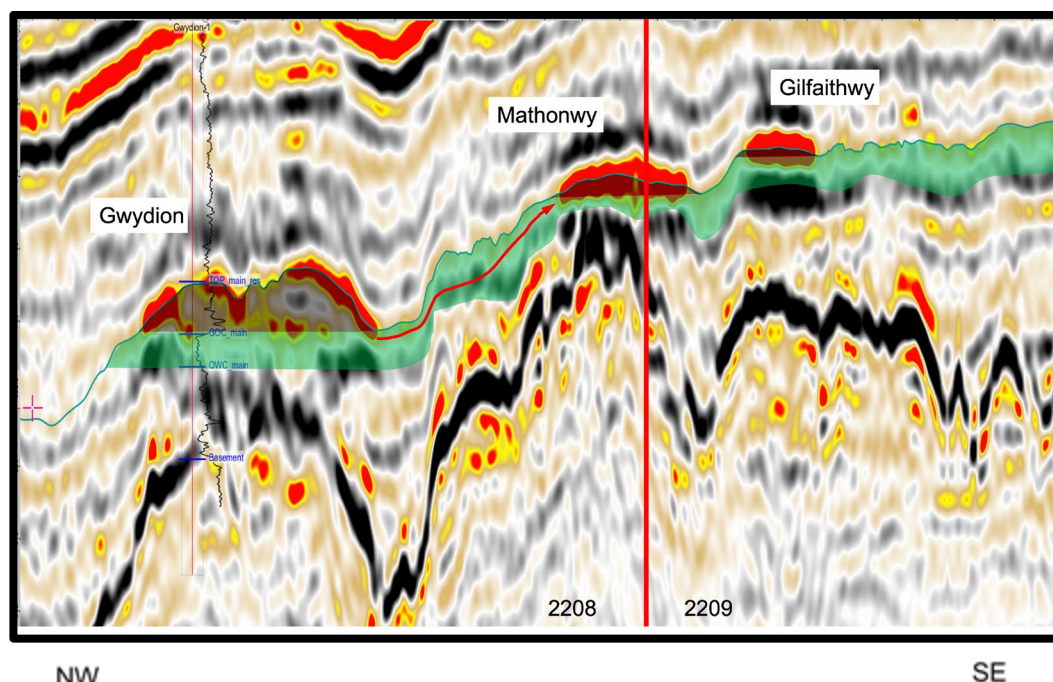
Below:

3D Seismic line in depth through Gwydion oil discovery and up-dip Mathonwy and Gilfaithwy structures (WA-424-P). Revealing at Gwydion marked gas and oil column as measured by well logs.

ANNUAL GENERAL MEETING

The Annual General Meeting of IPB Petroleum is proposed to be held on:

Tuesday 28 November 2023 at 11 am AEDST at 123 Queen Street Melbourne VIC 3000, Australia.



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Image of Stacked drill casing

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Image of a semi-submersible drill rig

Letter from the Chair

29 September 2023

Dear fellow shareholders,

Although it may appear that slower than planned progress has been achieved in the Financial Year ending 30 June 2023, our company, IPB Petroleum ("IPB" or "the Company") has been able to maintain the potential shareholder value and its acreage position in North West Australia and completed successful capital raisings.

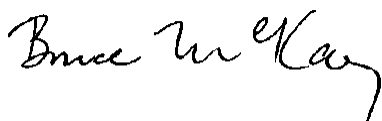
While concurrently seeking and investigating additional complementary opportunities, some of which are currently under assessment, IPB has preserved its primary asset being permit WA-424P in the Browse Basin. We remain confident in the prospect of commercial value of the hydrocarbon discovery at Gwydion and the potential for the proposed adjacent Idris well to prove up a larger stratigraphic trap.

Accordingly, the Company undertook important steps to extend retention of its acreage, while we continued to pursue additional farmout and funding opportunities. With the Declaration of Location granted over Gwydion block, the Company achieved medium to long term flexibility to apply for a Retention Lease or Production Licence using likely lower cost innovative technology to develop the existing oil accumulation. Furthermore, post Financial Year end, the Joint Authority approved a Suspension and Extension of the permit terms to allow additional time to drill the proposed Idris well in the WA-424-P permit until mid-December 2025.

Your Board has been disappointed by failed past farmin and funding arrangements and frustrated in advancing certain technically encouraging North American opportunities, despite IPB's best efforts. In order to adequately fund the ongoing pursuit of these opportunities in which the Company invested significant time and resources, there were four capital raises during the year and I thank pre-existing and new shareholders who responded and welcome new shareholders to our Company.

Notwithstanding the improved balance sheet, the Company will persist with careful stewardship of its finances and I compliment the Managing Director Brendan Brown and my fellow directors for their diligence in this regard as well as their contributions and fit-for-purpose governance.

The Australian environment for the oil exploration sector, in which IPB operates is challenging and progress is slower than we would sometimes like, but we will continue with concerted efforts to realise the potential we believe IPB offers both shareholders and the broader community.



Bruce McKay
Non-Executive Chair

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Image of Source Deck of Pacific Explorer just before WA-424-P Gwydion MC3D Survey1. Courtesy of PGS.

Directors' Report

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Directors present their report of IPB Petroleum Limited ('IPB Petroleum') and subsidiaries ('Group') for the Financial Year ended 30 June 2023 and the independent auditor's report thereon.

Board of Directors

The Board of Directors of IPB Petroleum Limited ('Board') as at the end of the Financial Year and to the date of this report are:

Bruce G McKay

Non-Executive Chairman

Qualifications

BSc (Hons), FAICD, FIEAust

Experience and Expertise

Bruce McKay has over 50 years' experience in the oil and gas and resources industries. He commenced his career with Esso Australia where he worked for more than 23 years in exploration, operations and executive management in Australia and overseas. At the culmination of his career with Esso and Exxon affiliates, he held the positions of General Manager Production for Esso Australia and Chief Executive Officer of Delhi Petroleum. Subsequently he was Director of Personnel at Telstra and then was appointed Chief Executive and Head of School of the Australian Graduate School of Engineering Innovation in 1994. From 1996 to 2002 he was on the Board of Normandy Mining, then Australia's largest gold mining company. From 1997 to 2010 Bruce was Non-Executive Chairman of AWE Limited, which achieved considerable success with its growth from start-up to an ASX100 company. More recently he has been Non-executive Chairman of Epic Energy (gas pipelines), Digitalcore (technology services), KUTH Energy (geothermal) and the Advisory Board of Management for the Australian School of Petroleum at Adelaide University. He is currently chairman of ANU Enterprise and St Philip's College, Alice Springs. He is an Honorary Life Member of APPEA where he was Chairman between 1991-92 and is a member of AAPG and PESA. Bruce is also a member of the Audit Committee.

Directorships Held in Other Listed Entities

Bruce McKay has not been a director of any other publicly listed companies in the past three (3) years.

Brendan Brown

Managing Director

Qualifications

BSc, BE (Hons), MBA (Melb), F.Fin

Experience and Expertise

Brendan Brown has over 30 years' experience in the oil and gas and finance industries. He commenced his career as an engineer with BHP Petroleum, where he was involved in various projects and operations including the Jabiru, Challis, Skua and Griffin oil field developments. He has also been an analyst and corporate adviser with ANZ Investment Bank. Prior to establishing IPB Petroleum in 2009, Mr Brown was General Manager Finance and Business Development at Nexus Energy where he was responsible for managing the group's corporate activities and financing functions and the negotiation and maintenance of its key commercial arrangements. Mr Brown is also a Life Member of The Society of Petroleum Engineers.

Directorships Held in Other Listed Entities

Brendan Brown was also the Non-Executive Chairman of TEK Ocean Group Limited until 18 August 2022.

Philip Smith

Technical Director

Qualifications

BSc Physics (Hons), MSc Geophysics, Grad Dip App Fin & Inv

Experience and Expertise

Philip Smith was appointed as the Technical Director in October 2010. He has over 40 years' experience working as an Exploration Geoscientist and commenced his career in London with Phillips Petroleum and Kufpec before coming to Australia to join Woodside Petroleum and then BHP Petroleum. Mr Smith's positions in his 15 years with BHP Petroleum were in senior technical and managerial roles, mainly involved in offshore basins around Australia. He was involved in oil and gas discoveries in Elang, Laminaria, Maple and Argus. Later he joined Nexus Energy where he was responsible for building the exploration portfolio and was involved in the Longtom and Crux appraisal and development projects.

Directorships Held in Other Listed Entities

Philip Smith has not been a director of any other publicly listed companies in the past three (3) years.

Geoffrey King

Non-Executive Director

Qualifications

BSc (Hons), GAICD

Experience and Expertise

Geoffrey King was appointed to the Board in February 2013 as a Non-Executive Director and is also a member of the Audit Committee. He brings over 40 years' experience within the oil and gas industry, having commenced his career with Esso Australia. Mr King then joined BHP Petroleum where he held a number of management positions and was directly involved in oil and gas discoveries at Macedon, Pyrenees, Montara, Argus and Gwydion. He was the Vice President of Exploration Australia/Asia for four years with BHP Billiton and has experience in offshore basins around Australia. With his wealth of knowledge in the Australian market, Mr King also has experience in the oil and gas sector in the United States and South East Asia. He brings a particular insight into the area of exploration in the Browse Basin. Geoff is Chairman of the Audit Committee.

Directorships Held in Other Listed Entities

Mr King has not been a director of any other publicly listed companies in the past three (3) years.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Table 1 displays the appointment and cessation dates as applicable of all directors who held office during the Year.

