



26 April 2021

Companies Announcements Office
ASX Limited
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

MARCH 2021 QUARTER OPERATIONS REPORT

Significant activities in the Company's and its investees' activities during the March 2021 quarter were as follows:

Equity

The Company issued the following securities during the period:

- 5,300,000 fully paid ordinary shares in the Company on the exercise of the same number of options with an exercise price of \$0.02 per share for cash proceeds of \$106,000
- 9,440,741 fully paid ordinary shares in the Company on the exercise of the same number of options with an exercise price of \$0.05 per share for cash proceeds of \$472,037
- 69,230,769 fully paid ordinary shares in the Company as a share placement at \$0.13 per share for cash proceeds of \$9 million. \$7 million of the placement was managed by Everblu Capital (Lead Manager) who received 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 received 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 \$0.5 million was placed by related party Grandbridge Securities Pty Ltd who received a fee of 6% of these funds raised. The proceeds of the placement will be used by BPH primarily to invest in Advent Energy Limited (Advent). The funds proposed to be invested by BPH will be used by Advent to progress well planning, engineering and environmental approvals for drilling at the Baleen drill target in the PEP11 offshore permit in NSW. It is planned that approximately \$5.75 million of the capital raised will be used for this purpose. In addition, the Company expects to use \$0.5 million of the proceeds to increase its shareholding in Cortical Dynamics Limited (Cortical) from 16% to 18% to enable it to further develop its Brain Anesthesia Response Monitor (BARM).

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 made an application to NOPTA to change the current Permit conditions. The current permit expiry date is in February 2021. The permit remains in place during this review period. 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. NOPTA has confirmed that this application is now in the final decision phase.

On 5 February 2021 BPH advised that investee Advent has on behalf of the PEP11 joint venture submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to suspend and extend the PEP11 permit offshore NSW. The application has been made under the COVID-19 -Work Bid Exploration Permits announcement released by the Federal Government on 20 April 2020. In that release the Government recognised that the COVID-19 pandemic was having a significant impact on the offshore petroleum sector and that additional flexibility would be required to assist titleholders to manage the COVID -19 crisis. The Joint Authority confirmed in that release that it regarded the COVID-19 pandemic as a force majeure event. The application for a 24 month suspension of the Permit Year 4 work program commitments, with a corresponding 24 month extension of the permit term and was accepted for processing by NOPTA on 4 Feb 2021. This application was lodged to ensure the company is not in breach of the Year 4 PEP11 work program and expenditure commitments. BPH does not foresee this recent application interfering with the NOPTA application to extend the permit terms for PEP11.

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 CO2 emissions) in PEP11. CCS can capture CO2 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 CO2 storage may be feasible in the offshore Sydney Basin.

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 NSW. Second, through its plans to explore for opportunities in offshore NSW for CCS, a key clean energy technology. The significance of the carbon storage objective in addition to gas has been highlighted by the report from The Australian Financial Review (7 April 2021) "Carbon prices tipped to surge" which references dramatic action in Europe's carbon markets with "carbon prices almost doubling in the last four months from Euro 23 (A\$35) a tonne in November 2020 to Euro 41 (A\$62) in March 2021 as more ambitious (carbon) markets aligned with net zero emissions goals to drive prices higher."

Advent has signed a Preliminary Well Services Agreement (Agreement) with Add Energy (<https://addenergy.no>). 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. Add Energy provides drilling and well engineering specialized consultancy services and solutions to the energy industry on a global scale, including well design and environmental services. Add Energy is headquartered in Stavanger, Norway and operates in every region of the world from 15 locations including Europe, the Middle East, the Americas and Australia.

Add Energy will deliver phased approach services to Advent Energy for the preparation and drilling of the Baleen Well PEP11. In the first stage of the phased approach, Add Energy will provide technical support in the following areas:

- Review of current well design documentation.
- Develop a suitable well design and cost estimates.
- Develop drilling schedule and define a ready to drill tentative window.

The initial report received from Add Energy documents the Basis of Well Design (BOWD) and rationale for design of the well, the well cost compilation and the project schedule. The report addresses the revised drill target on the Baleen prospect initially announced with total depth of 2,150 metres on seismic data line B4-18. As advised Advent now intends, subject to approvals and funding, to undertake deeper drilling to also undertake evaluation of the Offshore Sydney Basin for carbon sequestration (storage). This has resulted in a revised specification of a well to target early Permian sandstones for both hydrocarbon and carbon sequestration potential with a revised total depth being set at 3,150 m.

