

Top End Energy Limited

ABN 73 650 478 774

Interim Report - 31 December 2024

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Directors

Mr Patrick Burke - Executive Chair
Mr Emmanuel Correia – Non-Executive Director
Mr Andrew Somoff - Non-Executive Director

Joint Company Secretaries

Ms Michelle Kennedy
Ms Kelly Moore

Registered office

Level 2
10 Outram Street
West Perth, WA 6005

Share register

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
Ph: 1300 288 664
www.automic.com.au

Auditor

BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
15 Milligan Street
Perth WA 6000

Stock exchange listing

Top End Energy Limited shares are listed on the Australian Securities Exchange
(ASX code: TEE, TEE0)

Website

www.topendenergy.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity' or the 'Group') consisting of Top End Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

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

- Mr Patrick Burke – Executive Chair (appointed Non-Executive Director on 2 October 2024 and subsequently appointed as Executive Chair on 4 December 2024)
- Mr Emmanuel Correia – Non-Executive Director (previously Non-Executive Chairman, appointed as Non-Executive Director on 4 December 2024)
- Mr Andrew Somoff - Non-Executive Director (appointed 30 August 2024)
- Mr Oliver Oxenbridge – Managing Director (resigned 11 October 2024)
- Mr Richard Lampe - Non-Executive Director (resigned 2 October 2024)
- Dr Michael Fischer - Non-Executive Director (resigned 2 October 2024)

Review of operations

The loss for the Consolidated entity after providing for income tax amounted to \$870,820 (31 December 2023: \$1,069,648). As at 31 December 2024, the Company has cash reserves of \$2,758,937 (30 June 2024: \$2,721,947).

The following is a summary of the activities of the consolidated entity for the half-year ended 31 December 2024. It is recommended that this half-yearly report be read in conjunction with any public announcements made by the Company during this period.

Completion of NT Granted Acreage Acquisition

On 12 July 2024, the Company announced the completion of the transaction to acquire granted Northern Territory permits EP 144, EP 153 and EP 154 (the **Permits**) from wholly owned subsidiaries of Hancock Prospecting Pty Ltd (the **Vendors**), following satisfaction of the conditions present under the Share and Purchase Agreement. The consideration for the acquisition of the Permits is:

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

Board and Management Changes

On 30 August 2024, Mr Andrew Somoff was appointed as a Non-executive Director of the Company succeeding Mr Oliver Oxenbridge, Top End's inaugural Managing Director. After completing a handover period Mr Oxenbridge stepped down as a Director of the Company on 11 October 2024.

On 2 October 2024, the Company announced the appointment of Mr Burke as a Non-Executive Director of the Company and the retirement of Dr Mike Fischer and Mr Richard Lampe as Non-Executive Directors. On 4 December 2024, the Company announced the appointment of Mr Burke as Executive Chair and that Mr Correia had stepped down as Chairman and remains on the Board as a Non-Executive Director.

Acquisition of Serpentine Energy

On 4 December 2024, the Company announced it had entered into a binding conditional Share Purchase Agreement (**SPA**) to acquire 100% of Serpentine Energy Pty Ltd (**Serpentine**) and its wholly owned subsidiaries Serpentine Energy LLC and Downunder Ventures LLC (**Transaction**). This includes acquisition of 100% working interest in the Serpentine Natural Hydrogen Project.

One of the pre-conditions under the SPA included the Company raising not less than \$4m by way of a placement of Company Shares at an issue price of \$0.10 per share (**Placement**). Tranche 1 of the Placement was completed on 11 December 2024 using the Company's existing placement capacity, with 22,070,313 shares issued at \$0.10 per share raising \$2,207,031 (before costs).

Matters subsequent to the end of the period

Acquisition of Serpentine Energy

Following shareholder approval on 28 January 2025 and completion of all pre-conditions under the SPA, the acquisition of Serpentine was completed on 31 January 2025.

Under the terms of the Transaction, the Company has paid \$300,000 in cash to Serpentine and on 31 January 2025 issued 107,000,000 Shares and 26,750,000 Options to the major and minor vendors (**Vendors**). The Options have an exercise price of 15c and expire 3 years from the date of issue (**Options**).