Name	Role	Date of Appointment	Date of Cessation
Bruce McKay	Non-Executive Chairman	26 May 2014	-
Brendan Brown	Managing Director	28 May 2009	-
Philip Smith	Technical Director	5 October 2010	-
Geoffrey King	Non-Executive Director	5 February 2013	-

Table 1 – Directors' dates of appointment and cessation

Company Secretary

Martin Warwick was appointed as Company Secretary on 29 January 2015. Martin is a professional Accountant and served as Company Secretary for Templeton Global Growth Fund Limited (ASX:TGG) for over 8 years until his appointment as Non-Executive Director of TGG in July 2014. Martin's credentials include being an Associate of the Governance Institute of Australia, and the Institute of Chartered Secretaries and Administrators and a Member of the Australian Institute of Company Directors.

Directors' Meetings

Table 2 below sets out the Board members who held office during the year and the Committees of the Board ('Committees'), as well as the corresponding number of meetings of the Board and Audit Committee held during 2023 and the number of meetings attended during each Director's period of office.

Director	Board		Audit Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Bruce McKay	7	7	2	2
Brendan Brown	7	7	-	-
Philip Smith	7	6	-	-
Geoffrey King	7	7	2	2

Table 2 – Directors' attendance at Board and Committee Meetings

Principal Activities

During the year, the principal activities of the Group consisted of conventional hydrocarbon exploration and associated financing and farmout and engineering planning activities relating to its exploration permit along the southern margin or the Browse Basin offshore northwest Australia. The company also reviewed and continues review other potential complementary opportunities in Australia and overseas as part of its business as usual.

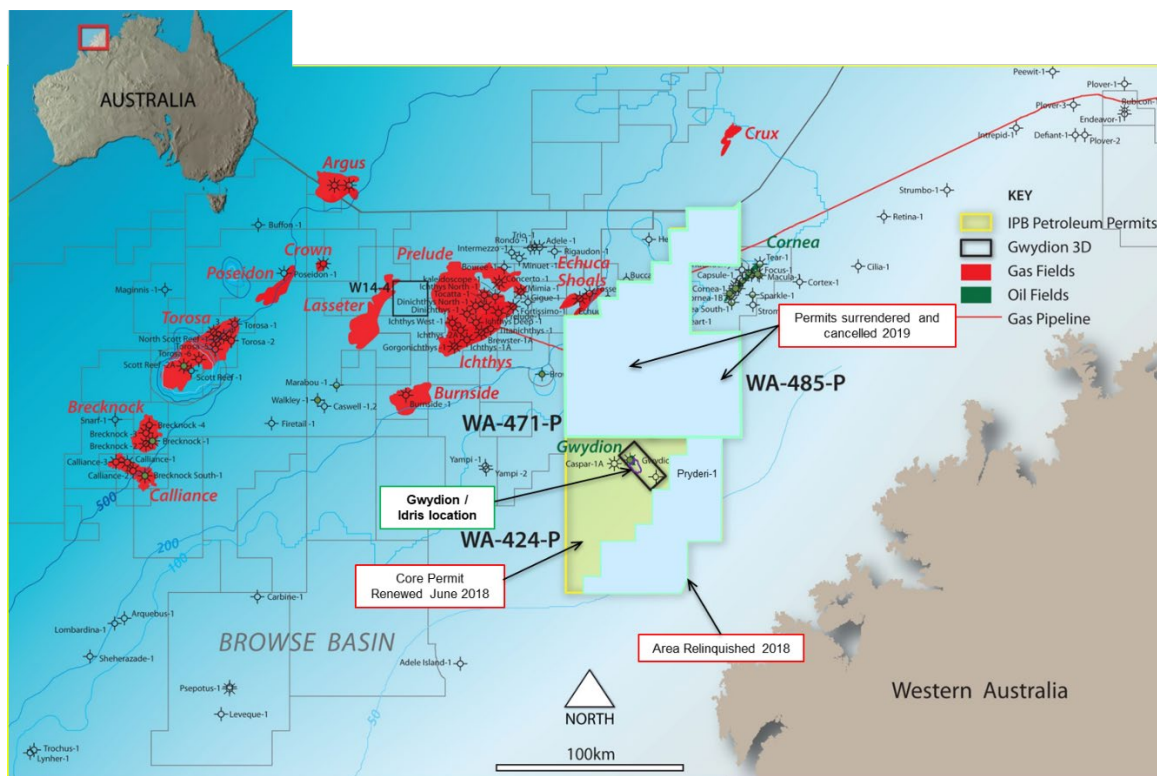


Figure 1 – Location Map IPB Petroleum's WA-424-P Permit in the Browse Basin offshore North-Western Australia

Table 3 shows IPB Petroleum's current working interest in its WA-424-P Permit.

Exploration Permit	IPB Petroleum's Interest
WA-424-P	100% interest and Operator

Table 3 – IPB Petroleum's exploration permit and current working interest

Significant Changes in State of Affairs

The significant changes in the state of affairs of IPB Petroleum that occurred during the year and to the date of this report are summarised as follows:

Ordinary Shares Issued

During the year ended 30 June 2023 four equity capital raisings were conducted resulting in the subsequent issuance of the following shares on:

- 15 July 2022 of 33,333,333 shares for a contribution of \$300,000 (less associated costs of \$18,000)
- 15 September 2022 of 86,181,693 shares for a contribution of \$775.635 (less associated costs of \$65.481)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

- 16 February 2023 of 97,425,806 shares for a contribution of \$876,832 (less associated costs of \$108,979)

- 29 March 2023 of 11,326,749 shares for a contribution of \$101,941 (less associated costs of \$5,261)

The company during the quarter ended 30 June 2023 received confirmation from the Government that the "Declaration of Location" lodged had been approved by the Joint Authority in relation to the Gwydion oil and gas discovery (1995) in its 100% held WA-424-P Permit. This may allow the company to apply for a retention lease or potential production license.

Since financial year end, the company received confirmation in August 2023 that its WA-424-P Permit had received approval from the government authorities of a suspension and extension of its work programme for a further 2.5 years. This has allowed the company to better plan for, and execute on its strategy to drill and explore and appraise and evaluate the oil accumulation discovered with the Gwydion 1 well (BHP 1995).

Review of Operations

Statement of Profit and Loss

As an exploration appraisal and potential development and production company, IPB Petroleum has no income generating assets, and accordingly the company's consolidated net (loss) after income tax for the Financial Year ended 30 June 2023 was (\$0.769 million), (2022: (\$0.375 million)). The 2023 net (loss) was more than 2023 primarily as a result of increased activities in the areas of consultants, employee benefits, listing fees and legal costs with new business initiatives. Refer remuneration report and Financial Statements and Notes for more details.

During the year, IPB Petroleum received other revenue of \$12,599 related to interest on bank deposits (2022 \$292).

IPB Petroleum incurs costs in performing its exploration, business development and company administration activities, which are either expensed or capitalised in accordance with the relevant Australian Accounting Standards.

Total Expenses increased during the year to a total of \$0.781 million (2022: \$0.375million) as a result of as mentioned above new business support activities, legal costs and associated fees.

Statement of Financial Position

As at 30 June 2023, IPB Petroleum's financial position and capital structure reflects the nature of its activities, that is, no bank debt and two major asset classes being cash of \$1.403 million (2022: \$0.337 million) and capitalised exploration and evaluation expenditure of \$4.074 million (2022: \$3.965 million).

The net assets of the company at 30 June 2023 were \$5.434 million (2022: \$4.290 million). New share issues completed successfully during the financial year end 30 June 2023 raised approximately \$1.857 million after costs which after subtracting the operating loss of \$0.769 million accounts and adding the increase to the options reserves of approximately \$56,294 for the net increase in net assets of approximately \$1.141 million. The company's Balance Date Issued Capital stands at \$21.112 million (2022: \$19.256 million). For further details refer to the accompanying financial statements and the accompanying notes to the accounts.

IPB Petroleum has accumulated losses of \$15.924 million plus capitalised exploration costs of \$4.073 million (largely expensed for taxation purposes) plus Petroleum Resource Rent Tax ('PRRT') credits of approximately \$12.169 million for which it has not recognised any future taxation benefits in its financial statements due to the company's early-stage exploration and appraisal status, with no booked commercial reserves.

Permits

Under the terms of grant by government, exploration permit holders such as IPB Petroleum are committed to complete minimum work programmes during the tenure of the permit unless varied by agreement with the relevant government authorities. If a permit holder does not fulfil the agreed permit work programme the penalty for the company is potential forfeiture of the permit. As there are no financial penalties, the work commitment programmes are not recognised in the company's Financial Statements as a liability in accordance with the relevant accounting standards.

Operational Activities within IPB Petroleum's Exploration Permits

During the Financial Year end 30 June 2023, the company continued to work co-operatively with potential farmin and funding and potential engineering and development companies in relation to permit WA-424-P.

DIRECTORS' REPORT

FOR FINANCIAL YEAR ENDED 30 JUNE 2023

Due to delays with certain prior proposed funding partners, the company continued its farmout/funding process and continued broader discussions with alternative parties in relation to funding and potential development of the oil discovery at Gwydion and potentially its extension to Idris and beyond.

The company received confirmation from the Government that the "Declaration of Location" had been approved by the Joint Authority in relation to the Gwydion oil and gas discovery (1995) in its 100% held WA-424-P Permit. This can allow the company to apply for a retention lease or potential future production license should it wish to do so.

The company also received confirmation in August 2023 that its WA-424-P Permit had received approval from the government authorities of a suspension and extension of its work programme for a further 2.5 years. This has allowed the company to better plan for, and execute on its strategy to drill and explore and appraise and evaluate the oil accumulation discovered with the Gwydion 1 well (BHP 1995). As a consequence, the company now has until approximately mid December 2025 to drill the Idris well.

Other Activities

Through its membership of the NERA consortium the Company continued to progress work during the year on a future seismic environmental plan (EP) application covering all of its WA-424-P acreage. As a consequence of certain external applications and requirements to re-consult as advised by NOPSEMA, the consortium has now chosen to end the collaborative project. IPB has received confirmation that it will be able to access and utilise the relevant IP information and make use of the work completed on the subject EP.

