

Omega Oil & Gas Limited

ABN 45 644 588 787

(Proposed ASX listing code: OMA)

Prospectus

For the Offer of:

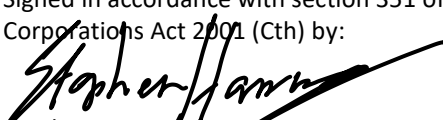
- up to 75,000,000 New Shares at an Offer Price of \$0.20 per New Share to raise up to \$15 million;
- 26,149,375 Conversion Shares at a Conversion Price of \$0.16 per Conversion Share;
- up to 15,241,950 Options; and
- up to 6,932,470 Performance Rights.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay. The Offer Shares offered under this Prospectus should be considered highly speculative.

Lead Manager 	Investigating Accountant 	Legal Adviser 
--	--	---

Signed in accordance with section 351 of the Corporations Act 2001 (Cth) by:



Stephen Harrison
Independent Chairman
5 September 2022

Important notices

The Offer

This Prospectus is issued by Omega Oil & Gas Limited ABN 45 644 588 787 (**Company**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Offer contained in this Prospectus is an initial public offering to acquire New Shares, Conversion Shares, Options and Performance Rights. The Offer comprises the Broker Firm Offer and the General Offer. For further information on the Offer see Section 2.

Lodgement and listing

This replacement Prospectus is dated 5 September 2022 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. This Prospectus replaces the original prospectus dated 22 August 2022.

The Company applied to the Australian Securities Exchange (**ASX**) on 22 August 2022 for admission of the Company to the Official List and quotation of its Shares on ASX. None of ASIC, ASX or any of their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Changes between the Prospectus and Replacement Prospectus

The material changes between the Prospectus and the replacement Prospectus include:

- a revised indicative timetable of the Offer;
- additional disclosure on the maximum oversubscription that the Company's intends to accept (Section 2.5);
- disclosure of the proposed use of funds by the Company at the Minimum Subscription (Section 2.9);
- amendments to the Technical

Expert's Report and sections extracted from the Technical Expert's Report to comply with ASX Listing Rule 5;

- drafting changes to the Chairman's letter;
- retracting certain ESG statements (Section 3);
- additional Company specific risks factors (Sections 5.1(h) and 5.1(j)); and
- further details of the Ilwella Services Agreement (Section 3.13(b)).

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Offer Shares will be issued on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The information contained in this Prospectus is not investment or financial product advice and has been prepared as general information only, without consideration for your particular investment objectives, financial situation or particular needs.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company.

In particular, you should consider the financial information set out in Section 4 and the risk factors that could affect the business, financial condition and financial performance of the Company in Section 5. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in Shares. There may be risk factors in addition to these that should be

considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or any return on investment in Offer Securities made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Directors, the Lead Manager or any other person in connection with the Offer. You should rely only on information in this Prospectus.

Speculative Investment

The Offer Securities offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the securities will provide a return on capital, that dividends will be paid or that there will be an increase in value in the Offer Securities in the future.

Exposure Period

The Corporations Act prohibits the Company from processing Applications in the seven day period after the date of lodgement of the Prospectus (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the

Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Offer Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Obtaining a copy of this Prospectus

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available at www.omegaoilandgas.com.au to persons who are Australian residents only. Application Forms will not be made available until after the Exposure Period has expired.

During the Offer Period, this Prospectus is available in electronic form at www.omegaoilandgas.com.au.

The Offer constituted by this Prospectus in electronic form at www.omegaoilandgas.com.au is available only to persons within Australia. The Prospectus is not available to persons in other jurisdictions (including the United States) in which it may not be lawful to make such an invitation or offer. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

You may, before the Offer Period expires, obtain a paper copy of this Prospectus (free of charge) by telephoning the Share Registry on 1300 288 664 (within Australia) from 8:30am to 5:30pm (Sydney Time), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, you should call 1300 288 664 from 8:30am to 5:30pm (Sydney Time), Monday to Friday.

Applications for New Shares may only be made during the Offer Period on an Application Form

attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus. Refer to Section 2 for further information.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial Information

Section 4 sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that Financial Information.

All references to FY21 appearing in this Prospectus are to the financial year ended 30 June 2021 unless otherwise indicated.

The Financial Information is presented on both a statutory and pro forma basis (as described in Section 4) and has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (AAS) (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (AASB), which are consistent with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB).

