



## Appendix 4D - Half Year Report

### Results for announcement to the market

Name of Entity	BPH Energy Limited
ABN	41 095 912 002
Half Year Ended	31 December 2020
Previous Corresponding Reporting Period	31 December 2019

\$A'000

Revenues from ordinary activities	down	81.2%	to	32
(Loss) from ordinary activities after tax attributable to members	N/A			(1,176)
Net (loss) for the period attributable to members	N/A			(1,176)

No dividends are proposed and no dividends were declared or paid during the current or prior period.

<b>NTA Backing</b>	<b>Current period</b>	<b>Previous corresponding Period</b>
Net tangible asset backing per ordinary security (cents per share)	1.2	0.63

The "previous corresponding period" has been adjusted for the 1 for 10 share consolidation completed in April 2020.

### Commentary on Results

Revenue fell by 81.2% to \$32,237 due to the reduction of interest income on the conversion of the Company's loans to Cortical Dynamics Limited to equity.

The loss for the period was \$1,173,393 (2019: loss of \$754,862) after recognising:

- a share of an associate's (Advent Energy Limited) loss of \$45,861 (2019: gain of \$552,745)
- a fair value loss of \$Nil (2019: loss of \$501,543)
- a provision for expected credit loss of \$44,391 (2019: \$415,985)
- share based payment expense of \$802,997 (2019: \$35,386)

During the half-year BPH issued 161,289,728 shares under a 2 for 5 Entitlement Issue at an issue price of \$0.015 per share, of which \$1,927,292 was received in cash and \$482,054 satisfied by debt set-off. The Entitlement Issue included one free attaching option for each share issued, resulting in the issue of 80,644,864 free listed options with an exercise price of \$0.05 per share and an expiry date of 29 July 2022.

## **Appendix 4D (continued)**

### **BPH Energy Ltd and its controlled entities**

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The Company also raised \$691,812 cash from the issue of 46,120,833 placement shares at \$0.015 per share. The placements included one free attaching option for each share issued, resulting in the issue of 23,060,417 free listed options with an exercise price of \$0.05 per share and an expiry date of 29 July 2022. Another 2,000,000 listed options with same terms were issued to the Lead Manager of one of the placements.

300,000 shares were issued on the exercise of unlisted share options with an exercise price of \$0.02 per share. In addition 200,000 unlisted options with an exercise price of \$0.20 per share expired unexercised.

Primarily as a result of the above, the net assets of the economic entity have increased by 59.5% from 30 June 2020 to \$6,830,802 at 31 December 2020.

Developments in the Company's investments include:

#### **Advent Energy**

Investee Advent Energy Ltd (Advent) has submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to enable the drilling of the Baleen drill target in the PEP11 permit offshore NSW. The PEP11 Joint Venture has reviewed the work program and now proposes to proceed with the drilling of a well at Baleen subject to approvals from NOPTA and other regulatory authorities, and financing, and has now made application to NOPTA to change the current Permit conditions. The application to NOPTA includes the extension of the permit title for up to two years to enable the drilling and includes an application for the removal of the requirement for a 500 sq. km 3D seismic program. In February 2021 the NSW Deputy Premier stated that he has provided a response to the Federal Minister for Resources, Hon. Keith Pitt MP, in his role as the Joint Authority under the relevant legislation, opposing the application. Senator Pitt, who holds the final decision making authority in respect of the application, has been quoted that his '*preference for the decision on the permit extension to be made soon*'. Senator Pitt has also been quoted as confirming '*that under the provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006, the existing permit will continue until a decision is made*'.

Advent is proposing with its Joint Venture partner Bounty to use the drilling program at Baleen to investigate the potential for CCS - Carbon Capture and Storage (geo-sequestration of CO<sub>2</sub> emissions) in PEP11. CCS can capture CO<sub>2</sub> fossil fuel emissions. Both the International Energy agency and the Intergovernmental Panel on Climate change believe that CCS can play an important role in helping to meet global emission reduction targets. CCS is part of a suite of solutions with the potential to mitigate greenhouse gas emissions and help address climate change. The Sydney Basin is a major contributor to Australia's greenhouse gas emissions and contributes up to 34% of the total national emissions. Independent Government published research has indicated at least 2 TCF (Trillion Cubic Ft) of CO<sub>2</sub> storage may be feasible in the offshore Sydney Basin.

Advent announced the appointment of Professor Peter Cook as an advisor on geosequestration for its project in the Offshore Sydney Basin. Professor Peter Cook is an eminent Australian and international earth scientist. He is a leader in the development and application of carbon capture and storage (CCS) technologies and has published more than 30 papers and articles on greenhouse gas technologies, including the books "Clean Energy Climate and Carbon" and "Geologically Storing Carbon", and was an IPCC co-ordinating Lead Author. He first drew attention to Australia's CCS opportunity more than 20 years ago, then going on to establish national CCS programs and research facilities through the Petroleum CRC and the Cooperative Research Centre for Greenhouse Gas Technologies (CO<sub>2</sub>CRC). In 2011, the University of Melbourne established the Peter Cook Centre for CCS Research.

Advent Energy's 100% subsidiary Onshore Energy ("Onshore") made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a

## Appendix 4D (continued)

### BPH Energy Ltd and its controlled entities

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course of action in relation to that decision which Onshore is following. Onshore Energy Pty Ltd has lodged an appeal against this decision with the State Administrative Tribunal (SAT).