During the Year and as at the date of this Report the company continues to review a number of complementary oil and gas exploration and development opportunities, in keeping with its core business strategy. Some of these are within Australia and some are overseas.

WA-424-P Permit Work Programme:

The approved minimum work programme for WA-424-P is detailed as follows:

Term	Period	Remaining Minimum Work Requirements*	Estimated Expenditure A\$
Primary Years 1-3	current - 17/12/25	Geotechnical Studies including Seismic Re-interpretation of 75km ² depth conversion around the Idris Prospect (completed One Exploration Well)	40,000 15,000,000
Secondary Year 4	18/12/25- 17/12/26	Detailed assessment and re-interpretation of well and 3D seismic data following drilling of commitment well	100,000
Secondary Year 5	18/6/26 - 17/12/27	Technical studies to support a renewal and relinquishment strategy	100,000

Table 4: Minimum work programme for WA-424-P (IPB Petroleum 100% and operator)*

* Note under a possible future farmout or funding agreement it is likely that IPB will transfer or hold on trust a significant portion or economic interest in the WA-424-P Permit to for the economic benefit of a farminee or funder in exchange for funding towards the work programme.

The terms and conditions of any Permits held by IPB Petroleum from time to time require guaranteed annual work commitments to be completed. Whilst not a liability in terms of the relevant accounting standards and therefore not recordable in the company's Statement of Financial Position, a failure to meet a guaranteed work commitment may render a permit liable to be cancelled, unless an extension of time or waiver of the requirement is granted by government.

The current WA-424-P Permit requires a well (Idris) to be drilled by 17 December 2025. If the company cannot settle funding and commence operations to the satisfaction of the government authorities, or cannot obtain a suitable extension to carry out the well activities at a later date, or not apply successfully for a retention lease or production license having had the approval for a declaration of location, the company may have to forfeit the permit during December 2025.

Financing Activities

Refer to "Significant Changes in the State of Affairs" above.

Future Developments, Prospects and Business Strategies

Near Term Developments and Prospects

Given IPB Petroleum's business model and limited internal financial resources, and the group's nearer term objective is to achieve a successful drilling of the proposed Idris well through a farmout or funding of WA-424-P to appraise the interpreted up-dip extension of the Gwydion oil discovery.

Over the longer term the company will continue to require funding of future commitments within its permit(s) and any future assets it may successfully acquire as well as fund any success case or downside case possible development into production.

If on the downside the company cannot secure sufficient funding to fund its current or future permit activities and or cannot agree an extension or variations to its permit work programmes or retention of acreage with authorities, or secure a production licence and partners to develop the existing discovery at Gwydion and potentially Idris and beyond, the company may ultimately have to forfeit or relinquish acreage.

Business Strategy

IPB's Petroleum's aim is to achieve superior returns for its shareholders through the early entry, exploration and appraisal, and if successful development and production from its hydrocarbon assets. The company has oil discovered at Gwydion (BHP 1995) within its core WA-424-P permit. IPB Petroleum's medium-term aim is to achieve the drilling of the Idris appraisal well through farmout /funding within its WA-424-P permit to ultimately increase and convert contingent and prospective resources to reserves, thereby increasing the commercial value of these assets.

As mentioned above the company intends to continue to review complementary oil and gas opportunities in accordance with its core business.

Risks

The company has identified certain business risks associated with its strategy and business plans. These risks are summarised as follows:

Funding risks

As a small exploration and appraisal and potential development company, a key risk for IPB Petroleum is the funding of future activities. Until sufficient exploration, appraisal and development success is achieved and with-it likely access to alternate forms of funding and sources of positive cashflow, the company will continue to need to raise/or receive additional funding as and when it may be required from sources such as:

- (i) Farmouts;
- (ii) asset sales/divestments; or
- (iii) new share and other securities issues
- (iv) possible future secured asset acquisition related debt funding
- (v) possible high yield bond issue

IPB Petroleum will aim to utilize the most appropriate funding source at the most opportune time. It may also consider reducing certain commitments as another option in managing its overall working capital if funding is not available.

Key Person Retention Risks

There is a risk that given the company's limited financial resources and reduced remuneration arrangements for all Key Management Personnel that the company may not be able to continue to retain the requisite or most suitable personnel to be able to execute on its business plans. The ability of the company to retain Key Management Personnel will be dependent on amongst other things, the ability of the company to provide market competitive remuneration.

The company may in the future have to continue to consider supplemental ways of retaining and remunerating requisite Key Management Personnel in order to mitigate this ongoing risk further.

DIRECTORS' REPORT

FOR FINANCIAL YEAR ENDED 30 JUNE 2023

Exploration risks

As an exploration and appraisal and potential development company, IPB Petroleum may be unsuccessful with its exploration and appraisal activities. Strategies to manage this type of risk include;

- (i) completing as much technical work to de-risk exploration prospects as reasonably possible;
- (ii) farming out interests to cover costs; and
- (iii) achieving diversification through an: exploration/production/other asset portfolio approach.

IPB Petroleum intends to continue to apply some or all of these risk mitigation strategies as and when appropriate. It is important to highlight that there is a level of material risk in certain activities, such as exploration, appraisal drilling and development that cannot be reduced materially any further until that activity is undertaken.

Operational risks

Exploration activities carry numerous risks such as delays, interruptions, and potential changes to scale and scope that cannot always be fully mitigated. IPB Petroleum may experience operational delays in relation to any potential future seismic or drilling activity, environmental approvals consultation with previously unidentified parties and risks for example due to cyclonic weather-related event or equipment failure and/or lack of availability. These risks can cause schedule and cost increases and delays to the company's budgeted activities.

Risks to operating schedules, such as delays to environmental approvals unbudgeted extended consultation processes, could materially and adversely affect schedules and costs associated with the company's planned and future activities.

Environmental risks

IPB Petroleum intends to comply at all times with all requisite environmental laws and regulations. Despite this, there is always a possible risk that accidental environmental pollution could occur such that the company may be subject to substantial potential liability and the cost of any clean-up activities.

Future Government Policy Risks

Risks also exist in the area of future Government policy, for example possible future continued "Climate Change" linked responses or policies over which the Company has no control or material influence. Possible future changes to Government policy and laws could render the Company's key asset to be a stranded resource, or subject to an increase in taxes, resource rent taxes, or delays to development or commercialisation. Whilst the Company is of the view that such possible developments, if they were to occur, are likely to be some way off, given current market and nearer term societal and strategic needs and dynamics, there are no guarantees that such threats or costs to the Company's business and assets may not become a reality at some point in the future. Further limitations to strategic energy supplies could also render any future production subject to government price or volume or other marketing controls.

Pandemic related risks

Risks as experienced with the recent COVID-19 situation and regulatory response present a credible risk. For example, the restricted movement of people and goods and services to support the exploration, appraisal, financing, farminees financing, and other activities of the Company could in future be adversely affected through State and other Government responses and travel restrictions.

Counterparty and contractual risks

Contractual disputes with joint venture partners, operators and contractors can arise from time to time. When a venture partner does not act in the best commercial interests of the joint venture project or IPB Petroleum, it could have a material adverse effect on the company.

Permit commitments and tenure risks

The terms and conditions of any Permit(s) held by IPB Petroleum from time to time require guaranteed annual work commitments to be completed. Whilst not a liability in terms of the relevant accounting standards and therefore not recordable in the company's Statement of

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Financial Position, a failure to meet a guaranteed work commitment may render a permit liable to be cancelled, unless an extension of time or waiver of the requirement is granted by government.

The current WA-424-P Permit requires a well (Idris) to be drilled by 17 December 2025. If the company cannot settle funding and commence operations to the satisfaction of the government, or cannot obtain a suitable extension to carry out the well activities, the company is at risk of losing its WA-424-P permit.

Dividends

The Directors of the company do not recommend and have not declared or paid any dividend for the Financial Year ended 30 June 2023 (2022: Nil).

After Balance Date - Subsequent Events

Since financial year end, the company received confirmation in August 2023 that its WA-424-P Permit had received approval from the government authorities of a suspension and extension of its work programme for a further 2.5 years. This has allowed the company to better plan for, and execute on its strategy to drill and explore and appraise and evaluate the oil accumulation discovered with the Gwydion 1 well (BHP 1995).

Other than as disclosed above no other matters or circumstances have arisen since the end of the financial year which, significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Proceedings on behalf of the Group

No person or entity has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the Financial Year.

Environmental Regulation

IPB Petroleum seeks to fully comply with its environmental obligations. Under environmental legislation there is a requirement that the operations activities within the Group's permits obtain environmental approvals from NOPSEMA and any other state and federal agencies the government may use or appoint from time to time.

During the Financial Year, the Group was not aware of any material breach of any particular or significant Commonwealth, State, Territory or other regulation in respect to environmental management.

Share Options

Unissued shares under option

At the date of this report, the following options over unissued ordinary shares of IPB Petroleum Limited are detailed as follows:

Grant dates	Exercise price	Number of shares under option	Expiry Date
7 December 2020	5.65 cents	4,250,000 ¹	7 December 2024
30 November 2022	2.00 cents	14,000,000 ¹	30 November 2026

The company also issued 43,090,842 free attaching options expiring on 15 July 2023 with an exercise price of 1.8 cents per option in relation to the share placement and rights issue and shortfall during the financial year. Since Financial Year end 30 June 2023 all options lapsed unexercised.

¹ These options were issued under IPB Petroleum Limited Employee Option Plan (IPBLEOP) following shareholder approval at Annual General Meetings of the company and were issued to Directors and an Officer of the company.

DIRECTORS' REPORT

FOR FINANCIAL YEAR ENDED 30 JUNE 2023

Since the end of the reporting period and the date of this report no other options were granted or exercised over unissued shares or interests in IPB Petroleum Limited or any controlled entity within the Group.