Investors should note that certain financial data included in the Prospectus is not recognised under the Australian Accounting Standards, and is classified as 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial

information' published by ASIC. The Company believes that this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial measures do not have standardised meanings under the Australian Accounting Standards, and therefore may not be comparable with similarly titled measures presented by other entities, nor should these be interpreted as an alternative to other financial measures determined in accordance with the Australian Accounting Standards. Investors are cautioned not to place undue reliance on any non-IFRS financial information, ratios and metrics included in this Prospectus.

The Financial Information should be read in conjunction with, and qualified by reference to, the information contained in Sections 1 and 5.

All financial amounts contained in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums of components in tables, figures and components contained in this Prospectus are due to rounding.

Investigating Accountant's Report on Financial Information and financial services guide

The provider of the Investigating Accountant's Report on Financial Information is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in Section 8.

Forward looking statements

This Prospectus contains forward looking statements, which may be identified by words such as

“anticipates”, “may”, “should”, “could”, “likely”, “believes”, “estimates”, “expects”, “targets”, “predicts”, “projects”, “forecasts”, “intends”, “guidance”, “plan” and other similar words that involve risks and uncertainties.

These forward-looking statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of the Prospectus, are expected to take place. The Company does not undertake to, and does not intend to, update or revise any forward-looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risks that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 5 and other information in this Prospectus. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of the Company, the Directors and the Company’s Management. The Company, the Directors, the Company’s Management and the Lead Manager cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Industry and market data

This Prospectus, including the Company Overview in Section 3, contains statistics, data and other information (including forecasts and projections) relating to markets, market sizes, market shares, market segments, market positions and other industry data pertaining to the Company’s business and markets. The Company has obtained significant portions of this information from market research prepared by third parties.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts or projections in the surveys, reports and surveys of any third-party that are referred to in this Prospectus will be achieved. The Company has not independently verified, and cannot give any assurances to the accuracy or completeness of, this market and industry data or the underlying assumptions used in generating this market and industry data.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

Selling restrictions

This Prospectus does not constitute an offer or invitation to apply for Offer Securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Offer Securities or the Offer, or to otherwise permit a public offering of Offer Securities, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside Australia

should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. Offer Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred directly or indirectly, in the United States unless the Offer Securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act and any other applicable US state securities laws is available.

See Section 2.22 for more detail on selling restrictions that apply to the Offer in jurisdictions outside Australia.

Defined terms and time

Defined terms and abbreviations used in this Prospectus have the meanings defined in the Glossary or are defined in the context in which they appear.

Unless otherwise stated or implied, references to times in this Prospectus are to Sydney Time. Unless otherwise stated or implied, references to dates or years are calendar year references.

Privacy

By completing an Application Form to apply for New Shares, you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on behalf of the Company, may collect, hold and use that personal information in order to process your Application, service your needs

as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's Privacy Policy and applicable laws. The members, agents and service providers of the Company may be located outside Australia, where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors,

consultants and other advisers for the purpose of administering, and advising on, the Offer Securities and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public Shareholder register.

The information contained in the Shareholder register must remain there even if that person ceases to be a Shareholder. Information contained in the Shareholder register is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this Prospectus. Applicants can obtain a copy of the Company's Privacy Policy by visiting the Company's website www.omegaoilandgas.com.au.

You may request access to your personal information held by or on behalf of the Company and you may correct the personal information held by or on behalf of the Company about you. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or

telephoning the Share Registry as follows:

Email: hello@automic.com.au

Telephone: 1300 288 664

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams and maps used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Company website

Any references to documents included on the Company's website at www.omegaoilandgas.com.au are for convenience only, and none of the documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Disclaimer

Except as required by law, and only to the extent so required, none of the Company, the Directors, the Company's Management, the Lead Manager or any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

As set out in Section 2.23, it is expected that the Shares will be quoted on ASX. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving a holding statement, even if such person received confirmation of allocation from the Share

Registry or confirmed their firm allocation through a Broker.

Prenzler Group has acted as Lead Manager to the Offer and has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by them or by any of their respective affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their respective names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Questions

If you have any questions about how to apply for New Shares, call your Broker or the Offer Information Line on (02) 9199 9627 between 8:30am and 5:30pm (Sydney Time), Monday to Friday. Instructions on how to apply for New Shares are set out in Section 2.11 of this Prospectus and on the back of the Application Form.

If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in Shares.

This document is important and should be read in its entirety.

