APPENDIX 4E - PRELIMINARY FINAL REPORT

Name of Entity	**BPH Energy Limited**
ABN	41 095 912 002
Financial Year Ended	Year ended 30 June 2024
Previous Corresponding Reporting Period	Year ended 30 June 2023

Results for announcement to the market

				$A'000
Revenues from ordinary activities	Up	177.6%	to	844
Net profit from ordinary activities after tax attributable to members (2023: $853,426 profit)	Up	434.2%		4,557
Net profit for the period attributable to members (2023: $853,426 profit)	Up	434.2%		4,557

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim and final dividends	Nil	Nil
Previous corresponding period	Nil	Nil

Ratios

	2024	**2023**
Profit before tax / revenue Consolidated profit from ordinary activities before tax as a % of revenue	540%	280%
Profit after tax / equity interests Consolidated net profit from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	15.5%	4.4%
Net tangible asset backing per ordinary security (cents per share)	2.6	2.1

Statement of comprehensive income

Refer attached financial report for the year ended 30 June 2024.

Statement of financial position

Refer attached financial report for the year ended 30 June 2024.

Statement of cash flows

Refer attached financial report for the year ended 30 June 2024.

Dividend reinvestment plans

Not applicable.

Statement of changes in equity

Refer attached financial report for the year ended 30 June 2024.

Gain or loss of control over entities

Refer attached financial report for the year ended 30 June 2024.

Associates and joint ventures

Refer attached financial report for the year ended 30 June 2024.

Commentary on results for the period

Commentary on the above figures is included in the attached financial report for the year ended 30 June 2024 in the Review of Operations (pages 2 to 11) and the Directors' Report (pages 12 to 26).

Status of audit

The financial report for the year ended 30 June 2024 has been audited and is not subject to dispute or qualification.

The Independent Auditor's Audit Report includes the following Emphasis of Matter paragraph:

"Emphasis of Matter - Material uncertainty related to the carrying value of the loan receivable from, and investment in, Advent Energy Limited

We draw attention to Note 11 in the financial report, which indicates that a material uncertainty exists in relation to the Group's ability to realise the carrying value of its loan receivable from, and investment in, Advent Energy Limited in the ordinary course of business. Our opinion is not modified in respect of this matter."

Refer to the Independent Audit Report within the enclosed financial report.

Sign here: .... Date: 26th August 2024
Director

Print name: David Breeze

BPH ENERGY LIMITED

ACN 095 912 002

Annual Financial Report 2024

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BPH Energy Limited and its controlled entities

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Company Information

Directors
David Breeze – Chairman / Managing Director
Charles Maling – Non Executive Director
Anthony Huston - Non Executive Director

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Australian Securities Exchange Listing
ASX Limited
(Home Exchange: Perth, Western Australia)
ASX Codes: BPH
BPHOB

Australian Business Number
41 095 912 002

BPH Energy Limited ("BPH" or "Company") uses funds raised to provide financial support to, and make direct investments in, a number of direct investees, associates, and related companies including Advent Energy Limited, Cortical Dynamics Limited, MEC Resources Limited, and Clean Hydrogen Technologies Corporation. BPH's capital raising activities during the year are set out pages 13 and 14 of the Directors' Report.

The activities of BPH's investees and associate companies during the period are set out below.

Advent Energy Ltd ("Advent"), BPH 35.8%

Advent is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia and overseas.

PEP-11 Oil and Gas Permit Offshore Sydney Basin (85%)

Advent, through wholly owned subsidiary Asset Energy Pty Ltd ("Asset"), holds 85% of Petroleum Exploration Permit PEP-11, an exploration permit prospective for natural gas located in the Offshore Sydney Basin, the other 15% being held by ASX listed Bounty Oil and Gas (ASX:BUY).

PEP-11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs. Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

The offshore Sydney Basin has been lightly explored to date, including a multi-vintage 2D seismic data coverage and a single exploration well, New Seaclem-1 (2010). Its position as the only petroleum title offshore New South Wales provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title. It lies adjacent to the Sydney-Newcastle region and the existing natural gas network servicing the east coast gas market. The total P50 Prospective Resource calculated for the PEP-11 prospect inventory is 5.7 Tcf with a net 4.9 Tcf to Advent (85%WI). The two largest prospects in the inventory are Fish and Baleen.

Advent has previously interpreted significant seismically indicated gas features in PEP-11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones ("HRDZ"), Amplitude Versus Offset ("AVO") anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP-11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP-11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples. The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Advent has demonstrated considerable gas generation and migration within PEP-11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent is a strong supporter of plans for Net Zero by 2050 and sees the company playing a direct role in achieving that target, especially in New South Wales. It aims to do this in two ways. First, by finding gas closest to Australia's biggest domestic energy market, gas which can be used to provide reliable back-up for increased uptake of renewable energy in New South Wales ("NSW"). Second, through its plans to explore for opportunities in offshore NSW for CCS, Carbon Capture and Storage (geo-sequestration of CO2 emissions), a key clean energy technology.

Advent now has two continuing applications with NOPTA for suspension and extension of the PEP-11 permit, the first lodged in December 2019 and the second in January 2021. The first application was on the basis of Force Majeure and is the only application which is the subject of a NOPTA notice. The second was under COVID and was accepted but not dealt with pending an outcome on the first application made in December 2019.

On 9 October 2023 NOPTA updated their website whereby the NEATS Public Portal Application Tracking has been updated to show Asset's applications' status is now 'Under Assessment'. The Company understands that the next step in the application process is for the Commonwealth-NSW Joint Authority ("Joint Authority") to make its decision on Asset's applications.

On 14 July 2023 the Hon Chris Bowen, Minister for Climate Change and Energy, gazetted/designated an area of the Pacific Ocean area off the Hunter Region of NSW as suitable for offshore wind energy development and that it would be open for industry to develop wind farms (Declared Wind Area). It will become Australia's second official offshore wind energy zone. Having reviewed the PEP-11 seismic data and the drill data from the Seaclem 1 well the Declared Wind Area does not materially impact the PEP -11 Title or the main PEP-11 target areas.

The Company welcomes this declaration/gazettal as it reinforces Advent's belief that decarbonising the global energy system will require the use of a mixture of technologies encompassing renewable energy resources, carbon sequestration and natural gas. There are and will be offshore areas where wind, gas and carbon sequestration activities will overlap and it is the Company's' belief that a holistic approach should and will be taken to ensure that clean energy is produced in a reliable and cost effective manner. Asset's parent company Advent made a submission to the consultation website of the Department of Climate Change, Energy, the Environment and Water on the proposed Hunter offshore wind development area. Advent has had preliminary discussions to explore synergies with one of the wind technology companies who are planning to tender for and develop part of the Declared Wind Area and has scheduled further consultation.

On 22 November 2023, the NSW Legislative Committee on Environment and Planning tabled its report into the Minerals Legislation Amendment (Offshore Drilling and Associated Infrastructure Prohibition) Bill 2023, which was referred to the Committee on 29 June 2023. The Bill sought to amend three Acts to prohibit offshore activities in NSW including drilling for petroleum. The inquiry investigated a range of issues, particularly whether the Bill raises any potential constitutional issues and unintended consequences, and its report sets out its findings and proposed recommendations. The relevant link is set out below:

https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=2977#tab-reportsandgovernmentresponses

The Committee heard from legal experts and has found that aspects of the proposed legislation may be constitutionally invalid and have unintended consequences. The report made 10 findings and 2 recommendations. The Committee has accordingly recommended that the Bill not pass.

While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered by NOPTA, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in 2024. .

On 6 February 2024 the NSW government issued a media release saying they had given notice to "introduce legislation that will prohibit sea bed petroleum and mineral exploration and recovery in NSW coastal waters. The Bill will legislatively implement the Offshore Exploration and Mining Policy that was published in February 2022. The legislation aims to give our communities certainty and reaffirms the NSW Government's long held position of not supporting offshore mineral, coal or petroleum exploration or mining for commercial purposes in or adjacent to NSW coastal waters".

On 18 March 2024 BPH Energy Limited ("BPH") advised ASX that:

1) The State of NSW and the NSW Government only have jurisdiction and the power to control exploration and extraction in coastal waters up to 3 nautical miles (4.83 km) offshore from the NSW coast. PEP-11 is beyond that 3 nautical mile limit and all such matters touching PEP-11 are under the jurisdiction of the Commonwealth of Australia (ie. the Australian Government). Gas exploration operations including safety and environment are controlled by NOPSEMA, a Commonwealth of Australia authority.

2) The registered holders of PEP-11, including Bounty Oil & Gas NL (ASX:BUY), and the operator, Advent (through Asset) are aware of the legislation and should it be enacted the titleholders will consider, if

necessary, challenging the validity of the Bill under Sec 109 of the Commonwealth Constitution which provides: “When a law of a State is inconsistent with a law of the Commonwealth, the latter shall prevail, and the former shall, to the extent of the inconsistency, be invalid”.

3) The holders of PEP-11 intend to pursue gas exploration by drilling around 26 km offshore, well beyond the limit of NSW coastal waters. No “mining” or pipeline construction is proposed.

4) Bounty and BPH fully support protecting the coastal and offshore marine environment and note that in respect of PEP-11 any activity undertaken in the permit area would require specific approval of the independent regulator NOPSEMA.

The media release set out below was made by the Resources Minister, the Honourable Madeline King dated 23 April 2024:

“The Albanese Government is one that respects proper process. We make decisions in a way that is orderly and appropriate.

The Minister for Resources and Minister for Northern Australia, the Hon Madeleine King MP, has recused herself from future decisions on Petroleum Exploration Permit 11 (PEP-11).

The Minister for Industry and Science, the Honourable Ed Husic MP, will take future decisions relating to PEP-11.

Minister Husic was appointed to administer the Department of Industry, Science and Resources upon being sworn-in as a Minister on 1 June 2022 and has the legal authority to take future decisions on PEP-11.

The Australian Government has been consistent in its position that it will not provide a running commentary on PEP-11 and this remains the case.”

Minister King’s decision to recuse herself as the decision maker with respect to the PEP-11 permit under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) is noted, and the Honourable Minister Husic as the Minister for Industry and Science will be making any future decision on modification and related extension of the PEP-11 permit.

The Joint Authority decision is a routine administrative decision. Any future authorisation related to drilling will require environmental approvals. Any issues around community or environmental impacts should be transparently managed by the designated independent expert regulator.

Asset continues to progress the joint venture’s applications for the variation and suspension of work program conditions and related extension of PEP-11. This application follows from the fact that in February 2023 a decision by the previous Joint Authority to refuse the application was quashed by the Federal Court of Australia. Asset has provided additional updated information to the Commonwealth-NSW Joint Authority and the National Offshore Petroleum Titles Administrator (“NOPTA”) in relation to its applications.

The Joint Authority decision is a routine administrative decision. Any future authorisation related to drilling will require environmental approvals. Any issues around community or environmental impacts should be transparently managed by the designated independent expert regulator.

Asset have engaged Klarite Pty Ltd (Klarite) to initiate environmental management of the Seablue-1 exploration well, due to be drilled in PEP-11, pending the current application for licence variation, suspension and extension (Application), regulatory approvals and rig availability. Klarite are a Perth based turnkey environmental consultancy specialising in offshore development in Australia, who recently prepared a detailed Environmental Approvals Strategy for the Seablue-1 exploration drilling activity for Asset. Due to the critical need for new domestic supplies of gas as stated in the Federal Government’s Future Gas Strategy (see below), Asset have decided to commence work necessary for environmental approvals in advance of the PEP-11 licence Application approval, in order to be prepared to drill the Seablue-1 well as soon as possible thereafter. Klarite will develop an Environmental Management process which will define Asset’s consultation and negotiation basis with relevant persons and assess environmental impacts.

The Federal Government Future Gas Strategy (“FGS”) and supporting documents were released by Minister for Resources Madeleine King on 9 May 2024. The FGS confirms that that gas will have a role to play in the transition to net zero by 2050 and beyond. The FGS states that exploration and development should focus on optimising discoveries and infrastructure in producing basins where gas will be proximal to where it is needed and will be lower cost than relying on LNG imports.

PEP-11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP-11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth).

Onshore Bonaparte Basin RL 1

Advent, through wholly owned subsidiary Onshore Energy Pty Ltd (“Onshore”), holds 100% of RL1 in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basin is a highly prospective petroliferous basin, with significant reserves of oil and gas. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore. RL1 (166 square kilometres in area) covers the Weaber Gas Field, originally discovered in 1985. Advent has previously advised that the 2C Contingent Resources for the Weaber Gas Field in RL1 are 11.5 billion cubic feet (Bcf) of natural gas following an independent audit by RISC. Significant upside 3C Contingent Resources of 45.8 Bcf have also been assessed by RISC.

On 3 May 2024 BPH announced that Advent has been offered a renewal of Retention Licence 1 (RL1) by the Northern Territory Government for a five-year term which it has accepted.

The current rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Area phase 2, the township of Kununurra, and numerous regional resource projects provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Market studies have identified a current market demand of up to 30.8 TJ per day of power generation capacity across the Kimberley region that could potentially be supplied by Advent Energy’s conventional gas project RL1. The prospectivity of the Bonaparte Basin is evident from the known oil and gas fields in both the offshore and onshore portions of the basin. Advent has identified significant shale areas in RL1.

Advent has been evaluating the commercialization of RL1 and intends to convert the Retention Licence into a Production Licence. Onshore has commenced the regulatory processes to enable a re-entry to the Weaber-4 well and has prepared and submitted a Well Operations Management Plan (WOMP) and an Environmental Management Plan for the re-entry to Weaber-4.

Clean Hydrogen and Onshore have entered into a hydrocarbon process agreement (“Process Agreement”). Clean Hydrogen has capabilities at processing hydrocarbons from natural gas and producing two products, hydrogen (sometimes referred to as turquoise hydrogen) and carbon black and carbon nanotube products where such products are produced with no CO2 emissions in the core process. Carbon black is composed of fine particles of carbon produced by pyrolysis of natural gas at high temperatures which in pure form is a fine black powder. It is widely used in various applications for tyres, black colouring pigment of newspaper inks, resin colouring, paints, and toners, antistatic films, fibres, and floppy disks and as an electric conductive agent of high-technology materials.

By the Process Agreement, Onshore and Clean Hydrogen propose to develop plans whereby Clean Hydrogen processes the hydrocarbons from Onshore's Rights and produces hydrogen and carbon black products (“Clean Hydrogen Products”).

Clean Hydrogen is developing its “Commercial System” where it will satisfy scale and commercial objectives resulting in the development of income from sale of Clean Hydrogen Products. Clean Hydrogen’s Commercial System means an end-to-end system which consumes and processes hydrocarbons, using Clean Hydrogen's own thermocatalytic reactor process and Clean Hydrogen's catalysts to produce hydrogen at commercial scale, enabling the sale of the Clean Hydrogen Products.

