David Breeze
Chairman & Executive Director
23 December 2022

ADVENT ENERGY LIMITED
ACN 109 955 400

OFFER INFORMATION STATEMENT
ENTITLEMENT ISSUE

For a non-renounceable entitlement issue of three (3) Shares for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of $0.05 (5 cents) per Share to raise up to $7,377,141 (based on the number of Shares on issue as at the date of this Offer Information Statement) (**Offer**).

It is proposed that the closing date of the Offer is 5:00pm (WST) on 24 February 2023. The Directors reserve the right to extend this date without notice.

The Offer is partially underwritten by Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 517246) (**Grandbridge** or **Underwriter**) up to the amount of $2,655,771.

Grandbridge Securities Pty Ltd is also Lead Manager to the Offer.

IMPORTANT NOTICE

This is an important document and requires your immediate attention. It should be read in its entirety and in conjunction with the Company's Financial Report for the year ended 30 June 2022.

Please note that an Offer Information Statement (**OIS**) is not a prospectus and has a lower level of disclosure requirements than a prospectus. Investors should read this Offer Information Statement in its entirety (including the key risks summarised in Section 7 of this OIS) and obtain appropriate professional investment advice before accepting the Offer.

If you are in doubt about what to do, you should consult your professional adviser without delay.

The Shares offered by this Offer Information Statement should be considered speculative.

STEINEPREIS PAGANIN
Lawyers & Consultants

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1. CORPORATE DIRECTORY

Directors

David Breeze
Chairman and Executive Director

Stephen Kelemen
Non-Executive Director

Steve James
Non-Executive Director

Anthony (Tony) Huston
Non-Executive Director

Thomas Fontaine
Non-Executive Director

Company Secretary

David Breeze

Registered Office

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Auditor

Moore Australia Audit (WA)
Level 15, Exchange Tower
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PERTH WA 6000

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

2. OFFER INFORMATION SUMMARY

Offer Price for a Share	$0.05 (5 cents)
Entitlement	three (3) Shares for every five (5) Shares held by those Shareholders registered at the Record Date
Lodgement Date	23 December 2022
Record Date	5:00pm (WST) 23 December 2022
Exposure Period ends[4]	9 January 2023
Offer opens[1]	9 January 2023
Proposed closing date of Offer[1]	5:00pm (WST) on 24 February 2023
Shares on issue at date of this OIS	245,904,731
Number of Shares to be issued under OIS[2,3]	147,542,838
Total Shares on issue after Offer[2,3]	393,447,570
Gross proceeds of Offer[2]	$7,377,141

Notes

1. These dates are indicative only and are subject to change.
2. These numbers are approximate and subject to rounding.
3. Assuming all entitlement shares are taken up.
4. Unless extended by ASIC.

3. INVESTMENT OVERVIEW

Item	Summary	Further information
Offer Details		
Who is the issuer of this OIS?	Advent Energy Limited (ACN 109 955 400) (**Advent** or **Company**).	Offer Information Summary
Who is the Company?	Advent is an unlisted oil and gas exploration and development company based in Perth, Western Australia, with onshore and offshore exploration and near-term development assets around Australia and overseas. Advent's assets include Retention Licence 1 (**RL1**) (100%) in the onshore Bonaparte Basin in the Northern Territory and PEP11 (as defined below) (85% through its wholly owned subsidiary Asset Energy Pty Ltd) in the offshore Sydney Basin. The Offshore Sydney Basin offers a solution to the east coast gas supply crisis as well as providing potential environmental benefits in carbon capture and storage (carbon reduction) within the greater Sydney and Newcastle area. The Company and BPH Energy Limited (ACN 095 912 002) (**BPH**), an ASX listed entity that has a relevant interest in 36.1% of Advent (together, **the Purchasers**) entered into a binding term sheet with Clean Carbon Technology (**Clean Carbon**), for an investment into hydrogen technology, pursuant to which the Purchasers have agreed to subscribe for fully paid shares in Clean Carbon (**Subscription Shares**) representing a total of 10% of the total issued share capital of Clean Carbon after the issue of the Subscription Shares.).	Section 5
Summary of the Company's Business Model	The principal activity of Advent is to maximise its oil and gas resources, including its recent investment into hydrogen technology. Advent's permits are located next to a ready market considered by the Company as an excellent infrastructure, thereby maximising Advent's ability to optimise any resources.	Section 5
What are the key objectives of the Company?	The Company's key objectives are to acquire and to optimise a range of hydrocarbon permits which contain near term production opportunities with pre-existing infrastructure and exploration upside.	Section 6.1
What are the key risks in the investment in the Company	This OIS contains a number of risk factors as set out in detail in Section 7 and you must read these risks in full.	Important Information, Sections 4.1, 5.2, 5.6 and 7

Item	Summary	Further information
	Relevantly, the Company has a "going concern" emphasis of matter in its annual financial report period ended 30 June 2022 (**Financial Report**). Should the Company not be successful in raising additional funds through the issue of new equity should the need arise there is a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the Financial Report. Further, the Company has a material uncertainty that may affect the ability of the Company to realise the carrying value of its loans receivable and its exploration expenditure. Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners. Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available. Advent, through its wholly owned subsidiary Asset Energy Pty Ltd (**Asset Energy**), has invested over $25 million in the PEP11 Permit. Together with JV partner Bounty Oil Limited and Gas NL (ASX:BUY) (**Bounty Oil**), Advent is committed to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for each of PEP11 and RL1 each of these permits are at risk. Asset Energy has 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(1) of the Act and to refuse to extend the term of the PEP 11 Permit, pursuant to section 265. The application was made in December 2019.	

Item	Summary	Further information
	On 11 August 2022 the Federal Court of Australia made discovery orders in respect of this application. The court has set a date for a hearing in March 2023. If the Federal Court application is unsuccessful, the PEP11 Permit is at risk Accordingly, the above indicates 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.	
Who are the Directors?	The current Board of the Company is: (a) David Breeze (*Chairman and Executive Director*) (b) Stephen Kelemen (*Non-Executive Director*) (c) Steve James (*Non-Executive Director*) (d) Tony Huston (*Non-Executive Director*) (e) Tom Fontaine (*Non-Executive Director*)	Corporate Directory
What is the Offer?	The Company is offering a non-renounceable entitlement issue of three (3) Shares for every five (5) Shares held at $0.05 (5 cents) per Share to raise up to approximately $7,377,141 (**Offer**).	Offer Information Summary and Section 5.7
What are the significant interests of Directors in the Company?	see table below	Section 5.21

Director	Shares	Options
Stephen Kelemen	nil	3,500,000
David Breeze	2,000,000	nil
Steve James	nil	3,500,000
Tony Huston	nil	3,500,000
Tom Fontaine	nil	3,500,000

4. IMPORTANT INFORMATION & KEY DATES

This Offer Information Statement (**OIS**) is dated 23 December 2022 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. ASIC and its officers take no responsibility for the contents of this OIS or the merits of the investment to which this OIS relates.

This OIS is subject to an exposure period of 14 days (due to public holidays) from the date of this OIS (**Exposure Period**). No Applications for Shares will be accepted until the Exposure Period has expired and no preference will be given to Applicants who lodge their Acceptance Forms during the Exposure Period. The Company will make this OIS generally available to the public during the Exposure Period by placing a copy on the Company's website **www.adventenergy.com.au**. The Company will provide a copy of this OIS to any person on request.

The following are key dates relating to the Offer that you need to be aware of:

(a) Record Date for Entitlement to participate in the Entitlement Issue: 5:00pm (WST) on 23 December 2022.

(b) Closing Date: 5:00pm (WST) on 24 February 2023.

These dates are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and in particular, subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), to extend the latest date for receipt of Entitlement and Acceptance Forms, to accept late Entitlement and Acceptance Forms either generally or in particular cases or to cancel the Entitlement Issue without prior notice.

In accordance with the Corporations Act 2001, no Shares will be issued on the basis of this OIS after that date which is 13 months after the date of this OIS.

The Company's Financial Report for the period ended 30 June 2022 is included in this OIS.

Certain words and terms used in this OIS have defined meanings, which are described in the Glossary of this OIS. Money as expressed in this OIS is in Australian dollars unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this OIS and between those figures and figures referred to in the other parts of this OIS are due to rounding. All references to time in this OIS are to Western Standard Time (WST) unless otherwise stated.

4.1 Risk Factors

This OIS contains a number of risk factors in Section 7 and you must read these risks in full. Relevantly, the Company has a "going concern" emphasis of matter in its Financial. Details of the "going concern" emphasis of matter is set out below and in detail at Section 7 of this OIS.

Should the consolidated entity not be successful in raising additional funds through the issue of new equity, should the need arise there is a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the Financial Report.

Further, the Company has reported in its Financial Report a material uncertainty regarding its carrying value of its exploration expenditure. Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners.

Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available.

Asset Energy has invested over $25 million in its petroleum exploration permits title, along with its JV partner Bounty Oil, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area. If Advent is unable to source further funding for each of PEP11 and RL1, each of these permits are at risk.

The Company's 100% subsidiary Asset Energy has 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 Joint Authority, constituted under section 56 of the Act, to refuse to vary and suspend the conditions of the PEP11 Permit pursuant to section 264(1) and to refuse to extend the term of the PEP 11 Permit, pursuant to section 265. The application was made in December 2019. On 11 August 2022 the Federal Court of Australia made discovery orders in respect of this application. The court has set a date for a hearing in March 2023. If the Federal Court application is unsuccessful, the PEP11 Permit is at risk.

Accordingly, the above indicates 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.

There is no guarantee that any active market in the Shares will develop or that the price of these Shares will increase. There may be relatively few buyers or sellers of these Shares as the Company is not listed. For this reason, any investment in these Shares is illiquid.

4.2 No Representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this OIS. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this OIS.

4.3 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this OIS.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer is not being extended will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

4.4 Future performance and forward-looking statements

Any forward-looking statements, opinions and estimates (which are identified by words such as 'may', 'believes', 'expects' or 'intends' and other similar words) provided in this OIS are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and its officers, employees, agents and advisers, which may cause actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this document will actually occur and potential investors are cautioned not to place undue reliance on these forward looking statements. The Company will not update or revise forward looking statements in the future regardless of any new information received, except where required by law.

4.5 Privacy

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as an investor and to facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so, please contact the Share Registry at the relevant contact numbers set out in this OIS.

Collection, maintenance and disclosure of certain personal information is governed by legislation, including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain other rules. You should note that if all information required on the Application Form is not provided, the Company may not be able to accept or process your Application.

5. COMPANY UPDATE AND DETAILS OF THE ENTITLEMENT ISSUE

5.1 Company Update

The Company, through its wholly owned subsidiary Asset Energy Pty Ltd (**Asset Energy**) holds an 85% interest in the Petroleum Exploration Permit 11 (**PEP11 Permit**), an exploration permit that is prospective for natural gas located in the Offshore Sydney Basin. The remaining 15% interest in PEP11 is held by ASX listed company Bounty Oil & Gas NL (ASX:BUY) (**Bounty Oil**).

Advent further holds a 100% interest in Retention Licence L1 (**RL1**) located in the onshore Bonaparte Basin situated in the Northern Territory. Further details are set out in Section 5.3 below.

Further, Advent's 100% owned subsidiary, Aotearoa Offshore Ltd NZ (**AOLNZ**), had the right to acquire a 30% participating interest in Petroleum Exploration Permits 57075, 60092 and 60093 in the Taranaki Basin, an onshore-offshore basin in New Zealand. The agreement in relation to the Taranaki Basin has been terminated by Advent. Further details are set out in Section 5.4 below.

On 21 June 2022, the shareholders of the Company's 36.1% shareholder, BPH Energy Limited (ASX: BPH), approved an investment in a hydrogen technology company, Clean Hydrogen Technologies Corporation (**Clean Carbon**). Further details are set out in Section 5.5 below.

5.2 PEP11 Oil and Gas Permit

The Company considers that the PEP11 Permit offers a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (**Tcf**) gas charged Permo-Triassic reservoirs. Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

The offshore Sydney Basin has been lightly explored to date. Based on its location and it being the only New South Wales (**NSW**) offshore petroleum title, the Company is of the view that it provides a significant opportunity should commercial natural gas be discovered. Its position as the only petroleum title offshore NSW provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title.

Advent has previously interpreted significant seismically indicated gas features in PEP11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones (**HRDZ**), Amplitude Versus Offset (**AVO**) anomalies and potential flat spots.

Advent has demonstrated considerable gas generation and migration within PEP11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent is a strong supporter of plans for Net Zero by 2050 and sees the company playing a direct role in achieving that target, especially in New South Wales. It aims to do this in two ways. First, by finding gas closest to Australia's biggest domestic energy market, gas which can be used to provide reliable backup for increased uptake of renewable energy in NSW. Second, through its plans to explore for opportunities in offshore NSW for CCS, Carbon Capture and Storage (geo-sequestration of CO2 emissions), a key clean energy technology.

On 16 December 2021, BPH advised ASX that the then Prime Minister of Australia, Scott Morrison, had announced that the Federal Government would refuse the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Permit participants Advent and Bounty Oil received official notification of refusal from the National Offshore Petroleum Title Authority (**NOPTA**) and lodged a submission seeking a review of this decision.

On 30 March 2022 BPH and Bounty Oil as the PEP 11 Joint Venture announced to ASX that they had been given notice by NOPTA that NOPTA has refused the Joint Venture Application initially submitted on 24 December 2019 for a secondary work program variation and a 24- month suspension of the Permit Year 4 Work Program Commitment and the corresponding 24-month extension of the Permit Term.

In June 2022, Asset Energy applied to the Federal Court as Operator for and on behalf of the PEP11 Joint Venture Partners 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 Joint Authority, constituted under section 56 of the Act , to refuse to vary and suspend the conditions of the PEP11 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. The application was made in December 2019.

On 25 November 2022, the Report on the Inquiry into the Appointment of the Former Prime Minister to Administer Multiple Departments was published, which outlines the former Prime Minister Scott Morrison's involvement with the PEP11 Decision.

The Federal Court has set a date for hearing on 15 March 2023. Pursuant to the Act, the operation of PEP11 will continue until the relevant decisions are made by the Court. As stated above, if the application is unsuccessful, the PEP11 Permit is at risk. The directors have confidence that a suitable outcome will be achieved however there is no certainty that the application will be successful.

5.3 Northern Territory – Onshore Bonaparte Basin

Advent's wholly owned subsidiary, Onshore Energy Pty Ltd (**Onshore Energy**), holds 100% of Retention Licence 1 (**RL1**). RL1 is situated in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basis is, in the Company's view, one of Australia's most prolific hydrocarbon producing basins with significant oil and gas reserves. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore.

RL1 is 166 square kilometres in area, which covers the Weaber Gas Field in the Northern Territory. The current rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Area phase 2, the township of Kunuurra, and numerous regional resource projects provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. The prospectvitiy of the Bonaparte Basin is evident from the known oil and gas fields in both the offshore and onshore portions of the basin. Advent has identified significant shale areas in RL1.