TABLE OF CONTENTS

KEY DATES	8
KEY OFFER STATISTICS	9
CHAIRMAN'S LETTER	11
1 INVESTMENT OVERVIEW	12
2 DETAILS OF THE OFFER	23
3 COMPANY OVERVIEW	38
4 FINANCIAL INFORMATION	56
5 RISK FACTORS	75
6 BOARD, MANAGEMENT AND CORPORATE GOVERNANCE	86
7 MATERIAL CONTRACTS	97
8 INVESTIGATING ACCOUNTANT'S REPORT	102
9 ADDITIONAL INFORMATION	103
AUTHORISATION	115
Appendix A: GLOSSARY	116
Appendix B: TECHNICAL ADVISER'S REPORT	121
Appendix C: SOLICITOR'S REPORT	122
CORPORATE DIRECTORY	123
APPLICATION FORM	124

KEY DATES

Important Dates*	
Prospectus lodgement date	Monday, 22 August 2022
Replacement prospectus lodgement date	Monday, 5 September 2022
Opening Date	Tuesday, 6 September 2022
Closing Date	Friday, 23 September 2022
Settlement Date	Friday, 30 September 2022
Allotment Date for Offer Securities	Monday, 3 October 2022
Dispatch of holding statements	Tuesday, 4 October 2022
Expected commencement of trading of Shares on ASX (on a normal settlement basis)	Tuesday, 11 October 2022

*These dates and times are indicative only and may change. The Company, in consultation with the Lead Manager, reserves the right to vary the dates and times of the Offer without prior notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before the Settlement Date, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Offer Securities, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Opening Date.

KEY OFFER STATISTICS

Key Offer Statistics	Minimum Subscription (\$12.5 million)	Maximum Subscription (\$15 million)
Number of Shares currently on issue	35,000,000	
Offer Price per New Share	\$0.20	
Number of New Shares offered under this Prospectus ¹	62,500,000	75,000,000
Gross proceeds ² to be raised by the issue of New Shares	\$12.5 million	\$15 million
Number of Conversion Shares to be issued ³	26,149,375	
Number of Shares to be issued to the Lead Manager	2,500,000	
Number of Shares on issue at Listing	126,149,375	138,649,375
Number of Options to be issued ⁴	14,241,950	15,241,950
Performance Rights on issue at Listing ⁵	6,307,470	6,932,470
Market capitalisation at the Offer Price ⁶	\$25,229,875	\$27,729,875
Pro forma net cash (as at Allotment Date) ⁷	\$13,553,160	\$15,951,347

Notes:

1. See Section 2 for details regarding the structure of the Offer and for information on the capital structure of the Company following Completion.
2. Gross proceeds of the Offer reflect the total number of New Shares available under the Offer multiplied by the Offer Price.
3. See Section 2.10(c).
4. See Section 2.10(d).
5. See Section 2.10(e).
6. Reflects the total number of Shares on issue following Completion multiplied by the Offer Price. Shares may not trade at the Offer Price after Listing.
7. Pro forma net cash is calculated as cash and cash equivalents as at the Allotment Date, calculated on a Pro forma basis assuming Completion. Certain Financial Information in this Prospectus is described as pro forma for the reasons described in Section 4.

How to invest

Applications for New Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for New Shares are set out in Section 2.11 and on the back of the Application Form.

Questions

Please call the Offer Information Line at (02) 9199 9627 (within Australia) from 8:30am until 5:30pm (AEST) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether this is a suitable investment for you, you should seek advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the Company.

CHAIRMAN'S LETTER

Dear Investor,

On behalf of our Board of Directors, it is my pleasure to invite you to become an investor in Omega Oil & Gas Limited (**Omega or the Company**).

Omega is an energy and resources company focused on natural gas exploration and oil production. The Company holds two explorations permits (ATP 2037 and 2038) and a petroleum licence (PL 17) in the Surat-Bowen Basin in South-East Queensland, Australia.

The purpose of this Prospectus is to offer and issue up to 75 million New Shares to raise up to \$15 million, as well as to convert existing Convertible Notes into Shares and to issue Options and Performance Rights to Management and other key parties involved in the Company's establishment.

Omega was incorporated in September 2020 to acquire Cypress Petroleum Pty Ltd from Tag Oil, a TSX listed oil and gas company. Through its acquisition of Cypress Petroleum, Omega holds 100% of Authority to Prospect (ATP) 2037, ATP 2038 and Petroleum Licence (PL) 17, which together represent a truly diversified portfolio of exploration and production assets.

Using the proceeds of this Offer, Omega intends to execute a two well drilling campaign across both, ATP 2037 and 2038, focusing on the Kianga Formation in the Permian. This drilling campaign seeks to understand two things; validate basin centred play, specifically the feasibility of commingled multi-facies production in the Taroom Trough and to prove commercial prospectivity of the Permian Deep Gas by the application of a fit-for-purpose low cost well design. The success of these activities will ultimately prove viability of future gas and liquids development. This drilling campaign, if successful, will materially de-risk the Taroom Trough as a future gas producer in the years to come.