Under the material terms of the Process Agreement, Onshore will review the Commercial System once ready, conditional on the following.

i. Clean Hydrogen will keep Onshore informed of progress and timing for completion of the Commercial System.

ii. Clean Hydrogen will share details on design and capabilities to assist Onshore in understanding how its systems will integrate with Onshore's supply of hydrocarbons.

iii. The parties will work together to develop a plan to include timelines and needs for production of Clean Hydrogen Products from Onshore's hydrocarbons.

iv. Once Onshore has a clear date for hydrocarbon production, both parties will endeavour to finalise the planning to produce Clean Hydrogen Products.

v. When Clean Hydrogen and Onshore have agreed to a time for the production of Clean Hydrogen Products, Clean Hydrogen will be responsible for due diligence relating to the compliance with the local regulatory requirements for the operation of the systems to produce the Clean Hydrogen Products.

The Process Agreement is non-binding and binding material contractual terms have yet to be agreed.

Clean Hydrogen will make itself available to answer all technical and business model queries as required and provide a dedicated point of contact to manage all Onshore's queries. Onshore will use best endeavours to develop the plan with Clean Hydrogen. Onshore will provide Clean Hydrogen with detail on its Rights and the timing to assist with planning. As part of the plan Onshore and Clean Hydrogen shall define and agree on the markets for the sale of the Clean Hydrogen Products.

Onshore accepts no liability for the design and operation of the systems to produce the Clean Hydrogen Products. The Process Agreement does not preclude Onshore's right to look at other plans for use of hydrocarbons associated with its Rights.

EP 386

Advent's 100% subsidiary Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore followed. Onshore lodged an appeal against this decision with the State Administrative Tribunal (SAT). The SAT determined that it did not have the coverage to hear the appeal and the decision allowed for the matter to be determined through a Supreme Court of WA action.

Clean Hydrogen Technology Corporation ("CHT"), BPH 8.6%

On 2 August 2022 shareholder BPH announced to ASX that, following its shareholders' meeting on 21 June 2022 at which shareholders voted unanimously to approve an investment in hydrogen technology company Clean Hydrogen Technologies Corporation ("Clean Hydrogen" or "CHT"), BPH and Advent, together the "Purchasers", settled for the acquisition of a 10% interest in Clean Hydrogen for US$1,000,000 ("Cash Consideration") (8% BPH and 2 % Advent.

At a proof-of-concept scale, Clean Hydrogen has developed and tested its processing capabilities which have successfully produced hydrogen, with no C02 emissions achieving on average a 92% cracking efficiency. Clean Hydrogen's development activities have shown that, by processing (not burning) methane using their patented catalyst and a modified fluidised bed reactor, producing hydrogen with no CO2 emissions. This is referred to as turquoise hydrogen. In addition, Clean Hydrogen also produces a second product, used for battery manufacturing, called conductive carbon.

Clean Hydrogen uses methane as its current feedstock and in the future plans to consume natural gas. It does not burn the methane, it processes it, using its own patented catalyst and a bespoke designed fluidised bed reactor. The process it uses is called pyrolysis which is not new and has been used by the oil industry for many years. What is new is Clean Hydrogen's success in the efficiency of its cracking the methane into turquoise hydrogen with non-CO2 emissions and the quality of the carbon black produced being majority conductive carbon with some carbon nano tubes.

This process requires similar energy needs as Steam Methane Reforming (“SMR”) and in Clean Hydrogen’s view can be produced at a similar price at scale. Also, it requires no water as part of its process to produce hydrogen.

Importantly, the Clean Hydrogen’s solution is being built with flexibility to work downstream at heavy transport fuelling hubs currently in use in the USA, mid-stream at steel plants replacing coking coal and upstream where the natural gas is processed into hydrogen, a much higher energy source which can be piped for all uses including the production of electricity. As such the technology being developed by Clean Hydrogen’s solution requires very little change and impact to existing infrastructures and supply chains, unlike other solutions. Although Clean Hydrogen considers that electrolysis and other solutions will have their role in the future of hydrogen, they believe the majority of hydrogen will require the advancement of other technologies that can be more ubiquitous, cheaper to produce, use less electricity and operate within existing supply chains.

The Purchasers had a first right of refusal to invest further in Clean Hydrogen to a maximum of a further US$1,000,000 for an additional 10% interest. The Purchasers loaned a further US$950,000 (“Additional Cash Consideration”) under this agreement and the Purchasers and Clean Hydrogen have executed a Loan Conversion Agreement, which once implemented, will enable the conversion of the US$950,000 loan into the relevant Subscription Shares Tranche 2, representing the Purchasers further 9.5% interest in Clean Hydrogen. BPH now has an interest of 15.6% and Advent has an interest of 3.9% interest in Clean Hydrogen.

As a term of the Additional Cash Consideration, Clean Hydrogen has issued 760 share options to BPH with an exercise price of USD$3,000 each, exercisable immediately, with the option to convert into shares in Clean Hydrogen expiring ten years from the date of issue. BPH exercised 67 of these share options during the reporting period,

The contemplated securities under the Loan Conversion Agreement have not been issued to the Purchasers, however, the Purchasers have an entitlement to these securities under the relevant Loan Conversion Agreement. For the reasons set out below, BPH will seek approval from its shareholders for the proposed issue of shares in Clean Hydrogen to BPH, in satisfaction of a debt owing from Advent to BPH (“Debt Forgiveness”).

The ASX Listings Committee (‘LC’) considered the application of Listing Rule 10.1 to BPH in respect of the proposed Debt Forgiveness. The LC resolved that ASX would exercise its discretion such that Listing Rule 10.1 applies to the Debt Forgiveness.

In forming this decision, ASX had regard to the following:

1. In March 2022 ASX advised BPH that, should it seek to increase its shareholding in Advent, whether it be by way of maintaining its current percentage interest in the event Advent undertook a capital raising, increasing its percentage interest, or by way of a debt for equity conversion, BPH must approach ASX regarding the potential application of Listing Rule 10.1.5.

2. In December 2023, Advent lodged a disclosure document with ASIC in the form of an Offer Information Statement for its Entitlement Issue which contained disclosure regarding the discharge of funds loaned to it by BPH in exchange for the issue of equity shares in CHT to BPH. BPH did not approach ASX for determination on the application of Listing Rule 10.1.5 to this transaction.

3. In view of ASX having previously advised BPH to approach ASX in relation to any transactions between itself and Advent including any debt to equity conversion, and BPH having failed to do so in this instance, ASX has exercised its discretion to apply Listing Rule 10.1.5 to the issue of CHT shares to BPH in satisfaction of the debt owing to BPH by Advent. The forgiveness of debt may be a transfer in value from BPH to Advent. ASX has not been provided with sufficient information to conclude there is no possible transfer in value therefore ASX considers that Listing Rule 10.1.5 applies to the debt conversion/forgiveness.

As a result of ASX’s decision to exercise its discretion under Listing Rule 10.1, BPH must seek shareholder approval for the Loan Conversion Agreement dated 10 October 2023 that has been executed between itself, Advent and Clean Hydrogen. BPH is in the process of preparing a Notice of Meeting which will be released as soon as possible. BPH anticipates that the shareholder meeting to approve the Loan Conversion will be held on or about 30 September 2024. For clarity, BPH will not and has not increased its shareholding in Advent as a result of the Debt Forgiveness.

The parties acknowledge and agree that the Cash Consideration and Additional Cash Consideration shall be used by Clean Hydrogen to design, build, produce and test a reactor that can produce a minimum of 3.2kgs and as high as 15kgs of hydrogen per hour and to submit at least 2 new patents in an agreed geography, relevant to the production of hydrogen from proprietary technology.

Clean Hydrogen has developed and tested its processing capabilities which have successfully produced hydrogen, with no CO2 emissions, achieving on average above 90% cracking efficiency. Cracking efficiency refers to the percentage of hydrocarbons broken into solid carbon and hydrogen per hour. This high level of cracking efficiency has been consistently achieved across proof-of-concept tests undertaken by Clean Hydrogen in 2022 and 2023.

Clean Hydrogen has tested the performance of a number of catalysts in the period between April 2022 and September 2022 and have determined that several of the catalysts have given methane cracking conversion rate (efficiency) more than 90%, for several hours. To achieve these results, Clean Hydrogen currently uses methane as its feedstock however, in the future, plans to use natural gas as its feedstock through the pyrolysis method (explained further below).

Clean Hydrogen's development activities and testing have shown that, by pyrolysis processing (not burning) methane gas using its catalyst in a modified fluidised bed reactor, it can produce hydrogen with no CO2 emissions. This is referred to as Turquoise Hydrogen, which is hydrogen that is produced using a process called pyrolysis, where the feedstock is natural gas (specifically the hydrocarbons such as acetylene, methane, butane, propane, and others).

Pyrolysis is defined as the method of heating solids, liquids, or gases in the absence of oxygen[1].

The pyrolysis process is not new and has been used by the oil industry for many years. What is new, is Clean Hydrogen's success in the efficiency of its cracking the methane into Turquoise Hydrogen with non-CO2 emissions and the quality of the carbon black produced, being majority Carbon Nano-Tubes (CNTs), which are highly conductive and used in battery manufacturing.

In Clean Carbon's testing, the majority of the carbon formed (over 80%) from cracking hydrocarbons to date are CNTs.

This type of carbon was determined using Scanning Electron Microscopy (SEM) analysis, which enables the high-resolution imaging of single nanoparticles with sizes well below 1 nm or micron, as is the case for CNTs. The Clean Hydrogen process is more specifically called a thermos-catalytic pyrolysis, which uses 800- 900 degrees heat centigrade in the reactor in the absence of oxygen. The Company confirms that there are no non-CO2 greenhouse gas emissions that are produced or released as a result of Clean Hydrogen's production process.

Steam Methane Reforming vs Clean Carbon pyrolysis process

Over 80% of the world's hydrogen is produced using a process called Steam Methane Reforming (SMR)[2]. The Clean Hydrogen process requires similar energy needs as SMR and at scale, Clean Hydrogen is of the view that it can be produced at a similar price.

Clean Hydrogen's Chief Science Officer, Dr Vivek Nair (PhD material science engineering) has examined research undertaken by Nuria Sánchez-Bastardo, Robert Schlögl, and Holger Ruland published in Industrial & Engineering Chemistry Research 2021 60 (32), 11855-11881[3], which shows that the electrical energy required to produce 1kg of hydrogen from SMR is 8.81 kwh, 39.69kwh for electrolysis and 5.24kwh for pyrolysis at the reaction level. As such, the pyrolysis process requires less energy than SMR to achieve cracking and uses the same feedstock, natural gas.

1 'Methane Pyrolysis: hydrogen without CO2 Emissions' www.tno.nl/en/technology-science/technologies/methane-pyrolysis/
2 Nuria Sánchez-Bastardo, Robert Schlögl, and Holger Ruland Industrial & Engineering Chemistry Research 2021 60 (32), 11855-11881https://pubs.acs.org/doi/10.1021/acs.iecr.1c01679
3 https://pubs.acs.org/doi/10.1021/acs.iecr.1c01679

This energy analysis is conducted without considering the benefits from the use of a catalyst in the pyrolysis process, such as Clean Hydrogen's catalyst, which implies that pyrolysis at scale can be cheaper than SMR. Further, as the process creates two products, which are hydrogen and CNTs, the combined income source provides a means to produce hydrogen at a cheaper net cost. Clean Hydrogen has produced hydrogen beyond lab scale tests at the CoE and is now planning to scale up to a commercial production in 2024. There are three (3) stages to Clean Hydrogen scaling to commercial production:

Stage 1 Completed Stage:

Clean Hydrogen has completed work in 2022 / 2023 on how to scale the catalyst production at the CoE. They have also scaled the reactor to 1/3 of the internal diameter of the full scale commercial system reactors planned for use in Stage 3, explained below.

Stage 2 Current Commercial Stage:

Before moving to Stage 3, Clean Hydrogen plans to demonstrate the commercial viability of its two (2) products; Turquoise Hydrogen and solid carbon. This will be performed using a reactor half the internal diameter of the Stage 3 reactor. It will also require Clean Hydrogen to build the end to end process for separating out the hydrogen from the uncracked hydrocarbons and then compressing it into hydrogen bottle storage. Clean Hydrogen will demonstrate the commercial viability of its products by selling a carbon product called carbon composite made from majority based CNTs and Alumina and bottled hydrogen of 99%+ purity. Clean Hydrogen is currently in the final stages of the assembly of the end to end systems for this.

Stage 3 Scale and Commercial:

The Stage 3 system is planned to have two (2) reactors working together, illustrating that Clean Hydrogen can scale several reactors together. Clean Hydrogen's final customer systems are planned to have a network of several reactors working together. Stage 3 is planned for completion in 2024.

On 22 February 2024 BPH announced that Clean Hydrogen had moved from proof of concept to production.

Clean Hydrogen cracks hydrocarbons from natural gas using a process called thermo-catalytic pyrolysis which combines heat, a catalyst and has no oxygen. Clean Hydrogen's feedstock is natural gases hydro-carbons. Importantly there are no CO2 emissions from the core process since the carbon becomes a solid carbon composite product, thus rendering natural gas a clean (no CO2 emissions) source of two products, turquoise hydrogen and solid carbon composite.

Turquoise Hydrogen is the industry term used for hydrogen sourced from natural gases hydrocarbons using thermo-catalytic pyrolysis. Since there are no CO2 emissions the carbon becomes solid in the form of a fine black dust type material which in Clean Hydrogen's case is a carbon composite made from CNTs (Carbon Nanotubes) and Alumina (ceramics). Carbon Nanotubes have unusual mechanical properties to reinforce their Alumina composite, acting as a toughening agent.

CNTs have a tensile strength greater than steel, conductivity greater than copper and thermal dissipation greater than diamonds. They also resist corrosion and fatigue (ref: https://www.assemblymag.com/articles/93180-can-carbon-nanotubes-replace-copper).

The next steps for Clean Hydrogen are scaling their carbon composite and hydrogen production.

Cortical Dynamics Ltd ("Cortical"), BPH 16.4%

Investee Cortical Dynamics Limited is an Australian based medical device neurotechnology company that is developing BARM™, an industry leading EEG (electrical activity) brain function monitor. BARM™ is being developed to better detect the effect of anaesthetic agents on brain activity under a general operation, aiding anaesthetists in keeping patients optimally anaesthetised, and complemented by CORDYAN™ (Cortical Dynamics Analytics), a proprietary deep learning system/App focusing on anaesthesiology.

The Australian manufactured and designed, electroencephalographically based (EEG-based), BARM™ system is configured to efficiently image and display complex information related to the clinically relevant state of the brain. When commercialized the BARM™ system will be offered on a stand-alone basis or integrated into leading brand operating room monitors as "plug and play" option.