Onshore made an application for suspension and extension of the permit conditions in relation to EP386 which was not accepted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore is following. Onshore lodged an appeal against this decision with the State Administrative Tribunal (**SAT**). The SAT determined that it did not have the coverage to hear the appeal and the decision allowed for the matter to be determined through the Supreme Court of Western Australia.

5.4 Taranaki Basin

In December 2021, Advent's 100% subsidiary, Aotearoa Offshore Ltd NZ (**AOLNZ**), entered into a Farm Out Agreement (**FOA**) with OMV New Zealand Limited (**OMV NZ**) whereby it had the right to acquire a 30% participating interest in Petroleum Exploration Permits 57075, 60092 and 60093 (**PEP Licences**) covering an area of 5,180 km2 in the Taranaki Basin. The PEP Licences were governed by individual (but identical) joint venture operating agreements.

The FOA was subject to conditions precedent covering the joint venture, regulatory and ministerial approvals and agreement by the joint venture to have responsibility for future liabilities, relating to any ongoing/future exploration activities. The FOA states that if Condition Precedent 4 is not satisfied within 6 months (or such other date that the Farminor or Farminee may agree in writing) of submission of the application to the New Zealand Minister (**Minister**) responsible for the administration of the Crown Minerals Act 1991 for the Minister's approval (**Application**), either party may terminate the Agreement by notice to the other party.

On 14 December 2022, AOLNZ gave notice to OMV NZ under clause 4.3.6 of the FOA to terminate the FOA as more than 6 months has elapsed since submission of the Application to the Minister and Condition Precedent 4 remains unsatisfied.

Advent had agreed with BPH, an ASX listed entity that has a relevant interest in 36.1% of Advent, that BPH would provide loan funding for Advent of $3.0 million on commercial terms to make a cash payment to cover expenditure on the licences over 2022 (**Earning Costs 1**) including a loan of $800,000 to cover the agreed work programme and budget expenditures for 2022 under the FOA. Under the terms of the FOA, all funds advanced to OMV NZ will be returned. The Company confirms that it has received US$1,621,000 from OMV NZ as a refund of Earning Costs 1 paid to OMV in early 2022.

The Company has subsequently repaid a loan of $3,203,347 to BPH comprising funding for Earning Costs 1 and $800,000 to cover the agreed work programme and budget expenditures for 2022, and associated loan interest costs.

5.5 Clean Carbon

The shareholders of the Company's 36.1% shareholder, BPH Energy Limited, have approved an investment in a hydrogen technology company, Clean Hydrogen Technologies Corporation (**Clean Carbon**).

The Company and BPH (together, **the Purchasers**) have been assessing new investment opportunities, where there are ever increasing obligations to provide energy solutions with a responsible management and protection against carbon emissions. The transitioning from hydrocarbons such as coal and oil to hydrogen, produced with no emissions is now presenting real economies and growth globally. Although natural gas also presents continued growth and will play a role for many years to come, it too will need to become a source of energy with no CO2 emissions.

At a proof-of-concept scale, Clean Carbon has developed and tested its processing capabilities which have successfully produced hydrogen, with no C02 emissions achieving on average a 92% cracking efficiency. Clean Carbon's development activities have shown that, by processing (not burning) methane using their patented catalyst and a modified fluidised bed reactor, producing hydrogen with no CO2 emissions. This is referred to as turquoise hydrogen. In addition, Clean Carbon also produces a second product, used for battery manufacturing, called conductive carbon.

The Purchasers entered into a binding term sheet (**Term Sheet**) with Clean Carbon, pursuant to which the Purchasers have agreed to subscribe for fully paid shares in Clean Carbon (**Subscription Shares**), representing a total of 10% of the total issued share capital of Clean Carbon after the issue of the Subscription Shares (**Subscription Shares Tranche 1**).

In consideration for the issue of the Subscription Shares Tranche 1 the Purchasers shall pay to Clean Carbon US$1,000,000 less deposits, loans, and any accrued interest (**Cash Consideration**), specifically:

(a) BPH shall pay US$800,000; and

(b) Advent shall pay US$200,000,

upon which, 80% of the Subscription Shares Tranche 1 shall be issued to BPH and the remaining 20% issued to Advent.

The issue of the Subscription Shares Tranche 1 is pursuant to a Loan Conversion Agreement dated 25 July 2022 whereby the payment of US$535,996 is to be made to Clean Carbon by the Purchasers. As at the date of this OIS, the Subscription Shares Tranche 1 have not yet been issued.

Where Clean Carbon (at its sole and absolute discretion) proposes to seek additional funding for the development and operations of the Technology, on or before 30 April 2023 (**Additional Funding**), it must first offer the right to subscribe for additional Subscription Shares representing an additional 10% (**Subscription Shares Tranche 2**) to the Purchasers and on the same terms and conditions as the Subscription Shares Tranche 1. In the event that the Clean Carbon secures additional investments in excess of $US3,000,000 (on or before 30 April 2023), the right to the Subscription Shares Tranche 2 is relinquished.

Subject to the above, should the Purchasers exercise the right to subscribe for the Subscription Shares Tranche 2, it must do so within 1 month of Clean Carbon's request for the Additional Funding. The consideration payable by the Purchasers will comprise of $US800,000 by BPH and US$200,000 by Advent (**Additional Cash Consideration**), after which BPH and Advent will have 16% and 4% equity interests respectively in Clean Carbon. Should Advent elect to not invest its proportion of the Additional Cash Consideration, BPH has the right to subscribe for Advent's portion of the Subscription Shares Tranche 2.

5.6 MEC Dispute

(a) Deed of Settlement

On 9 August 2019, the Company settled a long-standing legal dispute with MEC Resources Limited (**MEC**).

The Company agreed to repay its loans payable to MEC totalling $4,125,155 (**Outstanding Loans**), one month prior to the scheduled commencement date of any works on PEP 11 by the issue of shares in itself in the event of drilling in PEP11.

The Share value to be the determined based on the face value of the Outstanding Loans and calculated at 80% of:

(i) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or

(ii) should Advent not be listed on any securities exchange, the price at which ordinary shares in Advent were last issued,

(**MEC Settlement Payment**).

(b) **MEC Research and Development Claim**

On 17 June 2020, Advent and Asset each served notices of demand on MEC in respect of costs incurred by Advent and its subsidiaries but claimed by MEC for the 30 June 2018 and 2019 periods, lodging research and development (**R&D**) tax incentive claims with the Australian Taxation Office (**ATO**) for conducting R&D activities in the PEP11 permit (**Dispute**).

Collectively, Advent and Asset demanded the repayment of the sum of approximately $835,498 from MEC.

The parties agreed to settle the Dispute. It was agreed that the total value of the Outstanding Loans (inclusive of interest and costs) was $872,288 (**Advent Debt**) and that, subject to the receipt of shareholder approval, as a full and final settlement, MEC:

(i) issue 124,718,636 shares to Advent at a deemed issue price of $0.0044 per Share; and

(ii) undertake a rights issue, under which Advent be permitted take part in the offer and acquire an additional 73,528,636 MEC shares at a deemed issue price of $0.0044 per MEC share as part of taking up its entitlement under the rights issue.

As approved by MEC shareholders, the total amount of $872,288 owing to Advent by MEC at 30 June 2021 will convert to equity in MEC. During the year ending 30 June 2022, MEC issued 124,708,409 shares at a deemed issue price of $0.0044 per share to settle $548,717 of this debt. MEC will allow Advent to participate in a future rights issue to the extent of 73,528,636 Shares at a deemed issue price of $0.0044 per Share to settle the remaining balance of the debt.

The matter is listed for directions on the Commercial List on 2 June 2023 at the District Court.

5.7 The Offer

The Offer is being made as a non-renounceable entitlement issue of three (3) Shares for every five (5) Shares held by eligible Shareholders at the Record Date, at an issue price of $0.05 (5 cents) per Share. Fractional elements will be rounded up to the nearest whole number.

The number of Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

The Board also invites all Eligible Shareholders to apply for Shortfall Shares in excess of their Entitlements (Refer to Sections 5.20 for further details).

Based on the capital structure of the Company as at the date of this OIS, a maximum of 147,542,838 Shares will be issued pursuant to this Offer to raise up to $7,377,141.

A description of the rights associated with the Shares is set out in Section 5.25 below. To participate in the Offer, you must submit a completed Entitlement and Acceptance Form together with the application money.

Entitlements to Shares are non-renounceable. This means that Eligible Shareholders are not able to renounce (sell) their Entitlements which they do not wish to accept.

Pursuant to section 709(4) of the Corporations Act, the maximum amount that can be raised by an entity pursuant to an offer information statement is $10 million. As the Company has previously issued an OIS on 30 December 2020 and raised $2,507,575, it is entitled to raise $7,492,425 in aggregate now or in the future using an OIS.

5.8 Underwriting and sub underwriting

(a) **Underwriting and Lead Manager**

The Offer is partially underwritten by the Underwriter up to $2,655,771 (**Underwritten Amount**).

By an underwriting agreement (**Underwriting Agreement**), between the Company and Grandbridge Securities Pty Limited (**Grandbridge**), Grandbridge has been appointed lead manager to the Offer and has agreed to partially underwrite the Offer for 53,115,420 Shares (**Underwritten Shares**).

In consideration for its engagement, the Company has agreed to pay Grandbridge:

(i) a lead manager fee of 1% of the total amount of funds raised under the Offer; and

(ii) an underwriting fee of 159,346 (being 6% of the Underwritten Amount (excluding GST), plus an additional 6% on a best endeavour's basis for any additional funds raised by Grandbridge in its own right under the Offer.

Mr David Breeze, a Director, is a director of Grandbridge. The Directors, other than Mr David Breeze (due to his directorship of Grandbridge), who do not have a material personal interest in Grandbridge consider the engagement to be on arm's length terms as the fee charged is comparable to unrelated licensed securities dealers.

Grandbridge, as the appointed lead manager will be responsible for paying all commissions that they and the Company agree with any other licenced securities dealers or Australian financial services licensees out of the fees paid by the Company to Grandbridge.

The Company has also agreed to pay the Underwriter for all out of pocket expenses reasonably incurred in relation its engagement as Lead Manager and Underwriter to the Offer.

The Underwriting Agreement otherwise contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

(b) **Sub-Underwriting**

BPH Energy Limited (**BPH**) (a substantial shareholder of the Company), has entered into an agreement with the Underwriter to sub underwrite the Offer up to the Underwritten Amount. The Underwriter will pay BPH a fee of 3% of the sub-underwritten amount, being the same as the Underwritten Amount, for these services.

5.9 Minimum Subscription

The minimum subscription is equal to the Underwritten Amount (**Minimum Subscription**).

5.10 Use of funds

(a) The following is a summary of the proposed use of funds raised pursuant to the Offer and is indicative only. The amounts in the table may be subject to variation of quantum and timing.

(b) The Company's growth plan will be scaled accordingly to ensure it operates within the constrained cash available at any given time.

Intended Use	Underwritten Amount	Maximum Subscription
PEP11	$1,171,630	$3,800,000
RL1	$950,000	$2,570,000
Clean Carbon	$202,794.74	$202,795
Working capital	$121,518	$547,305
Offer costs[1]	$209,827	$257,041
Total funds	**$2,655,771**	**$7,377,141**

Notes:

1. Refer to Section 5.11 below for further details with respect to the costs of the Offer.

The Company expects that if all the Shares are subscribed for, the funds raised will be sufficient to meet the Company's short-term objectives over the next 18 – 24 months.

The above table is a statement of present intentions as at the date of this OIS. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

If less than the full subscription is raised and more than the Underwritten Amount, funds raised will first be applied to the expenses of the Offer and then to the other line items noting that the Company will scale back production activities and continue to focus its cash resources on drilling and exploration services and general working capital costs.

5.11 Costs of the Offer

The Company shall pay for the costs associated with the Offer. Costs associated with the Offer based on the Minimum Subscription of $2,655,771are estimated to be approximately $209,828 (excluding GST) and are expected to include the following:

(a) ASIC fees ($1,924);

(b) Legal fees ($15,000);

(c) Costs of lead manager and Underwriters ($185,904); and

(d) Printing and miscellaneous fees ($7,000).

The additional costs based on the maximum subscription are increased to $257,041 based on the additional lead manager raising fees of $47,213.

5.12 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, will be to:

(a) increase the cash reserves by $7,120,100 after deducting the expenses of the Offer, to be expended by the Company in line with the use of funds outlined in Section 5.10 above; and

(b) increase the number of Shares on issue from 245,904,731 Shares to 393,447,569 Shares following completion of the Offer. Please refer to Section 5.15 for further details on the Company's capital structure.

5.13 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet are set out in Appendix 2 and have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Shares under the OIS are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

5.14 Annual Financial Report

The Company's Annual Financial Report for the financial year ended 30 June 2022 is included as Appendix 1 to this OIS and has been prepared on the basis of the accounting policies normally adopted by the Company.

5.15 Effect on Capital Structure

The effect of the Offer on the capital structure of the Company, assuming all Shares are taken up, is set out below:

Shares

	Number
Shares currently on issue	245,904,731
Shares to be issued pursuant to the Offer	147,542,838
Total Shares on issue after completion of the Offer	**393,447,569**

Options

	Number
Options currently on issue[1]	16,000,000
Total Options on issue after completion of the Offer	**16,000,000**

Notes:

1. Comprising of 10,000,000 options exercisable at $0.10 each on or before 30 November 2024 and 6,000,000 exercisable at $0.20 each on or before 30 November 2026.

5.16 Eligible Shareholders

To qualify for the Entitlement Issue, a Shareholder must be registered as a Shareholder at 5:00pm (WST) on the Record Date.

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding.

The Offer has been extended to Shareholders in the Company at the Record Date with registered addresses in Australia and New Zealand.

The distribution of this OIS in any jurisdiction other than Australia or New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This OIS does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issues this OIS.

5.17 Substantial Holders

As at the date of this OIS, the Shareholders which have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholders	Shares	%	Entitlement Shares	Entitlement $
BPH Energy Limited	88,800,320	36.1%	53,280,192	$2,664,010
Grandbridge Limited	21,856,500	8.89%	13,113,900	$655,695
MEC Resources Ltd	94,118,320	38.3%	56,470,992	$2,823,550

In the event that all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer. The Company confirms that BPH Energy Limited will participate in the Offer.

5.18 Effect on Control

As at the date of this OIS, both the Underwriter and the Sub-Underwriter are substantial holders of Shares in the Company, each respectively holding 21,856,500 Shares and 88,800,320 Shares each representing voting power in the Company equal to approximately 8.89% and 36.1%. The Underwriter's and Sub-Underwriter's present relevant interests and changes under several scenarios are set out in the table below and are based on the assumption that each take up their full entitlements of Shares under each scenario.