Our Initial Public Offer comes at a unique time in the market, whereby Australia's energy needs are at an all time high and existing upstream production is struggling to meet demand. This represents a rare opportunity for Omega to capitalise on its substantial position in the Surat Basin to prove the commercial viability of the Permian play and deliver a gas and liquids asset of scale.

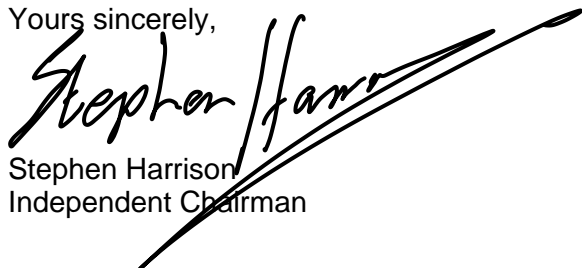
In addition to the Company's core exploration activities in the ATPs, is prospective oil production from the Bennett Oilfield in PL 17. The Company has taken steps to recommence production at Bennett. Having a potentially producing asset, such as Bennett, further adds to Omega's value proposition. Production and reserves from Bennett, though modest, represent immediate revenue, which at current oil prices, makes a significant difference to the operating cash-flow of the business.

Leveraging the deep-seated knowledge, experience and expertise of the Board of Directors and Management, Omega is well positioned to execute a successful drilling campaign in the months to come and deliver value to its shareholders.

I encourage you to read this document carefully and in its entirety before making an investment decision. Before investing you should seek professional advice.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder of the Company.

Yours sincerely,



Stephen Harrison
Independent Chairman

1 INVESTMENT OVERVIEW

1.1 Company and business overview

	Summary	Further Information												
Who is the Company and what does it do?	Omega Oil & Gas Limited ACN 644 588 787 (Company) was established in 2020 with the aim of acquiring and commercialising undervalued oil and gas assets.	Section 3												
What are the Company's key assets?	<p>The Company holds two exploration permits and a petroleum lease in the Surat-Bowen Basin located in South-East Queensland:</p> <ul style="list-style-type: none"> • Authorities to Prospect (ATP) 2037 and 2038; and • Petroleum Lease (PL) 17. 	Section 3.1												
What is the proposed capital structure of the Company on Listing?	<table border="1"> <thead> <tr> <th></th> <th>Minimum Subscription (\$12.5 million)</th> <th>Maximum Subscription (\$15 million)</th> </tr> </thead> <tbody> <tr> <td>Number of Shares on issue at Listing</td> <td>126,149,375</td> <td>138,649,375</td> </tr> <tr> <td>Number of Options</td> <td>14,241,950</td> <td>15,241,950</td> </tr> <tr> <td>Number of Performance Rights</td> <td>6,307,470</td> <td>6,932,470</td> </tr> </tbody> </table>		Minimum Subscription (\$12.5 million)	Maximum Subscription (\$15 million)	Number of Shares on issue at Listing	126,149,375	138,649,375	Number of Options	14,241,950	15,241,950	Number of Performance Rights	6,307,470	6,932,470	Section 2.16
		Minimum Subscription (\$12.5 million)	Maximum Subscription (\$15 million)											
	Number of Shares on issue at Listing	126,149,375	138,649,375											
	Number of Options	14,241,950	15,241,950											
Number of Performance Rights	6,307,470	6,932,470												
More details are set out in Section 2.16.														
What are the proposed use of funds raised under the Offer?	<p>Assuming the Maximum Subscription amount is raised, the proceeds of the Offer will be used for:</p> <ul style="list-style-type: none"> • ATP 2037: drilling and casing and testing one well to approximately 4,000 meters targeting the Permian Kianga Formation; • ATP 2038: drilling and casing and testing one well to approximately 4,000 meters targeting the Permian Kianga Formation; • general and administrative expenses; • mobilisation costs; • contingency for overrun and unexpected costs; and • working capital. <p>In the event the Minimum Subscription amount is raised, the Company will not drill a well at ATP 2028 and will use the proceeds of the Offer to undertake expanded activities at ATP 2037. This will include fracture stimulating the well drilled in ATP 2037 on completion of drilling, casing and</p>	Section 2.9												