Advent issued 1,400,000 shares at 5 cents per share during the half year for cash proceeds of \$70,000. In addition, on 30 December 2020 Advent lodged an Offer Information Statement with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of \$0.05 per Share to raise up to \$6,525,108. It is proposed that the closing date of the Offer is 5:00pm (WST) on 19 March 2021. The Directors reserve the right to extend this date without notice. The Offer is partially underwritten by Grandbridge Securities Pty Ltd up to the amount of \$1,000,000. Grandbridge Securities Pty Ltd is also Lead Manager to the Offer.

MEC Resources Limited (MEC) (ASX:MMR) announced during the period that it had entered into a settlement agreement with both Advent and its subsidiary, Asset Energy Pty Ltd (Asset) in relation to writs and demands issued by both Advent and Asset. Advent and Asset had each served a notice of demand on MEC primarily in respect of costs incurred by Advent and Asset but claimed by MEC in its 30 June 2018 and 30 June 2019 annual Research and Development Tax Incentive claims with the Australian Taxation Office. The claim against MEC by Advent is \$242,155, and by Asset \$593,343.

Key points to note are as follows;

- On 9 August 2019 the Company announced that it had reached a settlement of the various legal disputes between BPH and MEC, Grandbridge Limited, Trandcorp Pty Ltd and David Breeze. The terms of settlement were outlined in a Deed of Settlement, to which MEC's 48.2% owned subsidiary Advent Energy Limited (Advent) is also a party. The Deed of Settlement included clauses whereby MEC agreed to support an in-specie distribution of its shareholding in Advent to MEC shareholders (subject to shareholder approval) if requested by Advent. Advent made a request to MEC on 5 August 2019 to complete an in-specie distribution.
- MEC holds a 48.2% interest in its investee company Advent, which is owed a total of \$242,155 by MEC. Further, Advent owns 100% of Asset which is owed a total \$593,343 plus interest and costs of \$36,790 by MEC giving a total of \$872,288 arising for outstanding loans owing (together known as the Advent Debt). Advent has informed MEC of its intention to withdraw its prior request for an in-specie distribution subject to settlement of its claim total of \$872,288.
- Following advice from its legal advisor and the Company auditors MEC has acknowledged the Advent Debt.
- MEC, Advent and Asset have agreed a debt for equity conversion for the Advent Debt pursuant to which the total \$872,288 of the Advent Debt will convert to equity in the Company, subject to Shareholder approval (Advent Debt Conversion).
- Under the Advent Debt Conversion, MEC has agreed (subject to Shareholder approval) to issue 198,237,045 Shares at a deemed issue price of \$0.0044 per Share to Advent to settle \$872,288 of the Advent Debt as a full and final settlement in the following manner (i) by issue of 124,708,409 Shares (subject to Shareholder approval) at a deemed issue price of \$0.0044 per Share to clear \$511,972 plus interest and costs of \$36,790 of the Advent Debt; and (ii) by allowing Advent to participate in a future rights issue to the extent of 73,528,636 Shares at a deemed issue price of \$0.0044 per Share to settle the remaining balance of the Advent Debt being \$323,526.

The Company understands MEC is currently in discussions with the ASX and concurrently working on a Notice of Meeting which is intended to be combined with MEC's next AGM.

## **Appendix 4D (continued)**

### **BPH Energy Ltd and its controlled entities**

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#### ***Cortical Dynamics Limited***

Cortical has entered into a nonexclusive Licence and Co-operation Agreement with Philips Healthcare North America Corp ("Philips"), which will enable Cortical to interface its Brain Anaesthesia Response Monitor ("BARM") into the Philips IntelliVue and Patient Information Center (PIC iX) Monitoring Systems using the IntelliBridge integration product line.

Cortical has begun the FDA 510K filing process for BARM in the USA assisted by its strategic investor Intuitive X ("IX"). 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. Cortical already has achieved both CE (Europe) and TGA (Australian) registration.

The patent application for "Apparatus and process for measuring brain activity" has been given International (PCT) Patent Application No. PCT/AU2020/050535. Cortical has developed an extensive patent portfolio encapsulating the BARM, providing critical patent protection across a number of key brain monitoring markets. Cortical's competitive advantage is underpinned by a strong patent position covered by five patent families and 22 granted patents. Currently, Cortical has patents awarded in Australia, New Zealand, Japan, the People's Republic of China, Europe and the United States.

The BARM next generation medical brain monitor was exhibited at the 2020 Spring Development seminar and Council of the Korean Association of Anaesthesia. Cortical's Korean distributor, Globaluck, presented the BARM at this conference at the BEXCO Convention Hall in Busan South Korea on July 24th to 25th. During the period Cortical secured approval by the South Korean regulator, The Korean Ministry for Food and Drug Safety (KMFDS), to sell its BARM in the South Korean Market. The BARM and Cortical Dynamics met the stringent KMFDS requirements both for the BARM technology and for medical device manufacturers, including the requirements related to the Quality Management System (QMS). In particular, the QMS established by the manufacturer should comply with the national requirements based on the international standard ISO 13485. South Korea's medical device market ranks as the ninth largest in the world at an estimated US\$6.8 billion 2019, showing continuous growth with 8.1% annual increase. Cortical will now work with its South Korean distributor, Global Luck, to introduce BARM to the Korean market. This approval by KMFDS complements the existing CE and TGA approvals already in place.