Event	Grandbridge		BPH	
	Shares held by Underwriter	Voting power of Underwriter	Shares held by Sub-Underwriter	Voting power of Sub-Underwriter
Date of OIS:	21,856,500	8.89%	88,800,320	36.1%
Completion of Offer				
Fully subscribed	21,856,500	8.89%	142,080,513	36.11%
75% subscribed	21,856,500	6.13%	142,080,513	40%
50% subscribed	21,856,500	6.8%	142,080,513	44%

It is noted that the voting power of the Sub-Underwriter may increase from the current voting power of 36.1% to a maximum of 44%, a maximum increase of 7.89%.

This increase is above the 3% creep rule under the Corporations Act, however the potential increase in the voting power is being undertaken in accordance with the exception in section 611 item 10 of the Corporations Act.

BPH has agreed to take up its Entitlement under the Offer and will take up an additional 53,280,192 Shares representing an increase to its holding. The intention of the Underwriting and Sub-Underwriting commitments of each of Grandbridge and BPH is to ensure that the Company has sufficient funds for its ongoing operations, and it reflects the fact that no third-party underwriting has been able to be secured. The increase in the voting power of BPH has been sought to be minimised so that there is no potential effect on control, with the pricing at an attractive level and with each Eligible Shareholder having the ability to apply for additional Shortfall as part of the dispersion strategy for the Company.

5.19 Potential dilution to Shareholders

Shareholders should note that if they do not participate in the Offer their holdings, are likely to be diluted by approximately 37.50% (as compared to their holdings and number of Shares on issue as at the date of the OIS). Examples of how the dilution may impact Shareholders (assuming the Offer is fully subscribed) is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlement under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	10,000,000	4.07%	6,000,000	10,000,000	2.54%

Shareholder 2	5,000,000	2.03%	3,000,000	5,000,000	1.27%
Shareholder 3	1,500,000	0.61%	900,000	1,500,000	0.38%
Shareholder 4	400,000	0.16%	240,000	400,000	0.10%
Shareholder 5	50,000	0.02%	30,000	50,000	0.01%

5.20 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer pursuant to this OIS and will remain open for up to 13 months after the date of this OIS. The Directors reserve the right to close the Shortfall Offer at any time.

Eligible Shareholders (including Directors) who take up their Entitlement can apply for Shortfall Shares over and above their Entitlement at the same price as the Shares offered under the Offer. The issue price for each Shortfall Share shall be $0.05 being the price at which the Shares have been offered under the Offer.

Should there be a Shortfall the Underwriter in consultation with the Company will exercise its discretion to allocate the Shortfall Shares firstly, to Eligible Shareholders seeking Shortfall Shares. The Board does not intend to refuse an application for Shortfall Shares from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Shares applied for by Eligible Shareholders exceeds the total of the Shortfall allocated to Eligible Shareholders, the Shortfall Shares will be allocated among applying Eligible Shareholders proportionate to their existing holdings at the Directors discretion.

All decisions regarding the allocation of Shortfall Shares will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer and as such there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of additional Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shares under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

5.21 Directors Interest in Securities

(a) The relevant interest of each of the Directors in the securities of the Company as at the date of this OIS, together with their respective Shares that each is to take up pursuant to the Offer is set out in the table below.

Director	Shares	Options	Shares Post Completion of Offer
Stephen Kelemen	nil -	3,500,000	nil
David Breeze	2,000,000	nil	3,200,000
Steve James	nil	3,500,000	nil
Tony Huston	nil	3,500,000	nil
Tom Fontaine	nil	3,500,000	nil

(b) The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2021	2022	Proposed 2023
David Breeze	$97,000	$97,000	$97,000
Stephen Kelemen	$25,000	$40,448	$25,000
Steve James	$25,000	$40,448	$25,000
Tony Huston	$25,000	$55,448	$25,000
Tom Fontaine	$25,000	$40,448	$25,000

5.22 Issue of Shares

The Shares issued under the Offer are expected to be issued by 24 February 2023 (subject to variation at the discretion of the Company).

Any Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

5.23 Application Monies

Pending the issue of the Shares or payment of refunds pursuant to this OIS, the Company will hold Application Monies on trust in a separate bank account as required by the Corporations Act.

Any interest accrued on Application Monies will be retained by the Company and will not be paid to the relevant Applicant including if the Offer is cancelled or withdrawn.

Where Application Monies are to be returned, they will be returned as soon as practicable.

5.24 Application for Shortfall Shares

Eligible Shareholders who wish to subscribe for Shortfall Shares should complete the relevant field on their Entitlement and Acceptance Form accompanying this OIS and return it to the Company together with appropriate payment of $0.05 (5 cents) per Share.

Other investors who wish to subscribe for Shortfall Shares should complete the relevant fields on the Shortfall Application Form accompanying this OIS and return it to the Company together with appropriate payment of $0.05 (5 cents) per Share.

The Company notes that no Shares will be issued to an applicant under this OIS or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

5.25 Rights and Liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to the Constitution and to any rights and restrictions attaching to any class of shares, at meetings of shareholders or other classes of shareholder, each shareholder entitled to attend and vote may attend and vote in person or by proxy or by attorney and, where the shareholder is a body corporate, by representative.

On a show of hands every Shareholder present having the right to vote at the meeting has one vote. On a poll every Shareholder present has one vote for each fully paid Share and, the case of partly paid Shares or Share held by the Shareholder, a fraction of a vote equivalent to the proportion which the amount paid (but not credited) is of the total amounts paid and payable (excluding amounts credited) on the Share or Shares held.

(c) **Dividends**

All Shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

(d) **Winding-up**

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to holders of ordinary shares after secured and unsecured creditors of the Company. Holders of fully paid ordinary voting shares rank ahead of other classes of shares (if any).

(e) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(f) **Partly paid shares**

The Directors may, subject to compliance with the Constitution and the Corporations Act, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Directors**

The Constitution states that the minimum number of Directors is three.

(h) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, or the Constitution, the Directors have power to manage the business of the Company and may exercise every right, power or capacity of the Company to the exclusion of the members (except to sell or dispose of the main undertaking of the Company).

(i) **Capital reduction**

Subject to the Corporations Act, the Company may reduce its share capital.

5.26 Speculative Investment

The Shares to be issued pursuant to this OIS carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply Shares pursuant to this OIS.

5.27 Taxation Implications

Investors should be aware that there may be taxation implications of participating in the Offer and subscribing for the Shares. The taxation consequences of participating in the Offer and/or acquiring the Shares may vary depending on the individual circumstances of each investor. Investors should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and their personal circumstances.

5.28 Risks

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share value.

The key risk factors have been summarised in Section 7 of this OIS.

6. DESCRIPTION OF THE BUSINESS OF THE COMPANY

6.1 Company Overview

The Company's key objectives are to acquire and to optimise a range of hydrocarbon permits which contain near term production opportunities with pre-existing infrastructure and exploration upside. The Company's most recent activities have centred on the development of Advent's current assets and the recent investment into Clean Carbon technology.

6.2 PEP11

On 16 December 2021 BPH advised ASX that the Prime Minister of Australia, Scott Morrison, had announced that the Federal Government would refuse the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Permit participants Advent and Bounty received official notification of refusal from the NOPTA and lodged a submission seeking a review of this decision.

As stated in Section 5.2 above, Asset Energy has 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 Joint Authority, constituted under section 56 of the Act, to refuse to vary and suspend the conditions of the PEP11 Permit pursuant to section 264(1) and to refuse to extend the term of the PEP 11 Permit, pursuant to section 265. The application was made in December 2019.

If the Federal Court application is unsuccessful, the PEP11 Permit is at risk. Subject to the application being successful, Bounty Oil and Asset are moving to drill ready status for PEP11.

The offshore Sydney Basin has been lightly explored to date, including a multi-vintage 2D seismic data coverage and a single exploration well, New Seaclem-1 (2010). Its position as the only petroleum title offshore NSW provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title. It lies adjacent to the Sydney-Newcastle region and the existing natural gas network servicing the east coast gas market.

Advent has previously interpreted significant seismically indicated gas features in PEP11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent HRDZ and AVO anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples.

The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Advent has demonstrated considerable gas generation and migration within PEP11, with the mapped prospects and leads highly prospective for the discovery of gas.

6.3 RL1 Extension

On 19 September 2019 Advent was advised that it has been granted a renewal of the RL1 in the Northern Territory by the NT Department of Primary Industry and Resources for a five-year term concluding July 2023.

6.4 Clean Carbon

The Purchasers have been assessing new investment opportunities, where there are ever increasing obligations to provide energy solutions with a responsible management and protection against carbon emissions. The transitioning from hydrocarbons such as coal and oil to hydrogen, produced with no emissions is now presenting real economies and growth globally. Although natural gas also presents continued growth and will play a role for many years to come, it too will need to become a source of energy with no CO2 emissions.

At a proof-of-concept scale, Clean Carbon has developed and tested its processing capabilities which have successfully produced hydrogen, with no C02 emissions achieving on average a 92% cracking efficiency. Clean Carbon's development activities have shown that, by processing (not burning) methane using their patented catalyst and a modified fluidised bed reactor, producing hydrogen with no CO2 emissions. This is referred to as turquoise hydrogen. In addition, Clean Carbon also produces a second product, used for battery manufacturing, called conductive carbon.

Clean Carbon uses methane as its current feedstock and in the future plans to consume natural gas. It does not burn the methane, it processes it, using its own patented catalyst and a bespoke designed fluidised bed reactor. The process it uses is called pyrolysis which is not new and has been used by the oil industry for many years. What is new is Clean Carbon Technologies success in the efficiency of its cracking the methane into turquoise hydrogen with non-CO2 emissions and the quality of the carbon black produced being majority conductive carbon with some carbon nano tubes.

This process requires similar energy needs as Steam Methane Reforming (**SMR**) and at scale can be produced at a similar price, in their view. Additionally, it requires no water as part of its process to produce hydrogen.

6.5 Corporate Structure

Advent has three 100% owned subsidiary companies, Asset Energy, Offshore Energy Pty Ltd and Aotearoa Offshore Ltd NZ.

6.6 Future Plans

(a) **PEP11**

PEP11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

Heightening the prospectively and critical positioning of PEP11, the Australian Energy Market Operator (**AEMO**) has warned that the developed gas reserves in eastern and south-eastern Australia can only meet forecast demand for a short period of time. The supply of gas into NSW has historically been from gas fields in the Bass Strait and Cooper Basin in South Australia. These gas reserves are declining and Australian east coast industrial gas prices are high because of these factors.

There is continuing uncertainty about the longer-term gas supply outlook. AEMO has warned about potential supply shortages emerging on the east coast within five years, particularly in the southern states.

The gas supply crisis on the east coast of Australia has created a significant market opportunity to raise the funding to drill with the objective of developing the PEP11 project.

The current energy crisis has impacted all Australians and has reaffirmed the importance of the PEP11 project. The Federal Resources Minister Hon M King has confirmed that new exploration areas offshore Australia are central to alleviating future domestic gas shortfalls. The PEP11 gas project offshore Newcastle, if successful, could play a key role in meeting that supply shortfall.

The directors have confidence that a suitable outcome will be achieved in relation to PEP11, however there is no certainty at this stage that the application will be successful. The PEP11 Permit will continue in operation until the relevant decisions are made by the Court.

(b) **RL1**

Potential commercialisation of Advent gas fields in the Bonaparte area may be via the virtual pipeline methodology, whereby gas produced at the wellhead is liquefied (or compressed) and trucked to end users as liquefied natural gas (**LNG**) or compressed natural gas (**CNG**). This method allows multiple customers to be connected to the one gas field, without the need for construction of permanent gas pipelines.

The Company has also conducted its own investigations with respect to the demand of power throughout Northern Australia and has identified significant market demand of power generation capacity across the Kimberley region.

The rapid development of the Kununurra region in northern Western Australia/Northern Territory, including the Ord River irrigation area and its future potential expansion, the township of Kununurra, and numerous regional resource projects in the Company's opinion provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Flow rates observed from testing of the discovery wells in RL1 demonstrate potentially commercial flow rates from a natural pressure depletion drive of the reservoirs encountered. Scope for enhanced and sustained flow rates from the existing cased and suspended well in RL1 is intended to be evaluated via a well intervention program, commencing at the earliest opportunity

(c) **Clean Carbon**

The Clean Carbon solution is being built with flexibility to work downstream at heavy transport fuelling hubs currently in use in the USA, mid-stream at steel plants replacing coking coal and upstream where the natural gas is processed into hydrogen, a much higher energy source which can be piped for all uses including the production of electricity. As such the technology being developed by Clean Carbon's solution requires very little change and impact to existing infrastructures and supply chains, unlike other solutions.

Although Clean Carbon consider that electrolysis and other solutions will have their role in the future of hydrogen, they believe the majority of hydrogen will require the advancement of other technologies that can be more ubiquitous, cheaper to produce, use less electricity and operate within existing supply chains.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this OIS are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this OIS and to consult their professional advisers before deciding whether to apply for Shares pursuant to this OIS.

The Company's business is subject to risk factors, both specific to its business activities and of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of these risks set out below could, if it eventuates, have a material adverse impact on the Company's operating performance and profits.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company Specific

(a) Going concern

As set out in the Financial Report, the group has incurred a net profit before tax for the year ended 30 June 2022 of $1,125,436 (2021: loss of $426,659). The group has a net current asset surplus of $2,483,746 (2021: surplus of $213,584).

Included in trade and other payables are balances totalling $927,167 (2021: $913,516) payable to current and former directors. The directors have reviewed their expenditure and commitments for the consolidated entity and have implemented methods of costs reduction. The directors, as a part of their cash monitoring, have voluntarily suspended cash payments for their directors' fees to conserve cash resources until such time that the consolidated entity has sufficient cash resources.

The Financial Report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As stated above in Section 4.1, if the consolidated entity is not successful in raising additional funds through the issue of new equity, there is a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

(b) **Ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business**

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of natural gas.

As stated above, Asset Energy has applied to the Federal Court for a review of the decision by the Joint Authority to refuse and to refuse to vary and suspend the conditions of PEP11 Permit, and to refuse to extend the term of the PEP 11 Permit.. If the Federal Court application is unsuccessful, the PEP11 Permit is at risk.

Pursuant to the Act, the operation of PEP11 will continue until the relevant decisions are made by the Court. The directors have confidence that a suitable outcome will be achieved however there is no certainty that the application will be successful.

Further, Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by DMIRS. Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore is following. Onshore has lodged an appeal against that decision with the SAT. The Directors have considered it prudent to make an impairment provision against the permit exploration costs at this time.

Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners. Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available. Asset Energy Pty Ltd has invested over $25 million in the PEP11 title and, along with its JV partner Bounty Oil, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area, subject to the relevant Federal Court decision being made in March 2023. If Onshore loses its right of tenure in respect of RL1, then the book value of capitalised exploration and evaluation expenditure of $1.3 million will need to be written off to the Statement of Profit or Loss.

If Advent is unable to source further funding for each of PEP11 and RL1, each of these permits are at risk.