In addition, the Company paid Inyati Capital Pty Ltd (**Inyati**) a facilitation fee of 15% in shares and options, for introducing the Transaction to the Company and facilitation services provided in respect of the Transaction. The facilitation fee has been satisfied by the issue of 16,500,000 Shares and 4,012,500 Options to Inyati (and/or its nominees) on 31 January 2025. Inyati is not a related party of the Company.

Of the Shares issued to the Vendors and Inyati, 25% are subject to a 3 month voluntary escrow, 25% are subject to a 6 month voluntary escrow, 25% are subject to a 12 month voluntary escrow and 25% are not be subject to escrow.

Subsequent to receiving Shareholder approval on 28 January 2025, Tranche 2 of the Placement was completed by the issue of 37,929,687 Tranche 2 shares on 3 February 2025, raising \$3,792,969 (before costs). The Placement was managed by Inyati who have received a 2% management fee and a 4% capital raising fee, based on gross proceeds. In addition, the Company has issued 8m Options to holders of AFSLs who assisted with the Placement.

On 31 January 2025, the Company issued 30,000,000 Performance Rights to Luke Velterop (Vice President, US Operations), upon entering a service agreement.

The Performance Rights will vest subject to the below milestones being achieved:

- 7,500,000 upon the Company reaching a lease holding of 25,000 acres at the Serpentine Natural Hydrogen Project (the Project), with all acres acquired post-completion of the Serpentine Transaction to be contiguous to existing leases and/or consistent with the Company's geological model, expiring two years from issue date
- 7,500,000 upon the Company reaching a share price of not less than \$0.25 or a market capitalisation of \$62,500,000 (in each case based on a 20-day VWAP), expiring two years from issue date
- 7,500,000 upon the drilling of an exploration well on acreage owned by the Company with recovery from a primary reservoir of a gas sample (through well test or downhole sampling tool) containing greater than 50% combined volume of hydrogen and helium, expiring three years from date of issue
- 7,500,000 upon the Company announcing that it has secured an off-take or downstream joint venture partner in relation to the US Hydrogen Operations, expiring five years from issue date

Subsequent to receiving Shareholder approval, on 31 January 2025 the Company issued 17,500,000 Options to Directors as part of the Transaction, with an additional 5,000,000 Options issued to Mr Burke as part of his appointment as Executive Chair on 4 December 2024.

On 7 February 2025, the Company applied for official quotation of the Options issued on 31 January 2025, with official quotation granted from the commencement of trading on Monday, 10 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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

Rounding off of amounts

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

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

On behalf of the Directors



Patrick Burke
Executive Chair

10 March 2025
Perth, Western Australia



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Australia

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

As lead auditor for the review of Top End Energy Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
10 March 2025

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Top End Energy Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



	Note	31 Dec 2024 \$	31 Dec 2023 restated ¹ \$
Revenue			
Other income		13,371	26,453
Expenses			
Professional fees		(224,123)	(171,548)
ASIC and ASX fees		(18,908)	(16,512)
Employee benefits expense		(63,822)	(101,375)
Director fees		(82,640)	(94,105)
Depreciation and amortisation expense		-	(22,500)
Insurance		(23,156)	(16,437)
Exploration expense		(290,029)	(393,255)
Share based payments expense		(13,023)	(97,201)
Other expenses		(166,380)	(183,097)
Finance costs		(2,110)	(71)
Loss before income tax expense		(870,820)	(1,069,648)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Top End Energy Limited		(870,820)	(1,069,648)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Top End Energy Limited		(870,820)	(1,069,648)
		Cents	Cents
Loss per share for loss attributable to the owners of Top End Energy Limited			
Basic and diluted loss per share	7	(0.97)	(1.54)
	7	(0.97)	(1.54)

¹Refer to note 3 for detailed information on restatement of comparatives.