Cortical raised \$462,768 cash in the half year by the issue of 3,702,150 shares at 12.5 cents per share.

The Company's half year financial report for the six months ending 31 December 2020 is set out on the following pages.

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### Company Information

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#### Directors

David Breeze – Executive Chairman  
Tony Huston – Non-executive Director  
Charles Maling – Non-executive Director

#### Auditor

HLB Mann Judd (WA Partnership)  
Level 4  
130 Stirling Street  
PERTH WA 6000

#### Registered Office

14 View Street  
NORTH PERTH WA 6006

#### Share Registry

Advanced Share Registry Limited  
110 Stirling Highway  
NEDLANDS WA 6009

#### Principal Business Address

14 View Street  
NORTH PERTH WA 6006  
Telephone: (08) 9328 8366  
Facsimile: (08) 9328 8733  
Website: [www.bphenergy.com.au](http://www.bphenergy.com.au)  
E-mail: [admin@bphenergy.com.au](mailto:admin@bphenergy.com.au)

#### Australian Business Number

41 095 912 002

## Directors' Report

### BPH Energy Ltd and its controlled entities

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The directors of BPH Energy Ltd ("BPH" or "the Company") present their report for the Company and its controlled entities ("consolidated entity" or "group") for the half year ended 31 December 2020.

#### Directors

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

D L Breeze  
T Huston  
C Maling

#### Review of Operations

Revenue fell by 81.2% to \$32,237 due to the reduction of interest income on the conversion of the Company's loans to Cortical Dynamics Limited to equity.

The loss for the period was \$1,176,393 (2019: loss of \$754,862) after recognising:

- a share of an associate's (Advent Energy Limited) loss of \$45,861 (2019: gain of \$552,745)
- a fair value loss of \$Nil (2019: loss of \$501,543)
- a provision for expected credit loss of \$44,391 (2019: \$415,985)
- share based payment expense of \$802,997 (2019: \$35,386)

#### *Capital Raising*

During the half-year BPH issued 161,289,728 shares under a 2 for 5 Entitlement Issue at an issue price of \$0.015 per share, of which \$1,927,292 was received in cash and \$482,054 satisfied by debt set-off. The Entitlement Issue included one free attaching option for each share issued, resulting in the issue of 80,644,864 free listed options with an exercise price of \$0.05 per share and an expiry date of 29 July 2022.

The Company also raised \$691,812 cash from the issue of 46,120,833 placement shares at \$0.015 per share. The placements included one free attaching option for each share issued, resulting in the issue of 23,060,417 free listed options with an exercise price of \$0.05 per share and an expiry date of 29 July 2022. Another 2,000,000 listed options with same terms were issued to the Lead Manager of one of the placements.

300,000 shares were issued on the exercise of unlisted share options with an exercise price of \$0.02 per share. In addition 200,000 unlisted options with an exercise price of \$0.20 per share expired unexercised.

#### 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.

#### Subsequent Events

On 3 February 2021 the Company announced a significant share placement of 69,230,769 fully paid ordinary shares at an issue price of \$0.13 per share to sophisticated and professional investors to raise \$9 million. \$7 million of the placement was managed by Everblu Capital (**Lead Manager**) who will receive a fee of 6% of the funds raised together with 6 million share options with an exercise price of \$0.26 per share and an expiry date of 8 February 2023. A further \$1.5 million was placed by 62 Capital who will receive a fee of 6% of the funds raised together with 1,285,714 share options with an exercise price of \$0.26 per share and an expiry date of 8 February 2023. An amount of \$500,000 was placed by Grandbridge Securities Pty Ltd who will receive a fee of 6% of the funds raised.

## **Directors' Report**

### **BPH Energy Ltd and its controlled entities**

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In addition 5,300,000 unlisted share options with an exercise price of \$0.02 per share have been exercised for cash proceeds of \$106,000, together with 9,090,984 listed share options with an exercise price of \$0.05 per share for cash proceeds of \$454,549.

On 12 January 2021 the Company announced Advent Energy Limited's subsidiary Asset Energy Limited had signed a Preliminary Well Services Agreement (**Agreement**) with Add Energy. Under the Agreement Add Energy will initiate a review of rig availability and engagement terms for the Baleen well program. Add Energy will also develop a scope of supply for regulatory and environmental compliance and review the drilling campaign schedule including a review of the program for geosequestration drilling research as part of the Baleen drill project.

Investee Advent Energy Ltd has on behalf of the PEP11 joint venture submitted to the National Offshore Petroleum Titles Administrator (NOPTA) a further application to extend the current PEP11 permit offshore NSW. The application comprises a 24-month suspension of the Permit Year 4 work program commitments, with a corresponding 24-month extension of the current permit term. This application was accepted for processing by NOPTA on the 4 February 2021.

On 22 January 2021 the Company announced the issuance to investee Cortical Dynamics Limited of European Patent Number 2088924 "Neurodiagnostic Monitoring and display System "in Belgium, France, Germany and United Kingdom. In addition, the appointment of Jamie Stanistreet to the Cortical Dynamics Advisory Committee was announced. From 2001-2018 Jamie was the Managing Director and Vice President of Medtronic Aust /NZ. Medtronic is currently ranked as the world's largest medical device company. Under his tenure Medtronic revenue grew 10-fold, and he managed over 950 employees. Medtronic's focus on Medical devices includes Cardiology, Spine, Surgery, Brain Modulation, ENT, Pain, Stroke & Diabetes. He was a member of the APAC Leadership Team. Jamie also served as Vice Chairman with the Medical Technology Association of Australia for several years. Jamie has over 40 years' experience in the Medical Device industry and is an accountant by trade. He was finalist in the CEO Magazine Executive of the year award 2014 - 2015 and won the Medical Technology Association of Australia inaugural Outstanding Achievement Award 2013. Jamie's experience, connections and knowledge will be invaluable to the commercial development of Cortical Dynamics.