Add Energy has also commissioned the Xodus Group to undertake a preliminary environmental screening assessment of the proposed Baleen well activity. Xodus Group are a leading global energy environmental consultancy with a strong track record in the Australian offshore sector where they are subject matter experts in environmental impact assessment and regulatory approvals. This will be aided by the pre-existing environmental information which exists from the prior technical work in the licence including the Environmental Plan which was accepted by the authorities for a 2D Seismic survey which was commissioned by Advent and carried out in 2018. The screening will identify the work required to undertake an environmental impact assessment to support the required approvals. The aims of the preliminary environmental impact assessment are to:

1. Produce a detailed summary of required technical inputs.
2. Produce a detailed summary of required environmental inputs.
3. Outline a proposed approach for stakeholder consultation; and
4. Identify key controls potentially required to manage the activity

Advent has appointed Mr Andrew Hogan as Contracts Manager for its PEP 11 Baleen well project in the Offshore Sydney Basin. Mr Hogan holds geoscience degrees from Trinity College Dublin and National University of Ireland, Galway and comes with over 30 years of Operational and Commercial experience in the upstream sector of the Energy industry. Prior to relocating to Perth in 2009 he spent 18 years based in Aberdeen working in the UK sector of the North Sea. He is well known in the Drilling and Completion community across Australia and New Zealand, having spent 24 years with one of the major oilfield Service Companies and 5 years with a major global offshore Drilling Contractor and will bring his experience to bear to assist and advise the board of Advent

Energy in the procurement of key equipment and services for the safe and efficient drilling of the Baleen well in PEP11.

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 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).

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 (5 cents) per Share to raise up to \$6,525,108. The Directors have extended the closing date of the Offer to 7 May 2021. The Offer is partially underwritten by related party Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 517246) up to the amount of \$1 million. Grandbridge Securities Pty Ltd is also Lead Manager to the Offer.

Cortical Dynamics Limited

Cortical announced the issuance of European Patent Number 2088924 "Neurodiagnostic Monitoring and display System" in Belgium, France, Germany and United Kingdom. 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 six patent families and 26 granted patents. Currently, Cortical has patents awarded in Australia, New Zealand, Japan, the People's Republic of China, Europe and the United States.

Cortical also confirmed the appointment of Jamie Stanistreet to the Cortical Dynamics Advisory Committee. 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.

Cortical also announced that its "Project Analgesia Investigation" BARM has been accepted by the Medical Device Partnering Program (MDPP) of Flinders University. Led by Professor Karen Reynolds. The MDPP has a strong track record of research excellence and commercialisation experience. The MDPP leverages the capacity of their research organisation, the Medical Device Research Institute (MDRI), and facilitates partnerships across industry and government connecting the MedTech ecosystem and turning ideas into proven concepts. It is supported by the Marshall Liberal Government through the Department for Innovation and Skills, and nationally through MTPConnect's \$32 million Researcher Exchange and Development within Industry (REDI) initiative made possible by the Medical Research Future Fund. The Ideas Incubator provides successful

applicants with 250 hours of research and development assistance, as well as 30 hours market intelligence, furthering products in medical device development pipeline. At the end of the project, all results, data, prototypes and any generated intellectual property are released unencumbered to the applicant with future steps required to commercialise the device. The focus of the collaboration will be further investigation of the Cortical Input component (CI or pain) of the BARM technology.

Cortical raised \$80,000 cash in the quarter by the issue of 640,000 shares at 12.5 cents per share to BPH Energy Limited.

Item 1 and 2 details of payments to / receipts from related parties (Appendix 4C)

Line 6.1: \$36,000 from the payment of management fees to Grandbridge Limited and \$19,000 paid to a director as remuneration.

Line 6.2: Loans of \$14,000 to Molecular Discovery Systems Limited, \$270,000 to Advent Energy Limited, and \$1,200 to Diagnostic Array Systems Pty Ltd.

Authorised by

A handwritten signature in black ink, appearing to read 'D. Breeze' with a stylized flourish at the end.

David Breeze
Chairman