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

FOR

	Note	31 Dec 2024 \$	30 Jun 2024 restated ¹ \$
Assets			
Current assets			
Cash and cash equivalents		2,758,937	2,721,947
Trade and other receivables		171,539	122,540
Prepayments		425,532	10,200
Total current assets		<u>3,356,008</u>	<u>2,854,687</u>
Non-current assets			
Exploration and evaluation	5	933,712	172,367
Total non-current assets		<u>933,712</u>	<u>172,367</u>
Total assets		<u>4,289,720</u>	<u>3,027,054</u>
Liabilities			
Current liabilities			
Trade and other payables		417,773	519,526
Borrowings		35,590	-
Provisions		107,882	164,701
Total current liabilities		<u>561,245</u>	<u>684,227</u>
Total liabilities		<u>561,246</u>	<u>684,227</u>
Net assets		<u>3,728,475</u>	<u>2,342,827</u>
Equity			
Issued capital	6	13,500,982	11,250,021
Reserves		930,142	999,635
Accumulated losses		(10,702,649)	(9,906,829)
Total equity		<u>3,728,475</u>	<u>2,342,827</u>

¹Refer to note 3 for information on restatement of comparatives.

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

Top End Energy Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	9,524,131	916,380	(6,437,130)	4,003,381
Adjustment for reclassification (note 3)	-	-	449,090	449,090
Balance at 1 July 2023 - restated ¹	9,524,131	916,380	(5,988,040)	4,452,471
Loss after income tax expense for the half-year	-	-	(1,069,648)	(1,069,648)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year restated ¹	-	-	(1,069,648)	(1,069,648)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 8)	-	97,201	-	97,201
Balance at 31 December 2023 restated ¹	<u>9,524,131</u>	<u>1,013,581</u>	<u>(7,057,688)</u>	<u>3,480,024</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	11,250,021	999,635	(9,906,829)	2,342,827
Loss after income tax expense for the half-year	-	-	(870,820)	(870,820)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(870,820)	(870,820)
<i>Transactions with owners in their capacity as owners:</i>				
Issued capital (note 6)	2,207,031	-	-	2,207,031
Transaction costs (note 6)	(173,070)	-	-	(173,070)
Share-based payments (note 8)	-	222,507	-	222,507
Transfer between classes of equity (notes 6 and 8)	217,000	(292,000)	75,000	-
Balance at 31 December 2024	<u>13,500,982</u>	<u>930,142</u>	<u>(10,702,649)</u>	<u>3,728,475</u>

¹Refer to note 3 for information on restatement of comparatives.

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

	Consolidated	
Note	31 Dec 2024	31 Dec 2023
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(753,535)	(586,261)
Payment for exploration and evaluation	(343,846)	(408,349)
Interest received	23,858	32,463
Interest and other finance costs paid	(2,110)	(71)
	<u>(1,075,633)</u>	<u>(962,218)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	5 (806,692)	(1,077,900)
Payment to acquire entities	(300,000)	-
	<u>(1,106,692)</u>	<u>(1,077,900)</u>
Cash flows from financing activities		
Proceeds from issue of shares	6 2,207,031	-
Placement funds received in advance	195,112	-
Share issue transaction costs	(159,102)	-
Repayment of borrowings	(23,726)	-
	<u>2,219,315</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	36,990	(2,040,118)
Cash and cash equivalents at the beginning of the financial half-year	2,721,947	3,625,570
Cash and cash equivalents at the end of the financial half-year	<u>2,758,937</u>	<u>1,585,452</u>

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

Note 1. General information

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Rounding off of amounts

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

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

Note 3. Restatement of comparatives

Certain comparative amounts have been re-presented to better reflect the nature of the financial position and performance of the Company, in particular, the restating of the comparative information to remove the allocation of the Group's losses to the non-controlling interests, being \$449,090 as at 31 December 2023. This amount is not considered to be material to the financial statements.

Note 4. Operating segments

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

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

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

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

Note 5. Exploration and evaluation

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Exploration and evaluation assets	<u>933,712</u>	<u>172,367</u>

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

Consolidated	\$
Balance at 1 July 2024	172,367
Expenditure during the half-year	<u>761,345</u>
Balance at 31 December 2024	<u>933,712</u>

Note 6. Issued capital

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>110,351,564</u>	<u>87,031,251</u>	<u>13,500,982</u>	<u>11,250,021</u>