There have not been other any matters or circumstance that have arisen since the end of the period, 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.

### **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.

### **Auditor's Independence**

The directors received a declaration of independence from the auditor as set out on page 4.

Signed in accordance with a resolution of the directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors



D Breeze  
Executive Chairman  
Perth, 25 February 2021

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of BPH Energy Limited for the half-year ended 31 December 2020, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
25 February 2021



**L Di Giallonardo**  
Partner

**[hlb.com.au](http://hlb.com.au)**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** [mailbox@hlbwa.com.au](mailto:mailbox@hlbwa.com.au)

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2020**  
**BPH Energy Ltd and its controlled entities**

	Note	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Interest revenue	4	32,237	165,526
Miscellaneous income	4	-	6,210
Interest expense		(2)	(260)
Administration		(70,300)	(32,326)
Consulting and legal		(130,759)	(344,594)
Fair value (loss)		-	(501,543)
Provision for expected credit loss		(44,391)	(415,985)
Employee benefits		(50,000)	(50,000)
Other expenses		-	(27,605)
Share based payments	5	(802,997)	(35,386)
Share of associates (losses) / gains net of impairment	8	(45,861)	545,421
Service expenses		(64,320)	(64,320)
<b>(Loss) before income tax</b>		<b>(1,176,393)</b>	<b>(754,862)</b>
Income tax expense		-	-
<b>(Loss) for the period</b>		<b>(1,176,393)</b>	<b>(754,862)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) for the period</b>		<b>(1,176,393)</b>	<b>(754,862)</b>
(Loss) attributable to non-controlling interest		(434)	(410)
(Loss) attributable to members of the parent entity		(1,175,959)	(754,452)
		<b>(1,176,393)</b>	<b>(754,862)</b>
Earnings per share:			
Basic (cents per share)		(0.24)	(0.2) <sup>1</sup>
Diluted (cents per share)		(0.24)	(0.2) <sup>1</sup>

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

<sup>1</sup> The 31 December 2019 Earnings per Share has been restated for the impact of the 1 for 10 share consolidation completed in April 2020.

**Consolidated Statement of Financial Position  
as at 31 December 2020  
BPH Energy Ltd and its controlled entities**

	Note	Consolidated	
		31 Dec 2020 \$	30 June 2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	6	2,351,331	257,739
Trade and other receivables		49,464	32,675
Financial assets	10	51,982	43,564
Other current assets		-	360
<b>Total Current Assets</b>		<b>2,452,777</b>	<b>334,338</b>
<b>Non-Current Assets</b>			
Financial assets	10	3,455,378	3,455,378
Investments in associates	8	2,107,443	2,153,304
<b>Total Non-Current Assets</b>		<b>5,562,821</b>	<b>5,608,682</b>
<b>Total Assets</b>		<b>8,015,598</b>	<b>5,943,020</b>
<b>Current Liabilities</b>			
Trade and other payables		1,079,979	1,538,098
Financial liabilities		104,817	121,086
<b>Total Current Liabilities</b>		<b>1,184,796</b>	<b>1,659,184</b>
<b>Net Assets</b>		<b>6,830,802</b>	<b>4,283,836</b>
<b>Equity</b>			
Issued capital	5	50,207,139	46,716,896
Reserves		759,477	526,361
Accumulated losses		(43,975,022)	(42,799,063)
Equity attributable to owners of the parent		6,991,594	4,444,194
Non-controlling interest		(160,792)	(160,358)
<b>Total Equity</b>		<b>6,830,802</b>	<b>4,283,836</b>

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

**Consolidated Statement of Changes in Equity  
for the half-year ended 31 December 2020  
BPH Energy Ltd and its controlled entities**

	Ordinary share capital \$	Accumulated losses \$	Options reserve \$	Total attributable to holders of the parent entity \$	Non- controlling Interest \$	Total \$
<b>Balance as at 1 July 2019</b>	45,574,507	(43,920,864)	508,436	2,162,079	(159,820)	2,002,259
(Loss) for the period	-	(754,452)	-	(754,452)	(410)	(754,862)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) for the half year	-	(754,452)	-	(754,452)	(410)	(754,862)
<i>Transactions with owners in capacity as owners:</i>						
Shares issued for cash	493,847	-	-	493,847	-	493,847
Share issue costs	(43,019)	-	-	(43,019)	-	(43,019)
Shares issued in lieu of consulting fees	118,500	-	-	118,500	-	118,500
Shares issued in satisfaction of debt	90,000	-	-	90,000	-	90,000
Shares issued as introductory fee for business transaction	15,000	-	-	15,000	-	15,000
Shares issued as partial acquisition for investment	150,000	-	-	150,000	-	150,000
Share based payments expense	20,000	-	15,386	35,386	-	35,386
<b>Balance as at 31 December 2019</b>	<b>46,418,835</b>	<b>(44,675,316)</b>	<b>523,822</b>	<b>2,267,341</b>	<b>(160,230)</b>	<b>2,107,111</b>
<b>Balance as at 1 July 2020</b>	<b>46,716,896</b>	<b>(42,799,063)</b>	<b>526,361</b>	<b>4,444,194</b>	<b>(160,358)</b>	<b>4,283,836</b>
(Loss) for the period	-	(1,175,959)	-	(1,175,959)	(434)	(1,176,393)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) for the half year	-	(1,175,959)	-	(1,175,959)	(434)	(1,176,393)
<i>Transactions with owners in capacity as owners:</i>						
Shares issued for cash	2,625,105	-	-	2,625,105	-	2,625,105
Share issue costs	(216,182)	-	19,384	(196,798)	-	(196,798)
Share based payments expense	1,081,320	-	213,732	1,295,052	-	1,295,052
<b>Balance as at 31 December 2020</b>	<b>50,207,139</b>	<b>(43,975,022)</b>	<b>759,477</b>	<b>6,991,594</b>	<b>(160,792)</b>	<b>6,830,802</b>

