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Companies Announcements Office  
ASX Limited  
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SYDNEY NSW 2000

## REVISED MARCH 2024 QUARTER ("QUARTER") OPERATIONS REPORT

### **Clean Hydrogen Technologies**

On 2 August 2022 BPH announced 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 "Vendor" or "Borrower"), BPH and its investee Advent Energy Ltd ("Advent" or "Lender"), 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).

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 completed, 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.

The Company notes that as at the date of this Quarterly Report, 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 Conversion).

The ASX Listings Committee ('LC') considered the application of Listing Rule 10.1 to the proposed Debt Conversion. . The LC resolved that ASX would exercise its discretion such that Listing Rule 10.1 applies to the Debt Conversion.

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 Clean Hydrogen 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 Debt Conversion under the Loan Conversion Agreement dated 10 October 2023 that has been executed between itself, Advent and Clean Hydrogen. The Company is in the process of preparing a notice of meeting. The Company anticipates that the shareholder meeting to approve the Debt Conversion will be held in or about July 2024.

For clarity, BPH will not and has not increased its shareholding in Advent as a result of the Debt Conversion.

Clean Hydrogen have issued 760 share options to BPH and 190 share options to Advent, 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. During the Quarter BPH exercised 42 of these options by paying Clean Hydrogen a total exercise price of US\$126,000.

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.

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 CO<sub>2</sub> emissions from the core process since the carbon becomes a solid carbon composite product, thus rendering natural gas a clean (no CO<sub>2</sub> 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 CO<sub>2</sub> 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.

### *Capital*

During the period:

- On 9 February 2024 the Company announced a Placement ("Placement") to raise \$2.25 million. The final number of securities issued under the Placement were 69,183,942 fully paid ordinary shares at an issue price of \$0.033 per share; and 34,591,979 listed options with an exercise price of \$0.03 each and expiry 30 September 2024. The 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: (i) \$1.71 million – funding for exploration and development of oil and gas

investments. (ii) \$0.3 million – for working capital, including the costs of the offer; and (iii) \$0.2 million – funding for Cortical Dynamics. In addition, a total of 8,250,000 listed options with an exercise price of \$0.03 each and expiry 30 September 2024 (BHPOB) were issued to the joint Lead Managers (EverBlu and Sixty-Two Capital) for the Placement.

- 2,435,382 share options with an exercise price of \$0.03 per option were exercised
- 2,000 Cleansing Shares and 1,000 Cleansing Options were issued

Significant activities by the Company's investees' during the March 2024 quarter were as follows:

**Advent Energy Limited ("Advent") (BPH 35.8% direct interest)**

*PEP 11 Permit*

Advent Energy Limited's (BPH 35.8% direct interest) 100% subsidiary Asset Energy Pty Ltd is a participant in the PEP11 Joint Venture with partner Bounty Oil and Gas NL (ASX:BUY). PEP 11 interests are:

Advent Energy 85 % / Bounty Oil and Gas 15%

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. This application follows from the fact that in February 2023 a decision by the previous Commonwealth-NSW 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.

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

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 the first half of 2024.

On 6 February 2024 the New South Wales (NSW) government issued a media release saying they had given notice to "introduce legislation that will prohibit seabed 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 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 Energy (through Asset Energy Pty Ltd) 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."*

We note 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). We note 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.

Offshore gas exploration in Australia has been undertaken safely and environmentally responsibly for more than 50 years.

The fact remains that NSW and Australia more broadly face a gas supply shortfall within the next four years, and gas will play a vital role in the clean energy transition.

PEP-11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP11 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).

#### **Cortical Dynamics Limited ("Cortical") (BPH 16.4% direct interest)**

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.

There were no significant activities in Cortical to report during the Quarter.

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

Line 6.1 outflow of \$38,000: \$19,470 paid to directors as remuneration and net \$18,876 fees paid to Grandbridge Limited.

Line 6.2 outflow of \$407,000: Loans to the following companies:

Advent Energy Limited \$485,000 paid  
Cortical Dynamics Limited: \$80,000 received  
Grandbridge Limited: \$2,000 paid

Authorised by

A handwritten signature in black ink, appearing to read 'D. Breeze'.

David Breeze  
Chairman