Bengal
ENERGY LTD.

Interim Condensed Consolidated Financial Statements

(Unaudited)

Three and Nine Months Ended December 31, 2022 and 2021

BENGAL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Thousands of Canadian dollars)

(unaudited)

As at	Notes	December 31 2022	March 31 2022
Assets			
Current assets:			
Cash and cash equivalents		$ 1,329	$ 5,413
Trade and other receivables		1,532	2,646
Prepaid expenses and deposits		712	658
		3,573	8,717
Exploration and evaluation assets	5	12,414	10,352
Property, plant and equipment	6	34,798	29,508
Total assets		$ 50,785	$ 48,577
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade and other payables		$ 2,994	$ 3,211
Current portion of lease liability		42	37
		3,036	3,248
Decommissioning and restoration liability	7	4,659	3,379
Lease liability		-	31
		7,695	6,658
Shareholders' equity:			
Share capital	8	118,796	118,796
Contributed surplus		8,081	8,015
Accumulated and other comprehensive loss		(1,480)	(1,078)
Deficit		(82,307)	(83,814)
		43,090	41,919
Total liabilities and shareholders' equity		$ 50,785	$ 48,577

Commitments (Note 16)

See accompanying notes to the interim condensed consolidated financial statements.

BENGAL ENERGY LTD.

INTERIMCONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Thousands of Canadian dollars, except per share amounts)

(unaudited)

	Notes	Three months ended December 31 2022	2021	Nine months ended December 31 2022	2021
Revenue					
Oil sales	10	$ 1,597	$ 1,845	$ 6,195	$ 5,276
Royalties		(165)	(111)	(441)	(317)
		1,432	1,734	5,754	4,959
Expenses					
General and administrative		675	708	2,093	1,760
Operating		779	645	2,380	2,275
Depletion and depreciation	6	251	263	762	816
Impairment	5	-	568	-	568
Share-based compensation		24	36	61	98
Loss (gain) on foreign exchange		14	(1)	(66)	1
		1,743	2,219	5,230	5,518
Other (income)/expense					
Other income	10	-	-	(1,093)	-
Finance expense	12	43	9	110	32
Net (loss) income		(354)	(494)	1,507	(591)
Exchange differences on translation of foreign operations		1,660	208	(402)	(1,319)
Comprehensive income (loss)		$ 1,306	$ (286)	$ 1,105	$ (1,910)
(Loss) Income per share - basic & diluted	11	$ (0.00)	$ (0.00)	0.00	$ (0.00)
Weighted average shares outstanding (000s) - basic	11	485,304	432,987	485,304	432,987
- diluted	11	485,304	432,987	486,719	432,987

See accompanying notes to the interim condensed consolidated financial statements.

BENGAL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of Canadian dollars)

(unaudited)

For the nine months ended December 31	**2022**	**2021**
Share capital		
Balance at beginning of period	$ 118,796	$ 114,636
Balance at end of period	$ 118,796	$ 114,636
Contributed surplus		
Balance at beginning of period	8,015	7,870
Share-based compensation - expensed	61	98
Share-based compensation – capitalized	5	5
Balance at end of period	8,081	7,973
Accumulated other comprehensive loss		
Balance at beginning of period	(1,078)	(336)
Exchange differences translation of foreign operations	(402)	(1,319)
Balance at end of period	(1,480)	(1,655)
Deficit		
Balance at beginning of period	(83,814)	(83,440)
Net income (loss)	1,507	(591)
Balance at end of period	(82,307)	(84,031)
Total shareholders' equity	$ 43,090	$ 36,923

See accompanying notes to the interim condensed consolidated financial statements.

BENGAL ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Thousands of Canadian dollars)

(unaudited)

