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# HALF YEAR REPORT DECEMBER 2023

Top End Energy Limited  
ABN 73 650 478 774



**TOP END**  
**—ENERGY—**  
THE ENERGY OF TOMORROW



Directors	Mr Emmanuel Correia – Non-Executive Chairman Mr Oliver Oxenbridge - Managing Director Mr Richard Lampe - Non-Executive Director Dr Michael Fischer - Non-Executive Director
Joint Company Secretaries	Ms Michelle Kennedy Ms Kelly Moore
Registered office	Level 2 10 Outram Street West Perth, WA 6005
Share register	Automic Registry Services Level 5, 191 St Georges Terrace Perth WA 6000 Ph: 1300 288 664 <a href="http://www.automic.com.au">www.automic.com.au</a>
Auditor	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 15 Milligan Street Perth WA 6000
Stock exchange listing	Top End Energy Limited shares are listed on the Australian Securities Exchange (ASX code: TEE)
Website	<a href="http://www.topendenergy.com.au">www.topendenergy.com.au</a>

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

### Directors

The following persons were Directors of Top End Energy Limited during the period and up to the date of this report, unless otherwise stated:

- Mr Emmanuel Correia – Non-Executive Chairman
- Mr Oliver Oxenbridge – Managing Director
- Mr Richard Lampe - Non-Executive Director
- Dr Michael Fischer - Non-Executive Director
- Mr Greg Lee - Executive Director up to resignation on 5 February 2024

### Review of operations

#### Financial Performance and Corporate

The loss for the Consolidated entity after providing for income tax and non-controlling interest amounted to \$1,069,649 (31 December 2022: \$1,201,907). As at 31 December 2023, the Company has cash reserves of \$1,585,452 (30 June 2023: \$3,625,570).

The following is a summary of the activities of the consolidated entity for the half-year ended 31 December 2023. It is recommended that this half-yearly report be read in conjunction with any public announcements made by the Company during this period.

#### Company Assets

##### ATP 1069 Project (Queensland)

ATP 1069 is a granted hydrocarbon permit located 130km north-west of Charleville in Central Queensland, covering an area of approximately 1,048km<sup>2</sup>. The Company holds a 100% ownership interest in the Permit.

The Company is assessing conventional natural gas prospectivity in the deeper Adavale Basin part of the Permit. The Gilmore gas field situated 75 km west of the Permit, has demonstrated commercial conventional gas production from the Lissoy Sandstone and Log Creek Formation of the Adavale Basin. Initial seismic interpretation suggests these formations may be present within ATP 1069, but no wells have been drilled to these depths on the Permit. The Company's ongoing and intended work program is targeted to further increase the chance of geological success of the Coolibah conventional gas prospect and ultimately refine drilling locations for a potential exploration well.

The following Prospective Resources at the Coolibah Prospect have been independently assessed by Discover Geoscience ("Discover"):

Coolibah Prospect (100%) <sup>1</sup>	PMean	P10	P50	P90
Gas in Place (bcf)	1,951	4,140	1,288	400
Prospective Resources (bcf) <sup>2,3</sup>	715	1,573	491	150

**Table 1: Coolibah Prospective Resources independently assessed by Discover**

<sup>1</sup>Please see ASX announcement "Certified Prospective Resource & Operational Update" (29 November 2022); the Company is not aware of any new information or data that materially affects the information included in the ASX announcement and all material assumptions and technical parameters underpinning the estimates in the ASX announcement continue to apply and have not materially changed.

<sup>2</sup>**CAUTIONARY STATEMENT:** the estimated quantities of hydrocarbons that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.



<sup>3</sup>The Prospective Resource estimates have been prepared using the probabilistic method and are presented on an unrisked basis. In a probabilistic resource distribution, P90 (Low), P50 (Best), P10 (High) estimates represent the 90%, 50% and 10% probability respectively that the quantity recovered will equal or exceed the estimate assuming a success case in the prospect.