In September 2023 Cortical secured FDA 510(k) clearance in the USA for its flagship technology, the Brain Anaesthesia Response Monitor or BARM™ system version 1. The Food and Drug Administration ("FDA") is the federal agency of the United States Department of Health and Human Services which regulates the sale of medical device products (including diagnostic tests) in the U.S. and monitors the safety of all regulated medical products. FDA approval is a necessary precursor for sales of BARM™ to commence in the USA.

The clearance is a result of two years' work post submission with the US Food and Drug Administration (FDA) in 2021, Cortical being ably assisted by MCRA, a leading Washington based medical global full-service medical device, diagnostics, and biologics CRO and consulting advisory firm. The 510(k) clearance for BARM™ version 1 in the USA is complemented by existing regulatory approvals in Australia (TGA), Europe (CE) and South Korea (KMFDS).

The BARM™ Pec "plug and play "version 1 was approved compatible by Philips with its IntelliView operating room monitors earlier this year. Cortical is working on an enhanced version of BARM™ with its partner AIT (the Austrian Institute of Technology) based in Vienna which will include upgrades to the software, hardware and firmware.

BPH and Cortical Director, Mr David Breeze stated that "the 510 (k) clearance by the FDA is a major milestone in the development of the Company which lays the foundation for the commercialisation of the BARM™ system in the USA".

Additionally, building on the technical and regulatory developments in the Company, Cortical has appointed Dr Sunil Nagaraj PhD as its new Chief Scientist. Dr. Sunil Belur Nagaraj obtained his Master's Degree from the University of Victoria in Canada in 2010 and Doctoral Degree from University College Cork, Ireland in 2015. His doctoral research centered around the development of AI-based real-time brain monitoring, utilising EEG recordings to monitor brain activity.

After a role as a postdoctoral fellow at the Harvard Medical School/Massachusetts General Hospital in the USA. Dr Nagaraj assumed the position of an Assistant Professor of medicine at the University Medical Centre Groningen in The Netherlands for two years. Concurrently, he dedicated three years to working as a scientist at Royal Philips, where he specialised in sleep disorders at the Innovation Forum, highlighting its potential to provide future insights into heart-brain connectivity. Throughout his career, Dr. Nagaraj has demonstrated exceptional research acumen, with a patent and 21 high-impact journal articles to his name, amassing over 650 pioneering research papers and has been recognised through several national and international grants, enabling him to conduct cutting-edge studies that contribute significantly to the advancement of medical technology.

Molecular Discovery Systems Limited, BPH 20%

Molecular Discovery Systems Limited ("MDSystems"), launched in 2006 and spun off from BPH in 2010, is an associate of BPH. MDSystems has been working with the Molecular Cancer Research Group at the Harry Perkins Institute of Medical Research to validate HLS5 as a novel tumour suppressor gene, particularly for liver cancer.

The Molecular Cancer Research Group has developed a pre-clinical model of liver cancer where the expression of HLS5 is ablated i.e. it mimics, in part, patients that have low HLS5 (TRIM35) and develop liver cancer. Research conducted at the Perkins Institute has shown that HLS5 has significant tumour suppressor properties. The Perkins findings are supported by the two independent peer reviewed scientific publications, identifying a role for HLS5 in cancer, demonstrating that the loss of HLS5 expression may be a critical event in the development and progression of liver cancer.

The publications — a collaboration between Fudan University Shanghai Cancer Centre and other Chinese Institutes, including Shanghai Cancer Institute, Liver Cancer Institute, Second Military Medical University and Qi Dong Liver Cancer Institute —focused on identifying the role of HLS5 in liver cancer. The first article demonstrated that HLS5 binds a key enzyme involved in the production of energy for cancer cells (Pyruvate Kinase isoform M2 (PKM2)). They showed that HLS5 binds PKM2 to form a complex which inhibits the activation of PKM2. The formation of this HLS5/PKM2 complex ultimately limits the cancer cell's means of energy production and its ability to proliferate. In the second publication the expression levels of HLS5 and PKM2 were assessed for potential use as a prognostic marker for hepatocellular carcinoma (HCC) - (liver cancer) .The study analysed liver samples of 688 patients who had HCC. The study found that patients who were positive for PKM2 expression and negative for HLS5 expression had poorer overall survival and shorter time to recurrence. Taken together, the findings of both papers further support the research into HLS5 by MDS and the Harry Perkins Institute of Medical Research.

Competent Person Statement

The information in this report that relates to mineral resources contained within the PEP 11 Project reported on page 2 of this financial report is based on information reviewed by Mr David Bennett, an independent consultant with a PhD in geophysics from Australia National University, and more than 40 years of experience in oil and gas exploration and discovery in Australia, New Zealand, Papua New Guinea and elsewhere. The information in this report that relates to Prospective Resource information in relation to the PEP11 is based on information compiled by the operator of these assets, Advent Energy Limited. This information was subsequently reviewed by Mr David Bennett, who has consented to the inclusion of such information in this report in the form and context in which it appears. The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE) / World Petroleum Council (WPC) / American Association of Petroleum Geologists (AAPG) / Society of Petroleum Evaluation Engineers (SPEE) / Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Bennett. Mr Bennett is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Cautionary Statement

Prospective Resources are the term given to the estimated hydrocarbon volumes (petroleum) that may potentially be produced in the event that they are discovered by the drilling of an exploration well. Prospective Resources may potentially be recovered by the application of a future development project and may relate to undiscovered resource accumulations. These estimates have both an associated risk of discovery and an inherent risk of development. Further exploration and appraisal drilling will be required to determine the existence of a commercially recoverable quantity of petroleum (oil and/or gas).

There are numerous uncertainties inherent in estimating reserves and resources, as well as in projecting future development capital expenditure, production costs and cash flows. Geoscientific resource assessment must be recognised as a subjective process of estimating subsurface accumulations that cannot be measured exactly.

BPH is an investment company and relies on the resource and ore reserve statements compiled by the companies in which it invests. All Resource and Reserve Statements have been previously published by the companies concerned. Summary data has been used. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and do not represent BPH's investees' equity share unless stated. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the relevant Competent Person's findings are presented have not been materially modified from the original market announcements.

The directors of BPH Energy Ltd ("BPH Energy" or "the Company") present their report on the Company and its controlled entities ("consolidated entity" or "Group") for the financial year ended 30 June 2024.

Directors

The names of directors in office at any time during or since the end of the year are:

David Breeze
Anthony Huston
Charles Maling

Company Secretary

Mr David Breeze was appointed Company Secretary on 23 November 2016. He has many years' experience in the management of listed and unlisted entities.

Principal Activities

The principal activities of the consolidated entity during the financial year were investments in biotechnology and oil and gas exploration entities.

Operating Results

The consolidated entity has reported a net profit after tax for the year ended 30 June 2024 of $4,555,368 (2023: net profit of $852,332) and has a net cash outflow from operating activities of $941,509 (2023: outflow of $1,050,582).

The net profit from ordinary activities after tax is after recognising (i) administration and promotion expenses of $698,601 (2023: $977,529); (ii) consulting and legal costs of $231,714 (2023: $213,318); (iii) share of associates' losses of $257,246 (2023: $192,412); (iv) share-based payments expense of $454,620 (2023: $201,551); and (v) fair value gain of $5,664,419 (2023: gain of $2,433,227).

Dividends

The directors recommend that no dividend be paid in respect of the current period and no dividends have been paid or declared since the commencement of the period.

Review of Operations

A Review of Operations is set out on pages 2 to 11 and forms part of this Directors' Report.

Environmental Issues

The consolidated entity's operations are not regulated by any significant environmental regulation under law of the Commonwealth or of a state or territory.

Financial Position

The consolidated entity has a working capital surplus of $9,336,231 (2023: surplus of $6,011,749). The net assets of the consolidated entity increased by $9,888,339 to $29,300,378 over the year to 30 June 2024. Included in trade creditors and payables is current director fee accruals of $765,811 (2023: $685,107).

Non-Audit Services

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2024 (2023: $Nil).

Capital

On 11 September 2023 the Company announced that it had received binding commitments to raise $1,900,000 (before costs) ("September Placement") comprising the issue of 95,000,000 new fully paid ordinary shares ("Placement Shares") in the Company at an issue price of $0.02 per share. The September Placement was well supported by new and existing investors and upsized to accommodate strong demand.

September Placement participants received one (1) free option for every two (2) Placement Shares, exercisable at $0.03 each with an expiry date of 30 September 2024 ("Attaching Options"). The Attaching Options, the issue of which were approved by shareholders at the Company's November 2023 Annual General Meeting, are quoted on the ASX.

Everblu Capital Corporate Pty Ltd ("Everblu") and 62 Capital Limited ("62 Capital") acted as joint Lead Managers for the September Placement. Everblu and 62 Capital were paid a cash fee of 6% on funds raised under the Placement and issued 1 option ("Broker Options") for every 3 shares issued. The Broker Options have the same exercise price and expiry date as the Attaching Options.

The intended use of funds will be:

• $0.2 million - Further investment in Clean Hydrogen technology
• $1.5 million - Funding for exploration and development of oil and gas investments
• $0.1 million - Working capital including costs of the offer
• $0.1 million -Funding for Cortical Dynamics

On 22 February 2024 the Company announced a Placement ("February Placement") of 69,183,942 new fully paid ordinary shares ("February Placement Shares") in the Company at an issue price of $0.033 per share with February Placement participants to receive one (1) free Attaching Option for every two (2) February Placement Shares subscribed for under the February Placement, exercisable at $0.03 each with an expiry date of 30 September 2024 (34,591,979 Attaching Options). The February Placement raised a total of $2,283,070, of which $72,000 related to the set-off of third-party invoices in relation to marketing and advertising costs, and $2,211,070 was in cash (net fees) proposed to be used as follows:

• $1.71 million - Funding for exploration and development of oil and gas investments
• $0.3 million - Working capital including costs of the offer
• $0.2 million -Funding for Cortical Dynamics

Oakley Capital Partners Pty Limited ("Oakley Capital"), Everblu, and 62 Capital acted as joint Lead Managers for the Placement. Oakley Capital, Everblu and 62 Capital were paid a cash fee of 5% on funds raised under the Placement and 8,250,000 Broker Options pro-rata to their participation in the February Placement.

On 13 May 2024 the Company announced a Placement ("May Placement") to raise $1 million by the issue of 50,000,000 fully paid ordinary shares at an issue price of $0.02 per share together with a 1 for 2 free listed option, being 25,000,000 listed options with an exercise price of $0.03 each and expiry 30 September 2024.

The May Placement proceeds are proposed to be used as follows:

- $0.75 million – Funding for exploration and development of oil and gas investments
- $0.1 million – Working capital, including costs of the offer
- $0.15 million – Funding for Cortical Dynamics.

In addition, a total of 12,000,000 Broker Options with an exercise price of $0.03 each and expiry 30 September 2024 were issued pro-rata to the joint Lead Managers Oakley Capital and 62 Capital for the May Placement.

In addition:

- 3,122,731 share options with an exercise price of $0.03 per option and expiry 30 September 2024 were exercised
- 6,000 Cleansing Shares and 5,000 Cleansing Options were issued for total cash proceeds of $166 to permit the secondary trading of securities under the Corporations Act.
- 58,000,000 Performance Rights were awarded to Director David Breeze subsequent to approval at the Company's November 2023 Annual General Meeting. The Performance Rights shall vest upon approval by the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application ("Milestone"). If the Milestone has not been achieved prior to 30 November 2028, the Performance Rights will automatically lapse and will not be converted into shares. The Performance Rights have not been issued at the date of this financial report.
- 5,250,000 Incentive Options were issued to staff and consultants with an exercise price of $0.05 per option and an expiry date of 7 December 2028.

Subsequent Events

The Company has exercised 34 share options in CHT at US$3,000 each for an outlay of US$102,000.

Capital Raising

On 15 August 2024 the Company announced that it had issued of 57,932,781 new fully paid ordinary shares ("Placement Shares") in the Company at an issue price of $0.018 per share. Placement participants will receive one (1) free Attaching Option for every two (2) Placement Shares subscribed for under the Placement, exercisable at $0.03 each, expiring 12 months from the date of issue ("Attaching Options"). The issue of the Attaching Options is subject to shareholder approval at a general meeting to be held on or about 30 September 2024. The Company will seek quotation of the Attaching Options, subject to ASX Listing Rule requirements being met.

Oakley Capital Partners Pty Limited ("Oakley Capital") and 62 Capital Pty Ltd ("62 Capital") acted as Joint Lead Manager for the Placement. They will be paid a cash fee of 5.5% on funds raised under the Placement and, subject to shareholder approval at the general meeting held on or about 30 September 2024, will receive 16,666,667 Broker Options ("Broker Options") pro rata to their participation in the Placement exercisable at $0.03 each, expiring 12 months from the date of issue.

The proceeds raised under the Placement provide BPH with a strong cash position to fund its hydrocarbon projects and to assist in the continued development of Cortical Dynamics.

The consideration for the Placement shares was $1,042,790 (before costs). The intended use of the funds will be for:

- $0.743 million - Funding for exploration and development of oil and gas investments
- $0.15 million - For working capital including costs of the offer
- $0.15 million - Funding for Cortical Dynamics

PEP-11 Permit

On 6 August 2024 Asset, as operator for and on behalf of the PEP-11 joint venture partners, filed an Originating Application for Judicial Review in the Federal Court seeking the following: (i) A declaration that the Commonwealth-New South Wales Offshore Petroleum Joint Authority has breached an implied duty by failing to make a decision under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) with respect to two pending applications relating to the PEP11 Permit, and; (ii) An order that the Joint Authority be compelled to determine the applications within 45 days.

There are no other matters or circumstances that have arisen since the end of the financial year other than outlined elsewhere in this financial report that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Information on Directors

D Breeze

Managing Director, Executive Chairman, and Company Secretary – Age 70
Shares held – 59,750,805 / Options held 24,273,510
Performance Rights - David Breeze was issued 58,000,000 Performance Rights subsequent to shareholder approval at the Company's November 2023 Annual General Meeting. The Performance Rights were fair valued at based on the share price on the date of shareholder approval. The fair value is being expensed on a pro-rata basis over the 5 year term until the earlier of (i) approval by the Commonwealth New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application (ii) 5 years from the date of award. The Performance Rights have not been issued at the date of this financial report

David is a Corporate Finance Specialist with extensive experience in the stock broking industry and capital markets. He has been a corporate consultant to Daiwa Securities; and held executive and director positions in the stock broking industry. David has a Bachelor of Economics and a Masters of Business Administration, and is a Fellow of the Institute of Company Directors of Australia. He has published in the Journal of Securities Institute of Australia and has also acted as an Independent Expert under the Corporations Act. He has worked on the structuring, capital raising and public listing of over 70 companies involving in excess of $250M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology.