		Three months ended December 31		Nine months ended December 31	
	Notes	**2022**	**2021**	**2022**	**2021**
Operating activities:					
Net (loss) income		$ (354)	$ (494)	$ 1,507	$ (591)
Add (deduct) non-cash items					
Depletion and amortization		251	263	762	816
Accretion on decommissioning and restoration liability		45	7	118	23
Share-based compensation		24	36	61	98
Impairment		-	568	-	568
Interest on lease liability		1	2	3	4
Unrealized foreign exchange gain		(2)	(1)	(32)	(1)
Funds (used in) from operations		(35)	381	2,419	917
Change in non-cash working capital	15	782	226	396	(519)
Net cash from operating activities		747	607	2,815	398
Investing activities:					
Exploration and evaluation expenditures	5	(198)	(633)	(2,167)	(643)
Property, plant and equipment expenditures	6	(1,518)	(759)	(5,153)	(1,535)
Change in non-cash working capital	15	387	348	419	606
Net cash used in investing activities		(1,329)	(1,044)	(6,901)	(1,572)
Financing activities:					
Lease payments		(10)	(9)	(29)	(27)
Net cash used in financing activities		(10)	(9)	(29)	(27)
Net decrease in cash and cash equivalents		(592)	(446)	(4,115)	(1,201)
Cash and cash equivalents, beginning of period		1,872	3,758	5,413	4,531
Impact of foreign exchange on cash and cash equivalents		49	5	31	(13)
Cash and cash equivalents, end of period		$ 1,329	$ 3,317	$ 1,329	$ 3,317

See accompanying notes to the interim condensed consolidated financial statements.

1. REPORTING ENTITY

Bengal Energy Ltd (the "Company" or "Bengal") is incorporated under the laws of the Province of Alberta and is involved in the exploration, development and production of oil and gas reserves in Australia. The interim condensed consolidated financial statements (the "financial statements") of the Company for the three and nine months ended December 31, 2022 and 2021 are comprised of the Company and its wholly-owned subsidiaries including Bengal Energy Australia (Pty) Ltd. ("Bengal Pty") and Bengal Energy International Inc., which are incorporated in Australia and Canada respectively. The Company conducts many of its activities jointly with others; these financial statements reflect only the Company's proportionate interest in such activities.

The Company has its registered office at 2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1 and its head and principal office at 1110, 715 5th Ave SW, Calgary, Alberta, Canada, T2P 2X6.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements.

These financial statements were approved and authorized for issuance by the Board of Directors on February 7, 2023.

The consolidated financial statements are prepared on a historical cost basis except as detailed in the accounting policies disclosed in the company's audited consolidated financial statements for the year ended March 31, 2022. The Company's presentation currency is Canadian dollars. The functional currency of the Canadian parent entity is Canadian dollars; the functional currency of the Australian subsidiary is Australian dollars.

Evolving Demand for Energy - Changing Regulation

Emission, carbon and other regulations impacting climate and climate related matter are dynamic and constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used are consistent with those of the previous financial year as described in Note 3 of the Company's consolidated financial statements for the year ended March 31, 2022.

4. MANAGEMENT JUDGMENTS AND ESTIMATES

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below.

Commodity prices have been materially impacted by COVID-19 pandemic, significant geopolitical conflicts and other factors outside of the Company's control.

The current volatile economic climate, including impacts on cost inflation and interest rates, may have significant adverse impacts on the Company, including material declines in revenue and cash flows or increase in cost of operations, and related impacts to working capital levels and/or debt balances, which may also have a direct impact on the Company's operating results and financial position. These and other factors may adversely affect the Company's liquidity and the Company's ability to generate income and cash flows to meet the Company's current and future obligations. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgements made by management in the preparation of the financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period.

A full list of the critical judgments in applying accounting policies and key sources of estimation uncertainty can be found in the Company's consolidated financial statements for the year ended March 31, 2022.

5. EXPLORATION AND EVALUATION ASSETS ("E&E ASSETS")

($000s)	
Balance, April 1, 2021	9,890
Additions	1,231
Impairment	(568)
Capitalized share-based compensation	4
Exchange adjustments	(205)
Balance, March 31, 2022	10,352
Additions	2,167
Capitalized share-based compensation	3
Exchange adjustments	(108)
Balance, December 31, 2022	12,414

A summary of E&E assets is shown in the table below:

($000s)	
ATP 732P – Tookoonooka	5,730
PL 303 – Barta Block Cuisinier (controlling permit ATP 752)	2,623
ATP 934 – Barrolka	1,972
Other	27
Balance, March 31, 2022	10,352

($000s)	
ATP 732P – Tookoonooka	7,680
PL 303 – Barta Block Cuisinier (controlling permit ATP 752)	2,594
ATP 934 – Barrolka	2,113
Other	27
Balance, December 31, 2022	12,414

Exploration and evaluation assets consist of the Company's exploration projects in Australia, which are pending the determination of proved or probable reserves. Costs primarily consist of acquisition costs, geological & geophysical work, seismic and drilling, and completion costs until the drilling of wells is complete and the results have been evaluated.