Note 6. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	69,625,001		9,524,131
Issued capital - placement	6 March 2024	17,406,250	\$0.12	2,088,750
Share issue costs, net of tax				(362,860)
Balance	1 July 2024	87,031,251		11,250,021
Issued capital – exercise of vested Performance Rights (note 8)	20 November 2024	1,250,000		217,000
Issued capital - placement	11 December 2024	22,070,313	\$0.10	2,207,031
Share issue costs, net of tax				(173,070)
Balance	31 December 2024	<u>110,351,564</u>		<u>13,500,982</u>

Note 7. Earnings per share

	Consolidated 31 Dec 2024	31 Dec 2023
	\$	\$
Loss after income tax attributable to the owners of Top End Energy Limited	<u>(870,820)</u>	<u>(1,069,648)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	89,753,109	69,625,001
	Cents	Cents
Basic and diluted loss per share	(0.97)	(1.54)

Note 8. Share-based payments

Options

On 6 December 2024, 2,610,938 options were issued to brokers Inyati Fund Pty Ltd for the placement completed in February 2024. The options were issued on 2 December 2024 and approved at the AGM on 21 November 2024. The options are exercisable at \$0.25 expiring on 2 December 2027. The options were valued at \$209,483 using Black Scholes with the following valuation assumptions:

- Exercise price of \$0.25
- Volatility of 100%
- Implied life of 3 years
- Risk free rate of 4.07%
- Dividend yield of nil

Note 8. Share-based payments (continued)

Set out below are movements in options for the period ended 31 December 2024:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/07/2021	30/11/2025	\$0.30	2,500,000	-	-	-	2,500,000
06/07/2021	30/11/2025	\$0.30	15,000,000	-	-	-	15,000,000
03/09/2021	30/11/2025	\$0.30	5,000,000	-	-	-	5,000,000
24/03/2022	30/11/2025	\$0.30	500,000	-	-	-	500,000
24/03/2022	30/11/2025	\$0.30	3,800,000	-	-	-	3,800,000
06/12/2022	30/11/2025	\$0.30	500,000	-	-	-	500,000
27/02/2024	02/12/2027	\$0.25	-	2,610,938	-	-	2,610,938
			<u>27,300,000</u>	<u>2,610,938</u>	<u>-</u>	<u>-</u>	<u>29,910,938</u>

Performance rights

Set out below are movements in Performance Rights for the period ended 31 December 2024:

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable at the end of the year
01/09/2021	01/09/2026	2,250,000	-	(1,250,000)	(500,000)	500,000	-
04/12/2023	04/12/2025	750,000	-	-	(750,000)	-	-

Note 9. Related party transactions

Parent entity

Top End Energy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 12.

Transactions with related parties

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

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

- In the current period, Rowan Hall Pty Ltd, a company of which Mr Patrick Burke is a Director, charged the Company consulting fees of \$30,000 (31 December 2023: \$nil). There was no balance outstanding at period end (30 June 2024: \$nil).
- In the current period, Mr Patrick Burke charged the Company director fees of \$26,946 (31 December 2023: \$nil). There was \$17,779 outstanding at period end (30 June 2024: \$nil).
- In the current period, AllScope Energy Consultants Pty Ltd, a company of which Mr Andrew Somoff is a Director, charged the Company director fees of \$18,470 and Consulting fees \$102,570 (31 December 2023: \$nil). There was \$19,000 outstanding at period end (30 June 2024: \$nil).
- In the current period Cardrona Energy Pty Ltd, a company of which Mr Emmanuel Correia is a Director, charged the Company director fees of \$37,538 (31 December 2023: \$36,300). There was \$6,504 outstanding at period end (30 June 2024: \$6,050).

Note 9. Related party transactions (continued)

Terms and conditions

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

Loans to/from related parties

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

Note 10. Commitments

The Group does not have any significant commitments as at 31 December 2024 (31 December 2023: nil).

Note 11. Contingent liabilities

Territory Gas Project

The consideration for the acquisition of Territory Gas Pty Ltd included 6,500,000 deferred shares which are convertible into ordinary shares upon spudding of at least one well on the permits comprising the Territory Gas Project within four years of the Company acquiring the Project.

As at 31 December 2024, no deferred consideration has been recognised in relation to the deferred shares as at balance date there is insufficient reasonable grounds on which to assess the probability of the milestone being met.