In the last 3 years David held the following listed company directorships: MEC Resources Limited (April 2005 to present). David is also a director of unlisted companies Grandbridge Limited, Cortical Dynamics Limited, Molecular Discovery Systems Limited, Diagnostic Array Systems Limited, and Advent Energy Limited and its subsidiaries.

C Maling

Non-Executive Director – Age 70
Shares held – 5,275,144 / Options held – 2,062,284

Charles Maling was formerly the Communications Officer for the Office of the Western Australian State Government Environmental Protection Authority ("EPA") with a responsibility for advising the Chairman of the EPA on media issues. He has a Bachelor of Sociology and Anthropology with a Media minor. Charles worked with the Western Australian State Government Department of the Environment for 14 years and further 8 years for the EPA. His administrative roles included environmental research (including a major study on Perth Metropolitan coastal waters and Western Australian estuaries) environmental regulation and enforcement and media management.

In the past three years Charles has not held any listed company directorships. Charles is a director of unlisted Grandbridge Limited.

A Huston

Non-Executive Director – Age 69
Shares held – 9,438,070 / Options held – 1,542,762

Tony Huston has been involved for over 40 years in engineering and hydrocarbon industries for both on and off shore exploration/development. Early career experience commenced with Fitzroy Engineering Ltd, primarily working on development of onshore oil fields. During the 1990's Tony managed JFP NZ International, a Texas based exploration company that included a Jack Up rig operating in NZ waters. In 1994 Tony oversaw the environmental consent process required to drill a near inshore well that was drilled from "land" into the offshore basin during 1995. In 1996 Tony formed his own E&P Company to focus re-entry of onshore wells, primarily targeting shallow pay that had been passed or ignored from previous operations. This was successful and the two plays opened up 20 years ago are still in operation. Recent focus (12 years) has been to utilise new technology for enhanced resource recovery and has been demonstrated in various fields, including US, Mexico, Oman, Italy and Turkmenistan.

During the last 3 years Tony has held the following listed company directorships: MEC Resources Limited (from October 2020 to present). Tony is also a director of unlisted companies Advent Energy Limited and Clean Hydrogen Technologies Corp.

Future Developments

The Company will continue its investment in energy resources and to assist its investee companies to commercialise breakthrough biomedical research developed in universities, medical institutes and hospitals.

Significant Changes in State Of Affairs

During the period there were no significant changes in the state of affairs of the consolidated entity other than those referred to in the financial statements or notes thereto.

Indemnifying Officers or Auditors

During or since the end of the financial year the Company has not given an indemnity or entered an agreement to indemnify, or paid or agreed to pay directors and officers insurance premiums. The Company has not indemnified the current or former auditors of the Company.

Options

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
November 2019	30 November 2024	$0.02	1,200,000
November 2023	7 December 2028	$0.05	5,250,000
August 2022 to May 2024	30 September 2024	$0.03	593,347,113

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for key management personnel of BPH Energy Limited. The Remuneration Report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the companies in the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of companies in the consolidated entity. The information provided in the Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Key Management Personnel

The Directors of the consolidated entity during or since the end of the financial year were as follows:

D Breeze	-	Executive Chairman, Managing Director and Company Secretary
A Huston	-	Non-Executive Director
C Maling	-	Non-Executive Director

All have held their current position for the whole of the financial year and since the end of the financial year unless otherwise stated.

Remuneration Policy

The remuneration policy of BPH Energy Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives as determined by the board and/or shareholders. The remuneration report as contained in the June 2023 financial report was adopted at the Company's 2023 Annual General Meeting held on 30 November 2023. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and options.
- The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of executives is measured against criteria agreed with each executive and is based predominantly on the amount of their workloads and responsibilities for the Company. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements. The Company did not engage remuneration consultants during the period.

The executive directors and executives which receive salaries receive a superannuation guarantee contribution as required by the government and do not receive any other retirement benefits.

Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using an appropriate valuation methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum pool of non-executive director fees approved by shareholders is $250,000. Payments to non-executive directors are based on market practice, duties and accountability. Independent external advice is sought when required on payments to non-executive directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan. The board does not have a policy in relation to the limiting of risk to directors and executives in relation to the shares and options provided.

Employment Contracts of Directors and Senior Executives

The employment conditions of the Managing Director, David Breeze, is formalised in a Product Development Agreement. The engagement is automatically extended for a period of 2 years at each anniversary date unless the Managing Director or the Company give notice of termination prior to the expiry of each term. The agreement stipulates the Managing Director may terminate the engagement with a six month notice period. The company may terminate the agreement without cause by providing six months written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment of up to twelve months of the individual's fixed salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. Any options not exercised before or on the date of termination will not lapse.

Interest in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by key management personnel.

Shareholdings

	Balance 1.7.2023	Granted as Compensation	Acquired	Balance 30.6.2024
D Breeze	59,750,805[1]	-	-	59,750,805[1]
A Huston	9,438,070	-	-	9,438,070
C Maling	5,275,144	-	-	5,275,144

Optionholdings

	Balance 1.7.2023	Acquired	Expired	Balance 30.6.2024	Total Vested 30.6.2024	Total Exercisable and Vested 30.6.2024	Total Unexercisable 30.6.2024
D Breeze	24,273,510	-	-	24,273,510	24,273,510[1]	24,273,510[1]	-
A Huston	1,542,762	-	-	1,542,762	1,542,762	1,542,762	-
C Maling	2,062,284	-	-	2,062,284	2,062,284	2,062,284	-

[1] These include securities held by Grandbridge Limited, a Company of which Mr Breeze is Managing Director

David Breeze was issued 58,000,000 Performance Rights subsequent to shareholder approval under ASX Listing Rule 10.14 at the Company's November 2023 Annual General Meeting. The Performance Rights were fair valued at based on the share price on the date of shareholder approval. The fair value is being expensed on a pro-rata basis over the 5 year term until the earlier of (i) approval by the Commonwealth New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application (ii) 5 years from the date of award. The Performance Rights have not been issued at the date of this financial report.

Key management personnel remuneration

The remuneration for each key management personnel of the consolidated entity during the year was as follows:

2024: Key Management Person	Short-term Benefits				Post-employment Benefits
	Salary and fees ($)	Bonus ($)	Non-cash benefit ($)	Other (S)	Superannuation (S)
D Breeze	148,000	-	-	-	-
C Maling	25,000	-	-	-	-
A Huston	35,000	-	-	-	-
Total	208,000	-	-	-	-

Key Management Person	Long-term Benefits Other ($)	Share-based payment ($) Performance Rights[1]	Total ($) $	Performance Related %	Compensation Relating to Securities %
D Breeze	-	277,542[1]	425,542	-	65.2%
C Maling	-	-	25,000	-	0%
A Huston	-	-	35,000	-	0%
Total	-	277,542	485,542	-	57.2%

2023: Key Management Person	Short-term Benefits				Post-employment Benefits
	Salary and fees ($)	Bonus ($)	Non-cash benefit ($)	Other (S)	Superannuation (S)
D Breeze	148,000	-	-	-	-
C Maling	25,000	-	-	-	-
A Huston	25,000	-	-	-	-
Total	198,000	-	-	-	-

Key Management Person	Long-term Benefits	Share-based payment ($)		Total ($)	Performance Related	Compensation Relating to Securities
	Other ($)	Shares[2/3]	Options[3]	$	%	%
D Breeze	-	9,192[5]	169,127[4/5]	326,319	-	54.6%
C Maling	-	812	7,518	33,330	-	25.0%
A Huston	-	1,452	13,450	39,902	-	37.3%
Total	-	11,456	190,095	399,551	-	50.4%

[1] David Breeze was issued 58,000,000 Performance Rights subsequent to shareholder approval at the Company's November 2023 Annual General Meeting. The Performance Rights were fair valued at based on the share price on the date of shareholder approval. The fair value is being expensed on a pro-rata basis over the 5 year term until the earlier of (i) approval by the Commonwealth New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application (ii) 5 years from the date of award. The Performance Rights have not been issued at the date of this financial report.

[2] The issue of these rights issue shares included one free attaching option for every rights issue share issued with an exercise price of $0.03 each and an expiry date of 30 September 2024.

[3] For securities issued in settlement of debt, the accounting standards require an expense to be recognised with respect to the fair value of shares and options. The fair value of options granted is estimated using a Black and Scholes option pricing model taking into account the terms and conditions upon which the options were granted. These securities were issued under a non-renounceable Rights Issue on the same terms as issued to other shareholders.

[4] These include the issue of 15,000,000 incentive options with an exercise price of $0.03 each and an expiry date of 30 September 2024.

[5] These include securities issued to Grandbridge Limited, a Company of which Mr Breeze is Managing Director.

Share-based payments

Director David Breeze was issued 58,000,000 Performance Rights subsequent to shareholder approval at the Company's November 2023 Annual General Meeting. The Performance Rights were fair valued at based on the share price on the date of shareholder approval. The fair value is being expensed on a pro-rata basis over the 5 year term until the earlier of (i) approval by the Commonwealth New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application (ii) 5 years from the date of award. The Performance Rights have not been issued at the date of this financial report.

Director	Performance Rights Awarded	Performance Rights – share based payments ($)
David Breeze	58,000,000	$277,542

The following share-based payment arrangements were in existence for key management personnel at year end:

Grant Date	Date of Expiry	Type of Security	Fair Value of Security at Grant Date	Exercise Price	Number of Securities	Vesting Date
November 2019	30 November 2024	Share Option	$0.0005[1]	$0.02	1,200,000	At grant date
October 2022 to February 2023	30 September 2024	Share Option	$0.0071	$0.03	26,678,556	At grant date
November 2023	29 November 2028	Performance Right	$0.041	Not Applicable	58,000,000	Refer [2] below

[1] Pre 1 for 10 share consolidation completed in April 2020.

[2] Director David Breeze was issued 58,000,000 Performance Rights subsequent to shareholder approval at the Company's November 2023 Annual General Meeting. The Performance Rights were fair valued at based on the share price on the date of shareholder approval. The fair value is being expensed on a pro-rata basis over the 5 year term until the earlier of (i) approval by the Commonwealth New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application (ii) 5 years from the date of award. The Performance Rights have not been issued at the date of this financial report.

There are no further service or performance criteria that need to be met in relation to options granted. No options attributable to key management personnel were exercised during the year. Options granted confer a right of one ordinary share for every option held. The fair value of options granted is estimated using a Black and Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The inputs to the valuation model used are set out in Note 23 to this financial report.

Company performance, shareholder wealth and director and executive remuneration

The following table shows the gross revenue and the net profit / (loss) for the last 5 years for the listed entity, as well as the share price at the end of the respective financial years.

	2024	2023	2022	2021	2020
Finance Income ($)	843,683	304,054	154,702	65,506	240,243
Net profit / (loss) ($)	4,555,368	852,332	(1,078,581)	(1,612,424)	1,121,263
Share price at year end (cents per share)	1.9	2.3	1.1	7.2	2.3
Earnings / (loss) per share (cents per share)	0.44	0.10	(0.16)	(0.28)	0.35

Proceedings on Behalf of Company

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

Meetings of Directors

During the financial year there were no meetings of directors. The Board meets informally by telephone to discuss the business of the Company. Resolutions are passed by circulatory resolution.

Significant Business Risks

The Group's activities have inherent risk and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. The Company considers key trends, issues and risks in the external operating environment when formulating strategy and plans. A summary of key external risks currently affecting the business and the Company's response to them is outlined below:

Illiquid Investments

Advent, Cortical Dynamics Limited, Molecular Discovery Systems Limited, and Clean Hydrogen Technologies Corporation are unlisted entities, there is a risk that there will not be a ready market to sell these shares.

Additional requirements for capital

Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

Renewal of exploration permit

The Company's 35.8% associate Advent holds, through its wholly owned subsidiary Asset Energy Pty Ltd ("Asset"), 85% of Petroleum Exploration Permit PEP 11, an exploration permit prospective for natural gas located in the Offshore Sydney Basin. This investment comprises a significant portion of the Company's potential asset base. If Asset Energy loses its right of tenure in respect of PEP 11 then book value of capitalised exploration and evaluation expenditure of $15.18 million will need to be written off to the Statement of Profit or Loss and Other Comprehensive Income in Asset.

Advent now has two continuing applications with NOPTA for suspension and extension of the PEP-11 permit, the first lodged in December 2019 and the second in January 2021. The first application was on the basis of Force Majeure and is the only application which is the subject of the NOPTA notice. The second was under COVID and was accepted but not dealt with pending an outcome on the first application made in December 2019. On 17 October 2023, NOPTA made a recommendation to the Joint Authority with respect to both Applications. To date, neither the First Application nor Second Application have been determined by the Joint Authority according to law.

Asset Energy continues to progress the joint venture's applications for the variation and suspension of work program conditions and related extension of PEP-11. While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in 2024. Work continues progressing the permit commitment including well planning. A draft of the environmental plan has been received and is being reviewed.

In the meantime, PEP 11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP 11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

Research and development

The Company can make no representation that any of its research into or development of the technologies will be successful, that the development milestones will be achieved, or that the technologies will be developed into products that are commercially exploitable.

Oil and gas industry risks

The Company has a 35.8% interest in Advent Energy Ltd (Advent). Risks associated with this significant investment include but are not limited to risks associated with failure to discover an economic reserve or successfully produce from a reserve, fluctuations in oil and gas prices, no guarantee of permit renewals or granting of production licences, all of which could have a material adverse effect on the Company's investment.

(a) Oil and gas exploration: the business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. A failure to discover an economic reserve, or to successfully produce from such a reserve, will adversely affect Advent's performance and have a resulting effect on the value of the Company's investment in Advent Energy.

(b) Oil and gas price volatility: The demand for, and price of, oil and natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on Advent's business, financial condition and results of operations.

(c) Exploration and production licences: Advent's operations are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a production licence will be granted with respect to exploration territory. There can also be no assurance that any exploration permit will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on Advent. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract. These may then affect the Company's investment in Advent.

(d) Expansion targets and operational delays: There can be no assurance that Advent will be able to complete any development of its properties on time or to budget, or that the current personnel, systems, procedures and controls will be adequate to support Advent's operations. Any failure of management to identify problems at an early stage could have an adverse impact on Advent's financial performance.

(e) Resources, reserves and production: no assurance can be given that any anticipated figures will be achieved or that the indicated level of recovery will be realised. Market fluctuations in the price of oil & gas may render oil & gas reserves and resources uneconomical. Moreover, short-term operating factors relating to oil & gas reserves and resources, such as the need for orderly development of an oil & gas reservoir may cause an oil & gas operation to be unprofitable in any particular accounting period.