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.

(c) **PEP 11 Status**

Subject to approval of the extension of the PEP11 Permit, Bounty Oil and Asset Energy are moving to drill ready status.

If Asset Energy loses its right of tenure in respect of the PEP 11 Permit then book value of capitalised exploration and evaluation expenditure of $14.04 million at 30 June 2022 will need to be written off to the Statement of Profit or Loss and Other Comprehensive Income.

There is a risk that the application will not be successful and in these circumstances the Company will need to consider its next steps in respect of PEP11 or any further action it could take to preserve the permit.

(d) **Covid 19**

The coronavirus (**COVID-19**) is continuing to impact global markets, commodity prices and foreign exchange rates. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

(e) **Geopolitical, Regulatory and Sovereign Risk**

Exploration for and development, exploitation, production and sale of oil and natural gas is subject to laws and regulations, including complex tax laws and environmental laws and regulations, employment law and other laws. Existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations could adversely affect the Company. Certain of these laws may have material penalties and fines for instances of non-compliance. In addition to governmental legal action, private parties may pursue legal actions to enforce these laws and regulations against industry participants.

Changes in government regulations and policies may also adversely affect the financial performance or the current and proposed operations of the Company. The ability to explore and develop oil and gas leases can be affected by changes in government regulations, policies or legislation in different jurisdictions, that are beyond the control of the Company and these changes may also adversely affect the financial performance or the current and proposed operations of the Company. In order to be compliant, certain permits, approvals, and certificates must be obtained and maintained and the cost of any of these may substantially increase from current levels.

(f) **Commodity prices fluctuations**

It is anticipated that any future revenues, other than sales of assets, will be derived from the sale of oil and or natural gas. The prices of crude oil, natural gas and refined products are outside the control of the Company and fluctuate and impact the opportunities available to the Company.

Future revenues, profitability, cash flow and rate of growth will be significantly affected by the prices of, and demand for, crude oil, natural gas and refined products as well as production costs, global economic conditions and expectations for inflation and interest rates.

In the event the Company becomes a producer of oil and or natural gas, any substantial and extended decline in the market prices of oil and gas could have an adverse effect on future revenues, profitability, cash flow from operations, carrying value of future reserves, and borrowing capacity amongst other measures of its financial performance and economic viability.

On a global scale, oil and gas commodity prices depend on a variety of factors including stability in the Middle East, actions taken by the OPEC, and global economic growth. All of these factors, both global and domestic, are beyond the Company's control and may substantially impact its ability to generate revenue from the production of oil or natural gas.

If the Company begins producing and the market price of oil and gas sold by the Company were to be below the costs of production and remain at such a level for any sustained period, the Company would experience losses and might have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on the feasibility of advancing its projects to production and the commercial recoverability of any existing reserves.

(g) **Exploration**

Oil and gas exploration and production is a speculative investment and involves a high degree of risk.

There is no guarantee that exploration and development of the oil and gas concessions or any projects that the Company may acquire in the future, can be profitably exploited.

Oil, condensate, natural gas liquids and natural gas exploration and production activities are subject to numerous risks, including the risk that drilling will result in dry holes or not result in commercially feasible oil or natural gas production. In terms of exploration, selecting a drilling location is influenced by the interpretation of geological, geophysical, and seismic data, which is a subjective science and has varying degrees of success. Other factors, including land ownership and regulatory rules, may impact the Company's decisions with respect to well locations. Further, no known technologies provide conclusive evidence prior to drilling a well that oil or natural gas is present or may be produced economically. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. Decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of production data, engineering studies, and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations. The cost of drilling, completing, equipping and operating wells is typically uncertain before drilling commences.

(h) **Liquidity Risk**

There is no guarantee that any active market in the Shares will develop or that the price of these Shares will increase. There may be relatively few buyers or sellers of these Shares as the Company is not listed. For this reason, any investment in these Shares is illiquid.

(i) **Oil and gas estimates**

Reservoir engineering is a subjective process that only provides an educated estimate of the value of underground reserves. Oil and gas estimates are not precise and are based on knowledge, experience, interpretation and industry practice. Petroleum engineering is a subjective process of estimating accumulations of oil and/or gas that cannot be measured in an exact manner and which involves the use of assumptions which may ultimately not prove to be accurate. Different variables can impact whether these reserves are economically recoverable, including changes with respect to governmental regulations, commodity prices, and taxes. Resource estimates may change significantly when new information becomes available. The Company's actual revenues, expenses, and production will likely vary from such estimates and such differences could be substantial.

There is a risk that the Company's Prospective and Contingent Resources will not convert to Reserves, and also that any future actual production with respect to Reserves may vary from such estimates. Such variances could be material to the Company and its future profitability.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

(j) **Exchange rate risk**

The revenues, expenses, earnings, assets and liabilities of the Company and, accordingly, your investment in the Company, may be exposed adversely to exchange rate fluctuations.

The majority of the Company's expected expenditure and revenues when producing will be in United States dollars (**USD**). The Company also has transactions in Australian Dollars (**AUD**). Any appreciation in the exchange rates between these currencies and the USD may have a detrimental impact on use of USD funds raised.

(k) **Environmental risk**

The Company is subject to a number of laws and regulations to minimise the environmental impact of any operations as well as rehabilitation of any areas affected by the Company's operations. These laws can be costly to operate under and can change further adversely affecting the Company. No assurance can be given that current or future requirements under environmental laws will not result in the cessation of exploration or production activities, the curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects. Penalties for failure to adhere to the laws or in the event of environmental damage the penalties and remediation costs can be substantive.

In the areas in which the Company holds oil and gas interests, there exists regulations that include amongst other requirements, the need for permits for drilling operations, drilling bonds and reports concerning operations. In addition, there are rules and regulations governing conservation matters, including abandonment of drilled wells.

The Company may require approval from relevant authorities before it can undertake activities that may impact the environment, including drilling wells. Failure to obtain such approvals may prevent the Company from achieving its business objectives.

Regulations may limit the rate at which oil and gas could otherwise be produced from the Company's interests and may restrict the number of wells that may be drilled on a particular lease or in a particular field.

As at the date of this OIS, no environmental matters have occurred in the period.

(l) **Competition**

The Company competes with numerous other organisations in the search for, and the acquisition of, oil and gas assets. The Company's competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of the Company and a longer operating history. The Company's ability to increase its reserves in the future will depend not only on its ability to explore and develop its current acreage and concession areas, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling.

There is a risk that the Company is unable to acquire assets due to, amongst other factors, competition.

(m) **Contract risk**

The Company is a party to various contracts.

Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provision, the Company will be successful in enforcing compliance. There are also counterparty bankruptcy, creditor, termination and operational risks.

Contracts to which the Company and its subsidiaries are party, contain various termination rights that could be triggered in the event that either party does not fulfil their obligations under the applicable contract.

There is no guarantee the Company will be able to secure purchasers for any oil and gas produced, on favourable terms or at all. Where there are limited number of purchasers, exposure to the credit risk of each such purchaser and any outstanding accounts receivable from such purchaser may be material. Additionally, should any such purchaser elect to reduce or curtail the volumes of oil and natural gas it purchases, revenues may decline.

(n) **Operating risks and insurance**

Any future operations of the Company may be delayed or adversely affected by factors which are beyond the control of the Company including but not limited to surface access restrictions, compliance with current and new governmental requirements, technical issues, access to equipment, supplies, personnel and transportation, delays in the commissioning of plant and equipment, adverse weather conditions, environmental hazards, labour dispute or industrial accidents.

The overall nature of the oil and gas industry is hazardous and entails many inherent risks, including (among other things) well blowouts, cratering, explosions, uncontrollable flows of hydrocarbons, fires, formations with abnormal pressures, water shortages, crude oil spills, natural gas leaks, pipeline and tank rupture, unauthorised discharges or certain pollutants, encountering naturally occurring radioactive material, and other hazards, risk, and pollutants. All of these hazards and risks create substantial liabilities and may result in substantial losses.

Even if the Company maintains insurance on par with industry standards, such insurance will not fully protect against all risks inherent in the Company's activities, as full insurance coverage may not be available or may be cost prohibitive. As a result, any losses the Company sustains may only be partially covered by insurance, if at all.

(o) **Ability to exploit discoveries**

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in the areas in which it has an interest. Such exploitation may involve the need to obtain licences or approvals, including environmental approvals and authorisations, from relevant authorities and may require conditions to be satisfied or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied.

(p) **Risk of impairment write-downs**

Accounting rules may require the Company to write-down the value of its properties for certain impairments such as declining crude oil and natural gas prices, increased development costs, or poor drilling results. This could substantially impact the Company ability to borrow funds for future capital expenditures and may negatively impact the ability to distribute funds.

(q) **No basis for forecast financial information**

Due to the fact that the Company has not commenced production, the Company has no basis on which to prepare forecast financial information in this OIS.

7.3 General Risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and its investments. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this OIS.

(e) **Risk of litigation, claims and disputes**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

7.4 Speculative Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this OIS.

Therefore, the Shares to be issued pursuant to this OIS carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply Shares pursuant to this OIS.

8. REQUIRED ACTIONS

8.1 Application Form

The number of Shares to which you are entitled (your **Entitlement**) is shown on the accompanying personalised Entitlement and Acceptance Form. You may:

(a) take up some or all of your Entitlement to Shares;

(b) take up more than your Entitlement to Shares by applying for Shortfall Shares; or

(c) not take up any of your Entitlement to Shares.

8.2 Payment by EFT

The details for Application Monies paid by EFT by Australian Investors is as follows:

Account Name:	Advent Energy Ltd Trust Account
Bank:	National Australia Bank
Account BSB:	086-006
Account Number:	17-704-6231
Branch Address:	48 Howe St. Osborne Park WA 6017

Enquiries about the Offer should be directed to David Breeze, the Company Secretary, on 0409 150 953 during business hours.

8.3 Payment by cheque, bank draft or money order

Application Monies may be paid by cheque, bank draft, money order or EFT. Applications for Shares can only be made by filling out an Acceptance Form and providing the Application Monies. Please follow the directions on the Acceptance Form carefully.

Cheques and bank drafts must be made payable to "**Advent Energy Limited**" and crossed "**Not Negotiable**".

Applications (and accompanying cheques, bank drafts or money orders (if applicable)) should be:

Posted or delivered to Unit 12, 114 Cedric Street, Stirling, Western Australia 6018..

8.4 Declining all or part of your Entitlement

If you decide not to take up all or part of your Entitlement, the Entitlement which is unexercised will lapse and the relevant Shares with respect to that part of the Entitlement will not be issued to you. You will not receive any payment for Entitlements not taken up. If you decide not to participate in the Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

Shares which are not taken up by Shareholders or other investors under the Shortfall Offer will not be issued and you will not receive a benefit under the Offer.

9. ADDITIONAL INFORMATION

9.1 Litigation

The Company confirms that other than the litigation referred to in Section 5.2 and 5.4 above, in relation to the PEP11 Permit and the MEC Dispute, the Company is not involved in any further legal proceedings and there are no legal proceedings pending or threatened against the Company.

9.2 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Offer Information statement with their consent as proposed directors of the Company, any underwriters, persons named in the Offer Information Statement with their consent having made a statement in the Offer Information Statement and persons involved in a contravention in relation to the Offer Information Statement, with regard to misleading and deceptive statements made in the Offer Information Statement. Although the Company bears primary responsibility for the Offer Information Statement, the other parties involved in the preparation of the Offer Information Statement can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

(a) does not make, or purport to make, any statement in this OIS other than those referred to in this Section; and

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this OIS other than a reference to its name and a statement included in this OIS with the consent of that party as specified in this Section.

Specifically:

(a) Steinepreis Paganin has given its written consent to being named as solicitors to the Offer in this OIS, in the form and context in which it is named. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this OIS with the ASIC;

(b) Moore Australia Audit (WA) (**Moore WA**) has given its written consent to being named as auditor to the Company in this OIS, in the form and context in which it is named and to the inclusion of the Financial Report in this OIS. Moore WA has not withdrawn its consent prior to the lodgement of this OIS with the ASIC and to the inclusion of the Financial Report in this OIS; and

(c) Grandbridge has given its written consent to being named as Lead Manager and Underwriter to the Company in this OIS, in the form and context in which it is named. Grandbridge has not withdrawn its consent prior to the lodgement of this OIS with the ASIC.

9.3 Fees and Commissions

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin $15,000 (excluding GST and disbursements) for these services.

10. DIRECTORS' AUTHORISATION

Each of the Directors of the Company has consented to the lodgement and issue of this Offer Information Statement.

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

Signed in accordance with a resolution of the Directors by:

David Breeze
Executive Director
For and on behalf of
Advent Energy Limited

11. GLOSSARY

$ means Australian dollar.

Acceptance Form means the form by that name which is included in or accompanies this Offer Information Statement.

Applicant is used interchangeably with investor and means a person who applies for Shares in accordance with this Offer Information Statement.

Application means an application for a specified number of Shares by an Applicant under this Offer Information Statement made by completing and returning an Acceptance Form by the Closing Date.

Application Form means an Acceptance Form.

Application Monies means funds accompanying a completed Application.

ASIC means the Australian Securities and Investments Commission.

Board means the board of Directors of the Company.

Closing Date means the date on which the Offer closes, intended to be 24 February 2023.

Company or **Advent** means Advent Energy Limited (ACN 109 955 400).

Director means a director of the Company.

Eligible Shareholder means all Shareholders who are registered on the Shareholder register as at the 5:00pm (WST) on the Record Date.

Entitlement means the number of Shares each Eligible Shareholder is offered under the Offer as designated on their personalised Entitlement and Acceptance Form.

Entitlement Issue means the entitlement to Shares available for issue under this Offer Information Statement.

Entitlement and Acceptance Form means the form by that name which is included in or accompanies this Offer Information Statement.

Offer means the offer of Shares under this Offer Information Statement.

Offer Price means the price payable for one Share under this Offer Information Statement is $0.05.

OIS or **Offer Information Statement** means this Offer Information Statement.

Option means an option to acquire a Share.

Record Date means 23 December 2022.

Section means a section within this Offer Information Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share as recorded on the Share register for the Company.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this OIS.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Share Registry means the share register maintained by the Company.

WST means Western Standard Time as observed in Perth, Western Australia**.**

Advent Energy Ltd

ACN 109 955 400

Annual Financial Report
30 June 2022

Contents
Advent Energy Ltd and its controlled entities

Directors
David Breeze – Executive Chairman
Stephen Kelemen – Non-Executive Director
Steve James – Non-Executive Director
Tony Huston – Non-Executive Director
Tom Fontaine – Non-Executive Director

Company Secretary
David Breeze

Registered Office
Unit 12, Level 1
114 Cedric Street
STIRLING WA 6021

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STIRLING WA 6021
Telephone: (08) 9328 8711
Facsimile: (08) 9328 8733
Website: www.adventenergy.com.au

Auditor
Moore Australia Audit (WA)
Level 15,
Exchange Tower
2 The Esplanade
PERTH WA 6000

Australian Business Number
39 109 955 400

DIRECTORS' REPORT
Advent Energy Limited and its Controlled Entities

The directors of Advent Energy Ltd (Advent or Company) present their report on the Company and its controlled entities (consolidated entity or group) for the financial year ended 30 June 2022.