Indemnification of Directors and Officers

During the Financial Year, the company paid a premium in respect of a contract providing insurance to the Directors of IPB Petroleum and the Company Secretary and of any related body corporate against any liability incurred as a director or company secretary to the extent permitted by the *Corporations Act 2001*. In accordance with commercial practice, the insurance policy underwriter restricts disclosure of the terms of the policy. IPB Petroleum has not otherwise, during or since the end of the Financial Year indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as an officer or auditor. During the period the amount paid for Directors and Officers insurance was \$32,747 including fees and brokerage and stamp duties and GST.

Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the Financial Report have been rounded to the nearest dollar unless otherwise stated.

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Remuneration Report

The Directors of IPB Petroleum present this Remuneration Report for the Financial Year ended 30 June 2023 in accordance with Section 300A of the *Corporations Act 2001*. The information provided in this report has been audited as required by section 308 (3C) of the *Corporations Act 2001*. The Remuneration Report forms part of the Directors' Report.

IPB Petroleum is committed to delivering value for our shareholders. Ensuring we maintain a Director and Executive remuneration framework which aligns with this objective is a priority for the Board.

The Remuneration Report sets out remuneration information pertaining to the company's Directors and Executives who are the key management personnel of the group for the purposes of the *Corporations Act 2001* and the Australian Accounting Standards.

The Directors and Executives, being the key management personnel of the company, disclosed in the Remuneration Report that held office during the 30 June 2023 Financial Year are shown in Table 5 below.

Director	Position
Bruce McKay	Non-Executive Director and Chair
Brendan Brown	Managing Director
Philip Smith	Technical Director
Geoffrey King	Non-Executive Director

Table 5 – IPB Petroleum Directors & Executives

The Remuneration Report is structured into the following sections:

1. Executive Remuneration Policy and Framework
2. Executive Directors' Remuneration and Employment Agreements
3. Executive Remuneration
4. Employee Option Plan
5. Remuneration and Performance
6. Remuneration for the Financial Year Ended 30 June 2022
7. Non-Executive Directors' Fees and other remuneration
8. Shareholdings

1. Executive Remuneration Policy and Framework

Remuneration Policy

IPB Petroleum aims to remunerate Executives fairly, responsibly and competitively for their contribution to the business, and in accordance with the resources available to the company. In line with this objective, IPB Petroleum's policy is to review executive remuneration packages against comparable companies. Executive pay levels are determined on a combination of

external benchmarks and an assessment of individual performance.

The key objective of the remuneration policy is to ensure IPB Petroleum:

- provides competitive remuneration and rewards which attract, retain and motivate Executives of the highest calibre within the resources of the company;
- aligns the interests of shareholders, employees and other stakeholders;
- establishes deliverables which are linked to an Executive's remuneration;
- benchmarks remuneration against appropriate industry groups and other listed entities; and
- complies with applicable legal and corporate governance requirements.

The remuneration policy is reviewed and approved annually by the Board and the company may use independent remuneration advisers for advice on Executive remuneration and Non-Executive Director fees. During the year, the company did not employ a remuneration consultant to provide recommendation in respect of the remuneration of the key management personnel.

Relationship Between the Remuneration Policy and Company Performance

The Table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2023. As the table indicates, losses have varied materially over the past five financial years, due to the nature of exploration and associated activities the company has undertaken. It has been the aim of the Board of Directors to attract and retain management expertise essential to the company's activities, and in line with the resources available to the Group.

Financial Year End	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Revenue (\$)	nil	nil	nil	nil	nil
Net Loss Before Tax (\$)	768,562	375,087	449,579	512,819	753,951
Net Loss After Tax (\$)	768,562	375,087	449,579	512,819	753,951
Share Price at End of Year (cents)	0.8	0.9	2.2	1.5	3.4
Basic diluted loss per share (cents)	0.16	0.11	0.16	0.22	0.40
Dividends per share	nil	nil	nil	nil	nil

2. Executive Directors' Remuneration and Employment Agreements

Managing Director – Brendan Brown

Brendan Brown was appointed as Managing Director effective 1 October 2010. On 1 June 2015, the company and Mr Brown mutually agreed to 6-months' notice of termination of this prior engagement. The company subsequently executed a new engagement securing the services of Mr Brown, on a month-to-month basis as required from 1 December 2015. This agreement was mutually varied in April 2016 such that Mr Brown will provide his services on an as required basis summarised as follows:

- Base Remuneration of \$1,675 per day plus GST for days worked
- Reimbursement for general expenses incurred in the performance of his duties
- No notice period;

Technical Director – Philip Smith

Philip Smith commenced as Technical Director effective 1 November 2010. On 1 June 2015, the company and Mr Smith mutually agreed to 6 months' notice of termination of this engagement. The company subsequently executed a new engagement securing the services of Mr Smith, on a month-to-month basis as required from 1 December 2015. This agreement was mutually varied in April 2016 such that Mr Smith will provide his services to the company as follows:

- Base Remuneration of \$1,000 per month plus GST – Directors Duties
- On an as required basis supplemental technical management services at \$1,500 per day plus GST
- No notice period;

3. Executive Remuneration

The Board may reward Executives through base salary increases, payment of cash bonuses, the issue of new shares or the issue of options under the IPB Petroleum Limited Employee Option Plan (IPBLEOP) as described below. Any new shares or options to be issued to Executives that are also Directors of the company require shareholder approval prior to issue. All remuneration paid to Executives is valued at the cost to the company and expensed. New shares given to Executives are expensed as the difference between the market price of those shares and the amount paid by the Executive. Options are valued as prescribed by Australian Accounting Standard AASB 2.

The Board expects that the remuneration structure will result in the company being able to attract and retain the best Executives to run the company within the resources available to the company. It will also provide Executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, granting of options and other incentive payments are reviewed by the Board as part of the review of Executive remuneration. All bonuses, options and incentives will be linked to retention and/ or performance.

The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to prescribed outcomes and objectives.

There has been no performance linked component of remuneration paid to Key Management Personnel in the Financial Year ending 30 June 2023.

The company makes superannuation contributions for its employees and Directors as required by law.

4. Employee Option Plan

IPB Petroleum has an Employee Option Plan (IPBLEOP) for qualifying persons in order to motivate and reward them. The plan is open to qualifying employees and officers of IPB Petroleum.

Under the IPBLEOP, the Board may offer options to full or part-time employees or officers, including Directors of the company (subject to shareholder approval), which the Board determines should be entitled to participate in the IPBLEOP. Any options granted to eligible employees or officers will be free, unless the Board determines otherwise. The company will not apply for ASX quotation of any options issued under the IPBLEOP.

Any exercise price and life of the options will be set by the Board at its discretion. The Board may determine and specify at the time of grant of options:

- i. the time periods or other conditions that must be satisfied before options are vested; and/or
- ii. any exercise conditions that must be satisfied before options can be exercised.

Subject to the satisfaction of any applicable vesting and/or exercise conditions before options can be exercised, options are exercisable during the specified exercise period, or within six months of certain prescribed events such as retirement, death and permanent disability, by giving notice of the exercise to the IPB Petroleum and by paying the exercise price for the options exercised. Each option entitles the holder to subscribe for one share. The shares allotted upon exercise of the options will rank equally in all respects with all other issued ordinary shares of the company. The company will apply for official quotation on ASX of those shares after they are issued.

During the Financial Year end June 2023, following approval at the Annual General Meeting held in 2022, the company issued 14,000,000 Employee Options expiring 30 November, 2026 with an Exercise Price of 2.00 cents per option to various directors and officers of the company. These options

DIRECTORS' REPORT
FOR FINANCIAL YEAR ENDED 30 JUNE 2023

were issued under the IPB Petroleum Limited Employee Option Plan (IPBLEOP) in consideration of reduced income and fees over the preceding period and as an increased loyalty and bonus/retention mechanism for recipients.

5. Remuneration and Performance

No performance linked components were included in the remuneration paid to key management personnel in the Financial Year ending 30 June 2023.

6. Remuneration for the Financial Year ended 30 June 2023

Details of the remuneration of key management personal of IPB Petroleum are shown in Table 6 and 7 below.

		Short term benefits	Post-employment benefits	Long term benefits	Equity settled share payments*	Total
Executive Directors		\$	\$	\$	\$	\$
Brendan Brown Managing Director	2023	271,285	-	-	20,105	291,390
	2022	157,523	-	-	-	157,523
Philip Smith Technical Director	2023	18,750	-	-	10,053	28,803
	2022	18,500	-	-	-	18,500
Totals	2023	290,035	-	-	30,158	320,193
	2022	176,023	-	-	-	176,023

* Equity Settled share Based Payments relates to grant of Options on during the year following approval at the 2022 AGM under IPBLEOP

Table 6 – Executive Director Remuneration

		Short term benefits	Post-employment benefits	Long term benefits	Equity settled share payments*	Total
Non – Executive Directors		\$	\$	\$	\$	\$
Bruce McKay Non-Executive Chairman	2023	18,000	-	-	10,053	28,053
	2022	18,000	-	-	-	18,000
Geoffrey King Non-Executive Director	2023	12,000	1,260	-	8,042	21,302
	2022	12,000	1,200	-	-	13,200
Totals	2023	30,000	1,260	-	18,095	49,355
	2022	30,000	1,200	-	-	31,200

* Equity Settled share Based Payments relates to grant of Options on during the year following approval at the 2022 AGM under IPBLEOP

Table 7 – Non – Executive Director Remuneration

7. Non-Executive Directors' Fees and other remuneration

The amount of aggregate remuneration approved by shareholders and the fee structure is reviewed periodically by the Board against fees paid to Non-Executive Directors of comparable companies. Where appropriate the Board may secure independent advice regarding Non-Executive Directors remuneration when reviewing fees.