(f) Limited operating history: Advent may not have assets producing positive cash flow and its ultimate success may depend on its ability to generate cash flow from active oil & gas operations in the future and its ability to access equity markets for its development requirements. Advent has not made profits to date and there is no assurance that it will do so in the future. A portion of Advent's activities will be directed to the search for and the development of new oil & gas deposits. Significant capital investment will be required to achieve commercial production from Advent's existing projects and from successful exploration efforts. There is no assurance that Advent will be able to raise the required funds to continue these activities.

(g) Additional financing: Advent is required to fund its share of approved exploration expenditure on certain of the properties on which it has exploration rights, failing which Advent's exploration rights in the relevant property may be either reduced or forfeited. Advent may acquire exploration rights in other exploration properties which may require acquisition payments to be made and exploration expenditures to be incurred. The only sources of funding currently available to Advent are through the issue of additional equity capital, project finance or borrowing. There is no assurance that Advent will be successful in raising sufficient funds to commence drilling or production operations or to meet its obligations with respect to the exploration properties in which it has or may acquire exploration rights. The Directors currently believe that Advent's working capital will not be sufficient to fund operations. Advent will therefore have to seek additional financing for operations at a later date.

(h) Regulatory approvals: Advent's operations and the exploration agreements which it has entered into require approvals, licences and permits from various regulatory authorities, governmental and otherwise (including project specific governmental decrees). Such approvals, licences and permits are subject to change in various circumstances and further project specific governmental decrees and/or legislative enactments may be required. There can be no guarantee that Advent will be able to obtain or maintain all necessary approvals, licences and permits that may be required and/or that all project specific governmental decrees and/or required legislative enactments will be forthcoming to explore for oil & gas and develop the properties on which it has exploration rights, commence construction or operation of production facilities or to maintain continued operations that economically justify the costs involved.

(i) Environmental factors: Advent's operations are subject to environmental regulation (including regular environmental impact assessments and the requirement to obtain and maintain certain permits) in all the jurisdictions in which it operates. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and health and safety. Advent may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

(j) Competition: The oil & gas exploration and production business is competitive in all of its phases. Advent competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than itself, in the search for and acquisition of exploration and development rights on attractive oil & gas properties. Advent's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the properties on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on suitable properties for exploration and development. There is no assurance that Advent will continue to be able to compete successfully with its competitors in acquiring exploration and development rights on such properties.

(k) Currency risk: Currency fluctuations may affect the cash flow that Advent hopes to realise from its operations, as oil and gas is sold and traded on the world markets in United States dollars. Advent's costs are incurred primarily in Australian dollars and United States dollars.

(l) Uninsured risks: Advent, as a participant in exploration and mining programmes, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Advent may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

(m) Market perception: Market perception of small oil & gas exploration companies may change and this could impact on the value of the Company's holdings and impact on Advent's ability to raise further equity capital.

Regulatory risk

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the Company's financial performance and its Securities. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

Development and commercialisation of technologies

Securing rights to technologies, and in particular patents, is an integral part of securing potential product value in the outcomes of biotechnology research and development. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop competing technologies that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent position of biotechnology companies can be highly uncertain and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in biotechnology patents nor their enforceability can be predicted. There can be no assurance that any patents the Company or Universities may own or control or licence now and in the future will afford the Company commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications. Although the Company is not aware of any third party interests in relation to the technologies rights of the technologies, and has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological and medical discoveries, and if any disputes arise, they could adversely affect the Company. Although the Company will implement all reasonable endeavours to protect its technologies, there can be no assurance that these measures have been or will be sufficient.

Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

Climate Change Risks

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences. The climate change risks particularly attributable to the Company include:

(a) the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Negative publicity may adversely affect the Share price

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions. No such issues are currently known to affect the Company.

Environment

The Company's operations in Australia are not regulated by any significant environmental regulation under the law of the Commonwealth or any State or Territory.

Economic conditions and other global or national issues

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's investment, development and production activities, as well as on its ability to fund those activities.

Changes in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Ukraine Conflict

The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect this conflict has on global economies and financial markets.

The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import / export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company.

Middle-East Conflict

The current conflict in the Middle-East is impacting global economies and financial markets. The nature and extent of the effect the Middle-East Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Middle-East Conflict and the wider effect this conflict has on global economies and financial markets.

The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Middle-East Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Middle-East Conflict, including limitations on travel and changes to import / export restrictions may adversely impact the Company's operations and are likely to be beyond the control of the Company.

Reliance on key management and personnel

The Company is dependent on its management, the loss of whose services could materially and adversely affect the Company and impede the achievements of its research and development objectives. Because of the specialised nature of the Company's business, its ability to commercialise its products and maintain its research programme will depend in part upon its ability to attract and retain suitably qualified management, scientists and research people over time. There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis, retain its key scientific and management personnel, or maintain its relationship with key scientific organisations.

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook in both Australia and Internationally; (b) introduction of tax reform or other new legislation, regulation, or policy; (c) changes in exchange rates, interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) the global security situation and the possibility of terrorist disturbances or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.

Litigation

The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

The Company confirms that no person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 27.

The directors' report is signed in accordance with a resolution of directors made pursuant to S298(2) of the Corporations Act 2001.

David Breeze

Dated this 26th August 2024

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of BPH Energy Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
26 August 2024

D B Healy
Partner

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Corporate Governance
BPH Energy Limited

The Board of Directors of BPH Energy Limited is responsible for the corporate governance of the economic entity. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

A copy of the Company's Corporate Governance Statement can be found on the Company's website at www.bphenergy.com.au

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024
BPH Energy Limited and its controlled entities

	Note	Consolidated 2024 $	Consolidated 2023 $
Finance Income	2	843,683	304,054
Fair value gain	4	5,664,419	2,433,227
Share of associates' losses	11	(257,246)	(192,412)
Impairment reversal	3	20,493	18,916
Interest expense		(54)	(309)
Administration and promotion expenses		(698,601)	(977,529)
Foreign exchange gain		-	387
Expected credit loss		(102,352)	(90,493)
Consulting and legal		(231,714)	(213,318)
Directors' fees		(100,000)	(100,000)
Service expenses		(128,640)	(128,640)
Share-based payments	23	(454,620)	(201,551)
Profit before income tax		4,555,368	852,332
Income tax expense	12	-	-
Profit before income tax		4,555,368	852,332
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income (net of tax)		-	-
Total comprehensive income for the period		4,555,368	852,332
Profit attributable to members of the parent entity		4,556,970	853,426
(Loss) attributable to non-controlling interests		(1,602)	(1,094)
Total comprehensive income attributable to owners of the Company		4,556,970	853,426
Total comprehensive (loss) attributable to non-controlling interests		(1,602)	(1,094)
Earnings per share			
Basic and diluted earnings per share (cents per share)	5	0.44	0.10

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Statement of Financial Position
as at 30 June 2024
BPH Energy Limited and its controlled entities

	Note	Consolidated 2024 $	2023 $
Current Assets			
Cash and cash equivalents	8	6,423,045	5,614,184
Trade and other receivables	9	83,038	64,812
Financial assets	10	3,783,801	1,267,628
Prepayments		31,166	50,000
Total Current Assets		10,321,050	6,996,624
Non-Current Assets			
Financial assets	10	16,432,694	9,632,084
Investments in associates	11	3,531,453	3,768,206
Total Non-Current Assets		19,964,147	13,400,290
Total Assets		30,285,197	20,396,914
Current Liabilities			
Trade and other payables	13	899,996	896,610
Financial liabilities	14	84,823	88,265
Total Current Liabilities		984,819	984,875
Net Assets		29,300,378	19,412,039
Equity			
Issued capital	15	66,360,477	61,883,062
Reserves	16	3,182,627	2,327,071
Accumulated losses		(40,078,974)	(44,635,944)
Equity attributable to owners of the parent		29,464,130	19,574,189
Non-controlling interest		(163,752)	(162,150)
Total Equity		29,300,378	19,412,039

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2024
BPH Energy Limited and its controlled entities

Consolidated	Ordinary share capital $	Accumulated losses $	Option premium reserve $	Share based payment reserve $	Total attributable to owners of the parent entity $	Non-controlling Interest $	Total $
Balance at 30 June 2022	58,844,602	(45,489,370)	-	1,105,671	14,460,903	(161,056)	14,299,847
Profit / (loss) for the period	-	853,426	-	-	853,426	(1,094)	852,332
Total comprehensive income / (loss) for the year	-	853,426	-	-	853,426	(1,094)	852,332
Transactions with owners in their capacity as owners							
Securities issued for cash	4,061,696	-	403,542	-	4,465,238	-	4,465,238
Share issue costs - cash	(477,447)	-	-	-	(477,447)	-	(477,447)
Share based payments	(592,506)	-	-	782,601	190,095	-	190,095
Loss on shares issued in extinguishment of debt – share based payments	11,456	-	-	-	11,456	-	11,456
Securities issued in extinguishment of debt	35,261	-	35,257	-	70,518	-	70,518
Balance at 30 June 2023	61,883,062	(44,635,944)	438,799	1,888,272	19,574,189	(162,150)	19,412,039
Profit / (loss) for the period	-	4,556,970	-	-	4,556,970	(1,602)	4,555,368
Total comprehensive income / (loss) for the year	-	4,556,970	-	-	4,556,970	(1,602)	4,555,368
Transactions with owners in their capacity as owners							
Securities issued	5,276,898	-	20	-	5,276,918	-	5,276,918
Share issue costs - cash	(398,567)	-	-	-	(398,567)	-	(398,567)
Share based payments	(400,916)	-	-	855,536	454,620	-	454,620
Balance at 30 June 2024	66,360,477	(40,078,974)	438,819	2,743,808	29,464,130	(163,752)	29,300,378

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Statement of Cash Flows
for the year ended 30 June 2024
BPH Energy Limited and its controlled entities

	Note	Consolidated 2024 $	2023 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,043,111)	(1,247,750)
Interest received		101,656	197,477
Interest paid		(54)	(309)
Net cash used in operating activities	18(a)	(941,509)	(1,050,582)
Cash flows from investing activities			
Payment for unlisted investments		(114,113)	(765,873)
Loans repaid		-	3,057,345
Loans advanced		(2,938,426)	(2,508,968)
Net cash used in investing activities		(3,052,539)	(217,496)
Cash flows from financing activities			
Repayment of borrowings	18(c)	(3,442)	(16,552)
Proceeds from issue of securities (net of share issue costs)		4,806,351	4,003,816
Net cash provided by financing activities		4,802,909	3,987,264
Net increase in cash held		808,861	2,719,186
Cash and cash equivalents at the beginning of the financial year		5,614,184	2,894,998
Cash and cash equivalents at the end of the financial year	18(b)	6,423,045	5,614,184

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

1. Statement of Material Accounting Policies

Corporate Information

The financial report includes the consolidated financial statements and the notes to the financial statements of BPH Energy Limited and its controlled entities ('consolidated entity' or 'Group'), and the Consolidated Entity Disclosure Statement.

BPH Energy Limited is a Company incorporated and domiciled in Australia and listed on the Australian Securities Exchange. The financial report was authorised for issue on 26th August 2024 by the board of directors.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. BPH Energy Ltd is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where stated below.

Financial Position

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

Compliance with IFRS

The consolidated financial statements of BPH Energy Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1. Statement of Material Accounting Policies (continued)

Accounting Policies

(a) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

A list of controlled entities is contained in Note 17 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

1. **Statement of Material Accounting Policies (continued)**

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the statement of financial position date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the statement of profit or loss and other comprehensive income except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax incentives

The Company may be entitled to claim special tax deductions in relation to qualifying expenditure. As the Company is not in a position to recognise current income tax payable or current tax expense, a refundable tax offset will be received in cash and recognised as rebate revenue in the period the underlying expenses have been incurred.

(c) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

1. Statement of Material Accounting Policies (continued)

(c) Financial Instruments (continued)

• amortised cost
• fair value through profit or loss (FVTPL)
• equity instruments at fair value through other comprehensive income (FVOCI)
• debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(iii) Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

1. Statement of Material Accounting Policies (continued)

(c) Financial Instruments (continued)

(iv) Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI. The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

• they are held under a business model whose objective it is to "hold to collect" the associated cash flows and sell financial assets; and

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and

• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').

• 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

1. Statement of Material Accounting Policies (continued)

(d) Revenue and Other Income

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised over time as the service is rendered.

All revenue is stated net of the amount of goods and services tax ("GST").

(e) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the consolidated entity. The amounts are unsecured and are usually paid within 90 days. Trade and other payables are recognised at amortised cost.

(f) Earnings / (Loss) per Share

Basic earnings / (loss) per share ("EPS") is calculated as net profit / loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings / (loss) per share adjusts the figures used in the determination of basic earnings / (loss) per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(g) Share-Based Payments

The fair value of options granted under the Company's Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options and the fair value of shares and options issued to consultants is measured at the fair value of services received.

The fair value at grant date is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(h) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, the directors (see Note 24).

1. Statement of Material Accounting Policies (continued)

(i) Investments in Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The equity method of accounting recognises the Group's share of post-acquisition reserves of its associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Dividends receivable from associates are recognised in the parent entity's statement of profit or loss, while in the consolidated financial statements they reduce the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Where an investment is classified as a financial asset in accordance with AASB 9, at the date significant influence is achieved, the fair value of the investment needs to be assessed. Any fair value gains are recognised in accordance with the treatment the classification the financial asset as required by AASB 9.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The consolidated entity discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the a consolidated entity retains an interest in the former associate or joint venture and the retained interest is a financial asset, the consolidated entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gains or loss on disposal of the associate or joint venture. In addition, the consolidated entity accounts for all amounts previously recognised other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the consolidated entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

1. Statement of Material Accounting Policies (continued)

(j) Application of New and Revised Accounting Standards

Standards and Interpretations applicable to 30 June 2024

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting period beginning on or after 1 July 2023. The changes that impact the Company are as follows:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates / AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

AASB 2021-2 amends a number of accounting standards to improve accounting policy disclosures and clarify the distinction between changes in accounting policies and accounting estimates.

In particular, it amends AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies and provides the following factors to assist an entity in determining if the accounting policy information is material:

a) Changes in accounting policy
b) Documentation of choice in the accounting standards
c) An accounting policy developed in the absence of an explicit accounting standard requirement
d) Significant judgement or estimation
e) Complex transaction and accounting policy need to explain treatment.

AASB 2021-6 makes consequential amendments to a number of Australian-specific standards.

AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules / AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures

Amendments have been made to AASB 112 *Income Taxes* by introducing a mandatory exception from accounting for deferred taxes arising from the OECD's Pillar Two Model Rules and adding new disclosure requirements for both full and simplified disclosure financial statements.

Standards and Interpretations in issue not yet adopted

The Directors have reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the consolidated entity and, therefore, no change is necessary to the consolidated entity's accounting policies.

