

BPH ENERGY LIMITED
ACN 095 912 002
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 24 March 2023 (**Prospectus**) issued by BPH Energy Limited ACN 095 912 002 (**Company**).

This Supplementary Prospectus is dated 3 May 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.bphenergy.com.au.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. BACKGROUND

On 17 April 2023, the Company announced that it had received firm commitments from new sophisticated and professional investors for the issue of 52,631,578 Shares at an issue price of \$0.019 per Share (being a 13.6% discount to the last closing price of \$0.022 on 12 April 2023, a 6.5% discount to the 5-day volume weighted average price (**VWAP**) of \$0.0203 per share and a 20.8% discount to the 14-day VWAP of \$0.024) (**April Placement Shares**) to raise up to \$1,000,000 (before costs) (**April Placement**).

As part of the April Placement, participants were also issued one (1) free attaching option for every two (2) Placement Shares subscribed for, exercisable at \$0.03 per Placement Option on or before 30 September 2024 (**April Placement Options**).

52,631,578 April Placement Shares and a total of 26,315,789 April Placement Options were issued on 3 May 2023, pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

The Company appointed EverBlu Capital Pty Ltd (**EverBlu**) and Sixty-Two Capital Pty Ltd (**Sixty-Two Capital**), as advisors for the April Placement. EverBlu acted as the Lead Manager for the April Placement to raise up to \$700,000 pursuant to a term sheet dated on or about 12 April 2023 and Sixty-Two Capital acted as the Co-Lead to raise up to \$300,000 pursuant to a mandate dated 14 April 2023.

In consideration for their services, EverBlu and Sixty-Two Capital received:

- (a) a fee of 6% of the funds raised by them under the April Placement (excluding GST); and
- (b) one (1) broker option for every two (2) April Placement Options issued, resulting in 9,210,526 broker options issued to EverBlu (**Broker Options**) and 3,947,368 Broker Options to be issued to Sixty-Two Capital.

A total of 13,157,894 Broker Options are proposed to be issued to EverBlu and Sixty-Two Capital on or before 5 May 2023 pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

The Directors of the Company did not participate in the April Placement.

On 21 April 2023, the Company released a Cleansing Prospectus which contained an offer of:

- (a) 2,500 Shares in the capital of the Company at an issue price of \$0.019 per Share to raise up to \$47.50; and
- (b) 2,500 Options at an issue price of \$0.004 per Option to raise up to \$10, and

on 28 April 2023, the Company released a Supplementary Cleansing Prospectus comprising an additional offer of:

- (c) 2,500 Shares in the capital of the Company at an issue price of \$0.019 per Share to raise up to \$47.50; and
- (d) 2,500 Options at an issue price of \$0.004 per Option to raise up to \$10,

(together, the **Cleansing Offer**).

2,500 Shares and 2,500 Options offered under the Cleansing Offer were issued on 28 April 2023 and 2,500 Shares and 2,500 Options will be issued on 5 May 2023.

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in Section 2 by updating the capital structure and updating the risk factors in the Prospectus. The amendments to the Prospectus outlined in Section 2 below should be read in conjunction with the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Details of Substantial Holders

Section 1.5 of the Prospectus is amended by deleting the table and replacing it with the following:

Shareholder	Shares	Voting Power (%)
Trandcorp Pty Ltd, David Breeze, Grandbridge Limited and Grandbridge Securities Limited ¹	59,750,805	6.42%

Notes:

1. Refer to Section 1.3 above for further details. Trandcorp Pty Ltd (**Trandcorp**), David Breeze (Director) and Grandbridge Limited (**Grandbridge**) are substantial shareholders of the Company. At the date of this Prospectus, Grandbridge holds 0.42% in its own right and Trandcorp holds 5.9% in its own right and together with David Breeze's relevant interest (0.02%), the total voting power of Grandbridge, Trandcorp and David Breeze in the Company is 6.42%. Mr Breeze has a voting power of 32.7% in Grandbridge Limited and 100% in Trandcorp.