Key activities undertaken on ATP 1069 during the period included:

- Completion of the acquisition of approximately 109 line kilometres of 2D seismic. The preparation for and execution of the acquisition campaign was completed within budget and incident free.
- Processing of the newly acquired 2D seismic data. This workflow has provided a significant uplift in data quality by using the latest in Pre-Stack Time Migration processing technologies.
- The newly acquired and processed 2D seismic data was integrated into the Company's existing sub-surface database and tied to the historical Mt Morris-1 exploration well to the south-west of the permit.
- The new interpretation has confirmed the presence of the large Coolibah closure which was the key objective for the newly acquired 2D seismic and subsequent Geological & Geophysical ("G&G") studies. The four-way dip-controlled structure has a lowest closing contour area of ~542km<sup>2</sup> at the top of the Adavale Formation suggesting significant volumetric potential.

#### **Territory Gas (TG) Project (Northern Territory)**

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

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

The Company has also conducted preliminary studies on the potential for natural Hydrogen and Helium prospectivity across the Company's McArthur Basin acreage with key system elements being identified.

The objective of the intended initial exploration activities is to confirm the presence of the unconventional Velkerri Shale formations and the conventional Bessie Creek Sandstone play potential, as well as Natural Hydrogen and Helium exploration targets.

While EP 258 and the adjacent EP 259 are the near-term focus in the NT, the Company has also commenced native title proceedings for EP 257 in the McArthur Basin and EP 279 and EP 280 in the Amadeus Basin.

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

- Execution of the Section 31 Deed for EP 258 (the "Deed") to which the Company, the Top End (Default PBC/CLA) Aboriginal Corporation ("Top End PBC"), the NLC and the NTG are all parties. The Deed is a statutory document which the NTG relies upon for consent of the native title party to the grant of the Permit under the Native Title Act. The execution of the Deed followed the execution of an exploration agreement ancillary to an agreement under section 31(1)(b) of the Native Title Act for EP 258 with the Top End PBC, which is the native title body corporate acting as the agent for the native title holders.
- The Company continued preparations for undertaking exploration activities, subject to grant, commencing with the acquisition of approximately 2,500 line kilometres of Falcon airborne gravity gradiometry ("AGG") data over the entirety of EP 258.
- The Company also continued the process for procuring a sacred site clearance Authority Certificate from the Aboriginal Areas Protection Authority ("AAPA") and expects to receive this in the March quarter. This is a critical path item required ahead of undertaking any on-ground activities.



### **Amadeus Basin (Western Australia)**

As announced on 24 January 2023, the Company was successful in its application for Area L22-6 as part of the Western Australia ("WA") Government Petroleum Acreage Release 2P/2022, a 6,300 km<sup>2</sup> area over the WA extension of the Amadeus Basin. During the period, the Minister for Mines and Petroleum formally granted the area as EP 501 for a term of six years.

Following the award of the area in January 2023, the Company has engaged with the representatives of the affected underlying native title holders, determined to be the Kiwirrkurra People and the Ngaanyatjarra Lands (Part A) People. The Company is working with these representatives to agree Heritage Protection Agreements ("HPA"), for the purpose of identifying and protecting Aboriginal sites and heritage within the boundaries of the Permit. Execution of the HPAs will be necessary before the Company can undertake regulated exploration activities on the Permit.

The Company's immediate work program will consist of geological and geophysical studies followed by on ground sampling and surveys, pursuant to the execution of the HPAs, including extensive soil gas sampling. The objectives of these initial workstreams will be to better understand the prospectivity potential for Natural Gas, Natural Hydrogen and Helium.

### **New Acreage Acquisition in the Northern Territory**

Post period end, the Company announced that it had executed a binding term sheet to acquire three granted permits in the NT from Minerals Australia Pty Ltd and Jacaranda Minerals Limited, wholly owned subsidiaries of Hancock Prospecting Pty Ltd<sup>1</sup>. The acquired acreage covers 27,885 km<sup>2</sup> and is considered highly prospective for natural Hydrogen and Helium, as well as conventional and unconventional hydrocarbons. EP 153 and EP 154 are situated on the northern flank of the Beetaloo sub-basin and EP 144 overlies the South Nicholson Basin. The Company will refine the work program for the Permits during the completion phase of the transaction and provide a further update to the market on next steps.