1. Statement of Material Accounting Policies (continued)

(k) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 judgements — Expected credit loss on receivables

Included in the accounts of the consolidated entity are loan receivables of $Nil (2023: $ Nil) net of expected credit loss provisions of $1,729,631 (2023: $1,627,279). The Company recognised an expected credit loss of $102,352 in the reporting period (2023: loss of $90,493).

Key judgements — Investment in Advent Energy Ltd ("Advent")

The investment in Advent is equity accounted, refer to Note 11.

Key estimates - Investment in Molecular Discovery Systems

The investment in Molecular Discovery Systems Limited is equity accounted, refer to Note 11. During the period the Company recognised its share of the loss of the associate of $20.493 (2023: $18,916). The Company also recognised an impairment reversal of $20.493 (2023: reversal of $18,916) such that the investment in Molecular Discovery Systems is fully impaired at period end.

Key estimates - Investment in Cortical Dynamics Limited ("Cortical")

The investment in Cortical is carried at fair value, refer to Note 10.

Key estimates - Investment in Clean Hydrogen Technologies Corp. ("Clean Hydrogen Technologies")

The investment in Clean Hydrogen Technologies is carried at fair value, refer to Note 10.

Key estimates – carrying value of investment in MEC Resources Limited (MEC)

The investment in MEC is recorded at a carrying value of $22,222 (refer Note 10), being the last traded price of $0.004 per share prior to MEC's suspension from ASX on 17 January 2020.

MEC announced to ASX on 11 July 2024 that it continues to liaise with ASX as it works towards the return of its shares to trading status. On 27 June 2024 MEC made a further formal submission to the ASX, following its previous submissions on 16 December 2020, 12 January 2022, and 13 September 2022. As part of the process of moving MEC toward being readmitted to trading status on the ASX, MEC advised it will shortly undertake a capital raising. Following completion of the capital raising MEC will have a minimum of $2,000,000 in cash plus other assets to satisfy ASX Listing Rule 12.2 and 1.3.4. MEC confirms that it will also have a free float at the time of its reinstatement of not less than 20%. MEC is endeavouring the meet all ASX requirements for reinstatement by 31 October 2024. This will include finalisation and lodgement of a full form prospectus in relation to the capital raising by August 2024.

	Consolidated 2024 $	Consolidated 2023 $
2. Finance Income		
Interest income: other entities	362,623	252,729
Interest income : cash accounts	141,108	51,325
Loan arrangement fee	339,952	-
	843,683	304,054
3. Expenses Included in Profit for the Year		
Impairment reversal		
Molecular Discovery Systems Limited	20,493	18,916
	20,493	18,916
4. Fair Value Gain		
Fair value gain on unlisted investments at fair value through profit or loss:		
Cortical Dynamics Limited	-	2,433,227
Clean Hydrogen Technology Corporation	5,664,419	-
	5,664,419	2,433,227
5. Earnings per Share		
Total profit attributable to ordinary equity holders of the Company	4,555,368	853,426
Profit used in the calculation of basic and diluted earnings per share	4,555,369	853,426
Earnings per share (cents per share):		
From continuing operations	0.44	0.10
Total basic and diluted earnings per share	0.44	0.10
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	1,034,762,327	839,578,056
	Number	**Number**
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,034,762,327	840,778,056

6. Key Management Personnel Compensation

Names and positions held of key management personnel in office at any time during the financial year are:

D Breeze -	Executive Chairman and Managing Director
C Maling -	Non Executive Director
A Huston -	Non Executive Director

	Consolidated	
	2024 **$**	**2023** **$**
Short term employee benefits	100,000	100,000
Consulting fees	108,000	98,000
Share-based payments	277,542	201,551
	485,542	399,551

Included in trade and other payables is current director and consulting fee accruals of $776,811 (30 June 2023: $685,107).

Director	**Amount owing 30 June 2024 $**
David Breeze	680,241
Charles Maling	64,675
Tony Huston	31,895
Balance owing at 30 June 2024	776,811

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

	Consolidated	
	2024 **$**	**2023** **$**
7. Auditor's Remuneration		
Remuneration of the auditor of the parent entity for:		
- audit or review of the financial reports - HLB Mann Judd	52,287	46,612
8. Cash and Cash Equivalents		
Cash at Bank and in hand	6,423,045	5,614,184
	6,423,045	5,614,184

	Consolidated	
	2024 $	**2023 $**
9. Trade and other Receivables		
Current		
Other receivables - unrelated	83,038	61,389
Other receivables - related	-	3,423
	83,038	64,812
10. Financial Assets		
Current		
Secured loans to other entities (c)	662,793	131,063
Unsecured loans to other entities (b)	3,055,227	1,080,242
Unsecured loans to other entities (c)	43,559	34,101
Investments in listed entities: (Level 1)	22,222	22,222
	3,783,801	1,267,628
Non - current		
Unsecured loans to other entities: (refer Note 11) (b)	2,489,808	1,998,986
Investments in unlisted entities - (Level 2)	6,488,606	6,488,606
Investments in unlisted entities - (Level 3)	7,454,280	1,144,492
	16,432,694	9,632,084
Loan receivables are stated net of the following provisions:		
Molecular Discovery Systems Limited (MDS) (a)		
Gross receivable	1,729,631	1,627,279
Less provision for impairment	(1,729,631)	(1,627,279)
	-	-

(a) The Company has an unsecured loan with MDS for $726,700 (2023: $706,700) as well as a convertible loan agreement with MDS at an interest rate of 8.83% per annum. The convertible loan is for a maximum capital amount of $500,000 and is to be used for short term working capital requirements. Subject to MDS being admitted to the Official List of ASX ("Official List"), BPH Energy has a right of conversion to satisfy the debt on or before the termination date, being 26 January 2026. As at reporting date this loan had been drawn down by an amount of $1,002,931, including capitalised interest (2023: $920,579). Interest charged on the loan for the period was $82,352 (2023: $76,991) which has been recognised as an expected credit loss for the year in the Statement of Profit or Loss and Other Comprehensive Income.

(b) These loans accrue interest at 5.1% per annum for the first 24 months from drawdown, and 9.6% thereafter.

(c) These loans comprise $531,730 (all secured against the proceeds from Research and Development Tax Incentive claims) accruing interest at 8% per annum, and $174,622 ($131,062 secured against the assets of the borrower) at 7% per annum (2023: $163,191 at 7% per annum and $1,973 interest free).

11. Investments Accounted for Using the Equity Method

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Name of Entity	Country of Incorporation	Ownership Interest %		Principal Activity
		2024	2023	
Molecular Discovery Systems Limited	Australia	20%	20%	Biomedical Research
Advent Energy Limited	Australia	35.8%	35.8%	Oil and Gas Exploration

	Consolidated 2024 $	Consolidated 2023 $
Shares in Associates		
Advent Energy Limited (i)	3,531,453	3,768,206
Molecular Discovery Systems Limited (ii)	346,614	367,107
Molecular Discovery Systems Limited: Impairment provision (ii)	(346,614)	(367,107)
	3,531,453	3,768,206

	Consolidated			
	Advent		MDS	
	30 June 2024 ($)	30 June 2023 ($)	30 June 2024 ($)	30 June 2023 ($)
Revenue	15,046	15,919	-	-
(Loss) for the period	(661,213)	(480,442)	(102,466)	(94,580)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	(661,213)	(480,442)	(102,466)	(94,580)

	30 June 2024 ($)	30 June 2023 ($)	30 June 2024 ($)	30 June 2023 ($)
Current assets	2,783,806	2,026,128	182	384
Non-current assets	17,809,506	16,822,221	-	-
Current liabilities	(3,205,543)	(1,250,522)	(979,343)	(959,430)
Non-current liabilities	(7,657,304)	(7,206,039)	(1,012,394)	(930,042)
Net assets	9,730,465	10,391,788	(1,991,555)	(1,889,088)

11. Investments Accounted for Using the Equity Method (continued)

	Consolidated			
	Advent		MDS	
	30 June 2024 ($)	30 June 2023 ($)	30 June 2024 ($) Unaudited	30 June 2023 ($)
Share of the group's ownership interest in associate	3,531,453	3,768,206	(398,311)	(377,818)
Other adjustments	-	-	(398,311)	(377,818)
Carrying value of the group's interest in associate	3,531,453	3,768,206	-	-
Opening balance	3,768,206	3,941,702	-	-
Impairment reversal	-	-	20,493	18,916
Share of associate's loss	(236,753)	(173,496)	(20,493)	(18,916)
Closing balance	3,531,453	3,768,206	-	-

(i) Advent Energy Limited – PEP11

In February 2023 the resolution of the Federal Court Proceedings (WAD106/2022) between Asset and the Respondents (being the Commonwealth Minister for Resources et al) was announced. The proceedings involved the decision made on 26 March 2022 by the Commonwealth - New South Wales Offshore Petroleum Joint Authority ("Joint Authority") to refuse Asset Energy's Application (as PEP-11 Joint Venture operator) for a variation and suspension of the conditions to which PEP 11 is subject and a related refusal to grant an extension of term. The presiding Judge Justice Jackson agreed with the consent position reached by the parties, quashed the decision and concluded that the decision of the Joint Authority was affected by apprehended bias. This was because a fair-minded observer would have reasonably apprehended that the former Prime Minister of Australia, the Hon Scott Morrison MP, as a member of the Joint Authority, did not bring a fair mind to determine Asset Energy's application.

Advent has provided further information to the National Offshore Petroleum Titles Administrator (NOPTA) in response to requests for updated information subsequent to the decision in the Federal Court proceedings detailed above.

Advent now has two continuing applications with NOPTA for suspension and extension of the PEP-11 permit, the first lodged in December 2019 and the second in January 2021. The first application was on the basis of Force Majeure and is the only application which is the subject of the NOPTA notice. The second was under COVID and was accepted but not dealt with pending an outcome on the first application made in December 2019. On 17 October 2023, NOPTA made a recommendation to the Joint Authority with respect to both Applications. To date, neither the First Application nor Second Application have been determined by the Joint Authority according to law.

Asset Energy continues to progress the joint venture's applications for the variation and suspension of work program conditions and related extension of PEP-11. While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in 2024. Work continues progressing the permit commitment including well planning. A draft of the environmental plan has been received and is being reviewed.

The directors have confidence that a suitable outcome will be achieved however there is no certainty at this stage that the application will be successful and / or of further funding being made available. If Asset Energy loses its right of tenure in respect of PEP-11 then book value of capitalised exploration and evaluation expenditure of $15.18 million will need to be written off to the Statement of Profit or Loss and Other Comprehensive Income in Asset.

11. Investments Accounted for Using the Equity Method (continued)

In the meantime, PEP 11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP 11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivables and its investment in Advent in the ordinary course of business.

(ii) Molecular Discovery Systems Limited

The carrying value of Molecular Discovery Systems Limited is fully impaired. The Molecular Discovery Systems Limited 30 June 2024 financial statements are still in the process of being audited.

	Consolidated	
	2024 ($)	**2023 ($)**
12. Income Tax Expense		
(a) The prima facie tax on the profit from operations before income tax is reconciled to the income tax as follows:		
Accounting profit before tax	4,555,368	852,332
Prima facie expense on the profit from operations before income tax at 30% (2023: 30%)	1,366,610	255,700
Add tax effect of amounts not deductible in calculating taxable income	(1,593,900)	(617,454)
Tax effect of revenue losses and temporary differences not brought to account	227,290	361,754
Income tax expense	-	-
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	15,065,913	14,071,144
Potential tax benefit at 30% (2023: 30%)	4,519,774	4,221,343
13. Trade and Other Payables		
Current		
Trade payables - unrelated	37,623	128,071
Trade payables - related	11,000	-
Other payables and accrued expenses - unrelated	85,562	83,432
Related party payables	765,811	685,107
	899,996	896,610

Trade payables are non-interest bearing and normally settled within 45 days. A June 2024 trade creditor comprising 54% of the June 2024 trade creditors balance, and outstanding for 342 days, was settled in full in July 2024.

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14. Financial Liabilities

Current		
Borrowings – unsecured – related - interest free	84,823	88,265
	84,823	88,265

	Consolidated 2024 $	Consolidated 2023 $
15. Issued Capital		
1,147,548,172 (2023: 930,235,499) fully paid ordinary shares	66,360,477	61,883,062

(a) Ordinary Shares

	Consolidated 2024 $	Consolidated 2023 $	Consolidated 2024 Number	Consolidated 2023 Number
At the beginning of reporting period	61,883,062	58,844,602	930,235,499	664,948,251
Shares issued for cash	5,204,898	4,061,696	215,130,855	262,423,244
Shares issued – share based payments	72,000	-	2,181,818	-
Share issue costs - cash	(398,567)	(477,447)	-	-
Share issue costs – share-based payments	(400,916)	(592,506)	-	-
Loss on shares issued in extinguishment of debt - share-based payments	-	11,456	-	-
Shares and share options issued in extinguishment of debt	-	35,261	-	2,864,004
At the end of reporting period	66,360,477	61,883,062	1,147,548,172	930,235,499

Fully paid ordinary shares do not have a par value, have one vote per share, and carry the right to dividends. The market price of the Company's ordinary shares at 30 June 2024 on ASX was 1.8 cents per share.

(b) Options

Refer to Note 25 for the movement of options on issue during the financial year. The holders of options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

(c) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet corporate overheads. The strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2024 and 30 June 2023 is as follows:

	Consolidated 2024 ($)	Consolidated 2023 ($)
Cash and cash equivalents	6,423,045	5,614,184
Trade receivables and financial assets	3,866,839	1,332,440
Prepayments	31,166	50,000
Trade payables and financial liabilities	(984,819)	(984,875)
Net working capital position	9,336,231	6,011,749

Refer to Note 1 for further details of the Group's financial position and plans to manage the working capital deficit at 30 June 2024.

	Consolidated 2024 ($)	Consolidated 2023 ($)

16. Reserves

	2024 ($)	2023 ($)
Option premium reserve (a)	438,819	438,799
Share based payments reserve (b)	2,743,808	1,888,272
	3,182,627	2,327,071

(a) Option premium reserve

The option premium reserve records items recognised on the issue of options for capital raising purposes.

	2024 ($)	2023 ($)
At the beginning of reporting period	438,799	-
Loyalty options issued to settle debt	-	35,257
Loyalty options issued for cash	-	403,542
Options issued for cash	20	
At the end of reporting period	438,819	438,799

(b) Share based payments reserve

The share based payments reserve records
the valuation of share options issued as share based payments.