	testing activities.									
What is the Company's financial position?	<p>The Company is an early stage oil and gas exploration company that has not generated any revenue or profit, and is unable to provide any meaningful key financial ratios, whether relating to market performance, profitability or financial stability. Other than the approximately \$4.2 million of Convertible Notes which will be converted into Shares on Completion of the Offer, the Company does not have any debt financing or borrowings.</p> <p>Relevant Financial Information in respect to the Company, including a pro-forma balance sheet showing the effect of the Offer, is detailed in Section 4.</p>	Section 4								
What are the key dependencies of the Company's business model?	<table border="1"> <thead> <tr> <th>Dependency</th> <th>Mitigant</th> </tr> </thead> <tbody> <tr> <td>Procurement of critical resources and consumables</td> <td> <p>The Company has partnered with SGS Global for all key aspects associated with a drilling campaign at ATP 2037 and 2038. The Company intends to direct charter a suitable drilling rig from a reputable service provider of a drilling rig capable of drilling down to depths of 4,000 metres. Procurement of key long lead time items (such as well casings and well heads) and the drilling rig are underway and on schedule.</p> <p>With respect to PL 17 operations, the Company has engaged SGS to provide in field operational support and services to reinstate production in the Bennett Oil Field.</p> </td> </tr> <tr> <td>Crude marketing</td> <td>The Company has secured a Crude Oil Sale Agreement with IOR for the sale of crude produced from its Bennett Oil Field.</td> </tr> <tr> <td>Design and execution of a successful fracture stimulation program</td> <td>Following the drilling and testing of the two wells in ATP 2037 and 2038, the Company intends to fracture stimulate target formations. Given the reservoir risk identified by Fluid Energy in the Independent Technical Adviser's Report (refer to Appendix B), the execution risk of this activity can be high. The Company will work with a reputable service provider at the appropriate time, to mitigate potential issues associated with design and execution of an appropriate fracture stimulation program. There are various reputable service providers to the industry who can provide subject matter expertise and key</td> </tr> </tbody> </table>	Dependency	Mitigant	Procurement of critical resources and consumables	<p>The Company has partnered with SGS Global for all key aspects associated with a drilling campaign at ATP 2037 and 2038. The Company intends to direct charter a suitable drilling rig from a reputable service provider of a drilling rig capable of drilling down to depths of 4,000 metres. Procurement of key long lead time items (such as well casings and well heads) and the drilling rig are underway and on schedule.</p> <p>With respect to PL 17 operations, the Company has engaged SGS to provide in field operational support and services to reinstate production in the Bennett Oil Field.</p>	Crude marketing	The Company has secured a Crude Oil Sale Agreement with IOR for the sale of crude produced from its Bennett Oil Field.	Design and execution of a successful fracture stimulation program	Following the drilling and testing of the two wells in ATP 2037 and 2038, the Company intends to fracture stimulate target formations. Given the reservoir risk identified by Fluid Energy in the Independent Technical Adviser's Report (refer to Appendix B), the execution risk of this activity can be high. The Company will work with a reputable service provider at the appropriate time, to mitigate potential issues associated with design and execution of an appropriate fracture stimulation program. There are various reputable service providers to the industry who can provide subject matter expertise and key	Section 3.4(b)
	Dependency	Mitigant								
	Procurement of critical resources and consumables	<p>The Company has partnered with SGS Global for all key aspects associated with a drilling campaign at ATP 2037 and 2038. The Company intends to direct charter a suitable drilling rig from a reputable service provider of a drilling rig capable of drilling down to depths of 4,000 metres. Procurement of key long lead time items (such as well casings and well heads) and the drilling rig are underway and on schedule.</p> <p>With respect to PL 17 operations, the Company has engaged SGS to provide in field operational support and services to reinstate production in the Bennett Oil Field.</p>								
Crude marketing	The Company has secured a Crude Oil Sale Agreement with IOR for the sale of crude produced from its Bennett Oil Field.									
Design and execution of a successful fracture stimulation program	Following the drilling and testing of the two wells in ATP 2037 and 2038, the Company intends to fracture stimulate target formations. Given the reservoir risk identified by Fluid Energy in the Independent Technical Adviser's Report (refer to Appendix B), the execution risk of this activity can be high. The Company will work with a reputable service provider at the appropriate time, to mitigate potential issues associated with design and execution of an appropriate fracture stimulation program. There are various reputable service providers to the industry who can provide subject matter expertise and key									

		personnel at the time required by the Company.	
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.		Section 3.12

1.2 Summary of key risks

Set out below are a number of key business risks that the Company is exposed to. Further business and investment risks associated with an investment in the Company are outlined in Section 5.