In December of 2021 the Company recorded $0.6 million of impairment associated with uneconomic drilling results in the ATP 752 Barta Block.

6. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

($000s)	**Petroleum and natural gas properties**	**Other assets**	**Right-of-use assets**	**Total**
Cost:				
Balance, April 1, 2021	50,780	344	143	51,267
Additions	3,089	2	-	3,091
Capitalized share-based compensation	6	-	-	6
Change in decommissioning and restoration liability	(59)	-	-	(59)
Exchange adjustments	(1,499)	-	-	(1,499)
Balance, March 31, 2022	52,317	346	143	52,806
Additions	5,151	2	-	5,153
Capitalized share-based compensation	2	-	-	2
Change in decommissioning and restoration liability	1,177	-	-	1,177
Exchange adjustments	(873)	(1)	-	(874)
Balance, December 31, 2022	57,774	347	143	58,264

($000s)	**Petroleum and natural gas properties**	**Other assets**	**Right-of-use assets**	**Total**
Accumulated depletion, depreciation and impairment losses:				
Balance, April 1, 2021	22,765	325	61	23,151
Depletion and depreciation	1,033	4	30	1,067
Exchange adjustments	(920)	-	-	(920)
Balance, March 31, 2022	22,878	329	91	23,298
Depletion and depreciation	737	3	22	762
Exchange adjustments	(594)	-	-	(594)
Balance, December 31, 2022	23,021	332	113	23,466

($000s)				
Net carrying amount:				
At March 31, 2022	29,439	17	52	29,508
At December 31, 2022	34,752	16	30	34,798

At December 31, 2022, there were no external or internal indicators of impairment. As a result, a quantitative impairment test was not performed.

During the nine months ended December 31, 2022, the Company capitalized $0.1 million general and administrative expense (2021 - $0.1 million).

The calculation of depletion for the three months ended December 31, 2022, included $61.5 million for estimated future development costs associated with proved and probable reserves in Australia (March 31, 2022 - $61.5 million).

7. DECOMMISSIONING AND RESTORATION LIABILITY

Changes to decommissioning and restoration obligations were as follows:

($000s)	
Balance, April 1, 2021	3,478
Change in estimate	(59)
Accretion	38
Exchange adjustments	(78)
Balance, March 31, 2022	3,379
Change in estimate	1,177
Accretion	118
Exchange adjustments	(15)
Balance, December 31, 2022	4,659

The Company's decommissioning liabilities result from ownership interests in petroleum and natural gas properties. The Company estimates the total unadjusted and uninflated cash flows required to settle its decommissioning and restoration costs at December 31, 2022 is approximately $3.3 million (March 31, 2022 – $3.4 million) which will be incurred between 2025 and 2059. An inflation factor of 6.00% (March 31, 2022 – 3.05%) and a risk-free discount rate of 4.00% (March 31, 2022 – 3.50%) have been applied to the decommissioning liability at December 31, 2022.

8. SHARE CAPITAL

Authorized:

Unlimited number of common shares with no par value.

Unlimited number of preferred shares, of which none have been issued.

Issued:

The following provides a continuity of share capital:

($000s)	**Number of common shares**	**Amount**
Balance at March 31, 2022 and December 31, 2022	485,304,215	118,796

9. SHARE-BASED COMPENSATION

The Company has a share option plan for directors, officers and employees of the Company whereby share options representing up to 10% of the issued and outstanding common shares can be granted by the Board of Directors. Share options are granted for a term of up to five years and vest one-third after the first year and one-third on each of the next two anniversary dates. The exercise price of each option equals the market price of the Company's common shares on the date of the grant.

Stock options granted under the plan can be exercised on a cashless basis, whereby the recipient receives a lesser amount of shares in lieu of paying the exercise price based on the deemed market price of the shares on the exercise date, and withholding taxes if the employee so elects.

A summary of stock option activity is presented below:

	Options	Weighted average exercise price
		$
Balance, March 31, 2022	12,445,000	0.08
Expired	(1,825,000)	0.10
Issued	300,000	0.11
Balance, December 31, 2022	10,920,000	0.08
Exercisable, December 31, 2022	3,540,000	0.08

10. REVENUE

Revenue from the sales of crude oil is based on the consideration specified in the Liquids Aggregation Agreement between the Buyers and Sellers. The Company recognizes revenue when it transfers control of the product to the Buyers, which is generally at the time the Buyers obtain legal title of the crude oil and when it is physically delivered to the pipeline at an estimated transaction price based on average US Brent price and is adjusted for quality and other factors specified in the Liquids Aggregation Agreement once the product is lifted and shipped to the end customer.