Each Director other than the Managing Director and the Technical Director has entered into an agreement as to the terms of their appointment as a Director of IPB Petroleum and except for Geoffrey King who receives remuneration as a director, by way of a fee plus superannuation the other Non-Executive Directors invoice their fees from their respective consulting entities. Under such agreements current at the date of this report, there are no annual, long service leave, other termination entitlements or retirement benefits other than statutory superannuation. The Constitution and ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by members in a general meeting. An amount not exceeding the amount determined is then divided between the Non- Executive Directors as agreed. The company's Constitution stipulates the aggregate annual remuneration to \$500,000 per year and IPB Petroleum has not sought to increase that amount.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Non-Executive Directors are encouraged by the Board to hold shares in the company. No additional remuneration is paid to Directors for service on Board committees or on the Boards of wholly owned subsidiaries.

In 2016 all Non-Executive Directors severally and mutually agreed with the company to reduce their monthly Director's Fees to \$1,000 per month for each Non- Executive Director, and \$1,500 per month for the Non-Executive Chairman. These fees remained unchanged during the 2023 year. In addition, the Directors are entitled to be paid all travelling and other expenses they incur in attending to the company's affairs, including attending and returning from general meetings of the company or meetings of the Directors or of committees of the Directors.

The aggregate remuneration of Directors, other than salaries paid to Executive Directors, was \$49,355 in the year to 30 June 2023 (2022: 33,200). The remuneration of Non-Executive Directors for the Financial Year ended 30 June 2023 is detailed in Table 7 of this report.

8. Shareholdings

KMP Shareholdings

The number of ordinary shares in IPB Petroleum held by each KMP of the Group during the Financial Year ending 30 June 2023, is as follows:

	Direct Balance at Beginning of Year	Indirect Balance at Beginning of Year	Options Exercise	On market purchase (sale) and rights issue exercise of direct during the Year	On market purchase (sale) and rights issue exercise of indirect during the Year	Direct Balance at end of Year	Indirect Balance at End of Year
Bruce McKay	972,592	600,000	-	427,408	300,000	1,400,000	900,000
Brendan Brown	1,500,000	30,527,667	-	-	2,138,834	1,500,000	32,666,501
Philip Smith	27,644,737	2,050,000	-	-	2,050,000	27,644,737	4,100,000
Geoffrey King	500,000	200,000	-	500,000	200,000	1,000,000	400,000
Totals	30,617,329	33,377,667	-	927,408	4,688,834	31,544,737	38,066,501

Table 8 – Ordinary Shares held by KMP

KMP Options Holdings held as a result as part of remuneration

	Balance at Beginning of Year	Granted during the Year as part Remuneration*	Exercised During the Year	Lapsed during the Year	Balance at End of Year
Bruce McKay	1,600,000	2,500,000	-	800,000	3,300,000
Brendan Brown	3,000,000	5,000,000	-	1,500,000	6,500,000
Philip Smith	2,500,000	2,500,000	-	1,250,000	3,750,000
Geoffrey King	1,000,000	2,000,000	-	500,000	2,500,000
Totals	8,100,000	12,000,000	-	4,050,000	16,050,000

Table 9 – Options directly held by KMP as part of remuneration

* Following approval at the Annual General Meeting held on 30 November 2022, the company issued 14,000,000 Employee Options expiring 30 November 2026 with an Exercise Price of 2.00 cents per option to various Directors and Officers of the company under the IPBLEOP.

A total of 14,000,000 outstanding Options had been issued to Directors and Officers of the company, 12,000,000 to Directors and 2,000,000 to the Company Secretary. These Options were issued under the IPB Petroleum Limited Employee Option Plan (IPBLEOP) renewed at the November

DIRECTORS' REPORT

FOR FINANCIAL YEAR ENDED 30 JUNE 2023

2022 AGM in consideration of reduced income and fees over the relevant periods and as an increased loyalty and bonus/retention mechanism for recipients. No options were granted as remuneration indirectly.

Other KMP Transactions

There have been no other transactions with KMP other than those described in the tables above.

- End of Remuneration Report -

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Auditor

In accordance with the provisions of the *Corporations Act 2001* the company's auditor, William Buck Audit (Vic) Pty Ltd, who was appointed following approval at the 30 November 2020 Annual General Meeting, continues in office.

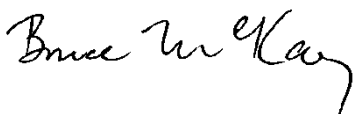
Non-audit services – detail and schedule

The company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the company are important. The Board has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Other than \$1,750.00, as disclosed in Note 4 to the financial statements no other non-audit services were provided by the auditor during the Financial Year end 30 June 2023.

Auditor's independence statement

A copy of the auditor's independence declaration for the Financial Year ended 30 June 2023 has been received as required under Section 307C of the Corporations Act 2001 and is included on page 26. The Directors' Report is made in accordance with a resolution of the Board. On behalf of the Board.



Bruce McKay

Non-Executive Chairman

Dated at Melbourne this 29th day of September 2023

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Image of Pacific Explorer, taken at Darwin Harbour 2011 before despatch to WA-424-P for Gwydion MC3D seismic survey, courtesy of PGS

Auditor's Independence Declaration

William Buck

ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF IPB PETROLEUM LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

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

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A. A. Finnis

A. A. Finnis

Director

Melbourne, 29 September 2023

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Image of metering equipment

Financial Report

IPB Petroleum Limited Consolidated
ACN 137 387 350
Statement of Profit or Loss and Other comprehensive income
For the Year Ended 30 June 2023

	Note	2023	2022
		\$	\$
Other income	Note 3	12,599	292
Employee benefits and directors' fees		(325,786)	(146,895)
Consulting & contractors		(131,551)	(54,309)
Legal, audit & accounting		(72,730)	(68,610)
Shareholder relations		(63,510)	(25,431)
Listing & filing fees		(46,765)	(30,732)
Occupancy		(544)	(544)
Other expenses		(140,275)	(48,858)
Loss before income tax		<u>(768,562)</u>	<u>(375,087)</u>
Income Tax expense	Note 5	-	-
Net Loss for the year		<u>(768,562)</u>	<u>(375,087)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(768,562)</u></u>	<u><u>(375,087)</u></u>
Earnings per share:			
Basic loss per share (cents)	Note 8	(0.161)	(0.113)
Diluted loss per share (cents)	Note 8	(0.161)	(0.113)

The above Statement of Profit & Loss and other Comprehensive Income should be read in conjunction with the accompanying Notes

IPB Petroleum Limited Consolidated
ACN 137 387 350
Statement of Financial Position
As at 30 June 2023

	Note	2023	2022
		\$	\$
Current Assets			
Cash and Cash Equivalents	Note 9	1,403,225	337,169
Trade and Other Receivables	Note 11	26,809	20,514
Other Current Assets		4,824	25,018
Total Current Assets		<u>1,434,858</u>	<u>382,701</u>
Non-Current Assets			
Exploration & Evaluation Assets	Note 12	4,073,783	3,965,491
Total Non-Current Assets		<u>4,073,783</u>	<u>3,965,491</u>
Total Assets		<u>5,508,641</u>	<u>4,348,192</u>
Current Liabilities			
Trade and Other Payables	Note 13	74,165	58,135
Total Current Liabilities		<u>74,165</u>	<u>58,135</u>
Total Liabilities		<u>74,165</u>	<u>58,135</u>
Net Assets		<u>5,434,476</u>	<u>4,290,057</u>
Equity			
Issued Capital	Note 14	21,112,925	19,256,238
Reserves	Note 16	246,031	231,879
Accumulated Losses	Note 18	(15,924,480)	(15,198,060)
Total Equity		<u>5,434,476</u>	<u>4,290,057</u>

The above Statement of Financial Position should be read in conjunction with the accompanying Notes

IPB Petroleum Limited Consolidated
ACN 137 387 350
Statement of Changes in Equity
For the Year Ended 30 June 2023

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2021	18,436,738	231,879	(14,822,973)	3,845,644
Comprehensive Income				
Loss for Year	-	-	(375,087)	(375,087)
Total Comprehensive Income for year	-	-	(375,087)	(375,087)
Transactions with owners, in their capacity as owners, and other transfers				
Proceeds from issues of shares (less transaction costs)	819,500	-	-	819,500
Total Transactions with owners and other transfers	819,500	-	-	819,500
Balance at 30 June 2022	19,256,238	231,879	(15,198,060)	4,290,057
Balance at 1 July 2022	19,256,238	231,879	(15,198,060)	4,290,057
Comprehensive Income				
Loss for Year	-	-	(768,562)	(768,562)
Total Comprehensive Income for year	-	-	(768,562)	(768,562)
Transactions with owners, in their capacity as owners, and other transfers				
Proceeds from issues of shares (less transaction costs)	1,856,687	-	-	1,856,687
Share Based Payments	-	56,294	-	56,294
Lapsed Options	-	(42,142)	42,142	-
Total Transactions with owners and other transfers	1,856,687	14,152	42,142	1,912,981
Balance at 30 June 2023	21,112,925	246,031	(15,924,480)	5,434,476

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes

IPB Petroleum Limited Consolidated
ACN 137 387 350
Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023	2022
		\$	\$
Cash Flows from Operating Activities			
Interest received		12,599	292
Payments to suppliers and employees		(694,938)	(419,121)
Net Cash Outflow from Operating Activities	Note 10	(682,339)	(418,829)
Cash Flows from Investing Activities			
Payments for exploration & evaluation expenditure		(108,292)	(230,942)
Net Cash Outflow from Investing Activities		(108,292)	(230,942)
Cash Flows from Financing Activities			
Proceeds from share issue		2,054,408	875,000
Costs of issue of shares		(197,721)	(55,500)
Net Cash Inflow from Financing Activities		1,856,687	819,500
Net (Decrease)/ Increase in Cash Held		1,066,056	169,729
Cash and Cash Equivalents as at beginning of Year		337,169	167,440
Cash and Cash Equivalents as at end of Year	Note 9	1,403,225	337,169

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes

IPB Petroleum Limited Consolidated
ACN 137 387 350
Notes to the Financial Statements
For the Year ended 30 June 2023

These consolidated financial statements and notes represent those of IPB Petroleum Limited (the "Company") and Controlled Entities (the "consolidated Group" or "Group").