Topic	Summary	Further Information
Limited operating history	<p>The Company was incorporated on 23 September 2020 and therefore has limited operational and financial history on which to evaluate its business and prospects.</p> <p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the gas exploration and development sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or development of its project.</p> <p>The Company's historical financial performance and financial position has been audited by UHY Haines Norton for the period ended 30 June 2021 and reviewed by UHY Haines Norton for the 7-month period ended 31 January 2022. An unqualified audit opinion and an unqualified review conclusion was issued for those periods respectively with a disclosed material uncertainty regarding the going concern assumption, which was dependent upon:</p> <ul style="list-style-type: none"> • the Company having sufficient cash available to continue operating until it can raise further capital; • the Company successfully closing the Offer and gaining admission to the ASX's Official List; and • the Company having the continued support of its shareholders (as is demonstrated by the recent successful offer of Convertible Notes). 	Section 5.1(a)
Exploration risk	Oil and gas exploration and development is speculative and involves elements of significant risk with no guarantee of success. There is no assurance that expenditure on activities will result in gas discoveries that can be commercially or economically exploited.	Section 5.1(b)

Operational risk	The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company. In particular, the Kianga Formation bears risks associated with the quality of the reservoir. Poor reservoir quality can may impact the Company's production prospectivity.	Section 5.1(c)
Reserves and resources risk	Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, future commodity prices and development and operating costs. There can be no guarantee that the Company will successfully produce the volume of hydrocarbon that it estimates are reserves or that hydrocarbon resources will be successfully converted to reserves. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production tests over the life of the field. As estimates change, development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance.	Section 5.1(e)
Access to infrastructure risk, availability of drilling and hydraulic fracturing equipment	The Company will very likely require access to infrastructure, or to construct infrastructure, to sell the hydrocarbon reserves it produces, including pipelines to transport the gas to market. Given the location of the Company's project, there can be no guarantee that the Company will be able to gain access to appropriate infrastructure on commercially viable terms or that it will be commercially viable for it to fund the construction of its own infrastructure. In addition, the industry is experiencing delays in procuring items required to undertake exploratory drillings. For example, there are long lead times for obtaining drill casings from overseas suppliers due to manufacturing and logistical delays caused by the COVID pandemic. Failure to obtain access to infrastructure (whether owned by the Company or others) may adversely impact the Company's financial performance.	Section 5.1(f)
Key personnel risk	The future success of the Company depends, to a significant extent, upon the continued services of the Company's Management. The loss of services from any of the key personnel may have a material adverse effect on the Company's business and operations. There can be no assurance that the Company will be able to retain or hire all appropriate personnel necessary for the development and operation of its business.	Section 5.1(q)
Permit risk	The Company is required to comply with a range of laws to retain its permits and licences and periodically renew them. Each permit and licence also has its own specific exploration and expenditure requirements that the Company must satisfy. Even if specific requirements are	Section 5.1(g)

	met, there is no certainty that an application for grant or renewal of a permit or licence will be granted at all, or on satisfactory terms or within expected timeframes.	
Relinquishment risk	Both ATP 2037 and ATP 2038 are subject to a requirement to relinquish 107 sub-blocks and 61 sub-blocks (respectively) on 31 December 2022. While the Company is currently in dialogue with regulatory authority to defer the relinquishment obligations, the Company will relinquish sub-blocks that it considers the least prospective if it is unsuccessful in deferring the relinquishment requirements. In doing so, there is a risk that sub-blocks are relinquished before the Company is able to fully evaluate the prospectivity of all the acreage available under ATP 2037 and ATP 2038.	Section 5.1(h)
Encumbrances	As stated in Section 5.2 of the Solicitor's Report, Squire Patton Boggs did not review any documents (if any) that pre-date registration of Cypress Petroleum's interest in the Tenements. While the Company is not aware of and does not anticipate registration of any other encumbrances or documents giving an interest in the permits, there is a risk that registration of other encumbrances or document giving an interest in the permits that the Company is not aware of exists.	Section 5.1(i)
Environmental risk	Despite efforts to conduct activities in an environmentally responsible manner and in accordance with applicable laws, there is a risk that operational activities may cause harm to the environment which could impact production or delay future development timetables. The Company is also subject to laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Changes to environmental laws may result in the cessation or reduction of the Company's activities, materially increase development or production costs or otherwise adversely impact the Company's operations, financial performance or prospects.	Section 5.1(y)