	2024 ($)	2023 ($)
At the beginning of reporting period	1,888,272	1,105,671
Share based payments expense	454,620	190,095
Capital raising costs	400,916	592,506
At the end of reporting period	2,743,808	1,888,272

17. Controlled Entities

Name of Entity	Principal Activity	Country of Incorporation	Entity Type	Tax Residency	Ownership Interest % 2024	Ownership Interest % 2023
Parent Entity						
BPH Energy Limited	Investment	Australia	Body Corporate	Australia		
Subsidiaries						
Diagnostic Array Systems Pty Ltd	BioMedical Research	Australia	Body Corporate	Australia	51.82	51.82

BPH owns a 51.82% equity interest in Diagnostic Array Systems Pty Ltd ("DAS") and consequentially controls more than half of the voting power of those shares. Mr David Breeze is the Chairman of both entities. BPH therefore has control over the financial and operating policies of DAS. DAS is controlled by BPH and is consolidated in these financial statements. DAS's loss for the year was $3,324 (2023: loss of $2,270) of which $1,602 (2023: $1,094) is attributable to minority interests. DAS's total assets at year-end were $565 (2023: $332), total liabilities $372,789 (2023: $369,231), and negative equity $372,224 (2023: negative equity $368,900).

18. Cash Flow Information

	Consolidated 2024 $	Consolidated 2023 $
(a) Reconciliation of cash flow from operations with profit after income tax:		
Operating profit after income tax	4,555,368	852,332
Non-cash items:		
Fair value gain	(5,664,419)	(2,433,227)
Impairment reversed	(20,493)	(18,916)
Interest and fee revenue on loans	(742,028)	(106,576)
Share-based payments	454,620	201,552
Consulting fees satisfied by share issue of associate	-	105,000
Consulting fees satisfied by share issue of Company	72,000	-
Expected credit loss	102,352	90,493
Share of associates' losses	257,246	192,412
Foreign exchange gain	-	(387)
Changes in net assets and liabilities		
Decrease / (increase) in other assets	18,834	(50,000)
Decrease / (increase) in trade and other receivables	21,579	(28,456)
Increase in trade payables and accruals	3,432	145,191
Net cash (used in) operating activities	(941,509)	(1,050,582)

(b) Reconciliation of cash

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

	2024 $	2023 $
Cash and cash equivalents	6,423,045	5,614,184

(c) Changes in liabilities arising from financing activities – unsecured borrowings

	2024 $	2023 $
At the beginning of reporting period	88,265	104,817
Repayment of loan	(3,442)	(16,552)
At the end of reporting period	84,823	88,265

19. Subsequent Events

The Company has exercised 34 share options in CHT at US$3,000 each for an outlay of US$102,000.

Capital Raising

On 15 August 2024 the Company announced that it had issued of 57,932,781 new fully paid ordinary shares ("Placement Shares") in the Company at an issue price of $0.018 per share. Placement participants will receive one (1) free Attaching Option for every two (2) Placement Shares subscribed for under the Placement, exercisable at $0.03 each, expiring 12 months from the date of issue ("Attaching Options"). The issue of the Attaching Options is subject to shareholder approval at a general meeting to be held on or about 30 September 2024. The Company will seek quotation of the Attaching Options, subject to ASX Listing Rule requirements being met.

Oakley Capital Partners Pty Limited ("Oakley Capital") and 62 Capital Pty Ltd ("62 Capital") acted as Joint Lead Manager for the Placement. They will be paid a cash fee of 5.5% on funds raised under the Placement and, subject to shareholder approval at the general meeting held on or about 30 September 2024, will receive 16,666,667 Broker Options ("Broker Options") pro rata to their participation in the Placement exercisable at $0.03 each, expiring 12 months from the date of issue.

The proceeds raised under the Placement provide BPH with a strong cash position to fund its hydrocarbon projects and to assist in the continued development of Cortical Dynamics.

The consideration for the Placement shares was $1,002,790 (before costs) and $40,000 set off against supplier invoices. The intended use of the cash funds will be for:

- $0.753 million - Funding for exploration and development of oil and gas investments
- $0.1 million - For working capital including costs of the offer
- $0.15 million - Funding for Cortical Dynamics

PEP-11 Permit

On 6 August 2024 Asset, as operator for and on behalf of the PEP-11 joint venture partners, filed an Originating Application for Judicial Review in the Federal Court seeking the following: (i) A declaration that the Commonwealth-New South Wales Offshore Petroleum Joint Authority has breached an implied duty by failing to make a decision under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) with respect to two pending applications relating to the PEP11 Permit, and; (ii) An order that the Joint Authority be compelled to determine the applications within 45 days.

There are no other matters or circumstances that have arisen since the end of the financial year other than outlined elsewhere in this financial report that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

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20. Financial Risk Management

a) Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable, and loans to and from third parties. The main purpose of non-derivative financial instruments is to raise finance for Group operations policies.

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

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate financial assets. The Group's financial liabilities are currently not exposed to interest rate risk as the Group has no interest bearing financial liabilities.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Equity price risk

The Group is exposed to equity price risk through its shareholdings in publicly listed entities. Material investments are managed on an individual basis.

Foreign currency risk

The Group is not exposed to any material risks in relation to fluctuations in foreign exchange rates.

20. Financial Risk Management (continued)

b) Financial Instruments

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities with floating rates, based on contractual maturities, is as follows:

2024 Consolidated	Weighted Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate 1 Year or less $	Fixed Interest Rate 1 to 5 Years $	Non-Interest Bearing $	Total $
Assets						
Cash and cash equivalents	3.71	2,423,045	4,000,000	-	-	6,423,045
Trade and other receivables	-	-	-	-	83,038	83,038
Financial assets	6.18	-	3,761,579	2,489,808	13,965,108	20,216,495
		2,423,045	7,761,579	2,489,808	14,048,146	26,722,578
Liabilities						
Trade and other payables	-	-	-	-	899,996	899,996
Financial liabilities	-	-	-	-	84,823	84,823
		-	-	-	984,819	984,819

2023 Consolidated	Weighted Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate 1 Year or less $	Fixed Interest Rate 1 to 5 Years $	Non-Interest Bearing $	Total $
Assets						
Cash and cash equivalents	1.09	5,614,184	-	-	-	5,614,184
Trade and other receivables	-	-	-	-	64,812	64,812
Financial assets	5.20	-	1,243,433	1,998,986	7,657,293	10,899,712
		5,614,184	1,243,433	1,998,986	7,722,105	16,578,708
Liabilities						
Trade and other payables	-	-	-	-	896,610	896,610
Financial liabilities	-	-	-	-	88,265	88,265
		-	-	-	984,875	984,875

20. Financial Risk Management (continued)

b) Financial Instruments (continued)

Fair Values

The fair values of:

- Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings to their present value.
- For unlisted investments where there is no organised financial market, the fair value has been based on valuation techniques incorporating non-market data.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

	Consolidated 2024		Consolidated 2023	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	$	$	$	$
Financial Assets				
Investment in unlisted entities	13,942,886	13,942,886	7,633,098	7,633,098
Investment in listed entities	22,222	22,222	22,222	22,222
Financial assets and trade and other receivables	6,334,425	6,334,425	3,309,204	3,309,204
	20,299,533	20,299,533	10,964,524	10,964,524
Financial Liabilities				
Other loans and amounts due	84,823	84,823	88,265	88,265
Trade and other payables	899,996	899,996	896,610	896,610
	984.819	984.819	984,875	984,875

Sensitivity Analysis – Interest Rate Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The effect on profit and equity as a result of changes in the variable interest rate, with all other variables remaining constant would be as follows:

	Consolidated 2024	Consolidated 2023
	$	**$**
Change in profit / (loss)		
— Increase in interest rate 1%	5,866	47,215
— Decrease in interest rate by 0.5%	(29,330)	(23,507)

20. Financial Risk Management (continued)

b) Financial Instruments (continued)

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities at the end of the reporting period of consolidated financial liabilities.

30 June 2024	**Carrying amount**	**Total**	**2 mths or less**	**2-12 mths**
	$	$	$	$
Financial liabilities				
Trade and other payables	899,996	899,996	74,313	825,683
Unsecured loans	84,823	84,823	-	84,823
	984,819	984,819	74,313	910.506

30 June 2023	**Carrying amount**	**Total**	**2 mths or less**	**2-12 mths**
	$	$	$	$
Financial liabilities				
Trade and other payables	896,610	896,610	151,631	744,979
Unsecured loans	88,265	88,265	-	88,265
	984,875	984,875	151,631	833,244

(c) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

20. Financial Risk Management (continued)

(c) Fair value measurements recognised in the statement of financial position (continued)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between the levels for recurring fair value measurements during the year.

Specific valuation techniques used to value financial instruments include (i) for unlisted investments where there is no organised financial market, the fair value has been based on valuation techniques incorporating non-market data prepared by independent valuers.

30 June 2024	**$**	**$**	**$**	**$**
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss				
- Investments in unlisted entities	-	6,488,606	7,454,280	13,942,886
- Investments in listed entities	22,222	-	-	22,222
Total	22,222	6,488,606	7,454,280	13,965,108

30 June 2023	**$**	**$**	**$**	**$**
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss				
- Investments in unlisted entities	-	6,488,606	1,144,492	7,633,098
- Investments in listed entities	22,222	-	-	22,222
Total	22,222	6,488,606	1,144,492	7,655,320

Reconciliation of fair value measurements of financial assets:

	2024 ($)	**2024 ($)**	**2024 ($)**
	Level 1	**Level 2**	**Level 3**
Opening balance	22,222	6,488,606	1,144,492
Exercise of share options	-	-	305,417
Fair value gain on unlisted investment	-	-	5,664,419
Options received as a loan arrangement fee	-	-	339,952
Closing balance	22,222	6,488,606	7,454,280

	2023 ($)	**2023 ($)**	**2023 ($)**
	Level 1	**Level 2**	**Level 3**
Opening balance	22,222	4,055,379	-
Fair value gain on unlisted investment	-	2,433,227	-
Acquisition of investments	-	-	1,144,492
Closing balance	22,222	6,488,606	1,144,492

21. Related Party Transactions

(a) Equity interests in controlled entities

The % of ordinary shares held in controlled entities is disclosed in Note 17 to the financial statements.

(b) Directors' remuneration

Details of directors' remuneration and retirement benefits are located in the Directors Report and Note 6.

The Company has an agreement with Trandcorp Pty Limited on normal commercial terms procuring the services of David Breeze to provide product development services for $98,000 (2023: $98,000), included as part of his fees in the Remuneration Report. Refer to the Remuneration Report in the Directors' Report for shares and options issued to directors.

(c) Receivables, payables and transactions with associates

Molecular Discovery Systems Limited ("MDS") is a related party. Refer to Notes 10 and 11 for the Company's loan receivable and investment. During the period the Company charged MDS $82,352 (2023: $76,991) in loan interest on a convertible loan with a balance of $1,002,931 at year end (2023: $920,579). The Company has raised a provision against the full amount of this loan. In addition, a loan receivable exists between the consolidated entity and MDS of $726,700 (2023: $706,200). The Company lent MDS $20,000 during the year. The loan is unsecured, non-interest bearing and repayable on demand. The Company has raised an expected credit loss provision against this loan. The Company recognised an impairment reversal of $20,493 (2023: reversal of $18,916) in respect the carrying value of its investment in MDS.

The Company charged associate Advent Energy Limited, a company of which Mr Breeze is a director, $237,111 loan interest during the period (2023: $165,369). Advent paid the Company $Nil loan interest during the period (2023: $146,152). The Company made a net loan of $2,420,000 to the Advent group during the period (2023: repaid a net loan of $614,345). Advent exercised 42 share options in Clean Hydrogen on behalf of BPH during the period at a cash cost of US$126,000 (A$191,304). At balance date the Company was owed $5,521,035 by Advent (2023: $3,079,228). Refer to Notes 10 and 11 for the Company's investment and loan receivables. The loan is unsecured.

(d) Other Interests

Refer to Note 10 for the Company's investment in Cortical Dynamics Limited.

(e) Director related entities

Grandbridge Limited ("Grandbridge") has a common Director, Mr David Breeze, and is therefore a related party of the Company. During the period Grandbridge charged the Company $128,640 in administration and service fees (2023: $128,640). At balance date a $84,823 loan (2023: $86,291) was payable to Grandbridge. The consolidated entity repaid Grandbridge net $1,468 during the period (2022: $16,552). The Company was owed $Nil by Grandbridge as at balance date (2023: $3,423), refer Note 9.

MEC Resources Limited ("MEC") has a common Director, Mr David Breeze, and is therefore a related party of the Company. During the period BPH loaned MEC $Nil (2023: $52,470) and charged MEC $11,431 (2023: $10,369) in interest. At balance date $174,622 (2023: $163,191) was payable by MEC to the consolidated entity, classified as a current asset, refer note 9. The loan is secured to the value of $131,063 and repayable on demand.

Cortical Dynamics Limited ("Cortical") has a common Director, Mr David Breeze, and is therefore a related party of the Company. During the period BPH loaned Cortical $500,000 (2023: $Nil) and charged Cortical $10,580 (2023: Nil) in interest and $21,150 in loan establishment fees (2023: $Nil). At balance date $531,730 (2023: $Nil) was payable by Cortical to the Company, classified as a current asset, refer note 9.
The loan is secured and repayable on Cortical's receipt of its Research and Development tax incentive refund for the year.

22. Commitments and Contingencies

At reporting date there are no capital commitments or contingencies other than those of Advent Energy Limited, an entity in which the Company currently has a 35.8% direct interest as disclosed in Note 11.

23. Share-Based Payments

The following share-based payment arrangements (share options) existed at 30 June 2024:

Total number	Grant Date	Exercise price	Fair value at grant date	Expiry date
1,200,000	November 2019	$0.02	$0.0005[1]	30 November 2024
5,250,000	November 2023	$0.05	$0.0337	7 December 2028
152,379,597[2]	August 2022 to May 2024	$0.03	$0.0062	30 September 2024
158,829,597				

1. Pre April 2020 share consolidation
2. Consisting of 26,678,556 held by directors and their related entities, and 125,701,041 issued to brokers for services provided

Issues during the period

The Company issued Everblu Capital Limited ("Everblu") and 62 Capital Limited ("62 Capital") or their nominees, 31,666,667 Broker Options as part of their fees for the September 2023 share placement. The Broker Options have an exercise price of $0.03 each and an expiry date of 30 September 2024. The options were valued at the listed option price at grant date for a fair value of $221,646.

The Company issued Everblu and Oakley Capital Partners Pty Limited ("Oakley Capital"), or their nominees, 8,250,000 Broker Options as part of their fees for the February 2024 share placement. The Broker Options have an exercise price of $0.03 each and an expiry date of 30 September 2024. The options were valued at the listed option price at grant date for a fair value of $107,250.

The Company issued 62 Capital and Oakley Capital, or their nominees, 12,000,000 Broker Options as part of their fees for the May 2024 share placement. The Broker Options have an exercise price of $0.03 each and an expiry date of 30 September 2024. The options were valued at the listed option price at grant date for a fair value of $72,000.