Directors

The names of directors in office at any time during or since the end of the year are:

David Breeze – Executive Chairman
Stephen Kelemen – Non-Executive Director
Steve James – Non-Executive Director
Tony Huston – Non-Executive Director
Tom Fontaine – Non-Executive Director

Company Secretary

The names of company secretaries in office at any time during or since the end of the year are:

David Breeze

Information on Directors

D Breeze
Executive Chairman (appointed 10 November 2005) and Company Secretary (appointed 6 August 2019)

David Breeze is a Corporate Finance Specialist with extensive experience in the stock broking industry and capital markets. He has been a corporate consultant to Daiwa Securities; and held executive and director positions in the stock broking industry. David has a Bachelor of Economics and a Masters of Business Administration, and is a Fellow of the Financial Services Institute of Australasia, and a Fellow of the Institute of Company Directors of Australia. He has published in the Journal of Securities Institute of Australia and has also acted as an Independent Expert under the Corporations Act. He has worked on the structuring, capital raising and public listing of over 70 companies involving in excess of $250M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology. In the past three years David has also held the following listed company directorships:

Grandbridge Limited (from December 1999 to present. The company was delisted from ASX in February 2020)
BPH Energy Limited (from February 2001 to present)
MEC Resources Limited (from April 2005 to present)

David is also a director of Cortical Dynamics Limited, Molecular Discovery Systems Limited, Diagnostic Array Systems Limited, and Advent subsidiaries Asset Energy Pty Limited, Offshore Energy Pty Limited and Aotearoa Offshore Limited.

S Kelemen
Non-Executive Director (appointed 8 February 2018)

Stephen Kelemen has 40 years of experience in the upstream petroleum industry, primarily with Santos Ltd where he had leading roles involving exploration, development, field operations, reservoir engineering, drilling, geology, and mergers & acquisitions across conventional and unconventional assets. He oversaw Santos' investment in Bayu-Undan & DLNG, and was responsible for the company's entry into CSG and the concept of CSG to LNG. He has evaluated many of the Australian basins for the potential to deliver reserves. Stephen is a Non-Executive Director for Galilee Energy, Elixir Energy as well as Advent Energy. He is also Adjunct Professor - Centre for Natural Gas at University of Queensland and Deputy Chair Petroleum - Queensland Exploration Council. Stephen has a BE from University of Adelaide.

During the last 3 years Stephen has not held any listed company directorships.

T Huston
Non-Executive Director (appointed 6 August 2019)

Anthony (Tony) Huston has been involved for over 40 years in engineering and hydrocarbon industries for both on and off shore exploration/development. Early career experience commenced with Fitzroy Engineering Ltd, primarily working on development of onshore oil fields. During the 1990's Tony managed JFP NZ International, a Texas based exploration company that included a jack up rig operating in NZ waters. In 1994 Tony oversaw the environmental consent process required to drill a near inshore well that was drilled from "land" into the offshore basin during 1995. In 1996 Tony formed his own E&P Company to focus re-entry of onshore wells, primarily targeting shallow pay that had been passed or ignored from previous operations. This was successful and the two plays opened up 20 years ago are still in operation. Recent focus (12 years) has been to utilise new technology for enhanced resource recovery and has been demonstrated in various fields, including US, Mexico, Oman, Italy and Turkmenistan.

During the last 3 years Tony has been a director of listed company BPH Energy Limited (June 2017 to present).

T Fontaine
Non-Executive Director (appointed 6 August 2019)

Tom is a reservoir engineer with over 25 years of experience in project evaluation management, development and capital raising. Tom has been part owner of petroleum engineering companies Epic Consulting in Canada and Focal Petroleum in Australia and has provided technical services to many companies worldwide. He is also primarily responsible for the startup and subsequent listing on ASX of Bounty Oil & Gas NL in 2002, and Coal Bed Methane Company Pure Energy Resources Pty Ltd in 2006 which was acquired in 2009 by BG Group Plc in a $1 billion takeover. Tom is also currently involved with several small exploration companies in Canada, Russia, Cuba, Nepal, Timor Leste and Africa.

During the last 3 years Tom has been a director of ASX listed company Kinetiko (ASX:KKO) (February 2021 to present).

S James
Non-Executive Director (appointed 6 August 2019)

Steve has over 30 years' experience in the financial services industry having worked for Australia's largest banks as well as European and American institutions. Steve has a thorough knowledge across foreign exchange trading, financial planning, capital raisings and stockbroking where he was a key figure in developing Australia's largest wholesale broking business.

Steve is a highly experienced company director across both listed and unlisted entities in diverse operations from sporting bodies, financial services organisations and the property industry. Steve holds a Masters Degree in Financial Services Law, a Master Stockbroker Qualification, a Diploma of Financial Markets and is a graduate of the Australian Institute of Company Directors.

During the last 3 years Steve has not held any listed company directorships.

Meetings of Directors

During the financial year there were no meetings of directors. The Board meets regularly by telephone to make day-to-day decisions with respect to the business of the Company.

Indemnifying Officers or Auditors

During or since the end of the financial year the company has not given an indemnity or entered an agreement to indemnify Company officers or the auditors. The Company does not hold a Directors and Officers insurance policy.

Operating Results

The operating loss for the group after tax for the year was $1,125,436 (2021: loss of $426,659).

Non-Audit Services

No fees for non-audit services were paid or payable to the external auditors during the year ended 30 June 2022 (2021: $Nil).

Dividends

The directors recommend that no dividend be paid in respect of the current period and no dividends have been paid or declared since the commencement of the period.

Financial Position

The net assets of the group have increased over the year by $1,167,556 to $10,803,833 at 30 June 2022.

Future Developments

The group will continue to develop its portfolio projects including PEP 11, Offshore Taranaki Basin, RL1, clean hydrogen technology, and may evaluate and invest in a range of other resource projects as appropriate.

Environmental Issues

Advent appointed Xodus under a lump sum contract to prepare the Environmental Plan for first submission to NOPSEMA for the Seablue1 well at the Baleen drill target Advent has received a copy of the Environmental Plan for PEP-11 Baleen well from the Xodus group. The plan is currently being reviewed prior to release. Xodus Group are a leading global energy environmental consultancy with a strong track record in the Australian offshore sector where they are subject matter experts in environmental impact assessment and regulatory approvals. The plan is a prerequisite for the planned drilling of the Baleen well. It will be released as part of the regulated process under the Government environmental regulator authority NOPSEMA.

No environmental matters have occurred in the period.

Principal Activities

Company Focus and Developments

Advent is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia and overseas.

PEP 11 Oil and Gas Permit Offshore Sydney Basin (85%)

Advent, through wholly owned subsidiary Asset Energy Pty Ltd (Asset), holds 85% of Petroleum Exploration Permit PEP 11, an exploration permit prospective for natural gas located in the Offshore Sydney Basin, the other 15% being held by Bounty Oil and Gas (ASX:BUY).

PEP 11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs. Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

The offshore Sydney Basin has been lightly explored to date, including a multi-vintage 2D seismic data coverage and a single exploration well, New Seaclem-1 (2010). Its position as the only petroleum title offshore New South Wales provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title. It lies adjacent to the Sydney-Newcastle region and the existing natural gas network servicing the east coast gas market. The total P50 Prospective Resource calculated for the PEP11 prospect inventory is 5.9 Tcf with a net 5 Tcf to Advent (85%WI). The two largest prospects in the inventory are Fish and Baleen.

Advent has previously interpreted significant seismically indicated gas features in PEP11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones (HRDZ), Amplitude Versus Offset (AVO) anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples.

The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Advent has demonstrated considerable gas generation and migration within PEP11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent is a strong supporter of plans for Net Zero by 2050 and sees the company playing a direct role in achieving that target, especially in New South Wales. It aims to do this in two ways. First, by finding gas closest to Australia's biggest domestic energy market, gas which can be used to provide reliable back-up for increased uptake of renewable energy in NSW. Second, through its plans to explore for opportunities in offshore NSW for CCS, Carbon Capture and Storage (geo-sequestration of CO2 emissions), a key clean energy technology.

Taranaki Basin

Advent's 100% subsidiary, Aotearoa Offshore Ltd NZ (AOLNZ), has the right to acquire a 30% participating interest in Petroleum Exploration Permits (PEP) 57075, 60092 and 60093 covering an area of 5,180 km2 in the Taranaki Basin from OMV New Zealand Limited (OMV NZ).

The three permits are governed by individual (but identical) Joint Venture Operating Agreements (JVOA's) and, as such, each intersects in the same fashion with the Farm Out Agreement (FOA). The FOA covers all three permits. Mitsui E&P withdrew from the PEP 60092 and PEP 60093 JVOA's in April 2021 with OMV NZ being assigned their 30% participating interest. Following this assignment, the joint venture for PEP 57075, 60092 and 60093 consisted of OMV NZ with a 70% participating interest and SapuraOMV Upstream (NZ) SDN BHD having a 30% participating interest (Joint Venture).

In mid-2021 OMV NZ commenced a farmout process in respect of its 70% participating interest. Following engagement with OMV NZ, extensive review of their data room and significant due diligence, Advent submitted its bid in November 2021. Early in December OMV NZ formally notified Advent that its bid submission, for a 30% participating interest in the offshore Taranaki Basin petroleum exploration permits 57075, 60092 and 60093, was successful and Advent, together with AOLNZ, signed the FOA on 24th December 2021.

The FOA is subject to conditions precedent covering JV, regulatory and ministerial approvals and agreement by the JV to have responsibility for future liabilities, relating to any ongoing/future exploration activities. The current JV has approved the farmout and it is expected that the remaining approvals will be in place in the near future, resulting in the respective participating interests of the parties in the Joint Venture being OMV NZ 40%, SapuraOMV Upstream (NZ) SDN.BHD 30% and AOLNZ 30%.

In the short term, Advent has agreed with BPH Energy Limited (BPH), an ASX listed entity that has a relevant interest in 36% of Advent, that BPH provide loan funding for Advent of $3.0 million on commercial terms to make a cash payment to cover expenditure on the licences over 2022 including a loan of $800,000 to cover agreed work programme and budget expenditures for 2022 under the FOA, which means that sufficient funds for all 2022 commitments, are in place. If the FOA conditions precedent are not met the funds advanced by the group to OMV NZ will be repaid. BPH has loaned a further net $1,075,000 during the period to fund current work programs and investments.

The funding from BPH to Advent is unsecured and will be repaid by Advent on the terms of the loans in due course and after Advent has raised sufficient new funds. It is intended by Advent that it will undertake a capital raising in due course, which may be a placement to third parties, its existing shareholders, or possibly via a future listing, or a rights issue. It is not intended that BPH will increase its current relevant interest in Advent. The loans from BPH do not have a conversion right into shares in Advent. While BPH is not intending to increase its shareholding or relevant interest in shares in Advent, if circumstances changed and it wished to increase its shareholding in Advent (whether it be by way of maintaining its current percentage interest in the event Advent undertook a capital raising, increasing its percentage interest, or a debt for equity conversion), BPH will need to consult with ASX regarding the application of Listing Rule 10.1.5.

The FOA is considered to be a positive development for Advent and BPH as a major shareholder, as it provides a significant new project for Advent which enables it to diversify beyond its current oil and gas portfolio assets. On completion of exploration drilling in 2019/20, the focus for the Joint Venture has been on assessing the results of the Toutouwai-1 discovery whilst further maturing the prospectivity across these permits. There are positive indications that hydrocarbons are present within the Cretaceous and Palaeocene interval with potential also recognised in the shallower Miocene and early Pliocene.

The following are conditions precedent of the FOA: (1) AOLNZ obtains any necessary Governmental Agency approvals; (2) OMV NZ obtains the consent of the Joint Venture to the transaction; (3) the Joint Venture has agreed and signed an amendment to the Joint Venture to enable OMV NZ to require additional security, (on terms reasonably acceptable to the farminee), from the Joint Venture parties in respect of liabilities arising out of future exploration activities; and (4) OMV NZ has obtained the approval of the Minister for Energy required under section 41 of the Crown Minerals Act.

If CP's 1 to 3 are not satisfied within 6 months of signing either party may terminate the FOA and the agreement will cease to be of any effect. The FOA was executed on 24 December 2021, meaning this 6 month period expired on 24 June 2022. No action is required or will be taken from either Advent or OMV NZ given both parties intent to proceed and have AOLNZ on permit Titles pending the Ministry of Business, Innovation and Employment's ongoing process.

Clean Carbon Transaction

The shareholders of the Company's 36.1% shareholder, BPH Energy Limited, have approved an investment in a hydrogen technology company, Clean Hydrogen Technologies Corporation (Clean Carbon). BPH shareholders approved this transaction at a Shareholders' Meeting held on 21 June 2022.

The Company and BPH (together, the Purchasers) have been assessing new investment opportunities, where there are ever increasing obligations to provide energy solutions with a responsible management and protection against carbon emissions. The transitioning from hydrocarbons such as coal and oil to hydrogen, produced with no emissions is now presenting real economies and growth globally. Although natural gas also presents continued growth and will play a role for many years to come, it too will need to become a source of energy with no CO2 emissions.

At a proof-of-concept scale, Clean Carbon has developed and tested its processing capabilities which have successfully produced hydrogen, with no C02 emissions achieving on average a 92% cracking efficiency. Clean Carbon's development activities have shown that, by processing (not burning) methane using their patented catalyst and a modified fluidised bed reactor, producing hydrogen with no CO2 emissions. This is referred to as turquoise hydrogen. In addition, Clean Carbon also produces a second product, used for battery manufacturing, called conductive carbon.

Clean Carbon uses methane as its current feedstock and in the future plans to consume natural gas. It does not burn the methane, it processes it, using its own patented catalyst and a bespoke designed fluidised bed reactor. The process it uses is called pyrolysis which is not new and has been used by the oil industry for many years. What is new is Clean Carbon Technologies success in the efficiency of its cracking the methane into turquoise hydrogen with non-CO2 emissions and the quality of the carbon black produced being majority conductive carbon with some carbon nano tubes.

This process requires similar energy needs as Steam Methane Reforming (SMR) and at scale can be produced at a similar price, in their view. Also, it requires no water as part of its process to produce hydrogen.

Importantly, the Clean Carbon solution is being built with flexibility to work downstream at heavy transport fuelling hubs currently in use in the USA, mid-stream at steel plants replacing coking coal and upstream where the natural gas is processed into hydrogen, a much higher energy source which can be piped for all uses including the production of electricity. As such the technology being developed by Clean Carbon's solution requires very little change and impact to existing infrastructures and supply chains, unlike other solutions. Although Clean Carbon consider that electrolysis and other solutions will have their role in the future of hydrogen, they believe the majority of hydrogen will require the advancement of other technologies that can be more ubiquitous, cheaper to produce, use less electricity and operate within existing supply chains.