1.3 Significant interests of key people and related party transactions

Topic	Summary	Further Information
Who are the Directors?	Stephen Harrison (Independent Chairman) Lauren Bennett (Chief Executive Officer and Managing Director) Quentin Flannery (Non-executive Director) Michael Sandy (Independent non-executive Director)	Section 6.1
Who are the key management	Lauren Bennett (Chief Executive Officer) Luke Manos (Chief Financial Officer)	Section 6.3

personnel?	Regie Estabillo (Chief Operating Officer)																															
What interests do the Directors and key management personnel have in the Securities of the Company?	<table border="1" data-bbox="480 241 1214 779"> <thead> <tr> <th data-bbox="480 241 647 331"></th> <th data-bbox="647 241 815 331">Shares held on Listing</th> <th data-bbox="815 241 983 331">% Shares held on Listing (undiluted)</th> <th data-bbox="983 241 1214 331">Options / Performance Rights held on Listing</th> </tr> </thead> <tbody> <tr> <td data-bbox="480 331 647 398">Stephen Harrison</td> <td data-bbox="647 331 815 398">1,244,498</td> <td data-bbox="815 331 983 398">0.90%</td> <td data-bbox="983 331 1214 398">750,000 Director Options</td> </tr> <tr> <td data-bbox="480 398 647 528">Quentin Flannery</td> <td data-bbox="647 398 815 528">22,721,883</td> <td data-bbox="815 398 983 528">16.39%</td> <td data-bbox="983 398 1214 528">450,000 Director Options 5,545,975 Founder Options</td> </tr> <tr> <td data-bbox="480 528 647 595">Michael Sandy</td> <td data-bbox="647 528 815 595">0</td> <td data-bbox="815 528 983 595">N/A</td> <td data-bbox="983 528 1214 595">450,000 Director Options</td> </tr> <tr> <td data-bbox="480 595 647 663">Lauren Bennett</td> <td data-bbox="647 595 815 663">977,716</td> <td data-bbox="815 595 983 663">0.71%</td> <td data-bbox="983 595 1214 663">3,466,325 Performance Rights</td> </tr> <tr> <td data-bbox="480 663 647 730">Regie Estabillo</td> <td data-bbox="647 663 815 730">474,207</td> <td data-bbox="815 663 983 730">0.34%</td> <td data-bbox="983 663 1214 730">3,466,325 Performance Rights</td> </tr> <tr> <td data-bbox="480 730 647 779">Luke Manos</td> <td data-bbox="647 730 815 779">0</td> <td data-bbox="815 730 983 779">N/A</td> <td data-bbox="983 730 1214 779">N/A</td> </tr> </tbody> </table> <p data-bbox="480 786 1214 853">Note: this table assumes that the Maximum Subscription is raised.</p>				Shares held on Listing	% Shares held on Listing (undiluted)	Options / Performance Rights held on Listing	Stephen Harrison	1,244,498	0.90%	750,000 Director Options	Quentin Flannery	22,721,883	16.39%	450,000 Director Options 5,545,975 Founder Options	Michael Sandy	0	N/A	450,000 Director Options	Lauren Bennett	977,716	0.71%	3,466,325 Performance Rights	Regie Estabillo	474,207	0.34%	3,466,325 Performance Rights	Luke Manos	0	N/A	N/A	Section 6.5(b)
	Shares held on Listing	% Shares held on Listing (undiluted)	Options / Performance Rights held on Listing																													
Stephen Harrison	1,244,498	0.90%	750,000 Director Options																													
Quentin Flannery	22,721,883	16.39%	450,000 Director Options 5,545,975 Founder Options																													
Michael Sandy	0	N/A	450,000 Director Options																													
Lauren Bennett	977,716	0.71%	3,466,325 Performance Rights																													
Regie Estabillo	474,207	0.34%	3,466,325 Performance Rights																													
Luke Manos	0	N/A	N/A																													
What benefits are being paid to the Directors?	<table border="1" data-bbox="480 871 1214 1126"> <thead> <tr> <th data-bbox="480 871 671 913">Directors</th> <th data-bbox="671 871 935 913">Director fees / salary</th> <th data-bbox="935 871 1214 913">Options / Performance Rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="480 913 671 958">Stephen Harrison</td> <td data-bbox="671 913 935 958">\$6,000 per month</td> <td data-bbox="935 913 1214 958">750,000 Director Options</td> </tr> <tr> <td data-bbox="480 958 671 1003">Quentin Flannery</td> <td data-bbox="671 958 935 1003">\$4,000 per month</td> <td data-bbox="935 958 1214 1003">450,000 Director Options</td> </tr> <tr> <td data-bbox="480 1003 671 1048">Michael Sandy</td> <td data-bbox="671 1003 935 1048">\$4,000 per month</td> <td data-bbox="935 1003 1214 1048">450,000 Director Options</td> </tr> <tr> <td data-bbox="480 1048 671 1126">Lauren Bennett</td> <td data-bbox="671 1048 935 1126">\$247,500 per annum</td> <td data-bbox="935 1048 1214 1126">Up to 3,466,325 Performance Rights</td> </tr> </tbody> </table> <p data-bbox="480 1133 1214 1200">Note: fees and salaries are inclusive of superannuation and exclusive of GST (if applicable).</p>			Directors	Director fees / salary	Options / Performance Rights	Stephen Harrison	\$6,000 per month	750,000 Director Options	Quentin Flannery	\$4,000 per month	450,000 Director Options	Michael Sandy	\$4,000 per month	450,000 Director Options	Lauren Bennett	\$247,500 per annum	Up to 3,466,325 Performance Rights	Section 6.5(a)													
Directors	Director fees / salary	Options / Performance Rights																														
Stephen Harrison	\$6,000 per month	750,000 Director Options																														
Quentin Flannery	\$4,000 per month	450,000 Director Options																														
Michael Sandy	\$4,000 per month	450,000 Director Options																														
Lauren Bennett	\$247,500 per annum	Up to 3,466,325 Performance Rights																														
What important contracts with related parties is the Company a party to?	<p data-bbox="480 1227 1214 1328">The Company has entered into customary director appointment agreements and deeds access and indemnity with the Directors of the Company.</p> <p data-bbox="480 1339 1214 1581">The Company has also entered into a call option deed with Ilwella, a major Shareholder of the Company, to grant Ilwella 4% of the Shares on issue at Listing. These Options are offered and issued on the basis of transaction incentive arrangements entered into between the Company and its initial investors at the time of the Company's acquisition of Cypress Petroleum.</p>			Section 7																												
Who will be the substantial holders of the Company?	<p data-bbox="480 1601 1214 1805">On Listing, Ilwella will hold 22,721,883 Shares representing 16.39% of the total number of Shares on issue (on an undiluted basis) assuming that the Maximum Subscription is raised. This percentage includes the shares held by Maximus Flannery Pty Ltd and Offelbar Pty Ltd, associates of Ilwella.</p>			Section 2.17																												
What fees are payable to the Lead Manager?	<p data-bbox="480 1832 1214 1865">Capital Raising Fees</p> <p data-bbox="480 1888 1214 1989">2% (exclusive of GST) of the aggregate amount of capital raised under the Offer from the Flannery family and Andrew Carr.</p>			Section 7.1																												