The transaction price as prescribed in the Liquids Aggregation Agreement is a variable price based on the benchmark US Brent commodity price index, and may be adjusted for quality, location, delivery method or other factors depending on the agreed upon terms of the contract. The amount of revenue recorded can vary depending on the grade, quality and quantity of crude oil transferred to the Buyers. Revenues are typically collected 60 days following delivery to Port Bonython. The Cuisinier Joint Venture has recently negotiated a revised Liquids Aggregation Agreement with corresponding transportation agreements effective July 1, 2022 through to December 31, 2023.

During the three and nine months ended December 31, 2022, revenue includes negative pricing adjustments on pipeline oil of $478 and $171 respectively (2021 - $159 and positive $9), based on the pricing change during the periods.

11. PER SHARE AMOUNTS

Income (loss) per share is calculated based on net income (loss) and the weighted-average number of common shares outstanding.

($000s except per share amounts)	Three months ended December 31		Nine months ended December 31	
	2022	2021	2022	2021
Net Income (loss) for the period	(354)	(494)	1,507	(591)
Weighted average number of				
Common shares - basic (000s)	485,304	432,987	485,304	432,987
- diluted (000s)	485,304	432,987	486,719	432,987
Basic and diluted income (loss) per share	(0.00)	(0.00)	0.00	(0.00)

For the three and nine months ended December 31, 2022, there were 10,920,000 and 1,350,000 (2021 – 12,625,000 and 12,625,000) out of the money options considered anti-dilutive.

12. FINANCE EXPENSE

($000s)	Three months ended December 31		Nine months ended December 31	
	2022	2021	2022	2021
Interest income	(3)	-	(15)	-
Accretion on decommissioning				
and restoration liability	45	7	118	23
Interest on lease liability	1	2	3	4
Interest – other	-	-	4	5
	43	9	110	32

13. FINANCIAL RISK MANAGEMENT

The Company has exposure to credit, liquidity and market risk from its use of financial instruments. This note presents information about the Company's exposure to these risks, the Company's objectives and policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for identifying the principal risks of the Company and ensuring the policies and procedures are in place to appropriately manage these risks. Bengal's management identifies, analyzes and monitors risks and considers the implication of the market condition in relation to the Company's activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Bengal's cash calls paid to joint venture partners and receivables from petroleum and natural gas marketers. As at December 31, 2022, Bengal's receivables consisted of $1.4 million (March 31, 2022 - $2.6 million) from joint venture partners (all of which has been collected subsequent to period end) and $0.1(March 31, 2022 - $0.1) of other receivables.

Bengal has a Liquids Aggregation Agreement with a purchaser and has not experienced any collection problems to date.

Cash calls paid to Bengal's Australian joint venture partners are held in trust accounts by the partner until spent. Bengal attempts to mitigate the risk from joint venture receivables by approving significant spending by partners prior to expenditure and only paying the cash call shortly before the funds are to be spent.

The Company had no accounts considered past due at December 31, 2022 (March 31, 2022 - $nil). Past due is considered greater than 90 days outstanding.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. Bengal establishes an allowance for doubtful accounts as determined by management based on their assessment of collection. Bengal does not have an allowance for doubtful accounts as at December 31, 2022 (March 31, 2022 – $nil) and did not provide for any doubtful accounts, nor was it required to write-off any receivables during the three and nine months ended December 31, 2022.

Cash and cash equivalents, when held, consist of cash bank balances and guaranteed investment certificates redeemable at any time. Bengal manages the credit exposure related to guaranteed investments by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset-backed commercial paper.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, including work commitments, as they are due. Bengal prepares an annual budget and updates forecasts for operating, financing and investing activities on an ongoing basis to ensure it will have sufficient liquidity to meet its liabilities when due.

Bengal's financial liabilities consist of trade and other payables and lease liability and amounted to $3.0 million at December 31, 2022 (March 31, 2022 - $3.3 million).

At December 31, 2022, the Company had working capital, which the Company defines as total current assets less total current liabilities, of $0.5 million, including cash and cash equivalents of $1.3 million, compared to working capital of $5.5 million at March 31, 2022. This reduction in working capital has funded discretionary capital activities.

