24 April 2023

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

MARCH 2023 QUARTER ("QUARTER") OPERATIONS REPORT

Capital

In the December 20002 quarter the Company initiated a Loyalty Option issue by means of a prospectus dated 25 November 2022 ("November Prospectus") of one (1) option for every eight (8) shares held to all shareholders registered on a record date of 2 December 2022 ("Loyalty Options") with an offer closing date of 9 February 2023 and a subscription price of $0.004 per Loyalty Option. The prospectus stated that the Loyalty Options would be quoted on the ASX.

On 16 February 2023 the Company released an Appendix 2A, Application for Quotation of the Securities, in relation to the Loyalty Options, and the Loyalty Options were issued on that date. Due to the Company's suspension from quotation at that time, the Company did not satisfy the quotation condition, being the quotation of the Loyalty Options offered under the November Prospectus within three months of the date of the November Prospectus ("Quotation Condition"). The Quotation Condition expired on 27 February 2023 and, as a result, the issue of the Loyalty Options was void.

The Company's securities had been suspended from quotation in the prior quarter under Listing Rule 17.3. This suspension was lifted on 21 March 2023 following the lodgement of a clarification announcement by the Company with respect to the PEP 11 permit.

The Company proposed to:

1. return all application monies to applicants who applied for Loyalty Options as soon as practicable; and

2. lodge another prospectus ("March Prospectus") for the offer of Loyalty Options, to give investors the same rights and entitlement to Loyalty Options as under the November Prospectus. The March Prospectus was lodged with ASX and ASIC on 24 March 2023 and has a closing date of 10 May 2023.

If the offer is fully subscribed the Loyalty Options, which have an exercise price of $0.03 per Option and an expiry date of 30 September 2024, will raise $438,799 (including the set-off of $35,259 from amounts owed to directors) from the issue of 109,655,865 Loyalty Options. In addition, $1,658 will be raised from a placement of 414,600 Options with the same exercise price and expiry date. The primary purpose of the placement is to offer those shareholders who applied

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for and were issued Loyalty Options under the November Prospectus, and who no longer hold shares in the Company, the same rights that they received under the November Prospectus.

The intended use of funds is:

- $0.298 million - Funding for exploration and development of oil and gas investments
- $0.142 million - For working capital including costs of the offer

The Loyalty Options offer will provide the Company with a potential source of additional capital if the Loyalty Options are exercised in the future (being approximately $3,303,434 (including the options offered under the placement) where all entitlements are taken up.

On 2 February 2023 the Company issued 15,000,000 Incentive Options to director Mr David Breeze with an exercise price of $0.03 per option and an expiry date of 30 September 20234 as approved at the Company's November 2022 Annual General Meeting. 7,286,714 unlisted share options with an exercise price of $0.26 per share expired on 8 February 2023.

Significant activities by the Company's investees' during the March 2023 quarter were as follows:

Advent Energy Pty Ltd ("Advent")

PEP 11 Permit

In June 2022, Asset Energy Pty Ltd (wholly-owned subsidiary of BPH's investee Advent Energy Ltd) commenced proceedings in the Federal Court of Australia alleging that the former Prime Minister Scott Morrison was biased and failed to afford procedural fairness in his decision not to grant an extension of term and a suspension and variation of the minimum work requirements under PEP-11.

Advent Energy Limited's (BPH 36.1% direct interest) 100% subsidiary Asset Energy Pty Ltd applied to the Federal Court pursuant to section 5 of the Administrative Decisions (Judicial Review) Act 1977 (Cth) and section 39B of the Judiciary Act 1903 (Cth) to review the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (Joint Authority), constituted under section 56 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) (Act), to refuse to vary and suspend the conditions of Exploration Permit for Petroleum No.11 (PEP 11 Permit), pursuant to section 264(2) of the Act, and to refuse to extend the term of the PEP 11 Permit, pursuant to section 265 of the Act.

Asset Energy Pty Ltd is a 100 % owned subsidiary of Advent Energy Ltd and had lodged the appeal as Operator for and on behalf of the PEP11 Joint Venture Partners, Bounty Oil and Gas NL (ASX:BUY) and Asset Energy Pty Ltd.

PEP 11 interests are: Advent Energy 85 %
Bounty Oil and Gas 15%

On 2 February 2023 the Company announced that in Proceedings Number WAD106/2022 between Asset and the Respondents (namely Commonwealth Minister for Resources et al.) the parties had filed proposed consent orders in the Federal Court of Australia. The proceedings involved the decision made on 26 March 2022 by the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) to refuse Asset Energy's Application (as JV operator) for a variation and suspension of the conditions to which PEP 11 is subject and a related refusal to grant an extension of term ("Decision"). The proposed orders sought to end the ongoing litigation concerning PEP 11 without the need for a trial.

On 14 February 2023 Justice Jackson agreed with the consent position reached by the parties, quashed the Decision and concluded that the Decision of the Joint Authority was affected by apprehended bias. This was because a fair-minded observer would have reasonably apprehended that the former Prime Minister of Australia the Hon Scott Morrison MP, as a member of the Joint Authority, did not bring a fair mind to determine Asset Energy's application. As the decision of the Joint Authority was set aside it will need to be re-made according to law.

In the meantime, PEP 11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP 11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

Cortical Dynamics Limited ("Cortical")

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. 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.

Cortical continues the FDA 510K filing process for BARM™ in the USA assisted by Washington based technical advisors MCRA. The Food and Drug Administration ("FDA") is the federal agency of the United States Department of Health and Human Services which regulates the sale of medical device products (including diagnostic tests) in the U.S. and monitors the safety of all regulated medical products. FDA approval is a necessary precursor for sales of BARM™ to commence in the USA.

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

Line 6.1 outflow of $50,000: $19,470 paid to a director as remuneration and net $30,360 fees paid to Grandbridge Limited.

Line 6.2 outflow of $754,000: A loan to investee Advent Energy Limited of $752,000 and a loan of $1,500 to Molecular Discovery Systems Limited.

Authorised by

D. Breeze.

David Breeze
Chairman

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
BPH ENERGY LIMITED	
ABN	**Quarter ended ("current quarter")**
41 095 912 002	MARCH 2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs		
	(c) advertising and marketing	(37)	(383)
	(d) leased assets		
	(e) staff costs	(19)	(57)
	(f) administration and corporate costs	(150)	(546)
1.3	Dividends received (see note 3)		
1.4	Interest received	16	173
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (settlement of ex-directors' fees)		
1.9	**Net cash from / (used in) operating activities**	**(190)**	**(813)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments	-	(766)
	(e) intellectual property		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities	(754)	1,293
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(754)**	**527**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,059
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(27)	(253)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Proceeds from equity securities not issued	292	306
3.10	**Net cash from / (used in) financing activities**	**265**	**3,112**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,400	2,895
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(190)	(813)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(754)	527

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	265	3,112
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**5,721**	**5,721**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	5,721	6,400
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,721**	**6,400**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of (payments to) related parties and their associates included in item 1	(50)
6.2	Aggregate amount of (payments to) related parties and their associates included in item 2	(754)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	105	105
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	105	105

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	The facilities shown above are owing to Grandbridge Limited (including $88,000 owing by a BPH subsidiary). The balance is unsecured and interest free.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(190)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,721
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,721
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	30.1

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 24 April 2023

Authorised by: David Breeze (Director)
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.