<sup>1</sup>Please see ASX Announcement "Acquisition of Granted NT Acreage and \$2.1m Capital Raising" (27 February 2024).

### **Matters subsequent to the end of the period**

On 5 February 2024, Mr Gregory Lee resigned as Executive Director of the Company.

#### *Acquisition of Granted NT Acreage and \$2.1m Capital Raising*

On 27 February 2024, the Company announced the execution of a binding term sheet to acquire granted Northern Territory Exploration permits EP144, EP153 and EP154 (Permits) from wholly owned subsidiaries of Hancock Prospecting Pty Ltd. Consideration for Top End's acquisition of the permits is:

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

In addition to the consideration, the Company will be required to replace existing bank guarantees in connection to the Permits on and from completion.

Completion of the acquisition is conditional upon and subject to:

- parties entering into definitive documents;
- receipt of regulatory approval for the transfer of title to the Permits; and
- obtaining all other consents or approvals required in connection with the transaction.



Simultaneously, the Company announced that they had received firm commitments from sophisticated investors to raise circa \$2.1 million (before costs) via the placement of 17,406,250 fully paid ordinary shares at an issue price of \$0.12 per share. The new shares were allotted on 6 March 2024.

The funds raised from the placement will be used primarily to fund near-term exploration activities on the Permits, ongoing holding costs following completion of the acquisition of the Permits and ongoing corporate working capital.

The placement was managed by Inyati Capital Pty Ltd (Inyati). The Company will pay Inyati a 6% commission on funds raised under the placement and issue Inyati 2,610,938 options (Broker Options). The Broker Options will be issued subject to shareholder approval and will be exercisable at \$0.25 each on or before 3 years from the date of issue.

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

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

**Rounding off of amounts**

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest dollar, unless otherwise indicated.

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

On behalf of the Directors

Emmanuel Correia  
Non-Executive Chairman

14 March 2024  
Perth, Western Australia

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

As lead auditor for the review of Top End Energy Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

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

**Phillip Murdoch**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

14 March 2024



**Top End Energy Limited**  
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**Top End Energy Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2023**



	Note	31 Dec 2023 \$	31 Dec 2022 \$
<b>Revenue</b>			
Other income		26,453	31,916
<b>Expenses</b>			
Professional fees		(171,548)	(163,756)
Employee benefits expense		(101,375)	(69,130)
Director fees		(94,105)	(93,549)
Depreciation and amortisation expense		(22,500)	(67,500)
Exploration expense		(393,256)	(419,704)
Share based payments expense		(97,201)	(182,745)
Other expenses		(216,046)	(237,278)
Finance costs		(71)	(161)
<b>Loss before income tax expense</b>		<b>(1,069,649)</b>	<b>(1,201,907)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year</b>		<b>(1,069,649)</b>	<b>(1,201,907)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year</b>		<b><u>(1,069,649)</u></b>	<b><u>(1,201,907)</u></b>
Loss for the half-year is attributable to:			
Non-controlling interest		(167,566)	(219,244)
Owners of Top End Energy Limited		<u>(902,083)</u>	<u>(982,663)</u>
		<b><u>(1,069,649)</u></b>	<b><u>(1,201,907)</u></b>
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		(167,566)	(219,244)
Owners of Top End Energy Limited		<u>(902,083)</u>	<u>(982,663)</u>
		<b><u>(1,069,649)</u></b>	<b><u>(1,201,907)</u></b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share for loss attributable to the owners of Top End Energy Limited</b>			
Basic and diluted loss per share	5	(1.30)	(1.41)
	5	(1.30)	(1.41)