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

**Consolidated Statement of Cash Flows  
for the half-year ended 31 December 2020  
BPH Energy Ltd and its controlled entities**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(363,852)	(287,110)
Interest received	289	120
Interest paid	(2)	(260)
<b>Net cash used in operating activities</b>	<b>(363,565)</b>	<b>(287,250)</b>
<b>Cash flows from investing activities</b>		
Payment for unlisted investments	-	(100,000)
Loans advanced	(30,500)	(210,500)
Loans repaid	15,000	-
<b>Net cash used in financing activities</b>	<b>(20,500)</b>	<b>(310,500)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of securities (net of share issue costs)	2,477,657	450,827
Repayment of borrowings	-	(79,000)
<b>Net cash from financing activities</b>	<b>2,477,657</b>	<b>371,827</b>
Net increase / (decrease) in cash held	2,093,592	(225,923)
Cash at the beginning of the financial period	257,739	437,316
<b>Cash at the end of the financial period</b>	<b>6 2,351,331</b>	<b>211,393</b>

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

# Notes to the Financial Statements for the half-year ended 31 December 2020

## BPH Energy Ltd and its controlled entities

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### 1. CORPORATE INFORMATION

The financial report of BPH Energy Ltd was authorised for issue in accordance with a resolution of the directors on 25 February 2021.

BPH Energy Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of BPH Energy Limited as at 30 June 2020. It is also recommended that the half-year financial report be considered together with any public announcements made by BPH Energy Limited and its controlled entities during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### (a) Basis of Preparation

##### *Reporting Basis and Conventions*

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (b) Significant Accounting Policies

The half-year condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2020 and corresponding half year other than noted below.

##### **Standards and Interpretations applicable to 31 December 2020**

In the period ended 31 December 2020, 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 2020. The Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the consolidated entity and therefore, no material change is necessary to group accounting policies.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(b) Significant Accounting Policies (continued)**

#### ***Standards and Interpretations in issue not yet adopted***

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2020. 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.

### **(c) 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 — Provision for impairment of loan receivables*

Included in the accounts of the consolidated entity are loan receivables of \$51,982 (30 June 2020: \$43,564) net of expected credit loss provision of \$1,403,343 (30 June 2020: \$1,358,895). The Company recognized an expected credit loss provision of \$44,391 in the reporting period (31 December 2019: \$415,985).

#### *Key estimates - Investment in Molecular Discovery Systems*

The investment in Molecular Discovery Systems Limited is equity accounted, refer to Note 10. The Company has recognized an impairment expense of \$411,920 (30 June 2020: \$420,731) to fully impair the carrying value of the investment in Molecular Discovery Systems.

#### *Key estimates - Investment in Patagonia Genetics Pty Ltd*

The Company has recognized a fair value loss of \$250,000 (30 June 2020: \$250,000) against the carrying value of the investment in Patagonia Genetics Pty Ltd.

#### *Key estimates - Investment in Cortical*

The investment in Cortical is carried at fair value, refer to Note 11.

### **(d) Financial Position**

The consolidated entity has incurred a net loss before tax for the period ended 31 December 2020 of \$1,176,393 (2020: loss of \$754,862) and has a working capital surplus of \$1,267,981 as at 31 December 2020 (June 2020: deficit of \$1,324,846). Included in other payables are amounts payable to the current directors of the company of \$478,330 (June 2020: \$849,987).

The directors have reviewed the expenditure and commitments for the consolidated entity and have implemented methods of cost reduction. Subsequent to period end Grandbridge Limited has confirmed that the \$104,817 loans provided to the consolidated entity at 31 December 2020 will not be called upon for repayment if the BPH directors are of the opinion that such an action would compromise BPH's financial solvency.

**Notes to the Financial Statements for the half-year ended 31 December 2020**  
**BPH Energy Ltd and its controlled entities**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Financial Position (continued)**

Subsequent to balance date the Company completed a share placement of 69,230,769 fully paid ordinary shares at an issue price of \$0.13 per share to sophisticated and professional investors to raise \$9 million.

The directors have prepared cash flow forecasts, including potential capital raisings, which indicate that the consolidated entity should have sufficient cash flows for a period of at least 12 months from the date of this report. Based on the cash flow forecasts, including directors voluntarily suspending cash payments for their director fees, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore 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.