The Company has adequate working capital and anticipates sufficient cash flow to maintain operations and meet near term capital expenditures. The Company may advance its growth initiatives by accessing external sources of capital if attractive financing alternatives, either debt or equity, become available and are appropriate.

The majority of the Company's oil sales are benchmarked on US Brent prices. The Company incurs most of its expenditures in Australian dollars whereas the Company generates most of its revenues in US dollars. The Company is acting with its joint venture partners to reduce discretionary spending and focus capital towards lower risk projects with near-term cash flow upside.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, commodity price risk and interest rate risk. The Company is exposed to market risks resulting from fluctuations in foreign exchange rates, commodity prices and interest rates in the normal course of operations. A variety of derivative instruments may be used to reduce exposure to these risks.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Bengal receives US dollars for Australian oil sales and incurs expenditures in Australian and Canadian currencies. The Company may enter into derivative foreign currency contracts in order to manage foreign currency risk, but has not done so to date.

The table below shows the Company's exposure in Canadian dollar equivalent to foreign currencies for its financial instruments at December 31, 2022:

($000s)	CAD$	AUS$	US$	Total
Cash and cash equivalents	389	104	836	1,329
Trade and other receivables	5	5	1,522	1,532
Trade and other payables	(206)	(2,788)	-	(2,994)
Lease liability	(42)	-	-	(42)
	146	(2,679)	2,358	(175)

Exchange rates as at December 31:	**2022**	**2021**
Number of CAD$ for 1 AUS$	0.92	0.93
Number of CAD$ for 1 US$	1.35	1.24

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of a change in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined above, but also world economic events that dictate the levels of supply and demand. Australian oil prices are based on the US Brent reference price, which currently trades at a premium to WTI. The Company had no commodity derivatives at December 31, 2022 and 2021.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's exposure to interest rate risk on its cash and cash equivalents at December 31, 2022 is restricted to investments with a maturity of three months or less. The Company had no interest rate derivatives at December 31, 2022 and 2021.

14. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility which will allow it to execute on its capital investment program, provide creditor and market confidence and to sustain future development of the business.

The Company manages its capital structure and make adjustments by continually monitoring its business conditions, including: changes in economic conditions, the risk profile of its drilling inventory, the efficiencies of past investments, the efficiencies of forecasted investments and the timing of such investments, the forecasted cash balances, the forecasted commodity prices and resulting cash flow.

In order to maintain or adjust the capital structure, the Company may from time to time issue shares (if available on reasonable terms), issue debt instruments, sell assets, farm out properties and adjust its capital spending to manage current and projected cash levels. There can be no assurance that equity financing will be available or sufficient to meet capital commitments, or for other corporate purposes, or if equity financing is available, that it will be on terms acceptable to the Company.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital items

($000s)	Three months ended December 31		Nine months ended December 31	
	2022	**2021**	**2022**	**2021**
Trade and other receivables	710	(78)	1,114	(314)
Prepaid expenses and deposits	(215)	88	(54)	(103)
Trade and other payables	693	742	(217)	526
Effect of change in foreign exchange rates	(19)	(2)	(28)	(22)
	1,169	574	815	87

Attributable to:

Operating	782	226	396	(519)
Investing	387	348	419	606
	1,169	574	815	87

The following represents the cash interest paid and received in each period:

($000s)	Three months ended December 31		Nine months ended December	
	2022	**2021**	**2022**	**2021**
Cash interest paid	-	5	4	5
Cash interest received	3	-	15	-

16. COMMITMENTS

The Queensland Government regulatory authority granted the Company Authority to Prospect 934 ("ATP 934") under a revised work program on March 1, 2015. In Q4 fiscal 2018, the Company consolidated its ownership of ATP 934 and now holds a 100% and 40% operating interest in the northern and southern block of this permit respectively. The work program consists of 260 km^2 of 3D seismic and up to three wells.

At December 31, 2022, the Company had the following capital work commitments:

Country and permit	Work program	Obligation period ending	Estimated expenditure (net) (millions CAD$) (1)
Onshore Australia – ATP 934	260 km^2 3D seismic and up to three wells	February 2027	8.2
Onshore Australia – ATP 732	Geological and geophysical studies	March 2023	0.1
Offshore Australia AC/RL 10	Geological and geophysical studies	March 2023	0.1

(1) Translated at December 31, 2022 at an exchange rate of AUS$1.00 = CAD$0.9230.