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

**Top End Energy Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2023**



	<b>Note</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,585,452	3,625,570
Trade and other receivables		90,624	97,007
Prepayments		89,589	147,500
<b>Total current assets</b>		<u>1,765,665</u>	<u>3,870,077</u>
<b>Non-current assets</b>			
Exploration and evaluation	4	1,364,990	329,713
<b>Total non-current assets</b>		<u>1,364,990</u>	<u>329,713</u>
<b>Total assets</b>		<u>3,130,655</u>	<u>4,199,790</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		156,246	252,933
Provisions		-	225,000
<b>Total current liabilities</b>		<u>156,246</u>	<u>477,933</u>
<b>Non-current liabilities</b>			
Provisions		225,000	-
<b>Total non-current liabilities</b>		<u>225,000</u>	<u>-</u>
<b>Total liabilities</b>		<u>381,246</u>	<u>477,933</u>
<b>Net assets</b>		<u>2,749,409</u>	<u>3,721,857</u>
<b>Equity</b>			
Issued capital		9,524,131	9,524,131
Reserves		1,013,581	916,380
Accumulated losses		(7,339,213)	(6,437,130)
Equity attributable to the owners of Top End Energy Limited		3,198,499	4,003,381
Non-controlling interest		(449,090)	(281,524)
<b>Total equity</b>		<u>2,749,409</u>	<u>3,721,857</u>

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

**Top End Energy Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2023**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	9,524,131	810,635	(4,753,870)	10,884	5,591,780
Loss after income tax expense for the half-year	-	-	(982,663)	(219,244)	(1,201,907)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(982,663)	(219,244)	(1,201,907)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 6)	-	182,744	-	-	182,744
Balance at 31 December 2022	<u>9,524,131</u>	<u>993,379</u>	<u>(5,736,533)</u>	<u>(208,360)</u>	<u>4,572,617</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2023	9,524,131	916,380	(6,437,130)	(281,524)	3,721,857
Loss after income tax expense for the half-year	-	-	(902,083)	(167,566)	(1,069,649)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(902,083)	(167,566)	(1,069,649)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 6)	-	97,201	-	-	97,201
Balance at 31 December 2023	<u>9,524,131</u>	<u>1,013,581</u>	<u>(7,339,213)</u>	<u>(449,090)</u>	<u>2,749,409</u>

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

**Top End Energy Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2023**



	Note	Consolidated	
		31 Dec 2023	31 Dec 2022
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(586,261)	(556,860)
Payment for exploration and evaluation		(408,349)	(419,703)
Interest received		32,463	-
Interest and other finance costs paid		(71)	(161)
		<u>(962,218)</u>	<u>(976,724)</u>
Net cash used in operating activities			
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation	4	(1,077,900)	(104,339)
		<u>(1,077,900)</u>	<u>(104,339)</u>
Net cash used in investing activities			
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(3,429)
		<u>-</u>	<u>(3,429)</u>
Net cash used in financing activities			
Net decrease in cash and cash equivalents		(2,040,118)	(1,084,492)
Cash and cash equivalents at the beginning of the financial half-year		3,625,570	5,407,795
		<u>1,585,452</u>	<u>4,323,303</u>
Cash and cash equivalents at the end of the financial half-year			

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

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### **Note 1. General information**

The financial statements cover Top End Energy Limited as a Consolidated entity consisting of Top End Energy Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Top End Energy Limited's functional and presentation currency.

A description of the nature of the Consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2024. The directors have the power to amend and reissue the financial statements.

### **Note 2. Material accounting policy information**

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

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

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

#### **Rounding off of amounts**

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest dollar, unless otherwise indicated.

#### **New or amended Accounting Standards and Interpretations adopted**

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

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

#### **Going concern**

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

The Group incurred a net loss after tax for the period ended 31 December 2023 of \$1,069,649 (31 December 2022: \$1,201,907) and had net cash outflows from operating activities of \$962,218 (31 December 2022: \$976,724). As at 31 December 2023, the Group held total cash reserves of \$1,585,452 (30 June 2023: \$3,625,570) and had total liabilities of \$381,246 (30 June 2023: \$477,933).

The ability of the Group to continue as a going concern is dependent on securing additional equity funding to continue to fund its operational and exploration activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.



**Note 2. Material accounting policy information (continued)**

The Directors believe there are sufficient funds to meet the entity's working capital requirements and as at the date of this report. The financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- Post period end, the Group had received firm commitments from sophisticated investors to raise circa \$2.1 million (before costs) via the placement of 17,406,250 fully paid ordinary shares at an issue price of \$0.12 per share. The new shares were allotted on 6 March 2024
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not be able to continue as a going concern.