2.2 Potential dilution on non-participating Shareholders

Section 1.7 of the Prospectus is amended by deleting the table and replacing it with the following:

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.14%	1,250,000	10,000,000	1.08%
Shareholder 2	5,000,000	0.57%	625,000	5,000,000	0.54%
Shareholder 3	1,500,000	0.17%	187,500	1,500,000	0.16%
Shareholder 4	400,000	0.05%	50,000	400,000	0.04%
Shareholder 5	50,000	0.01%	6,250	50,000	0.01%

Notes:

1. This is based on a share capital of 877,598,921 Shares as at the date of the Prospectus and assumes that all existing Options and Options issued under this Prospectus are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the Event all Entitlements are not accepted, or some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2.3 Details of the Offer

Paragraph 4 of Section 2.2 of the Prospectus is deleted and replaced with the following:

As at the date of this Prospectus the Company has 328,956,333 Options on issue. Of the Options on issue, 289,477,650 Options may be exercised prior to the Record Date in order to participate in the Loyalty Options Offer. Please refer to Section 3.5 for information on the exercise price and expiry date of the Options on issue.

2.4 Effect of the Offer

Section 3.3(b) of the Prospectus is deleted and replaced with the following:

- (b) *increase the number of Options on issue from 328,956,333 as at the date of this Prospectus to approximately 439,070,798 Options following completion of the Offer and the Placement.*

2.5 Effect on Capital Structure

Section 3.5 of the Prospectus is deleted and replaced with the following to update the capital structure of the Company:

Shares

	Number
Shares on issue at Record Date ¹	877,598,921
Shares issued under the April Placement ²	52,631,578
Shares issued under the Cleansing Prospectus ²	5,000
Shares issued under the Loyalty Options Offer	Nil
Total Shares on issue on completion of the Loyalty Options Offer	930,235,499

Notes:

1. If any of the existing Options are exercised prior to the Record Date, the number of Shares in the capital of the Company will increase.
2. Refer to announcement released by the Company on 17 April 2023, the Cleansing Prospectus dated 21 April 2023 and the Supplementary Cleansing Prospectus dated 28 April 2023.

Options

	Number
Options currently on issue:	
Unlisted Options: exercisable at \$0.02 each on or before 30 November 2024	1,200,000
Unlisted Options: exercisable at \$0.03 on or before 30 September 2024	15,000,000
Listed Options: exercisable at \$0.03 on or before 30 September 2024	273,277,650
Listed Options: April Placement Options, exercisable at \$0.03 on or before 30 September 2024 ⁴	26,315,789
Listed Options: Broker Options, exercisable at \$0.03 on or before 30 September 2024 ⁴	13,157,894
Listed Options: Options issued under the Cleansing Prospectus ⁴	5,000
Total Options on Issue:	328,956,333
Loyalty Options issued under the Loyalty Options Offer ^{1 2}	109,699,865
Options to be issued under the Placement ^{2 3}	414,600
Total Options on issue after completion Loyalty Options Offer and Placement	439,070,798

Notes:

1. Based on 877,598,921 Shares on issue at the Record Date.
2. Refer to Section 4.2 for the terms of the Loyalty Options and the Options offered under the Placement.
3. Refer to Section 2.3 for further information on the Placement.

4. Refer to announcement released by the Company on 17 April 2023, the Cleansing Prospectus dated 21 April 2023 and the Supplementary Cleansing Prospectus dated 28 April 2023.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,259,191,832 Shares and on completion of the Loyalty Options Offer and Placement (assuming all Entitlements are accepted) would be 1,369,306,297 Shares.

2.6 Section 5.2 Company Specific

Loans and company specific investments

The Risk Factor in Section 5.2 – **Loans and company specific investments** is amended by deleting the *Description* and replacing it with the following:

As at 31 December 2022 the Company is owed \$1,627,952 by Advent for investment in oil and gas assets and the Company is also owed \$157,948 by MEC Resources Limited, both loans lent on normal commercial terms. Further loans of \$752,000 were made by BPH to Advent during the March quarter on the same commercial terms and a further loan of \$385,000 was advanced by BPH to Advent in April 2023 on the same commercial terms.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent in the ordinary course of business.

The funds raised under the Placement are considered sufficient to meet the current proposed objectives of the Company. The Company may seek to raise further funds through equity or debt financing, joint ventures, or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Nature of the Company's existing investments

The Risk Factor in Section 5.2 – **Nature of the Company's existing investments** is amended by deleting the description under the heading Clean Hydrogen Technologies Corporation and replacing it with the following:

Clean Hydrogen Technologies Corporation

BPH's Shareholders approved an investment in a hydrogen technology company, Clean Hydrogen Technologies Corporation (**Clean Hydrogen**) at a Shareholders' meeting held on 21 June 2022.