The Purchasers entered into a binding term sheet (Term Sheet) with Clean Carbon, pursuant to which the Purchasers have agreed to subscribe for fully paid shares in Clean Carbon (Subscription Shares), representing a total of 10% of the total issued share capital of Clean Carbon after the issue of the Subscription Shares (Subscription Shares Tranche 1).

In consideration for the issue of the Subscription Shares Tranche 1 the Purchaser shall pay to the Clean Carbon US$1,000,000 less deposits, loans, and any accrued interest (Cash Consideration), specifically:

(A) BPH shall pay to the Clean Carbon(or its nominee) US$800,000; and
(B) Advent shall pay to the Clean Carbon (or its nominee) US$200,000,

upon which, 80% of the Subscription Shares Tranche 1 shall be issued to BPH and the remaining 20% issued to Advent, with the Cash Consideration to reflect the US$464,004 relating to outstanding loans, deposits and accrued interest owing by Clean Carbon to the Purchasers.

The Subscription Shares Tranche 1 issuance by Clean Carbon is under a Loan Conversion Agreement dated 25 July 2022 by the payment of US$535,996 by the Purchasers.

Where Clean Carbon (at its sole and absolute discretion) proposes to seek additional funding for the development and operations of the Technology, on or before 31 December 2022 (Additional Funding), it must first offer the right to subscribe for additional Subscription Shares representing an additional 10% (Subscription Shares Tranche 2) to the Purchaser and on the same terms and conditions as the Subscription Shares Tranche 1. In the event that the Clean Carbon secures additional investments in excess of $US3,000,000 (on or before 31 December 2022), the Right is relinquished.

Subject to the above, should the Purchaser exercise the Right, it must do so within 1 month of Clean Carbon's request for the Additional Funding. The consideration payable, being an aggregate of US$1,000,000, comprising of $US800,000 by BPH and US$200,000 by Advent (Additional Cash Consideration), subsequent to which BPH and Advent will have 16% and 4% equity interests respectively in Clean Carbon. Should Advent elect to not invest its proportion of the Additional Funding, BPH has the right to subscribe for Advent's portion (US$200,000) of the Subscription Shares Tranche 2.

The parties acknowledge and agree that the Cash Consideration and Additional Cash Consideration (if applicable), shall be used by Clean Carbon to design, build, produce and test a reactor that can produce a minimum of 3.2 and as high as 15kgs per hour of hydrogen per hour and to submit at least 2 new patents in an agreed geography, relevant to the production of hydrogen from proprietary technology.

Anthony Huston has been appointed as a director to the Board of Clean Carbon.

Onshore Bonaparte Basin (100%)

Advent, through wholly owned subsidiary Onshore Energy Pty Ltd ("Onshore"), holds 100% of RL 1 in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basin is a highly prospective petroliferous basin, with significant reserves of oil and gas. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore.

In the Northern Territory, Advent holds Retention Licence RL1 (166 square kilometres in area), which covers the Weaber Gas Field, originally discovered in 1985. Advent has previously advised that the 2C Contingent Resources for the Weaber Gas Field in RL1 are 11.5 billion cubic feet (Bcf) of natural gas following an independent audit by RISC. Significant upside 3C Contingent Resources of 45.8 Bcf have also been assessed by RISC.

The current rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Area phase 2, the township of Kununurra, and numerous regional resource projects provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Market studies have identified a current market demand of up to 30.8 TJ per day of power generation capacity across the Kimberley region that could potentially be supplied by Advent Energy's conventional gas project RL1. The prospectivity of the Bonaparte Basin is evident from the known oil and gas fields in both the offshore and onshore portions of the basin. Advent has identified significant shale areas in RL1.

EP 386

Advent's 100% subsidiary Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore is following. Onshore lodged an appeal against this decision with the State Administrative Tribunal (SAT). The SAT determined that it did not have the coverage to hear the appeal and the decision allowed for the matter to be determined through a Supreme Court of WA action.

Significant Changes in State Of Affairs

On 16 December 2021 BPH advised ASX that the Prime Minister of Australia, Scott Morrison, had announced that the Federal Government would refuse the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Permit participants Advent and Bounty received official notification of refusal from the National Offshore Petroleum Title Authority (NOPTA) and lodged a submission seeking a review of this decision.

Advent has two applications with NOPTA for suspension and extension of the PEP11 permit. The first application was lodged in January 2020 and the second in February 2021. NOPTA has issued a notice of intention to refuse the January 2020 application which was lodged on the basis of Force Majeure. The first is the only application which is the subject of the NOPTA notice. The second application was made under a COVID application process and was accepted but not dealt with pending an outcome on the first application made in January 2020. NOPTA is seeking additional information from Advent in respect of the application. Under the provisions of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, the existing permit will continue until relevant decisions are made.

On 30 March 2002 BPH and Bounty Oil & Gas NL (Bounty) (ASX: BUY) as the PEP 11 Joint Venture announced to ASX that they had been given notice by NOPTA that NOPTA has refused the Joint Venture Application initially submitted on 24 December 2019 for a secondary work program variation and a 24-month suspension of the Permit Year 4 Work Program Commitment and the corresponding 24-month extension of the Permit Term.

Advent Energy Limited's 100% subsidiary Asset Energy Pty Ltd has 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. The application was made in December 2019. Asset Energy Pty Ltd is a 100 % owned subsidiary of Advent Energy Ltd and has 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. On 11 August 2022 the Federal Court of Australia made discovery orders in respect of this application. The court has set a date for a hearing in March 2023.

Capital raisings

During the year the Company issued 48,086,500 shares at $0.05 for $2,404,325 cash.

Subsequent Events

The Purchasers entered into Term Sheet with Clean Carbon, pursuant to which the Purchasers agreed to subscribe for fully paid shares in Clean Carbon (Subscription Shares), representing a total of 10% of the total issued share capital of Clean Carbon after the issue of the Subscription Shares (Subscription Shares Tranche 1). The Subscription Shares Tranche 1 issuance by Clean Carbon under a Loan Conversion Agreement dated 25 July 2022 following the payment of US$535,996 by the Purchasers, which was net of loans, accrued interest and deposits owed to the Purchasers by Clean Carbon.

Advent's 100% subsidiary Asset Energy Pty Ltd has 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. The application was made in December 2019. On 11 August 2022 the Federal Court of Australia made discovery orders in respect of this application. The court has set a date for a hearing in March 2023.

There has not been any other matter or circumstance that has arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Options

At the date of this report there were the following share options on issue:

Issued	Number	Exercise Price	Expiry Date
15/1/2020	10,000,000	$0.10	30/11/24
8/6/2022	6,000,000	$0.20	30/11/26

During the year ended 30 June 2022 no ordinary shares of Advent were issued on the exercise of options (2021: Nil). No options have been granted since year end. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

DIRECTORS' REPORT
Advent Energy Limited and its Controlled Entities

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 13.

Signed in accordance with a resolution of the Board of Directors.

David Breeze
Chairman
Dated this 5th day of September 2022

Moore Australia Audit (WA)

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ADVENT ENERGY LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 5th day of September 2022.

Consolidated Statement of Financial Position
as at 30 June 2022
Advent Energy Ltd and its controlled entities

	Note	Consolidated 2022 $	2021 $
Revenue	2	16,613	31,098
Other income		-	5,692
Finance costs		(80,619)	-
Administration expenses		(207,524)	(157,963)
Consulting and legal expenses		(371,551)	(82,173)
Director related fees		(212,000)	(223,313)
Fair value loss	3	(49,883)	-
Foreign exchange loss		(79,106)	-
Share based payments		(61,793)	-
Project development costs		(79,573)	-
Operating (loss) before income tax		(1,125,436)	(426,659)
Income tax expense	9	-	-
Operating (loss) profit from continuing operations		(1,125,436)	(426,659)
Other comprehensive Income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total comprehensive (loss)		(1,125,436)	(426,659)
Basic and diluted (loss) per share (cents per share)	24	(0.54)	(0.2)

The accompanying notes form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Financial Position
as at 30 June 2022
Advent Energy Ltd and its controlled entities

	Note	Consolidated 2022 $	Consolidated 2021 $
Current Assets			
Cash and cash equivalents	6	945,521	158,804
Trade and other receivables	7	625,598	75,928
Other assets		-	23,348
Financial assets	11	1,476,348	872,742
Total Current Assets		3,047,467	1,130,822
Non-Current Assets			
Exploration and evaluation expenditure	10	17,495,977	14,335,995
Financial assets	11	50,000	50,000
Total Non-Current Assets		17,545,977	14,385,995
Total Assets		20,593,444	15,516,817
Current Liabilities			
Trade and other payables	8	562,481	362,513
Financial liabilities	13	1,240	554,725
Total Current Liabilities		563,721	917,238
Non-Current Liabilities			
Trade and other payables	8	927,167	802,167
Financial liabilities	13	8,298,723	4,161,135
Total Non- Current Liabilities		9,225,890	4,963,302
Total Liabilities		9,789,611	5,880,540
Net Assets		10,803,833	9,636,277
Equity			
Issued capital	14	45,423,803	43,198,137
Option reserve	12	1,027,346	965,553
Accumulated (losses)		(35,652,849)	(34,527,413)
Foreign exchange reserve		5,533	-
Total Equity		10,803,833	9,636,277

The accompanying notes form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2022
Advent Energy Ltd and its controlled entities

	Consolidated				
	Issued Capital $	**Accumulated losses $**	**Option Reserve $**	**Foreign Exchange Reserve $**	**Total Equity $**
Balance at 1 July 2020	43,034,038	(34,100,754)	965,553	-	9,898,837
(Loss) attributable to members of the consolidated entity	-	(426,659)	-	-	(426,659)
Total comprehensive (loss)	-	(426,659)	-	-	(426,659)
Transactions with owners in their capacity as owners:					
Shares issued for cash	173,250	-	-	-	173,250
Share issue costs	(9,151)	-	-	-	(9,151)
Balance at 30 June 2021	43,198,137	(34,527,413)	965,553	-	9,636,277
(Loss) attributable to members of the consolidated entity	-	(1,125,436)	-	-	(1,125,436)
Total comprehensive (loss)	-	(1,125,436)	-	-	(1,125,436)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	61,793	-	61,793
Shares issued for cash	2,404,325	-	-	-	2,404,325
Share issue costs	(178,659)	-	-	-	(178,659)
Foreign exchange on consolidation	-	-	-	5,533	5,533
Balance at 30 June 2022	45,423,803	(35,652,849)	1,027,346	5,533	10,803,833

The accompanying notes form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 June 2022
Advent Energy Ltd and its controlled entities

	Note	Consolidated 2022 $	Consolidated 2021 $
Cash Flows From Operating Activities			
Payments to suppliers and employees		(1,001,457)	(325,351)
Finance costs		(376)	-
Net cash used in operating activities	15	(1,001,833)	(325,351)
Cash Flows From Investing Activities			
Exploration expenditure (net of reimbursements)		(3,332,763)	(254,015)
Net cash used in investing activities		(3,332,763)	(254,015)
Cash Flows From Financing Activities			
Proceeds from shares issued		2,404,325	173,250
Share issue costs		(178,659)	(9,151)
Loans received from other entities		3,503,860	549,722
Loans provided to other entities		(608,213)	-
Net cash provided by financing activities		5,121,313	713,821
Net increase in cash held		786,717	134,455
Cash at the beginning of the financial year		158,804	24,349
Cash at the end of the financial year	6	945,521	158,804

The accompanying notes form part of and should be read in conjunction with these financial statements.

1. Statement of Significant Accounting Policies

Corporate Information

The financial report includes the consolidated financial statements and the notes of Advent Energy Ltd and its controlled entities ('consolidated entity' or 'group'). Advent Energy Ltd is an unlisted public company, incorporated and domiciled in Australia. The financial report was authorised for issue on 5th September 2022 by the board of directors.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Advent Energy Ltd is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The consolidated financial statements of the Advent Energy Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Financial Position / Going Concern

The operating loss for the group after tax for the year was $1,125,436 (2021: loss of $426,659). The group has a net current asset surplus of $2,483,746 (2021: surplus of $213,584) (refer note14 (b)) at year end.

Included in non-current financial liabilities are loans payable to MEC of $4,122,155 which will be recoverable by MEC only by the following means and only in the following circumstances; one month prior to the scheduled commencement date for the drilling of a well within the PEP 11 Permit Area, Advent will issue to MEC ordinary shares to the face value of the debt calculated at 80% of: (a) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or (b) if as at that date Advent shares are not listed on any securities exchange, the price at which ordinary shares in Advent were last issued.

Included in trade and other payables are balances totalling $927,167 (2021: $913,516) payable to current and former directors. The directors have reviewed their expenditure and commitments for the consolidated entity and have implemented methods of costs reduction. The directors, as a part of their cash monitoring, have voluntarily suspended cash payments for their directors' fees to conserve cash resources until such time that the consolidated entity has sufficient cash resources.

1. Statement of Significant Accounting Policies (continued)

Financial Position / Going Concern (continued)

The directors have prepared cash flow forecasts that indicate that the group will have sufficient cash flows to meet its non-exploration commitments and a portion of exploration commitments for a period of at least 12 months from the date of this report. Based on the cash flow forecasts and the monitoring of operational costs, the directors are satisfied that, the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Advent may undertake a capital raising in due course, which may be a placement to third parties, its existing shareholders, or possibly via a future ASX listing or a rights issue. Advent is working through funding options at present. While it is understood BPH is not intending to increase its shareholding or relevant interest in Advent, if circumstances changed and it wished to increase its shareholding (whether it be by way of maintaining its current percentage interest in the event Advent undertook a capital raising, increasing its percentage interest, or a debt for equity conversion), it will need to consult with ASX regarding the application of Listing Rule 10.1.5.

Should the consolidated entity not be successful in raising additional funds through the issue of new equity, should the need arise there is a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Accounting Policies

(a) Principles of Consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

A list of controlled entities is contained in Note 17 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

1. Statement of Significant Accounting Policies (continued)

(a) Principles of Consolidation (continued)

The purchase method of accounting is used to account for business combinations by the group (see Note 1 (b) below).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial performance.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the statement of financial position date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the statement of comprehensive income except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or unused tax losses or tax credits can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Advent Energy Ltd and its wholly-owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation regime on 1 July 2010.

1. Statement of Significant Accounting Policies (continued)

(c) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward where right of tenure of the area of interest is current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. Should exploration be successful and result in a project, costs of site restoration are provided over the life of the facility and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

(d) Impairment of Assets

The group reviews non-financial assets, other than deferred tax assets, at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. Statement of Significant Accounting Policies (continued)

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Revenue and Other Income

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract. All revenue is stated net of the amount of goods and services tax (GST).