**Note 3. Operating segments**

The Group has identified one operating segment being the exploration for natural gas in Australia. The determination of operating segments is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Reportable segments disclosed are on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure; and
- investment being focused on the same resource or type of resource.

All amounts reported to the Board of Directors as the CODM during the year were on a consolidated Group basis.

**Note 4. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation ATP 1069	1,289,326	307,213
Exploration and evaluation - restoration costs	225,000	225,000
Less: Accumulated amortisation	(225,000)	(202,500)
	<u>-</u>	<u>22,500</u>
Exploration and evaluation EP 501	75,664	-
	<u>1,364,990</u>	<u>329,713</u>

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**Note 4. Non-current assets - exploration and evaluation (continued)**

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

<b>Consolidated</b>	\$
Balance at 1 July 2023	329,713
Expenditure during the half-year	1,057,777
Amortisation expense	<u>(22,500)</u>
Balance at 31 December 2023	<u><u>1,364,990</u></u>

**Note 5. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	\$	\$
Loss after income tax	(1,069,649)	(1,201,907)
Non-controlling interest	<u>167,566</u>	<u>219,244</u>
Loss after income tax attributable to the owners of Top End Energy Limited	<u><u>(902,083)</u></u>	<u><u>(982,663)</u></u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	69,625,001	69,625,001
	<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share	(1.30)	(1.41)

**Note 6. Share-based payments**

**Options**

Set out below are movements in Options for the period ended 31 December 2023:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/07/2021	30/11/2025	\$0.00	2,500,000	-	-	-	2,500,000
06/07/2021	30/11/2025	\$0.00	15,000,000	-	-	-	15,000,000
03/09/2021	30/11/2025	\$0.00	5,000,000	-	-	-	5,000,000
24/03/2022	30/11/2025	\$0.00	500,000	-	-	-	500,000
24/03/2022	30/11/2025	\$0.00	3,800,000	-	-	-	3,800,000
06/12/2022	30/11/2025	\$0.00	500,000	-	-	-	500,000
			<u>27,300,000</u>	-	-	-	<u>27,300,000</u>



**Note 6. Share-based payments (continued)**

**Performance rights**

On 4 December 2023, the Company issued 750,000 performance rights to the Managing Director. The Director Performance Rights will vest on 31 March 2024, subject to the grant of an exploration permit in respect of the permit applications held by either NT Gas Pty Ltd and/or Territory Gas at the time the Company listed on the ASX by the vesting date. The Director Performance Rights have been valued at \$120,000 using the Black-Scholes model. The fair value is allocated as a share-based payment expense to each reporting period evenly over the performance measurement period.

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

Set out below are movements in Performance Rights for the period ended 31 December 2023:

	Number of rights 31 Dec 2023
Outstanding at the beginning of the financial half-year	3,000,000
Granted	750,000
Forfeited	-
Exercised	-
Expired	-
Outstanding at the end of the financial half-year	<u>3,750,000</u>

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/12/2023	31/03/2024	\$0.16	\$0.00	90.00%	-	3.62%	\$0.160

**Note 7. Related party transactions**

*Parent entity*

Top End Energy Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 10.

*Transactions with related parties*

A number of related companies transacted with the Company during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel, including close family members and entities over which they have control or significant influence, were as follows:





**Note 7. Related party transactions (continued)**

- The Company was charged rent of the corporate office with Pantera Minerals Limited (Pantera), a Company of which Mr Correia is a director. Pantera charged the Company a total of \$17,439 (31 Dec 2022: \$17,439) and no balance remains outstanding at year end.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

*Loans to/from related parties*

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

**Note 8. Commitments**

The Group does not have any significant commitments as at 31 December 2023 (31 December 2022: nil).

**Note 9. Contingent liabilities**

**ATP 1069 Project**

As part of the terms of acquiring ATP1069, the Company entered into a Royalty Deed with the vendor. The Royalty Deed may give rise to a contingent liability in future periods, which is payable upon when the wells to which the permit relates start producing petroleum. Until such, time, no liability has been recognised.