BPH and Advent (together, the **Purchasers**) entered into a binding Term Sheet with Clean Hydrogen, pursuant to which the Purchasers agreed to subscribe for fully paid shares in Clean Hydrogen (**Subscription Shares**), representing a total of 10% of the total issued share capital of Clean Hydrogen after the issue of the Subscription Shares (**Subscription Shares Tranche 1**).

In consideration for the issue of the Subscription Shares Tranche 1 the Purchasers paid to Clean Hydrogen US\$1,000,000 less deposits, loans, and any accrued interest (**Cash Consideration**), specifically: (a) BPH contributed US\$800,000; and (b) Advent contributed US\$200,000, upon which, 80% of the Subscription Shares Tranche 1 were issued to BPH and the remaining 20% issued to Advent.

The Purchasers have a further first right of refusal (**ROFR**) to invest in Clean Hydrogen to a maximum of a further US\$1,000,000 for a further 10% interest. The first right of refusal occurs when Clean Hydrogen does not seek a Series A Investment in its equity securities comprising a minimum investment of US\$3,000,000 by 30 April 2023. As announced by the Company on 27 April 2023, on 16 April 2023 the Borrower delivered a written ROFR notice to the Purchasers granting them the right to acquire an additional 10%.

Clean Hydrogen has made requests for additional funding from the Purchasers. Advent lent Clean Carbon US\$250,000 in March 2023 in accordance with an unsecured loan agreement and has now made a further US\$250,000 unsecured loan to Clean Carbon in accordance with a second loan agreement, both loans being on normal commercial terms. The loans have been funded by monies loaned by the Company to Advent. The loan agreements provide for a further unsecured loan of US\$500,000 to be made to the Borrower, being (i) US\$250,000 on the request of the Borrower (ii) US\$250,000 upon request by the Borrower, but not before 1 July 2023, and subject always to the Lender's absolute discretion.

Clean Hydrogen will allocate and issue up to 1,000 Options to Advent, with an exercise price of USD\$3,000 each, and exercisable immediately, with the option for conversion into shares in Clean Hydrogen expiring ten years from the date of issue (Clean Hydrogen Options). An advance of every US\$250,000 of the US\$1,000,000 loan facility will equate to 250 Clean Hydrogen Options allocated to Advent or, from time to time, BPH.

The Purchaser and Clean Hydrogen have agreed to enter into a separate loan conversion agreement which will enable the conversion of the loan amount into the Subscription Shares Tranche 2, representing the Purchasers' further 10% interest in Clean Hydrogen.

Mr Tony Huston, a director of the Company, has also been appointed as a director to the board of Clean Hydrogen.

2.7 Additional announcements

Section 6.2 of the Prospectus is amended by including the following announcements:

Date	Description of Announcement
3 May 2023	Investor Webinar
1 May 2023	Appendix 3B
28 April 2023	Disclosure Document
28 April 2023	Appendix 2A
27 April 2023	Clean Hydrogen Update
24 April 2023	Quarterly Activities/Appendix 4C Cash Flow Report
21 April 2023	Clean Hydrogen Technologies Corporation Hydrogen Investment
21 April 2023	Appendix 3B
21 April 2023	Disclosure Document
17 April 2023	Appendix 3B

Date	Description of Announcement
17 April 2023	Appendix 3B
17 April 2023	Placement and Trading Halt Lifted
13 April 2023	Trading Halt
6 April 2023	Letter to Shareholders
5 April 2023	Clarification Announcement
24 March 2023	Letter to Shareholders
24 March 2023	Proposed issue of securities - BPH
24 March 2023	Disclosure Document

3. CONSENT

The Company confirms that as at the date of this Supplementary Prospectus, each of the advisors that have been named as having consented to being named in the Prospectus (refer to Section 6.7) have not withdrawn that consent prior to the lodgement of this Supplementary Prospectus with the ASIC.

4. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



David Breeze
Executive Chairman
For and on behalf of
BPH ENERGY LIMITED