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to statement of financial position. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

1. Statement of Significant Accounting Policies (continued)

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Share based payments

Share based compensation benefits are provided to employees via the Company's Employee Option plan. The fair value of options granted under the Company's Employee Option Plan is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the group revises its estimate of the number of options that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(l) Critical accounting estimates and judgments

Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the group.

Key Judgments —Impairment of capitalised and carried forward exploration expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at statement of financial position date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in note 1(d).

Critical Accounting Estimates – carrying value of PEP 11 Permit

No impairment is made against the PEP 11 permit which has a carrying value of $14,043,000 at year end, refer Note 10.

Critical Accounting Estimates – carrying value of investment in ASX listed MEC Resources Limited (MEC)

This investment in MEC is recorded at a carrying value of $498,334, being the last traded price of $0.004 per share prior to MEC's suspension from ASX on 17 January 2020.

1. Statement of Significant Accounting Policies (continued)

(m) Application of New and Revised Accounting Standards

Standards and Interpretations applicable to 30 June 2022

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting period beginning on or after 1 July 2021. The Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the consolidated entity and therefore, no material change is necessary to group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the consolidated entity and, therefore, no change is necessary to the consolidated entity's accounting policies.

(n) Functional Currency

Companies in the consolidated entity have to determine their functional currencies based on the primary economic environment in which each entity operates. In order to do that management has to analyse several factors, including which currency mainly influences sales prices of product sold by the entity, which currency influences the main expenses of providing services, in which currency the entity has received financing, and in which currency it keeps its receipts from operating activities.

For subsidiary Aotearoa offshore Limited the above indicators are mixed and the functional currency is not obvious. Management used its judgment to determine which factors are most important and concluded the NZ dollar is the functional currency for that companies. For Advent Energy Limited and its other subsidiaries management have determined that the Australian dollar is the functional currency for those companies given their recurring revenue and expenditure is mostly in Australian dollars.

(o) Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

1. Statement of Significant Accounting Policies (continued)

(p) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

• amortised cost
• fair value through profit or loss (FVTPL)
• equity instruments at fair value through other comprehensive income (FVOCI)
• debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset, and

- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

1. Statement of Significant Accounting Policies (continued)

(p) Financial Instruments (continued)

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment. The group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(iii) Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

(iv) Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI. The group accounts for financial assets at FVOCI if the assets meet the following conditions:

• they are held under a business model whose objective it is to "hold to collect" the associated cash flows and sell financial assets; and

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

1. Statement of Significant Accounting Policies (continued)

(p) Financial Instruments (continued)

Impairment of financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Recognition of credit losses is no longer dependent on the group first identifying a credit loss event. Instead the group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and

• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').

• 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

1. Statement of Significant Accounting Policies (continued)

(q) Foreign Currency

Functional and presentation currency

The functional currency of each of the consolidated entity's entities is measured using the currency of the primary economic environment in which that entity operates (the "functional" currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate at balance sheet date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of monetary items are recognised in the profit and loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as available-for sale financial assets are recognized in profit or loss.

Foreign operations

The financial performance and position of foreign operations whose functional currency is different from the consolidated entity's presentation currency are translated as follows:

• assets and liabilities are translated at exchange rates prevailing at statement of financial position date

• income and expenses are translated at transaction date or average exchange rates for the period, whichever is more appropriate

Resulting exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are transferred directly to the consolidated entity's foreign currency translation reserve as a separate component of equity. These differences are recognised in profit or loss upon disposal of the foreign operation.

	Consolidated 2022 $	Consolidated 2021 $
2. Revenue		
Interest income	16,613	31,098
	16,613	31,098
3. Expenses		
Fair value loss on listed investments	(49,883)	-
	(49,883)	-
4. Auditors' Remuneration		
Remuneration of the auditor of the parent entity for:		
Moore Australia Audit (WA)	8,500	8,000
	8,500	8,000

5. Key Management Personnel Compensation

Names and positions held of consolidated entity key management personnel in office at any time during the financial year are as follows. They were appointed for the whole year unless stated otherwise:

Key Management Personnel

David Breeze – Executive Chairman
Stephen Kelemen – Non-Executive Director
Steve James – Non-Executive Director
Tony Huston – Non-Executive Director
Tom Fontaine – Non-Executive Director

Directors	Amount Owing 30 June 2022 ($)	Short Term Benefit 2022 – Fees ($)	Share based payment expense - 2022($)	Amount Owing 30 June 2021 ($)	Short Term Benefit 2021 – Fees ($)	Share based payment expense – 2021 ($)
D Breeze	207,849	97,000	-	288,449	97,000	-
S Kelemen	109,932	25,000	15,448	84,932	25,000	-
T Fontaine	72,637	25,000	15,448	53,385	82,188	-
T Huston	47,637	40,000	15,448	22,637	30,000	-
S James	72,637	25,000	15,448	47,637	25,000	-
Previous directors	416,476	-	-	416,476	-	-
	927,168	212,000	61,792	913,516	259,188	-

David Breeze has a holding in the Company of 2,000,000 shares.

	Consolidated 2022 $	Consolidated 2021 $
6. Cash and cash equivalents		
Cash at bank and in hand	945,521	158,804

The average effective interest rate on short-term bank deposits was 1.25%: (2021: 1.25%)

7. Trade and other receivables

	2022 $	2021 $
Current		
Costs recoverable from Joint Venture partner	225,343	52,236
Other receivables	400,255	23,692
	625,598	75,928

8. Trade and other payables

	2022 $	2021 $
Current:		
Trade payables – unsecured- unrelated	181,287	213,737
Trade payables – unsecured- related	-	111,349
Sundry payables and accrued expenses – unsecured - unrelated	381,194	37,427
	562,481	362,513
Non-current:		
Sundry payables and accrued expenses - unsecured - related	927,167	802,167
	927,167	802,167

The average credit period on trade payables is 40 days (2021: 120 days).

		Consolidated	
		2022	2021
		$	$
9.	**Income Tax Expense**		
a.	*The prima facie tax benefit on (loss)/ profit from ordinary activities before income tax is reconciled to the income tax as follows:*		
	(Loss) / profit from ordinary activities before income tax	(1,125,436)	(426,659)
	Prima facie tax benefit on (loss) from ordinary activities before income tax at 25% (2021: 26%)	(281,359)	(110,931)
	Add tax effect of:		
	- Revenue losses and other deferred tax balances not recognised	281,359	110,931
	Income tax expense	-	-
b.	Deferred tax recognised at 25% (2021: 26%):		
	Deferred tax liabilities:		
	Exploration expenditure	4,373,994	3,727,359
	Deferred tax assets:		
	Carry forward revenue losses	(4,373,994)	(3,727,359)
	Net deferred tax	-	-
c.	Unrecognised deferred tax assets at 25% (2021: 26%):		
	Carry forward losses	12,890,916	12,291,940
	Exploration expenditure	(4,373,994)	(3,727,359)
		8,516,922	8,564,581

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits

	Consolidated 2022 $	2021 $
10. Exploration and Evaluation Expenditure		
Exploration and evaluation expenditure	17,495,977	14,335,995
	17,495,977	14,335,995

Reconciliation of the movement during the year:

Opening balance at 1 July	14,335,995	14,010,190
Capitalised expenditure – Taranaki	2,155,087	-
Capitalised expenditure – PEP 11, net of reimbursements received and receivable	979,437	302,379
Capitalised expenditure – RL 1	25,458	23,426
Balance at 30 June	17,495,977	14,335,995

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of hydrocarbons. Capitalised costs net of reimbursements amounting to $3,332,763 (2021: $254,015) have been included in cash flows from investing activities in the statement of cash flows.

PEP 11

On 16 December 2021 BPH advised ASX that the Prime Minister of Australia, Scott Morrison, had announced that the Federal Government would refuse the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Permit participants Advent and Bounty have received official notification of refusal from the National Offshore Petroleum Title Authority (NOPTA) and have lodged a submission seeking a review of this decision.

Advent has two applications with NOPTA for suspension and extension of the PEP11 permit. The first application was lodged in January 2020 and the second in February 2021. NOPTA has issued a notice of intention to refuse the January 2020 application which was lodged on the basis of Force Majeure. The first is the only application which is the subject of the NOPTA notice. The second application was made under a COVID application process and was accepted but not dealt with pending an outcome on the first application made in January 2020. NOPTA is seeking additional information from Advent in respect of the application. Under the provisions of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, the existing permit will continue until relevant decisions are made.

On 30 March 2002 BPH and Bounty Oil & Gas NL (Bounty) (ASX: BUY) as the PEP 11 Joint Venture announced to ASX that they had been given notice by the National Offshore Petroleum Titles Administrator (NOPTA) that NOPTA has refused the Joint Venture Application initially submitted on 24 December 2019 for a secondary work program variation and a 24-month suspension of the Permit Year 4 Work Program Commitment and the corresponding 24-month extension of the Permit Term.

10. Exploration and Evaluation Expenditure (continued)

Advent Energy Limited's 100% subsidiary Asset Energy Pty Ltd has 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. The application was made in December 2019. Asset Energy Pty Ltd is a 100 % owned subsidiary of Advent Energy Ltd and has 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. On 11 August 2022 the Federal Court of Australia made discovery orders in respect of this application. The court has set a date for a hearing in March 2023.

The directors have confidence that a suitable outcome will be achieved however there is no certainty at this stage that the application will be successful and / or of further funding being made available. If Asset Energy loses its right of tenure in respect of PEP 11 then book value of capitalised exploration and evaluation expenditure of $14.04 million will need to be written off to the Statement of Profit or Loss and Other Comprehensive Income.

RL 1

If Advent is unable to source further funding for RL1 the permit is at risk. If subsidiary Onshore Energy loses its right of tenure in respect of RL1 then book value of capitalised exploration and evaluation expenditure of $1.3 million will need to be written off to the Statement of Profit or Loss and Other Comprehensive Income.

Taranaki Basin

Advent's 100% subsidiary, Aotearoa Offshore Ltd NZ (AOLNZ), has the right to acquire a 30% participating interest in Petroleum Exploration Permits (PEP) 57075, 60092 and 60093 covering an area of 5,180 km2 in the Taranaki Basin from OMV New Zealand Limited (OMV NZ).

The transaction is still subject to a number of Conditions Precedent (CPs).If CP's 1 to 3 are not satisfied within 6 months of signing the Farm Out Agreement (FOA) either party may terminate the FOA and the agreement will cease to be of any effect. The FOA was executed on 24 December 2021, meaning this 6 month period expired on 24 June 2022. No action is required or will be taken from either Advent or OMV NZ given both parties intent to proceed and have AOLNZ on permit Title's pending the Ministry of Business, Innovation and Employment's ongoing process.

During the period the Company paid $2,155,087 in back-costs in respect of this project. Should the CPs not be satisfied these funds will be returned to the Company.

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

Refer to Note 23 for exploration capital expenditure commitments at period end.

11. Financial Assets

	Consolidated 2022 $	2021 $
Current		
Loan receivable from Clean Carbon Technologies (i)	653,489	-
Shares in listed entity – MEC Resources Limited (ii)	498,834	-
Loan receivable from MEC Resources Limited (ii)	324,025	872,742
	1,476,348	872,742
Non-Current		
Cash held as security (iii)	50,000	50,000
	50,000	50,000

(i) The Company and BPH (the Purchasers) have entered into a binding term sheet with Clean Carbon, pursuant to which the Purchasers have agreed to subscribe for fully paid shares in Clean Carbon (Subscription Shares), representing a total of 10% of the total issued share capital of Clean Carbon after the issue of the Subscription Shares (Subscription Shares Tranche 1).

In consideration for the issue of the Subscription Shares Tranche 1 the Purchaser shall pay to the Clean Carbon US$1,000,000 (less deposits, loans, and any outstanding amounts) Cash Consideration, specifically:

(A) BPH shall pay to the Clean Carbon(or its nominee) US$800,000; and
(B) Advent to pay to the Clean Carbon (or its nominee) US$200,000,

upon which, 80% of the Subscription Shares Tranche 1 shall be issued to BPH and the remaining 20% issued to Advent, with the Cash Consideration to be reduced and adjusted to reflect the outstanding loans, deposits and accrued interest provided by Advent and BPH to Clean Carbon. As at balance date Advent had a receivable of US$447,004 (A$653,489) from Clean Carbon in respect of loans and accrued interest.

The Subscription Shares Tranche 1 issuance by Clean Carbon is under a Loan Conversion Agreement dated 25 July 2022 following the payment of US$535,996 by the Purchasers, which was net of loans, accrued interest and deposits owed to the Purchasers by Clean Carbon.

(ii) MEC, Advent and Asset agreed a debt for equity conversion, as approved by MEC shareholders, pursuant to which the total amount of $872,288 owing to Advent by MEC at 30 June 2021 will convert to equity in MEC. During the year MEC issued 124,708,409 shares at a deemed issue price of $0.0044 per share to settle $548,717 of this debt. MEC will allow Advent to participate in a future rights issue to the extent of 73,528,636 Shares at a deemed issue price of $0.0044 per Share to settle the remaining balance of the debt.

(iii) The cash security deposit is held in trust by Department of Primary Industry and Resources.

	Consolidated	
	2022	**2021**
	$	**$**

12. Reserves

(i) *Option Reserve*

The option reserve records items recognized as expenses on the valuation of director, employee and consultant share options.

	2022 $	2021 $
Opening balance 1 July	965,553	965,553
Share based payments expense	61,793	-
Closing balance 30 June	1,027,346	965,553

(ii) *Foreign Exchange Reserve*

The foreign exchange reserve reflects exchange differences arising on consolidation of a foreign subsidiary.

	2022 $	2021 $
Opening balance 1 July	-	-
Exchange difference arising on consolidation	5,533	-
Closing balance 30 June	5,533	-

13. Financial liabilities

	2022 $	2021 $
Current		
Unsecured loan payable to Grandbridge Limited	1,240	-
Unsecured loan payable to BPH Energy Limited	-	554,725
	1,240	554,725
Non-Current		
Unsecured loan payable to BPH Energy Limited	4,137,588	-
Unsecured loan payable to MEC Resources Ltd (a)	4,161,135	4,161,135
	8,298,723	4,161,135

(a) Unsecured loan – MEC

As part of a 6 August 2019 legal settlement loans of $4,122,155 owed by Advent to MEC will be recoverable by MEC only by the following means and only in the following circumstances: One month prior to the scheduled commencement date for the drilling of a well within the PEP 11 Permit Area, Advent will issue to MEC ordinary shares to the face value of the debt calculated at 80% of: (a) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or (b) if as at that date Advent shares are not listed on any securities exchange, the price at which ordinary shares in Advent were last issued.