Note 12. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2024 %	30 Jun 2024 %
Tomorrow Energy Corporation Pty Ltd	Australia	100.00%	100.00%
NT Territory Holdco Pty Ltd	Australia	100.00%	100.00%
Mcarthur Energy Pty Ltd	Australia	100.00%	100.00%

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

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest 31 Dec 2024 %	Ownership interest 30 Jun 2024 %	Ownership interest 31 Dec 2024 %	Ownership interest 30 Jun 2024 %
Territory Gas Pty Ltd	Australia	Exploration	57.68%	57.68%	42.32%	42.32%
NT Gas Aust Pty Ltd	Australia	Exploration	57.68%	57.68%	42.32%	42.32%
Territory Gas Aust Pty Ltd	Australia	Exploration	57.68%	57.68%	42.32%	42.32%

As the allocation of losses to the non-controlling interests may not be recuperable, the Group no longer recognises the Group's non-controlling interest as its share of net assets of the subsidiaries listed above. Accordingly, comparatives have been restated to enhance comparability. Refer to note 3 for further details.

Note 13. Events after the reporting period

Acquisition of Serpentine Energy

Following shareholder approval on 28 January 2025 and completion of all pre-conditions under the SPA, the acquisition of Serpentine was completed on 31 January 2025.

Under the terms of the Transaction, the Company has paid \$300,000 in cash to Serpentine and on 31 January 2025 issued 107,000,000 Shares and 26,750,000 Options to the major and minor vendors (**Vendors**). The Options have an exercise price of 15c and expire 3 years from the date of issue (**Options**).

In addition, the Company paid Inyati Capital Pty Ltd (**Inyati**) a facilitation fee of 15% in shares and options, for introducing the Transaction to the Company and facilitation services provided in respect of the Transaction. The facilitation fee has been satisfied by the issue of 16,500,000 Shares and 4,012,500 Options to Inyati (and/or its nominees) on 31 January 2025. Inyati is not a related party of the Company.

Of the Shares issued to the Vendors and Inyati, 25% are subject to a 3 month voluntary escrow, 25% are subject to a 6 month voluntary escrow, 25% are subject to a 12 month voluntary escrow and 25% are not be subject to escrow.

Subsequent to receiving Shareholder approval on 28 January 2025, Tranche 2 of the Placement was completed by the issue of 37,929,687 Tranche 2 shares on 3 February 2025, raising \$3,792,969 (before costs). The Placement was managed by Inyati who have received a 2% management fee and a 4% capital raising fee, based on gross proceeds. In addition, the Company has issued 8m Options to holders of AFSLs who assisted with the Placement.

On 31 January 2025, the Company issued 30,000,000 Performance Rights to Luke Velterop (Vice President, US Operations), upon entering a service agreement.

The Performance Rights will vest subject to the below milestones being achieved:

- 7,500,000 upon the Company reaching a lease holding of 25,000 acres at the Serpentine Natural Hydrogen Project (the Project), with all acres acquired post-completion of the Serpentine Transaction to be contiguous to existing leases and/or consistent with the Company's geological model, expiring two years from issue date
- 7,500,000 upon the Company reaching a share price of not less than \$0.25 or a market capitalisation of \$62,500,000 (in each case based on a 20-day VWAP), expiring two years from issue date
- 7,500,000 upon the drilling of an exploration well on acreage owned by the Company with recovery from a primary reservoir of a gas sample (through well test or downhole sampling tool) containing greater than 50% combined volume of hydrogen and helium, expiring three years from date of issue
- 7,500,000 upon the Company announcing that it has secured an off-take or downstream joint venture partner in relation to the US Hydrogen Operations, expiring five years from issue date

Subsequent to receiving Shareholder approval, on 31 January 2025 the Company issued 17,500,000 Options to Directors as part of the Transaction, with an additional 5,000,000 Options issued to Mr Burke as part of his appointment as Executive Chair on 4 December 2024.

On 7 February 2025, the Company applied for official quotation of the Options issued on 31 January 2025, with official quotation granted from the commencement of trading on Monday, 10 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Patrick Burke
Executive Chair

10 March 2025
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Top End Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Top End Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

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

Phillip Murdoch

Director

Perth, 10 March 2025