The separate financial statements of the parent entity, IPB Petroleum Limited, have not been presented within this financial report as permitted by *the Corporations Act 2001*.

The financial statements were authorised for issue on 29 September 2023 by the directors of the company.

Going Concern

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

1. Significant Accounting Policies

a. Basis of Preparation

These general-purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

b. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (IPB Petroleum Limited) and its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

c. Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during

IPB Petroleum Limited Consolidated
ACN 137 387 350
Notes to the Financial Statements
For the Year Ended 30 June 2023

the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

The Group has formed an income tax consolidated Group under the Tax Consolidation Regime from 3 October 2011. The tax consolidated Group has entered into a tax funding agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated Group. In addition, the agreement provides for the allocation of income tax liabilities between entities. In addition to its own current and deferred tax amounts, the Group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group. Assets or liabilities arising under the tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities the Group.

Petroleum Rent Resources Tax (PRRT)

Petroleum Resource Rent Tax (PRRT) is recognised as an income tax under AASB112 - Income Taxes. From 1 July 2012, the PRRT regime was extended to all Australian onshore oil and gas projects. Accounting for PRRT involves judging the impact of the combination of production licences into PRRT projects, the taxing point of projects, the measurement of the starting base of projects, the impact of farm-ins, the deductibility of expenditure and the impact of legislative amendments.

A deferred tax asset is recognised in relation to the carry forward deductible PRRT expenditure of projects only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. At

this stage the Group has no taxable profits and therefore does not recognise a deferred tax asset in the financial statements. The Group will determine the carry forward deductible PRRT expenditure of projects including augmentation on expenditure categories in the calculation of future taxable profit when assessing the extent to which a deferred tax asset should be recognised in the financial statements for future years. Deferred tax assets in respect of PRRT are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

d. Exploration and Development Expenditures

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Costs are also only capitalised where rights to tenure of the area of interest are current.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Expenditure settled by the farmee under the farm in arrangements is not recorded as expenditure (whether this would have been capitalised or expensed immediately) by the Group in its capacity as farmor.

e. Impairment of Non-financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

f. Employee Benefits

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

g. Reserves

Options Reserve

The options reserve is used to recognise the fair value of shares and other equity instruments issued to employees under the employee share and options plans.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

i. Government Grants

Government grants were not received during the Financial Year end 30 June 2023 or as at the date of this report.

j. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

m. New and Amended Accounting Policies Adopted by the Group

The impact of new accounting standards are not expected to have a material impact on the Group.

n. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

Impairment of non-financial assets

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related exploration permit itself or, if not, whether it successfully recovers the related hydrocarbon exploration and evaluation asset through sale. Factors that could affect the future recoverability include the level of economically recoverable reserves, future technological changes which could impact the cost of development, future legal changes (including changes to environmental and restoration obligations) and changes to commodity prices. To the extent that capitalised hydrocarbon exploration and evaluation expenditure is determined not to be recoverable in the future, financial results and net assets will be reduced during the financial period in which this determination is made.

In addition, hydrocarbon exploration and evaluation expenditure is carried forward on the basis that activities in the areas of interest have not at the end of the reporting period reached a stage that allows a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing. To the extent it is determined in the future this capitalised expenditure should be written off in the statement of comprehensive income, financial results and net assets will be reduced during the financial period in which this determination is made. Information on the reasonable existence or otherwise of economically recoverable reserves is progressively gained through geological analysis and interpretation, drilling activity and prospect evaluation during a normal permit term. A reasonable assessment of the existence or otherwise of economically recoverable reserves can generally only be made, therefore, at conclusion of those exploration and evaluation activities. The Group's accounting policy for exploration and evaluation expenditure is set out in Note 1(d). The carrying amount of hydrocarbon exploration and evaluation assets is disclosed in Note 12.

Deferred tax assets

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

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IPB Petroleum Limited Consolidated
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Notes to the Financial Statements
For the Year Ended 30 June 2023

2. Parent Information

2023

2022

\$

\$

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

Assets

Current Assets	1,434,858	382,701
Non-Current Assets	4,073,783	3,965,491
Total Assets	5,508,641	4,348,192

Liabilities

Current Liabilities	74,165	58,135
Total Liabilities	74,165	58,135
Net Assets	5,434,476	4,290,057

Equity

Issued Capital	Note 14	21,112,925	19,256,238
Reserves	Note 16	246,031	231,879
Accumulated Losses	Note 18	(15,924,480)	(15,198,060)
Total Equity		5,434,476	4,290,057

Statement of Profit or Loss and Other Comprehensive Income

Total profit/(loss)	Note 4	(768,562)	(375,087)
Total Comprehensive Income		(768,562)	(375,087)

Guarantees

During the reporting period IPB Petroleum Limited did not enter into a deed of cross guarantee with any of its subsidiaries.

Other contingent liabilities not bought to account

Nil

Contractual commitments

At 30 June 2023, IPB Petroleum Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment.

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3. Revenue and Other Income	2023	2022
	\$	\$
Interest Received	12,599	292
	<u>12,599</u>	<u>292</u>

4. Loss for the Year	2023	2022
	\$	\$

Loss before income tax expense includes the following specific expenses:

Charging as Expense

Finance Costs	-	-
Remuneration of the Auditor		
Audit &/or review of financial statements	37,700	32,500
Other Non-Audit Services	1,750	-
	<u>39,450</u>	<u>32,500</u>

5. Income Tax Expense

a) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:

	2023	2022
	\$	\$
Prima Facie Tax on profit from ordinary activities at 25%	(192,141)	(93,772)
Add:		
Tax effect of:		
- Other Non-Allowable Items	-	-
- Share Options Expensed During Year	14,074	-
- Unused Income Tax Losses Not Taken Up as an Asset	178,067	93,772
Income tax attributable to entity	<u>Nil</u>	<u>Nil</u>

The applicable weighted average effective tax rates are as follows:

<u>0%</u>	<u>0%</u>
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b) Deferred tax assets not recognised

Tax Losses	5,064,832	4,841,918
Temporary Differences	(955,032)	(959,694)
Total deferred tax assets not recognised	<u>4,109,800</u>	<u>3,882,224</u>

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

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Notes to the Financial Statements
For the Year Ended 30 June 2023

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no change in tax legislation adversely affects the company in realising the benefits from deducting the losses.

6. Key Management Personnel Compensation

2023

2022

\$

\$

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2023.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

Short-term employee benefits	320,035	206,023
Post-employment benefits	1,260	1,200
Equity settled share-based payments	48,253	-
Total KMP compensation	<u>369,548</u>	<u>207,223</u>

Total KMP compensation is larger than total employee benefits as it also includes directors' fees expense and also shows salaries and wages expenses that have been capitalised to the exploration and evaluation asset in accordance with AASB 6.

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the superannuation contributions made during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date. As shareholders directors and officers were able to participate in new share rights issues. A new shares rights issue was conducted during the financial year which involved the placement of new shares concluded on 15 September 2022 which also had a free attaching option expiring in July 2023. The shareholdings subscribed and granted to Directors are disclosed in the Directors' Report. All free attaching options by all subscribing shareholders including Directors lapsed as none were exercised.

Further information in relation to KMP remuneration can be found in the directors' report.

7. Dividends

2023

2022

\$

\$

No dividends were paid or proposed for the year.

IPB Petroleum Limited Consolidated
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Notes to the Financial Statements
For the Year ended 30 June 2023

Balance of franking account at year end	Nil	Nil
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8. Earnings per Share	2023	2022
	\$	\$
(a) Reconciliation of earnings to profit or loss:		
Earnings used to calculate basic EPS	(768,562)	(375,087)
Earnings used in the calculation of dilutive EPS	(768,562)	(375,087)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	476,097,902	331,375,416
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	476,097,902	331,375,416
Antidilutive options on issue not used in dilutive EPS calculation	78,007,509	11,600,000

Potential Ordinary Shares

As the options were determined to be antidilutive the options have not been included in the determination of basic earnings/(loss) per share.

As at the date of this report there are a remaining 18,250,000 antidilutive options on issue.

Ordinary Shares

During the year ended 30 June 2023 four equity capital raisings were conducted resulting in the subsequent issuance of the following shares on:

- 15 July 2022 of 33,333,333 shares for a contribution of \$300,000 (less associated costs of \$18,000)
- 15 September 2022 of 86,181,693 shares for a contribution of \$775.635 (less associated costs of \$65.481)
- 16 February 2023 of 97,425,806 shares for a contribution of \$876,832 (less associated costs of \$108,979)
- 29 March 2023 of 11,326,749 shares for a contribution of \$101,941 (less associated costs of \$5,261)

The basic earnings per share as at 30 June 2023 was (0.161), (2021: (0.113)).

The diluted earnings per share as at 30 June 2023 was (0.161), (2021: (0.113)).

9. Cash and Cash Equivalents	2023	2022
	\$	\$
Cash at bank and on hand	1,403,225	337,169
	1,403,225	337,169

The effective interest rate on short-term bank deposits was 1.55% (2022: 0.11%); these deposits are at call.