14. Issued Capital

245,904,731 (2021: 197,818,231) fully paid ordinary shares of no par value

	2022	2021	2022	2021
(a) Ordinary Shares	**$**	**$**	**Number**	**Number**
1 July	43,198,137	43,034,038	197,818,231	194,353,234
Shares issued for cash	2,404,325	173,250	48,086,500	3,464,997
Share issue costs	(178,659)	(9,151)	-	-
30 June	45,423,803	43,198,137	245,904,731	197,818,231

Fully Paid Ordinary Share Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Capital risk management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern. The focus of the group's capital risk management is the current working capital position against the requirements of the group to meet corporate overheads. The group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the group at 30 June 2022 and 30 June 2021 is as follows:

	Consolidated	
	2022 **$**	**2021** **$**
Cash and cash equivalents	945,521	158,804
Trade and other receivables	625,598	75,928
Other assets	-	23,348
Financial assets	1,476,348	872,742
Trade and other payables	(562,481)	(362,513)
Financial liabilities	(1,240)	(554,725)
Working capital position	2,483,746	213,584

Refer to Note 1 for disclosure on financial position.

15. Cash Flow Information

	Consolidated 2022 $	Consolidated 2021 $
a) Reconciliation of cash flow from operations with (loss) after income tax		
Operating (loss) after income tax	(1,125,436)	(426,659)
Non-cash items:		
Fair value loss	49,883	-
Share based payments	61,793	-
Foreign exchange gain	(28,683)	-
Interest income	(16,593)	-
Interest expense	80,242	-
Other income	-	(36,790)
Changes in net assets and liabilities		
(Increase) in trade and other receivables	(351,715)	(20,749)
Increase in trade payables and accruals	328,676	158,847
Net cash outflow from operating activities	(1,001,833)	(325,351)
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	945,521	158,804
(b) Changes in liabilities arising from financing activities – unsecured borrowings		
Balance 1 July	561,135	522,155
Transfer to receivable	-	38,980
Balance 30 June	561,135	561,135

16. Financial Instruments

a) Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and loans to and from other parties. The main purpose of non-derivative financial instruments is to raise finance for group operations.

i. Financial Risks

The main risks that the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The group's financial assets that are affected by interest rate risk are the group's cash and cash equivalents. The group's financial liabilities are currently not exposed to variable rate interest bearing financial liabilities.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, for recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations.

Foreign currency risk

The group is not exposed to any material risks in relation to fluctuations in foreign exchange rates at balance date, however as the group develops its exploration and clean hydrogen interests it may have further exposure to US$ and NZ$ transactions.

Equity price risk

The Group is exposed to equity price risk through its shareholdings in publicly listed entities. Material investments are managed on an individual basis.

16. Financial Instruments (continued)

b) Financial Instruments

i. Interest rate risk
The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Consolidated

2022	Effective Average Interest Rate %	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets					
Cash and cash equivalents	0%	945,521	-	-	945,521
Trade and other receivables	-	-	-	625,598	625.598
Financial assets	6.0%	-	653,489	872,859	1,526,348
		945,521	653,489	1,498,457	3,097,467
Financial Liabilities					
Trade and other payables	-	-	-	1,489,648	1,489,648
Financial liabilities	5.1%	-	4,137,588	4,162,375	8,299,963
		-	4,137,588	5,652,023	9,789,611

Consolidated

2021	Effective Average Interest Rate %	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets					
Cash and cash equivalents	0%	158,804	-	-	158,804
Trade and other receivables	-	-	-	75,928	75,928
Other assets	-	-	-	23,348	23,348
Financial assets	-	-	-	922,742	922,742
		158,804	-	1,022,018	1,180,822
Financial Liabilities			-		
Trade and other payables	-	-	-	1,164,680	1,164,680
Financial liabilities	-	-	-	4,715,860	4,715,860
		-	-	5,880,540	5,880,540

16. Financial Instruments (continued)

b) Financial Instruments (continued)

ii. Fair Values

The fair values of:

- Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form. Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	945,521	945,521	158,804	158,804
Trade and other receivables	625,598	625,598	75,928	75,928
Other assets	-	-	23,348	23,348
Financial assets	1,526,348	1,526,348	922,742	922,742
	3,097,467	3,097,467	1,180,822	1,180,822
Financial Liabilities				
Financial liabilities	8,299,963	8,299,963	4,715,860	4,715,860
Trade and other payables	1,489,648	1,489,648	1,164,680	1,164,680
	9,789,611	9,789,611	5,880,540	5,880,540

iii. Sensitivity Analysis

Interest Rate Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The effect on profit and equity as a result of changes in the variable interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2022	2021
Change in profit		
— Increase in interest rate by 1%	5,026	1,588
— Decrease in interest rate by 0.5%	(20)	-

16. Financial Instruments (continued)

b) Financial Instruments (continued)

iv. Liquidity risk

Liquidity is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities at the end of the reporting period of financial liabilities.

30 June 2022	Carrying amount	Total	2 mths or less	2-12 mths	2-5 years
Financial liabilities					
Trade and other payables	1,489,648	1,489,648	562,481	-	927,167
Unsecured loan	1,240	1,240	1,240	-	-
Unsecured loan	4,137,588	4,137,588	-		4,137,588
Unsecured loans (i)	4,161,135	4,161,135	-	-	4,161,135
	9,789,611	9,789,611	563,721	-	9,225,890

30 June 2021	Carrying amount	Total	2 mths or less	2-12 mths	2-5 years
Financial liabilities					
Trade and other payables	1,164,680	1,164,680	362,513	-	802,167
Unsecured loan	554,725	554,725	554,725	-	-
Unsecured loans (i)	4,161,135	4,161,135	-	-	4,161,135
	5,880,540	5,880.540	917,238	-	4,963,302

(i) Refer to Note 13(a) with respect to the conversion rights attaching to these loans

17. Controlled Entities

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest % 2022	Ownership Interest % 2021
Parent Entity				
Advent Energy Ltd	Oil and Gas exploration	Australia		
Subsidiaries of Advent Energy Ltd				
Asset Energy Pty Ltd	Oil and Gas exploration	Australia	100	100
Onshore Energy Pty Ltd	Oil and Gas exploration	Australia	100	100
Aotearoa Offshore Limited	Oil and Gas exploration	New Zealand	100	-

18. Related Party Transactions

(a) Key Management Personnel Remuneration & Equity Holdings

Details of key management personnel remuneration and retirement benefits are disclosed in note 5 to the financial statements.

(b) Related Entities

Refer to notes 11 and 13 in respect of financial asset and financial liability balances with related parties.

A director, David Breeze, is the Managing Director Grandbridge Limited ("GBA"). Advent has entered into a Services Agreement with GBA effective 6 August 2019 at a rate of $10,720 per month for an initial term of three years, with the potential for the monthly fee to increase based on certain capital raising parameters. Should Advent terminate the Services Agreement at any time it will be liable for a 12 month termination fee to GBA.

GBA lent the Company $1,240 during the period.

The Company paid a 100% subsidiary of GBA, Grandbridge Securities Limited, $144,260 in underwriting fees and $24,043 in Lead Manger fees in relation to capital raising services.

Advent has entered into an agreement with Trandcorp Limited ("Trandcorp") effective 6 August 2019 for the provision of Mr David Breeze as Managing Director at a rate of $6,000 per month for an initial term of two years, with the potential for the issue of 3 million share options based on certain capital raising parameters. Should Advent terminate the agreement with Trandcorp it will be liable for a termination / notice period fee to Trandcorp of up to 18 months. The Term will be automatically extended for a further period of 2 years, unless either the Company or the Consultant give notice of termination prior to the expiry of each term, in accordance with its terms

A director, David Breeze, is the Managing Director of BPH. BPH lent the Advent group unsecured funds of $3,502,620 net during the period. The Company accrued $80,242 interest during the period in respect of these loans.

BPH invested $2,271,450 cash in the Company during the period, being 45,429,500 shares at $0.05 per share.

(c) Parent Entity

The parent entity in the group is Advent Energy Ltd.

(d) Ultimate parent Entity

The company with majority ownership in the consolidated entity is MEC Resources Limited (38.27%)

19. Subsequent Events

The Company and BPH (Purchasers) entered into a binding term sheet (Term Sheet) with Clean Carbon, pursuant to which the Purchasers have agreed to subscribe for fully paid shares in Clean Carbon (Subscription Shares), representing a total of 10% of the total issued share capital of Clean Carbon after the issue of the Subscription Shares (Subscription Shares Tranche 1). The Subscription Shares Tranche 1 were issued by Clean Carbon under a Loan Conversion Agreement dated 25 July 2022 by the payment of US$535,996 by the Purchasers.

Advent Energy Limited's 100% subsidiary Asset Energy Pty Ltd has 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. The application was made in December 2019. On 11 August 2022 the Federal Court of Australia made discovery orders in respect of this application. The court has set a date for a hearing in March 2023.

There has not been any other matter or circumstance that has arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

20. Share-Based Payments

The movement in unlisted options over the period is as follows:

	2022		2021	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
1 July	10,000,000	0.10	10,000,000	0.10
Issued	6,000,000	0.20	-	-
30 June	16,000,000	0.14	10,000,000	0.10
Exercisable at year-end	16,000,000	0.14	10,000,000	0.10

The following share-based payment arrangements existed at 30 June 2022:

Total number	Grant Date	Exercise price	Fair value at grant date	Expiry date
10,000,000	15 January 2020	$0.10	$0.017	30 November 2024
6,000,000	8 June 2022	$0.20	$0.015	30 November 2026

21. Parent Entity Disclosures

	2021 $	2020 $
Financial Position		
Assets		
Current assets	2,112,434	398,059
Non-current assets	20,376,434	16,937,699
Total asset	22,488,868	17,335,758
Liabilities		
Current liabilities	74,725	750,536
Non-current liabilities	9,225,891	4,963,303
Total liabilities	9,300,616	5,713,839
Issued Capital	45,423,803	43,198,137
Accumulated Losses	(33,262,897)	(32,541,771)
Option Reserve	1,027,346	965,553
Total equity	13,188,252	11,621,919
Financial Performance		
(Loss) for the year	(721,126)	(459,629)
Other comprehensive income	-	-
Total comprehensive income	(721,126)	(459,629)

22. Contingent Liabilities and Contingent Assets

The Company and consolidated entity have no contingent liabilities or contingent assets at 30 June 2022 and 30 June 2021.

23. Commitments

In order to maintain an interest in the exploration tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted. Capital expenditure forecasted for at the reporting date but not recognised as liabilities as follows:

	Consolidated	
	2022	**2021**
	$	**$**
Work Program Commitments – Exploration permits		
Payable:		
Within one year	1,000,000	1,200,000
Greater than one year less than five years	20,000,000	20,000,000
Total	21,000,000	21,200,000

For detail on the status of the PEP 11 Permit please refer to Note 10.

24. Earnings per Share

	Consolidated	
	2022	**2021**
	$	**$**
Total (loss) attributable to ordinary equity holders of the Company	(1,125,346)	(426,659)
(Loss) used in the calculation of basic earnings per share and diluted earnings per share	(1,125,346)	(426,659)
(Loss) / earnings per share (cents per share)		
From continuing operations	(0.54)	(0.2)
Total basic earnings per share and diluted earnings per share	(0.54)	(0.2)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculating EPS	207,296,432	195,317,522

Directors' Declaration
Advent Energy Ltd and its controlled entities

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 45 are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated entity;

2. the Financial Statements and Notes comply with International Accounting Standards as disclosed in Note 1;

3. in the directors' opinion 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 the directors made pursuant to S295(5) of the Corporations Act 2001.

……………………………………………………………

David Breeze

Chairman

Dated this 5th day of September 2022

MOORE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVENT ENERGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Advent Energy Limited (the Company) and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

In forming our opinion on the Group financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the Group's ability to continue as a going concern. The Group is dependent upon the deferral of specified amounts payable to directors and various funding initiatives to provide ongoing working capital sufficient to discharge its liabilities in the normal course of business. This condition as explained in Note 1 to the financial statements indicates the existence of a material uncertainty which casts significant doubt about the Group's ability to continue as a going concern. The Group financial statements do not include any adjustments to carrying amounts of assets and liabilities, which might be material, that would result if the Group were unable to continue as a going concern.

Material Uncertainty Regarding Carrying Value of Exploration Expenditure

The ability to realise the carrying value of exploration and evaluation assets is dependent upon the Company's ability to do all things necessary to maintain tenure of the underlying tenements and to successfully develop and or sell its interest in the tenements. We also draw attention to Note 10 of the financial statements which describes the uncertainty around the basis of continuing to recognise the carrying value of exploration and evaluation assets. In particular we highlight the matters and associated risks discussed in relation to PEP 11, which is a significant asset of the Group These matters and uncertainties may affect the ability of the Group to realise the carrying value of the exploration and evaluation assets in the ordinary course of business and at amounts recorded in the accounts. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADVENT ENERGY LIMITED (CONTINUED)

Material Uncertainty Regarding Carrying Value of Financial Assets

We draw attention to Note 11 of the financial statements which include an investment in MEC Resources Limited ($498,834) and a loan receivable from MEC Resources Limited ($324,025). MEC Resources Limited is currently suspended from trading on ASX and has limited working capital from which to repay the loan. As a result, there is uncertainty as to whether or not the book value attributed to the investment in and loan to MEC Resources Limited can be recovered in full. These matters and uncertainties may affect the ability of the Group to realise in full the carrying value of these assets in the ordinary course of business. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to include the economic decisions of the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

Neil Pace	Moore Australia
NEIL PACE PARTNER	MOORE AUSTRALIA AUDIT (WA) CHARTERED ACCOUNTANTS

Signed at Perth this 5th day of September 2022.

APPENDIX 2 – PRO FORMA BALANCE SHEET 30 JUNE 2022

	Jun-22 Audited	Equity	Offer costs	Jun-22 Proforma
Current Assets				
Cash and cash equivalents	945,521	7,377,141	(257,041)	8,065,621
Trade and other receivables	625,598	-	-	625,598
Financial assets	1,476,348	-	-	1,476,348
Total Current Assets	3,047,467	7,377,141	(257,041)	10,167,567
Non- Current Assets				
Exploration and evaluation expenditure	17,495,977	-	-	17,495,977
Financial assets	50,000	-	-	50,000
	17,545,977	-	-	17,545,977
Total Assets	20,593,444	7,377,141	(257,041)	27,713,544
Current Liabilities				
Trade and other payables	562,481	-	-	562,481
Financial liabilities	1,240	-	-	1,240
Total Current Liabilities	563,721	-	-	563,721
Non-Current Liabilities				
Trade and other payables	927,167	-	-	927,167
Financial liabilities	8,298,723	-	-	8,298,723
Total Non-Current Liabilities	9,225,890	-	-	9,225,890
Total Liabilities	9,789,611	-	-	9,789,611
Net Assets	10,803,833	7,377,141	(257,041)	17,923,933
Equity				
Issued capital	45,423,803	7,377,141	(257,041)	52,543,903
Option reserve	1,027,346	-	-	1,027,346
Accumulated losses	(35,652,849)	-	-	(35,652,849)
Foreign exchange reserve	5,533	-	-	5,533
Total Equity	10,803,833	7,377,141	(257,041)	17,923,933