The Company issued employees and contractors or their associates 5,250,000 Incentive Options under the Company's Incentive Performance Rights and Options Plan as part of their remuneration. The Incentive Options have an exercise price of $0.05 each and an expiry date of 7 December 2028. The options were valued with a Black and Scholes option pricing model an attributed a fair value of $177,078.

The Company awarded 58,000,000 Performance Rights to Director David Breeze under the Company's Incentive Performance Rights and Options Plan subsequent to approval at the Company's November 2023 Annual General Meeting. The Performance Rights shall vest upon approval by the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application (Milestone). If the Milestone has not been achieved prior to 30 November 2028, the Performance Rights will automatically lapse and will not be converted into shares. The Performance Rights have a fair value of $0.041 each. The Performance Rights were fair valued at based on the share price on the date of shareholder approval, being 4.1 cents each. A share based payments expense of $277,542 has been recognised in respect of the current year. The Performance Rights have not been issued at the date of this financial report.

As part of the February 2024 share placement 2,181,818 shares were issued as a share based payment with a fair value of $72,000.

Options granted confer a right of one ordinary share for every option held. The fair value of options granted is estimated using a Black and Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

23. Share-Based Payments (continued)

Included under share-based payments in the profit and loss is $454,620 (2023: $201,551) of which $177,078 (2023: $190,095) relates to share options, $277,542 (2023: $Nil) to Performance Rights, and $Nil (2023: $11,456) to fully paid ordinary shares. Included in share issue costs are share based payments of $400,916 in respect of broker options (2023: $592,506).

The fair value of unlisted options granted is estimated using a Black and Scholes option pricing model taking into account the terms and conditions upon which the options were granted. Performance Rights are valued using the Company's prevailing share price at the date of award. Listed options are valued using the Company's prevailing listed option price at the date of award.

The following table lists the inputs to the valuation models used:

Grant / settlement date	7 September 2023 and 18 October 2023[1]	30 November 2023[2]	14 December 2023[3]
Number of options	31,666,667	-	5,250,000
Number of Performance Rights	-	58,000,000	-
Share price at grant date	N/A	$0.41	$0.045
Listed option price at grant date	$0.007	N/A	N/A
Exercise price	$0.03	N/A	$0.05
Expected volatility	N/A	N/A	100%
Expected life	N/A	5 years	5 years
Expected dividends	N/A	N/A	Nil
Risk-free interest rate	N/A	N/A	4.1%
Fair value at grant date	$221,646	$2,378,000	$177,078

Grant / settlement date	9 February 2024[4]	13 May 2024[5]
Number of options	8,250,000	12,000,000
Listed option price at grant date	$0.013	$0.006
Exercise price	$0.03	$0.03
Expected volatility	N/A	N/A
Expected life	N/A	N/A
Expected dividends	N/A	N/A
Risk-free interest rate	N/A	N/A
Fair value at grant date	$107,270	$72,000

[1] A fee to the lead managers in relation to a September 2023 share placement and forms part of capital raising costs
[2] Director David Breeze was issued 58,000,000 Performance Rights subsequent to shareholder approval at the Company's November 2023 Annual General Meeting. The Performance Rights were fair valued at based on the share price on the date of shareholder approval. The fair value is being expensed on a pro-rata basis over the 5 year term until the earlier of (i) approval by the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) of the PEP11 Permit extension application (ii) 5 years from the date of award. A share based payment expense of $277,542 was recognized in the period.
[3] These were Incentive Options issued to consultants as part of remuneration
[4] A fee to the lead managers in relation to a February 2024 share placement and forms part of capital raising costs
[5] A fee to the lead managers in relation to a May 2024 share placement and forms part of capital raising costs

23. Share-Based Payments (continued)

The share-based payments can be summarised as follows:

	30 June 2024 ($)	30 June 2023 ($)
Share-based payments expense – capital raising costs		
Broker options	400,916[1]	592,506
	400,916	592,506
Share-based payments expense – share based payment reserve		
Broker options	400,916[1]	592,506
Director Performance Rights issue[2]	277,542	-
Incentive Options[3]	177,078	88,538
Director Rights Issue options	-	20,070
Director Loyalty Options	-	81,487
	855,536	782,601
Share-based payments expense – profit or loss		
Director Performance Rights issue[2]	277,542	-
Incentive Options[3]	177,078	88,538
Director loyalty options issued in extinguishment of debt	-	81,487
Loss on shares issued in extinguishment of debt	-	11,456
Director Rights Issue options	-	20,070
	454,620	201,551
Share-based payments expense – contributed equity		
Loss on shares issued in extinguishment of debt	-	11,456
	-	11,456

[1] Fees to the lead managers in relation to September 2023, February 2024 and May 2024 share placements and form part of the capital raising costs

[2] Performance Rights awarded to a director subsequent to shareholder approval at the Company's November 2023 Annual General Meeting

[3] Incentive Options issued to directors, employees and contractors as part of remuneration

24. Operating Segments

Operating segments have been identified on the basis of internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified as the Board of Directors. On a regular basis, the board receives financial information on the consolidated entity on a basis similar to the financial statements presented in the financial report, to manage and allocate their resources.

The consolidated entity's only operating segment is investments. The consolidated entity holds investments in two principal industries and these are:

- biotechnology,
- oil, gas and hydrogen exploration and development

25. Share Options

All options granted confer a right of one ordinary share for every option held. The number of share options on issue at period end was as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
November 2019	30 November 2024	$0.02	1,200,000
August 2022 to May 2024	30 September 2024	$0.03	593,347,113
November 2023	7 December 2028	$0.05	5,250,000

The movement in share options during the period is as follows:

Consolidated	2024		2023	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	438,656,198	0.03	105,121,392	0.06
Expired	-	-	(103,921,392)	(0.07)
Exercised	(3,122,731)	(0.03)	-	-
Issued as free attaching options	107,091,979	-	238,964,459	0.03
Issued as broker options	51,916,667	$0.03	73,784,374	0.03
Issued as loyalty options	-	-	109,699,865	0.03
Issued as cleansing options	5,000	$0.03	7,500	0.03
Issued as share-based payments	5,250,000	$0.05	15,000,000	0.03
Outstanding at year-end	599,797,113	$0.03	438,656,198	0.03
Exercisable at year-end	599,797,113	$0.03	438,656,198	0.03

26. Parent Entity Disclosures

	Company	
	June 2024 $	June 2023 $
Financial Position		
Assets		
Current assets	10,320,484	6,996,292
Non-current assets	19,879,886	13,312,353
Total asset	30,200,370	20,308,645
Liabilities		
Current liabilities	899,992	896,606
Total liabilities	899,992	896,606
Equity		
Issued capital	66,360,477	61,883,062
Accumulated losses	(40,242,726)	(44,798,094)
Option reserve	3,182,627	2,327,071
Total equity	29,300,378	19,412,039
Financial Performance		
Profit after tax for the year	4,555,368	852,332
Other comprehensive income	-	-
Total comprehensive profit	4,555,368	852,332

Name of Entity	Principal Activity	Country of Incorporation	Entity Type	Tax Residency	Ownership Interest %
Parent Entity					
BPH Energy Limited	Investment	Australia	Body Corporate	Australia	
Subsidiaries					
Diagnostic Array Systems Pty Ltd	BioMedical Research	Australia	Body Corporate	Australia	51.82

Directors' Declaration

The directors of the Company declare that:

1. the financial statements, notes, and consolidated entity disclosure statement as set out on pages 29 to 62 are in accordance with the Corporations Act 2001 and:

   (a) Comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements

   (b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated entity

   (c) the Consolidated Entity Disclosure Statement is true and correct.

2. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

3. the financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 1; and

4. the directors have been given the declarations required by S295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to S295(5) of the Corporations Act 2001.

D. Breeze.

David Breeze
Executive Chairman
Dated this 26th August 2024

INDEPENDENT AUDITOR'S REPORT
To the Members of BPH Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BPH Energy Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) 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.

Emphasis of Matter - Material uncertainty related to the carrying value of the loan receivable from, and investment in, Advent Energy Limited

We draw attention to Note 11 in the financial report, which indicates that a material uncertainty exists in relation to the Group's ability to realise the carrying value of its loan receivable from, and investment in, Advent Energy Limited in the ordinary course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

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These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Emphasis of Matter - Material uncertainty related to the carrying value of the loan receivable from, and investment in, Advent Energy Limited* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Investments accounted for using equity method Note 11	
As at 30 June 2024, the carrying value of the investments accounted for using the equity method was $3,531,453 and the Group's share of the associates' losses was $257,246. We considered this to be a key audit matter as it is important to users' understanding of the financial statements as a whole and involved significant levels of judgement.	Our procedures included, but were not limited to the following; - We agreed the share of losses to the associates' audited financial statements; - We reviewed the disclosures made in the financial statements; - We considered if there were indicators of impairment present; and - We included an emphasis of matter paragraph above in relation to recoverability of the investment in, and loan receivable from, Advent Energy Limited.
Valuation of financial assets **Note 10**	
As at 30 June 2024, the Group had recorded financial assets comprising loan receivables with a carrying value of $6,251,387 and investments at a fair value of $13,965,108. We considered this to be a key audit matter as it is important to users' understanding of the financial statements as a whole and involves judgement in relation to the determination of fair value and expected credit losses	Our procedures included but were not limited to the following: - We considered the ability of the other party to repay its loan to the Group to determine if any additional expected credit loss provisions were required; - We confirmed the Group's shareholdings in its investments; - We assessed the Group's valuation of individual investment holdings; - For investments where there was less or little observable market data, including level 2 and 3 holdings as disclosed in note 20, we obtained and assessed other relevant valuation data; and - We reviewed the disclosures made in the financial statements.

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 2024, but does not include the financial report and our 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:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and;

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

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of BPH Energy Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

David Healy

HLB Mann Judd
Chartered Accountants

D B Healy
Partner

Perth, Western Australia
26 August 2024

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this report as follows.

The information is stated as at 15th August 2024.

1. Substantial Shareholder

The names of shareholders who have lodged a substantial shareholder notice with ASX are:

Shareholder	Shares	%
David Breeze, Trandcorp Pty Ltd, Grandbridge Limited	59,750,805	5.83%

2. (a) Distribution of Shareholders

Range of Holding	Shareholders	Number of Ordinary Shares	%
1 – 1,000	1,033	323,153	0.03%
1,001 – 5,000	1,327	4,132,005	0.36%
5,001 – 10,000	1,036	8,064,696	0.70%
10,001 – 100,000	3,411	135,357,254	11.80%
100,001 and over	1,533	999,671,064	87.11%
	8,340	**1,147,548,172**	**100.00%**

The number of shareholders holding an unmarketable parcel was 4,545.

(b) Distribution of Unlisted Option Holders

Range of Holding	Option Holders	Number of Options	%
100,001 and over	5	21,450,000	100.00

(a) Distribution of Listed Option Holders(with an exercise price of $0.03 each and expiry date of 30 September 2024)

Range of Holding	Optionholders	Number of Options	%
1 – 1,000	357	144,973	0.03%
1,001 – 5,000	371	970,044	0.17%
5,001 – 10,000	164	1,160,556	0.20%
10,001 – 100,000	406	15,153,828	2.62%
100,001 and over	387	560,917,712	96.99%
	1,685	**578,347,113**	**100.00%**

3. Voting Rights - Shares

All ordinary shares issued by BPH Energy Limited carry one vote per share without restriction.

4. Voting Rights - Options

The holders of options do not have the right to vote.

5. Restricted Securities

There are no restricted securities on issue.

6. On-Market Buyback

There is no current on-market buyback.

7. Twenty Largest Shareholders

The names of the twenty largest shareholders of the ordinary shares of the Company are:

Name	Number of ordinary fully paid shares	% held of issued ordinary capital
Trandcorp Pty Ltd	37,734,475	3.29%
JGM Property Investments Pty Ltd	30,000,000	2.61%
Markovic Family No 2 Pty Ltd	25,172,159	2.19%
Citicorp Nominees Pty Limited	19,359,117	1.69%
Trandcorp Pty Ltd <Trandcorp Super Fund A/C>	13,222,497	1.15%
Finclear Services Pty Ltd <Superhero Securities A/C>	11,617,504	1.01%
Blue Tree Pty Ltd <Blue Tree Superanuation A/C>	11,319,754	0.99%
Mr Chris Strat	10,081,562	0.88%
Mr Anthony Huston	9,438,070	0.82%
BNP Paribas	8,137,531	0.71%
Tsol Nominees Pty Ltd	7,500,000	0.65%
Mr Jibran Hameed	7,467,232	0.65%
Mr Tristan Edwin Bonnefin	7,408,609	0.65%
Anstey Superannuation Fund Pty Ltd <Anstey Family S/F A/C>	7,250,000	0.63%
SJM Electrical & Data Pty Ltd	7,000,000	0.61%
Strat Super Fund <Strat S/F Account>	6,726,520	0.59%
Avocari Pty Ltd <Avocari P/L Employee Sf A/C>	6,000,000	0.52%
Mrs Emesa Serrao	5,974,493	0.52%
Miss Sandra Joy Feeley	5,790,000	0.50%
Mr Mark Shareefuddin Maung	5,503,172	0.48%
Total	**242,702,695**	**21.15%**

8. Twenty Largest Listed Option Holders

The names of the twenty largest listed option holders of the Company (with an exercise price of $0.03 each and expiry date of 30 September 2024) are:

Name	Number of share options	% held of listed share options
Dr Kong Jung Au Yong	43,518,134	7.52%
Mr Lazar Itin	17,500,903	3.03%
Arlewis Pty Ltd <Lewis Family Super Fund A/C>	15,505,000	2.68%
Mr Lachlan James Mcalpine	12,721,019	2.20%
Markovic Family No 2 Pty Ltd	11,344,177	1.96%
Mr David Spence	11,167,500	1.93%
Mr Chris Strat	10,000,000	1.73%
Tsol Nominees Pty Ltd	10,000,000	1.73%
Finclear Services Pty Ltd <Superhero Securities A/C>	9,801,441	1.69%
Mr Muhammad Arif Khan	9,252,183	1.60%
Mr Craig Andrew Peters	8,825,000	1.53%
The High Club Ltd	7,629,000	1.32%
CCK Pty Limited <CCK Super Fund A/C>	7,258,793	1.26%
Arlewis Pty Ltd <Lewis Family Super Fund A/C>	6,500,000	1.12%
Mr John Frank Borgogno	6,292,342	1.09%
JGM Property Investments Pty Ltd	6,197,090	1.07%
Trandcorp Pty Ltd	6,168,136	1.07%
Mrs Palak Hardik Shah	6,000,000	1.04%
Mr Robert Anthony Hutchfield	5,350,842	0.93%
Mr Mark Shareefuddin Maung	5,250,000	0.91%
Protax Nominees Pty Ltd <Richards Super Fund A/C>	5,076,920	0.88%
Total	**221,358,480**	**38.27%**