**3. SEGMENT INFORMATION**

Operating segments have been identified on the basis of internal reports of the consolidated entity 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. The consolidated entity's only operating segment is investing. The consolidated entity holds investments in three principal industries being biotechnology, medicinal cannabis, and oil and gas exploration and development.

**4. REVENUE**

	<b>Consolidated</b>	
	<b>31 December 2020(\$)</b>	<b>31 December 2019(\$)</b>
Revenue:		
Interest revenue	32,237	165,526
Miscellaneous income	-	6,210
	<u>32,237</u>	<u>171,736</u>

**5. CONTRIBUTED EQUITY**

	<b>Number</b>		<b>\$</b>	
	<b>Half Year to 31 Dec 2020</b>		<b>Year to 30 June 2020</b>	
<b>Movements in ordinary shares on issue</b>				
Opening	373,236,818	46,716,896	2,543,277,658	45,574,507
Shares issued for cash	174,906,993	2,625,105	470,338,031	827,547
Share issue costs	-	(216,182)	-	(96,762)
Shares issued in satisfaction of debt	32,803,568	1,081,320	64,260,012	90,000
Shares issued in lieu of consulting fees	-	-	117,678,247	136,604
Shares issued as introductory fee for business transaction	-	-	15,000,000	15,000
Shares issued as partial acquisition of investment	-	-	150,000,000	150,000
Shares issued as director remuneration	-	-	20,000,000	20,000
Reduction in shares from a 1 for 10 share consolidation	-	-	(3,007,317,130)	-
Closing	<u>580,947,379</u>	<u>50,207,139</u>	<u>373,236,818</u>	<u>46,716,896</u>

32,803,568 shares and 16,401,610 free attaching options were issued as part of a Rights Issue to settle amounts owing to directors, their related parties, and a former director with a carrying value of \$492,054.

**Notes to the Financial Statements for the half-year ended 31 December 2020**  
**BPH Energy Ltd and its controlled entities**

**5. CONTRIBUTED EQUITY (continued)**

Fully paid ordinary shares carry one vote per share and carry the right to dividends. The Company has no authorised capital and the issued shares do not have a par value.

300,000 share options with an exercise price \$0.02 per share were exercised during the period for cash proceeds of \$6,000. No options were exercised during the prior reporting period. 200,000 share options with an exercise price of \$0.20 per share expired unexercised during the period.

103,705,281 free attaching listed share options with an exercise price of \$0.05 per share and an expiry date of 29 July 2022 were issued during the period to participants in a rights issue and share placements. 2,000,000 listed share options on the same terms were issued as a fee to the lead manager of a share placement.

The fair value of shares granted in settlement of debt is estimated as at the date of issue. The following table lists the inputs:

Issue date	28 August 2020	21 December 2020
Number of shares	16,701,222	16,102,347
Share price at issue	\$0.031	\$0.035
Issue price	\$0.015	\$0.015
Fair value	\$517,738	\$563,582

These shares were issued in settlement of debt under a non-renounceable Rights Issue on the same terms as all other shareholders.

The fair value of options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Issue date	28 August 2020 <sup>1</sup>	18 December 2020 <sup>2</sup>	21 December 2020 <sup>1</sup>
Number of options	8,350,611	2,000,000	8,050,999
Share price at grant date	\$0.031	\$0.026	\$0.035
Exercise price	\$0.05	\$0.05	\$0.05
Expected volatility	100%	100%	100%
Expected life	1.9 years	2 years	1.6 years
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	2.5%	2.5%	2.5%
Fair value at grant date	\$104,418	\$19,384	\$109,314

<sup>1</sup> These were free attaching options attaching to shares issued under a non-renounceable Rights Issue in settlement of debt

<sup>2</sup> These options were a fee to the lead manager of a July 2020 share placement and form part of the costs of issuing equity

**6. CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	
	<b>31 December 2020(\$)</b>	<b>30 June 2020(\$)</b>
Cash and cash equivalents:		
Cash at bank and in hand from continuing operations	2,351,331	257,739
	<u>2,351,331</u>	<u>257,739</u>

## **7. EVENTS SUBSEQUENT TO REPORTING DATE**

On 3 February 2021 the Company announced a significant share placement of 69,230,769 fully paid ordinary shares at an issue price of \$0.13 per share to sophisticated and professional investors to raise \$9 million. \$7 million of the placement was managed by Everblu Capital (**Lead Manager**) who will receive a fee of 6% of the funds raised together with 6 million share options with an exercise price of \$0.26 per share and an expiry date of 8 February 2023. A further \$1.5 million was placed by 62 Capital who will receive a fee of 6% of the funds raised together with 1,285,714 share options with an exercise price of \$0.26 per share and an expiry date of 8 February 2023. An amount of \$500,000 was placed by Grandbridge Securities Pty Ltd who will receive a fee of 6% of the funds raised.

In addition 5,300,000 unlisted share options with an exercise price of \$0.02 per share have been exercised for cash proceeds of \$106,000, together with 9,090,984 listed share options with an exercise price of \$0.05 per share for cash proceeds of \$454,549.

On 12 January 2021 the Company announced Advent Energy Limited's subsidiary Asset Energy Limited had signed a Preliminary Well Services Agreement (**Agreement**) with Add Energy. Under the Agreement Add Energy will initiate a review of rig availability and engagement terms for the Baleen well program. Add Energy will also develop a scope of supply for regulatory and environmental compliance and review the drilling campaign schedule including a review of the program for geosequestration drilling research as part of the Baleen drill project.