At December 31, 2022, the contractual obligations for which the Company is responsible are as follows:

($000s)

Contractual obligations

	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Office lease	106	106	-	-	-
Decommissioning and restoration	4,659	-	868	-	3,791
	4,765	106	868	-	3,791

17. SEGMENTED INFORMATION

As at December 31, 2022, the Company has two reportable operating segments being the Australian oil and gas operations and corporate.

Revenue reported below represents revenue generated from external customers. There were no inter-segment sales in any of the reported periods.

The accounting policies of the reportable segments are the same as the group's accounting policies. Segment profit represents the profit earned by each segment without allocation of directors' salaries, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

($000s)

For the nine months ended December 31, 2022

	Australia	Corporate	Total
Revenue	6,195	-	6,195
Interest revenue	-	15	15
Interest expense	4	3	7
Depletion and depreciation	737	25	762
Net income (loss)	2,215	(708)	1,507
Exploration and evaluation expenditures	2,167	-	2,167
Petroleum and natural gas property expenditures	5,151	-	5,151

($000s)			
As at December 31, 2022			
Exploration and evaluation assets	12,414	-	12,414
Petroleum and natural gas properties	34,752	-	34,752
Total assets	49,946	485	50,431
Total liabilities	7,448	247	7,695

($000s)

For the nine months ended December 31, 2021

	Australia	Corporate	Total
Revenue	5,276	-	5,276
Interest expense	5	4	9
Depletion and depreciation	791	25	816
Impairment	568	-	568
Net income (loss)	153	(744)	(591)
Exploration and evaluation expenditures	643	-	643
Petroleum and natural gas property expenditures	1,535	-	1,535

($000s)			
As at December 31, 2021			
Exploration and evaluation assets	9,597	-	9,597
Petroleum and natural gas properties	27,719	-	27,719
Total assets	40,095	2,740	42,835
Total liabilities	5,682	230	5,912

($000s)

For the three months ended December 31, 2022

	Australia	Corporate	Total
Revenue	1,597	-	1,597
Interest revenue	-	3	3
Interest expense	-	1	1
Depletion and depreciation	243	8	251
Net loss	(130)	(224)	(354)
Exploration and evaluation expenditures	198	-	198
Petroleum and natural gas property expenditures	1,518	-	1,518

($000s)			
For the three months ended December 31, 2021	**Australia**	**Corporate**	**Total**
Revenue	1,845	-	1,845
Interest expense	-	2	2
Depletion and depreciation	254	9	263
Impairment	568	-	568
Net loss	(195)	(299)	(494)
Exploration and evaluation expenditures	633	-	633
Petroleum and natural gas property expenditures	759	-	759

19. SUBSEQUENT EVENTS

In January 2023, the Company received the approval for its application over the continuation of ATP732 in the form of Potential Commercial Area (PCA) 332 for a term of 15 years ending on January 29, 2038. The proposed work plan includes up to $14.5 million of evaluation and development activities of its 15 year life.

CORPORATE INFORMATION

AUDITORS

KPMG LLP • Calgary, Canada

LEGAL COUNSEL

Burnet, Duckworth & Palmer LLP • Calgary, Canada
Piper Alderman • Sydney, Australia

BANKERS

Royal Bank of Canada • Calgary, Canada
WestPac • Sydney, Australia

REGISTRAR AND TRANSFER AGENT

Computershare • Toronto, Canada

DIRECTORS

Chayan Chakrabarty
James B. Howe
Peter Lansom
Dr. Brian J. Moss
Robert D. Steele (Chairman)
W. B. (Bill) Wheeler

DISCLOSURE COMMITTEE

Chayan Chakrabarty
Jerrad Blanchard

AUDIT COMMITTEE

James B. Howe (Chairman)
Robert D. Steele
W. B. (Bill) Wheeler

RESERVES COMMITTEE

Dr. Brian J. Moss (Chairman)
Peter Lansom
Robert D. Steele

COMPENSATION COMMITTEE

Dr. Brian J. Moss (Chairman)
Robert D. Steele
Peter Lansom

GOVERNANCE AND NOMINATING COMMITTEE

W.B. (Bill) Wheeler (Chairman)
Robert D. Steele
James B. Howe

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

Peter Lansom (Chairman)
Robert D. Steele
Dr. Brian J. Moss

OFFICERS

Chayan Chakrabarty, President & Chief Executive Officer
Richard N. Edgar, Executive Vice President
Jerrad Blanchard, Chief Financial Officer
Bruce Allford, Secretary

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