**Territory Gas Project**

The consideration for the acquisition of Territory Gas Pty Ltd included 19,500,000 Deferred Shares, which will convert into ordinary shares of the Company following satisfaction of the following milestones;

- EPA 257, EPA 258 and EPA 259 are granted within 18 months of settlement;
- Completion of an independent estimate of prospective resources of 5 trillion cubic feet of gas or greater on the Permits (as verified by an independent competent person) within two years of settlement; and
- Spudding of at least one well on the Permits within four years of settlement.

The first milestone, EPA 257, EPA 258 and EPA 259 being granted within 18 months of settlement can no longer be satisfied. The Deferred Shares value has reduced to 13,000,000.

As at 31 December 2023, no deferred consideration has been recognised in relation to the Deferred Shares as at balance date there is insufficient reasonable grounds on which to assess the probability of the milestones being met.

**Note 10. Interests in subsidiaries**

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2023 %	30 Jun 2023 %
Tomorrow Energy Corporation Pty Ltd	Australia	100.00%	100.00%
NT Territory Holdco Pty Ltd	Australia	100.00%	100.00%



**Note 10. Interests in subsidiaries (continued)**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests:

Name	Principal place of business / Country of incorporation	Principal activities	Parent Ownership interest		Non-controlling interest Ownership interest	
			31 Dec 2023 %	30 Jun 2023 %	31 Dec 2023 %	30 Jun 2023 %
Territory Gas Pty Ltd	Australia	Exploration	57.68%	57.68%	42.32%	42.32%
NT Gas Aust Pty Ltd	Australia	Exploration	57.68%	57.68%	42.32%	42.32%
Territory Gas Aust Pty Ltd	Australia	Exploration	57.68%	57.68%	42.32%	42.32%

The allocation of losses to the non-controlling interests as at 31 December 2023 are considered to be fully recuperable in accordance with AASB 10 Consolidated Financial Statements.

**Note 11. Events after the reporting period**

On 5 February 2024, Mr Gregory Lee resigned as Executive Director of the Company.

*Acquisition of Granted NT Acreage and \$2.1m Capital Raising*

On 27 February 2024, the Company announced the execution of a binding term sheet to acquire granted Northern Territory Exploration permits EP144, EP153 and EP154 (Permits) from wholly owned subsidiaries of Hancock Prospecting Pty Ltd. Consideration for Top End's acquisition of the permits is:

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

In addition to the consideration, the Company will be required to replace existing bank guarantees in connection to the Permits on and from completion.

Completion of the acquisition is conditional upon and subject to:

- parties entering into definitive documents;
- receipt of regulatory approval for the transfer of title to the Permits; and
- obtaining all other consents or approvals required in connection with the transaction.

Simultaneously, the Company announced that they had received firm commitments from sophisticated investors to raise circa \$2.1 million (before costs) via the placement of 17,406,250 fully paid ordinary shares at an issue price of \$0.12 per share. The new shares were allotted on 6 March 2024.

The funds raised from the placement will be used primarily to fund near-term exploration activities on the Permits, ongoing holding costs following completion of the acquisition of the Permits and ongoing corporate working capital.

The placement was managed by Inyati Capital Pty Ltd (Inyati). The Company will pay Inyati a 6% commission on funds raised under the placement and issue Inyati 2,610,938 options (Broker Options). The Broker Options will be issued subject to shareholder approval and will be exercisable at \$0.25 each on or before 3 years from the date of issue.

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**Note 11. Events after the reporting period (continued)**

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

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**Top End Energy Limited**  
**Directors' declaration**  
**31 December 2023**



In the Directors' opinion:

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

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

On behalf of the Directors

Emmanuel Correia  
Non-Executive Chairman

14 March 2024  
Perth, Western Australia

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Top End Energy Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Top End Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

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



### Auditor's responsibility for the review of the financial report

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

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

**BDO Audit (WA) Pty Ltd**

BDO  
A handwritten signature in black ink, appearing to read 'Phillip Murdoch', written over a horizontal line.

**Phillip Murdoch**

**Director**

Perth, 14 March 2024

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