Investee Advent Energy Ltd has on behalf of the PEP11 joint venture submitted to the National Offshore Petroleum Titles Administrator (NOPTA) a further application to extend the current PEP11 permit offshore NSW. The application comprises a 24-month suspension of the Permit Year 4 work program commitments, with a corresponding 24-month extension of the current permit term. This application was accepted for processing by NOPTA on the 4 February 2021.

On 22 January 2021 the Company announced the issuance to investee Cortical Dynamics Limited of European Patent Number 2088924 "Neurodiagnostic Monitoring and display System" in Belgium, France, Germany and United Kingdom. In addition, the appointment of Jamie Stanistreet to the Cortical Dynamics Advisory Committee was announced. From 2001-2018 Jamie was the Managing Director and Vice President of Medtronic Aust /NZ. Medtronic is currently ranked as the world's largest medical device company. Under his tenure Medtronic revenue grew 10-fold, and he managed over 950 employees. Medtronic's focus on Medical devices includes Cardiology, Spine, Surgery, Brain Modulation, ENT, Pain, Stroke & Diabetes. He was a member of the APAC Leadership Team. Jamie also served as Vice Chairman with the Medical Technology Association of Australia for several years. Jamie has over 40 years' experience in the Medical Device industry and is an accountant by trade. He was finalist in the CEO Magazine Executive of the year award 2014 - 2015 and won the Medical Technology Association of Australia inaugural Outstanding Achievement Award 2013. Jamie's experience, connections and knowledge will be invaluable to the commercial development of Cortical Dynamics.

There have not been other any matters or circumstance that have arisen since the end of the period, 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.

**Notes to the Financial Statements for the half-year ended 31 December 2020**  
**BPH Energy Ltd and its controlled entities**

**8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

	Consolidated	
	31 December 2020 (\$)	30 June 2020 (\$)
Molecular Discovery Systems Ltd	411,920	420,731
Molecular Discovery Systems Ltd - Impairment provision	(411,920)	(420,731)
Advent Energy Limited	2,107,443	2,153,304
	<u>2,107,443</u>	<u>2,153,304</u>

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	
		%	
		December 2020	June 2020
Molecular Discovery Systems ("MDS")	Australia	20%	20%
Advent Energy Limited ("Advent")	Australia	22.2%	22.6%

**Consolidated**

	Advent		MDS	
	Half Year To		Half Year To	
	31 December 2020(\$) Unaudited	31 December 2019 (\$)	31 December 2020(\$) Unaudited	31 December 2019 (\$)
Revenue	36	-	-	-
(Loss) / profit for the period	(206,954)	6,578,376	(44,058)	(36,622)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>(206,954)</u>	<u>6,578,376</u>	<u>(44,058)</u>	<u>(36,622)</u>

Advent 2019 numbers are from 6 August 2019

	Advent		MDS	
	31 December 2020(\$) Unaudited	30 June 2020 (\$)	31 December 2020(\$) Unaudited	30 June 2020 (\$)
	Current assets	881,059	847,611	2,252
Non-current assets	14,081,757	14,060,190	-	-
Current liabilities	316,034	184,641	917,669	908,747
Non-current liabilities	4,886,822	4,824,343	749,608	717,660
Net assets	<u>9,759,960</u>	<u>9,818,897</u>	<u>(1,665,025)</u>	<u>(1,625,398)</u>

**Notes to the Financial Statements for the half-year ended 31 December 2020**  
**BPH Energy Ltd and its controlled entities**

**8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (continued)**

	Consolidated			
	Advent		MDS	
	31 December 2020(\$)	30 June 2020 (\$)	31 December 2020(\$)	30 June 2020 (\$)
Share of the group's ownership interest in associate	2,107,443	2,153,304	(333,005)	(325,080)
Goodwill	-	-	1,487,291	1,487,291
Other adjustments	-	-	(1,154,286)	(1,162,211)
Carrying value of the group's interest in associate	2,107,443	2,153,304	-	-
Opening balance 1 July	2,153,304	-	-	436,541
Reclassification of fair value of investment	-	2,006,000	-	-
Conversion of debt to equity	-	162,287	-	-
Share of associates (loss) after impairment recognition	(45,861)	(14,983)	-	(436,541)
Closing balance	2,107,443	2,153,304	-	-

Advent's 100% subsidiary company, Asset Energy Ltd, has submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to enable the drilling of the Baleen drill target in the PEP11 permit offshore NSW. The application to NOPTA includes the extension of the permit title for up to two years to enable the drilling and includes an application for the removal of the requirement for a 500 sq. km 3D seismic program.

The NSW Deputy Premier has stated that he has provided a response to the Federal Minister for Resources, Hon. Keith Pitt MP, in his role as the Joint Authority under the relevant legislation, opposing the application. Senator Pitt, who holds the final decision making authority in respect of the application, has been quoted that his 'preference for the decision on the permit extension to be made soon'. Senator Pitt has also been quoted as confirming 'that under the provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006, the existing permit will continue until a decision is made'.

Advent is continually seeking and reviewing potential sources of both equity and debt funding. On 30 December 2020 Advent lodged an Offer Information Statement with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of \$0.05 per Share to raise up to \$6,525,108. It is proposed that the closing date of the Offer is 5:00pm (WST) on 19 March 2021. The Directors reserve the right to extend this date without notice.