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and Cash Equivalents	1,403,225	337,169
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IPB Petroleum Limited Consolidated
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Notes to the Financial Statements
For the Year Ended 30 June 2023

10. Cash Flow Information

2023

2022

\$

\$

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Loss after Income Tax	(768,562)	(375,087)
Non-Cash Flows in Profit:		
- Share based payment expense	56,294	-
Changes in Assets and Liabilities:		
- (Increase)/Decrease in Trade and Other Receivables	(6,295)	38,696
- (Increase)/Decrease in Other Current Assets	20,194	(1,110)
- Increase/(Decrease) in Trade and Other Payables	16,030	(81,328)
Cash outflow from Operating Activities	<u>(682,339)</u>	<u>(418,829)</u>

11. Trade and Other Receivables

2023

2022

\$

\$

Current

GST Refundable	<u>26,809</u>	<u>20,514</u>
Total	<u>26,809</u>	<u>20,514</u>

Collateral Held as Security

No collateral is held as security.

12. Evaluation & Exploration Assets

2023

2022

\$

\$

Exploration Expenditure		
- Exploration & Evaluation Phase	7,212,553	7,104,261
Less Accumulated Impairment Losses	<u>(3,138,770)</u>	<u>(3,138,770)</u>
Total	<u>4,073,783</u>	<u>3,965,491</u>

Exploration Expenditure

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of petroleum.

Capitalised costs amounting to \$108,292 (2022: \$230,942) have been included in cash flows from investing activities in the statement of cash flows.

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Notes to the Financial Statements
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Movements in Carrying Values

Movements in the carrying amounts for exploration permit between the beginning and the end of the current financial year:

Area of Interest	WA-424-P \$
Balance as at 1 July 2021	3,734,549
Exploration and evaluation expenditure	230,942
Balance as at 30 June 2022	<u>3,965,491</u>
Balance as at 1 July 2022	3,965,491
Exploration and evaluation expenditure	108,292
Balance as at 30 June 2023	<u>4,073,783</u>
Cost	7,212,553
Less Accumulated Impairment Losses	<u>(3,138,770)</u>
Balance as at 30 June 2023	<u>4,073,783</u>

13. Trade and Other Payables	2023	2022
	\$	\$
Current		
Unsecured Liabilities:		
Trade Payables	15,931	14,810
Sundry Payables and Accrued Expenses	<u>58,234</u>	<u>43,325</u>
Total Trade and Other Payables	<u>74,165</u>	<u>58,135</u>

14. Issued Capital	2023	2022
	\$	\$
Fully paid ordinary shares	<u>21,112,925</u>	<u>19,256,238</u>

The company has authorised and issued share capital amounting to 565,122,449 ordinary shares.

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Notes to the Financial Statements
For the Year Ended 30 June 2023

Movement in Ordinary Shares	2023	2022	2023	2022
	No.	No.	\$	\$
At the beginning of the reporting period	336,854,868	286,854,868	19,256,238	18,436,738
Issue of share capital	228,267,581	50,000,000	1,856,687	819,500
At the end of the reporting period	565,122,449	336,854,868	21,112,925	19,256,238

As indicated in Note 8 the company issued 228,267,581 ordinary shares following the successful completion of four capital raisings during the year.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options

For information relating to the IPB Petroleum Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 17.

For information relating to share options issued to key management personnel during the financial year, refer to Note 17.

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

15. Operating Segments

Management has determined that the Group has one reportable segment, being Oil and Gas Exploration in Australia.

The Group's activities are therefore classified as one business segment.

IPB Petroleum Limited Consolidated
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Notes to the Financial Statements
For the Year ended 30 June 2023

16. Reserves	2023	2022
	\$	\$
Options Reserve	246,031	231,879
	<u>246,031</u>	<u>231,879</u>
Employee Share Options Reserve		
Opening Balance for the year	231,879	135,824
Options Expired during the year	(42,142)	(3,301)
Expensed During Year	56,294	99,356
	<u>246,031</u>	<u>231,879</u>

The option reserve records items recognised as expenses on valuation of employee share options.

17. Share-based Payments

The company established the IPB Petroleum Limited Employee Option Plan (IPBLEOP) on 20 February 2013 (subsequently renewed) as a long-term incentive scheme to recognise and attract valuable Executives and incentivise them for performance which results in long-term growth in shareholder value. Under the IPBLEOP options may be offered to full or part-time employees or officers of IPB Petroleum, including Directors of the company (subject to Shareholder approval), which the Board determines should be entitled to participate in the IPBLEOP. Any options granted to eligible employees or officers will be free, unless the Board determines otherwise.

Any vesting conditions, exercise price and life of the options will be set by the Board at its discretion. The Board may determine and specify at the time of grant of options:

- the time periods or other conditions that must be satisfied before options are vested; and/or
- any exercise conditions that must be satisfied before options can be exercised.

Subject to the satisfaction of any applicable vesting and/or exercise conditions before options can be exercised, options are exercisable during the specified exercise period, or unless waived by the Board within 6 months of certain prescribed events such as retirement, death and permanent disability, by giving notice of the exercise to the company and by paying the exercise price for the options exercised. Each option entitles the holder to subscribe for one share. The Shares allotted upon exercise of the options will rank equally in all respects with all other issued ordinary shares of the company.

At the date of this report, the following options over unissued ordinary shares of IPB Petroleum Limited are detailed as follows:

Grant dates	Exercise price	Number of shares under option	Expiry Date
30 November 2022	2 cents	14,000,000 ¹	30 November 2026
7 December 2020	5.65 cents	4,750,000 ²	7 December 2024

1 & 2 These options were issued under IPB Petroleum Limited Employee Option Plan (IPBLEOP) following shareholder approvals at Annual General Meetings and were issued to Directors and an Officer of the company.

Since the end of the reporting period no other options were granted or exercised over unissued shares or interests

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Notes to the Financial Statements
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in IPB Petroleum Limited or any controlled entity within the Group.

A summary of the movements of company options issues during the reporting period is as follows:

	Number	Weighted Average Exercise Price \$
Options outstanding as at 1 July 2021	11,600,000	\$0.0055
Granted	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2022	11,600,000	\$0.0055
Options outstanding as at 1 July 2022	11,600,000	\$0.0055
Granted	64,507,509	\$0.0121
Exercised	-	-
Expired	(11,600,000)	\$0.0055
Options outstanding as at 30 June 2023	78,007,509	\$0.01356

Atoll Financial Limited were granted 2,100,000 options during the 2019 year for nil consideration. These have not been expensed but reported as a potential future liability in the 2022 accounts. The total expense was estimated to be \$8,400 should this have occurred. These options lapsed in September 2022.

The fair value of employee options granted and expensed during the year was \$56,294 (2022: \$0). This is included under other expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

18. Accumulated Losses	2023	2022
	\$	\$
Accumulated Losses at the Beginning of the Financial Year	(15,198,060)	(14,822,973)
Less		
Net loss attributable to members of the company	(768,562)	(375,087)
Lapsed Options	42,142	-
Accumulated Loss at the End of the Financial Year	(15,924,480)	(15,198,060)

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Notes to the Financial Statements
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19. Interests in Subsidiaries

Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group	
		2023 %	2022 %
IPB WA 424P Pty Ltd	Suite 307, 530 Little Collins Street Melbourne VIC 3000	100	100
IPB Exploration Pty Ltd	Suite 307, 530 Little Collins Street Melbourne VIC 3000	100	100

20. Related Party Transactions

There were no related party transactions other than as identified in the Remuneration Report.

The Remuneration report details additional remuneration issued to Directors by way of options.

All Directors except Mr Geoffrey King have received their Base Remuneration as disclosed in the Remuneration Report through consulting entities that are deemed related parties of these Directors.

Note 6 and the Remuneration Report provide further details on Director Remuneration.

The number of ordinary shares in IPB Petroleum Limited held by each Director of the Group during the Financial Year is as follows:

	Direct Balance at Beginning of Year	Indirect Balance at Beginning of Year	Options Exercise	On market purchase (sale) and rights issue exercise of direct during the Year	On market purchase (sale) and rights issue exercise of indirect during the Year	Direct Balance at end of Year	Indirect Balance at End of Year
Bruce McKay	972,592	600,000	-	427,408	300,000	1,400,000	900,000
Brendan Brown	1,500,000	30,527,667	-	-	2,138,834	1,500,000	32,666,501
Philip Smith	27,644,737	2,050,000	-	-	2,050,000	27,644,737	4,100,000
Geoffrey King	500,000	200,000	-	500,000	200,000	1,000,000	400,000
Totals	30,783,995	33,377,667	-	927,408	4,688,834	31,544,737	38,066,501

Ordinary Shares held by Directors

a. The Group's related parties are as follows:

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i. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 6: Key Management Personnel Compensation.

ii. Entities subject to significant influence by the Group

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement. The ultimate parent entity and its subsidiaries did not exert significant influence over any associate entities during the 2022 or 2023 years.

iii. Joint Venture entities accounted for under the equity method

The Group does not have any joint ventures which are accounted for under the equity method.

iv. Joint Arrangements

The Group does not have any joint arrangements which are accounted for under the proportional consolidation method.

v. Other related parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. Transactions with related parties

Other than those disclosed elsewhere in these financial statements, there were no transactions with related parties during the year.

21. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable, accounts payable and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments*: as detailed in the accounting policies to these financial statements, are as follows:

Financial assets		2023	2022
		\$	\$
Cash and cash equivalents	Note 9	1,403,225	337,169
Total financial assets		1,403,225	337,169

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Financial liabilities

Trade and other payables at amortised cost	Note 13	74,165	58,135
Total financial liabilities		74,165	58,135

Financial Risk Management Policies

The Board is responsible for, among other issues, managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with company policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA—.

There is a risk that receivables may not be able to be collected for their book value, or may take longer than expected, or the company may incur additional costs in collecting receivables not currently accounted for.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts. The Group manages this risk through the maintenance of rolling cash flow forecasts.

All financial assets and liabilities of the Group are current and are able to be settled or realised within 12 months.