In addition, subsequent to period end the Company has raised \$9 million in a share placement of which \$5.75 million has been earmarked for investment in Advent to progress well planning, engineering and environmental approvals for drilling at the Baleen drill target in the PEP11 offshore permit in NSW.

## Notes to the Financial Statements for the half-year ended 31 December 2020 BPH Energy Ltd and its controlled entities

### 8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (continued)

Should the PEP 11 application be approved the Advent group will have \$18,225,000 in capital commitments over the next 5 years. The BPH directors are confident that a suitable outcome will be achieved however there is no certainty at this stage of further funding being made available. Asset Energy Pty Ltd has invested over \$25 million in the PEP11 permit in recent history and, along with its JV partner Bounty Oil and Gas NL, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for each of PEP11 and RL1 each of these permits are at risk.

Given the application for extension on PEP11 has not been approved at the date of this half-year financial report here remains a material uncertainty over the carrying value of the consolidated entity's carrying value of its investment in Advent.

On 19 September 2019 the Company announced that Advent has been granted a renewal of Retention Licence 1 (RL1) in the Northern Territory by the NT Department of Primary Industry and Resources for a five-year term concluding in July 2023. Advent, through its wholly owned subsidiary Onshore Energy Pty Ltd (Onshore), holds a 100 % interest in RL1 and is operator of the Retention Licence.

Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department (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 is following. Onshore has lodged an appeal against this decision with the State Administrative Tribunal (SAT).

### 9. RELATED PARTY TRANSACTIONS

- a) The consolidated entity issued the following securities to directors or their associated entities under a rights issue and rights issue shortfall (subsequent to shareholder approval) to settle the following associated debts for accrued fees:

Director	Number of Shares <sup>2</sup>	Debt Extinguished	Share based Payment Expense <sup>3</sup>
David Breeze <sup>1</sup>	24,242,902	\$363,644	\$589,174
Charles Maling	2,925,799	\$43,887	\$74,484
Tony Huston	2,933,069	\$43,996	\$67,428

<sup>1</sup> These include shares issued to Grandbridge Limited, a Company of which Mr Breeze is Managing Director

<sup>2</sup> The issue of these shares included one free attaching option for every two shares issued with an exercise price of \$0.05 per share and an expiry date of 29 July 2022

<sup>3</sup> Given the securities were 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-Scholes 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.

- b) Grandbridge Limited, a Company of which Mr Breeze is Managing Director, charged the Company \$64,320 in service fees during the period.

Other than the above there have been no material related party transactions during the period.

**Notes to the Financial Statements for the half-year ended 31 December 2020**  
**BPH Energy Ltd and its controlled entities**

**10. FINANCIAL ASSETS**

	<b>Consolidated</b>	
	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
<i>Current</i>		
Secured loans to other entities (interest free):		
Advent Energy Ltd	29,760	6,760
Cortical Dynamics Limited	-	14,582
Investments in listed entities		
MEC Resources Ltd (Level 1)	22,222	22,222
	<u>51,982</u>	<u>43,564</u>
<i>Non - current</i>		
Financial assets at fair value:		
Investments in unlisted entities - Cortical Dynamics Limited (Level 2)	3,455,378	3,455,378
	<u>3,455,378</u>	<u>3,455,378</u>
Loan receivables are stated net of the following provisions:		
Molecular Discovery Systems Limited		
Gross receivable	1,403,343	1,358,895
Less provision	<u>(1,403,343)</u>	<u>(1,358,895)</u>
	<u>-</u>	<u>-</u>

The Company has an investment in Patagonia Genetics Limited with a cost base of \$250,000 and a fair value of \$Nil (30 June 2020: \$Nil).

An expected credit loss provision \$44,448 was recognised during the half-year on the loan with Molecular Discovery Systems Limited.

**11. FINANCIAL INSTRUMENTS**

The directors consider that the carrying value of the financial assets and liabilities as recognised in the financial statements approximate their fair values.

**12. CONTINGENT LIABILITIES**

The Company is party to a Writ of summons commenced in the District Court of Western Australia in which former directors Goh Hock and Deborah Ambrosini are claiming unpaid directors' fees from the Company. The Company disputes this position and is defending such claims.

The consolidated entity has no other contingent assets or liabilities at period end.

## Directors' Declaration BPH Energy Ltd and its controlled entities

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In the opinion of the directors the Company:

(a) the financial statements and notes as set out on pages 5 to 17 are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



D Breeze  
Executive Chairman  
Perth, 25 February 2021

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of BPH Energy Limited

### **Report on the Condensed Half-Year Financial Report**

#### *Conclusion*

We have reviewed the accompanying half-year financial report of BPH Energy Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Emphasis of Matter - Material uncertainty related to the carrying value of the investment in Advent Energy Limited*

We draw attention to Note 8 in the financial report, which indicates that a material uncertainty exists in relation to the consolidated entity's ability to realise the carrying value of its investment in Advent Energy Limited and subsidiaries in the ordinary course of business. Our conclusion is not modified in respect of this matter.

#### *Directors' responsibility for the half-year financial report*

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

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: [mailbox@hlbwa.com.au](mailto:mailbox@hlbwa.com.au)

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

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**25 February 2021**



**L Di Giallonardo**  
**Partner**