(c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Group to interest rate risk are cash and cash equivalents.

No reasonable change in interest rates would have a material effect on the profit and equity values reported in the financial statements.

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Notes to the Financial Statements
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Fair Values

Fair value estimation

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in statement of financial position and notes to financial statements.

22. Events After the Reporting Period

Post Balance Date 64,007,509 free attaching options issued under a placement and rights issue with an exercise price of 1.8 cents expired on 15 July 2023 being unexercised.

Other than as disclosed above no other matters or circumstances have arisen since the end of the financial year which, significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

23. Commitments

As at the date of this report the company has the following work commitments related to its WA-424-P exploration Permit.

Note: The Company has completed all work associated with the Primary Term (firm commitment) except for the well (Idris) which has to be drilled no later than 17 December 2025 under current Permit Terms.

The Secondary Term years of 4 and 5 are optional for the company and not firm commitments until these years are entered.

WA-424-P Permit Work Programme:

The minimum work programme for WA-424-P is detailed as follows:

Term	Period	Remaining Minimum Work Requirements*	Estimated Expenditure A\$
Primary Years 1-3	Current -17/12/25	Geotechnical Studies including Seismic Re-interpretation of 75km ² depth conversion around the Idris Prospect (completed) One Exploration Well	40,000 15,000,000
Secondary Year 4	18/12/25 - 17/6/26	Detailed assessment and re-interpretation of well and 3D seismic data following drilling of commitment well	100,000
Secondary Year 5	18/12/26- 17/12/27	Technical studies to support a renewal and relinquishment strategy	100,000

Minimum work programme for WA-424-P (IPB Petroleum 100% and Operator)*

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Notes to the Financial Statements
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* Note under possible future farmout agreements it is likely that IPB will transfer or hold on trust a significant portion or economic interest of the permit WA-424-P Permit to a farminee or funding partner.

The terms and conditions of any Permits held by IPB Petroleum from time to time require guaranteed annual work commitments to be completed. Whilst not a liability in terms of the relevant accounting standards and therefore not recordable in the company's Statement of Financial Position, a failure to meet a guaranteed work commitment may render a permit liable to be cancelled, unless an extension of time or waiver of the requirement is granted by government.

The current WA-424-P Permit requires a well (Idris) to be drilled by 17 December 2025. If the company cannot settle funding and commence operations to the satisfaction of the government, or cannot obtain a suitable extension to carry out the well activities at a later date, the company is at risk of losing its WA-424-P permit. A mitigating strategy which the company is considering, and has commenced work on, as an alternative strategy to preserve most of what it considers to be the defined valuable part of the WA-424-P permit and has been awarded a "declaration of location" given the existing oil and gas discovery at Gwydion and could then apply, whilst the subject Permit is held by the company for a retention lease or production license with a view to progress towards a potential future development.

Current minimum work programme *	2023 \$	2022 \$
Less than one year	100,000	15,000,000
One to five years	15,100,000	200,000
More than five years	-	-
	15,200,000	15,200,000

* Note: The terms and conditions of any Permits held by IPB Petroleum from time to time require guaranteed annual work commitments to be completed. Whilst not a liability in terms of the relevant accounting standards and therefore not recordable in the company's Statement of Financial Position, a failure to meet a guaranteed work commitment may render a permit liable to be cancelled, unless an extension of time or waiver or variation of the requirement is granted by government.

24. Company Details

The registered office of the company is:
Suite 307, 530 Little Collins Street
Melbourne VIC 3000.

The principal place of business is:
Suite 307, 530 Little Collins Street
Melbourne VIC 3000.

The principal activities of the business include:
Oil & Gas Exploration, Appraisal and Development

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of IPB Petroleum Limited (ACN 137 387 350), the directors of the Company declare that:

1. the consolidated financial statements and notes, as set out on pages 28 – 51 are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS) and the *Corporations Regulations 2001*; and
 - b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated Group;
2. in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. the Directors have been given the declarations required by S295A of the *Corporations Act 2001* from the Managing Director for the financial year ended 30 June 2023.



Bruce McKay

Non-Executive Chairman

Dated this 29th day of September 2023



Image of view to sea surface of rig offshore well operations

Auditor's Report



IPB Petroleum Limited

Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of IPB Petroleum Limited (the Company) and the entities it controlled from time to time throughout the financial year (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the annual 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 2023 and of its financial performance for the year then ended; 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

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CARRYING VALUE OF EXPLORATION AND EVALUATION ASSETS

Area of focus Refer also to notes 1 and 12	How our audit addressed it
<p>The Group has incurred exploration costs for their Australian petroleum project over a number of years. There is a risk that the accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate.</p> <p>Due to the nature of the mining industry, indicators of impairment could include: Changes to exploration plans; Loss of rights to tenements; Changes to reserve estimates; or Costs of extraction and production.</p> <p>Based on management's assessment the Australian exploration area continues to meet the requirements for capitalisation at 30 June 2023.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and their impairment assessment; Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the requirement to renew that tenement at its expiry; and Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest. <p>We also assessed the adequacy of the Group's disclosures in respect of exploration costs in the financial report.</p>

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or they have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements 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 independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of IPB Petroleum Limited for the year ended 30 June 2022 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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis

A. A. Finnis
Director
Melbourne, 29 September 2023

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Image of oil rig helideck

ASX

**Additional
Information**

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 September 2023.

a) Distribution of Shareholders

Analysis of numbers of shareholders by size of holding:

Ordinary Shares	Number of shareholders
1-1000	51
1,001-5,000	106
5,001-10,000	118
10,001-100,000	339
100,001 and over	324
Total Shareholders	938

The number of shareholders holding less than a marketable parcel of shares is 471

b) Classes of Securities and Voting Rights

IPB Petroleum has fully paid ordinary shares on issue. The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present, who is a member or representative of a member shall have one vote and, on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held.

c) Top 20 shareholders

The names of the 20 largest holders of ordinary shares are listed below as at 28 September 2023:

Name	Number of ordinary shares	% ordinary shares
MS SIHOL MARITO GULTOM	57,000,000	10.09
MR PETER ANDREW PROKSA	28,000,002	4.95
PHILIP SMITH	27,644,737	4.89
BTMB INVESTMENTS PTY LTD	26,250,000	4.65
MR LUKE DANIEL FERGUSON	20,000,000	3.54
MRS LUYE LI	13,689,246	2.42
SHENTON JAMES PTY LTD	11,364,158	2.01
MR GREGORY ROBERT HACKSHAW	9,000,000	1.59
RUBYLLLOYD PTY LTD	8,888,888	1.57
MR CRAIG COSTELLO & MRS LARISSA JANE COSTELLO	8,571,429	1.52
KRAKOUER CAPITAL PTY LTD	8,333,333	1.47
AYERS CAPITAL PTY LTD	7,935,613	1.40
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	7,015,000	1.24
CITICORP NOMINEES PTY LIMITED	6,709,888	1.19
LONG TERM SUPER PTY LTD	6,416,501	1.14
MR LIAM JARROD WHEATON	6,366,723	1.13
MR CRAIG COSTELLO	6,355,124	1.12
CAS SUPER NOMINEES PTY LTD	6,000,000	1.06
MR SCOTT ROBERT WEIR	5,500,000	0.97
GREMAR HOLDINGS PTY LTD	5,333,333	0.94
Top 20 Ordinary Shareholders Total	276,373,975	48.91%
Total Ordinary Shares as at 28 September 2023	565,122,449	100%

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d) Substantial Shareholders

Substantial holders in IPB Petroleum are set out below according to the most recent lodged Form 603 and 604 Notices to ASX.

Name	Number of ordinary shares held	% calculated ordinary shares held
S. GULTOM	57,000,000	10.09
B. BROWN	34,166,501	6.05
P. SMITH	30,744,737	5.44

e) Schedule of Petroleum Exploration Permits Held

Permit	Basin/Country	Titleholders	Equity %	Operator
WA-424-P	Browse Basin / Australia	IPB WA 424P Pty Ltd	100%	IPB WA 424P Pty Ltd

Further detail on Permits and works can be found in the Review of Operations pages 11-15.

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\$, Aus. or Dollars, \$ AUD	Australian dollars unless otherwise stated
ASIC	Australian Securities & Investment Commission
ASX	ASX Limited
ASX Listing Rules	The listing rules of ASX
Board	IPB Petroleum Board of Directors
Constitution	The Constitution of the company
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Director	A Director of IPB Petroleum Limited
IPBLEOP	The IPB Petroleum Limited Employee Option Plan
IPB, IPB Petroleum or company	IPB Petroleum Limited (ABN 52 137 387 350) or IPB Petroleum Consolidated Group or a wholly owned subsidiary
Km	Kilometres
Km²	Squared Kilometres
Permit	The WA-424-P petroleum exploration permit
Primary Term	The first 3 years of the 6-year initial period or 5-year renewal period for which an exploration permit is awarded. The work activity for the first 3 years of the program are guaranteed work program commitments by the permit holders
Prospect	A ready-to-drill subsurface drilling target
PRRT	Petroleum Resources Rent Tax
Secondary Term	The second 3 years of the initial 6-year period or 2 years of a 5-year renewal period for which an exploration permit is awarded. On the commencement of the 4th year, the secondary work program becomes guaranteed on a year-by-year basis by the permit holders. Once a year has commenced the permit holders must complete all the specified work for that year. The work proposed in the secondary term can be varied prior to the commencement of the secondary term permit year.

DIRECTORS AND COMPANY SECRETARY

Bruce McKay

Non-Executive Director and Chair

Brendan Brown

Managing Director

Philip Smith

Technical Director

Geoffrey King

Non-Executive Director

Martin Warwick

Company Secretary

SOLICITORS

Steinepreis Paganin

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SHARE REGISTRY

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AUSTRALIAN BUSINESS NUMBER

52 137 387 350

AUDITOR

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