	<p>4% (exclusive of GST) of the aggregate amount of capital raised under the Offer from the Shareholders.</p> <p>6% (exclusive of GST) of the aggregate amount of capital raised under the Offer from any new investors.</p> <p>Equity Fee</p> <p>\$500,000 of New Shares (i.e. 2.5 million Shares).</p> <p>Option Fee</p> <p>2.5 million Adviser Options.</p>	
What are the Lead Manager's interests in the Securities of the Company at the Prospectus Date and at Listing?	<p>On Listing, Prenzler Group will be issued:</p> <ul style="list-style-type: none"> - 2,500,000 New Shares; and - 2,500,000 Adviser Options. 	Section 7.1

1.4 Summary of the Offer

Topic	Summary	Further Information
What is the Offer?	<p>The Offer includes an initial public offering of New Shares, at an offer price of \$0.20 per Share (Offer Price), for the issue of up to 75,000,000 Shares to raise a minimum of \$12,500,000 (before costs).</p> <p>The Offer comprises the following components:</p> <ul style="list-style-type: none"> • Broker Firm Offer and General Offer: the offer and issue of 75,000,000 New Shares at an Offer Price of \$0.20 to raise a minimum of \$12.5 million and a maximum of \$15 million; • Conversion Offer: The offer and issue of 26,149,375 Conversion Shares to the holders of Convertible Notes at a Conversion Price of \$0.16 per Conversion Share; • Option Offer: the offer and issue of up to 15,241,950 Options in aggregate. The components of the Option Offer comprise: <ul style="list-style-type: none"> - up to 11,091,950 Founder Options; - 1,650,000 Director Options; and - 2,500,000 Adviser Options. <p>Each Option will have an exercise price of \$0.30. Each Adviser Option and Founder Option will have an exercise period of 2 years from the Allotment Date, vesting on Completion. Director Options will vest in three equal tranches on the conditions described in Section 2.10(d); and</p> <ul style="list-style-type: none"> • Performance Rights Offer: the offer and issue of up to 6,932,470 Performance Rights in aggregate to the Company's Management, Lauren Bennett and Regie Estabillo. The Performance Rights will vest in three tranches 	Section 2.1

	on the occurrence of the performance conditions described in Section 2.10(e).	
What is the Offer Price?	\$0.20 per Share.	Section 2.1
What are the terms of the Shares offered under the Offer?	New Shares are fully paid ordinary shares in the Company.	Section 9.3(a)9.3(i)
What is the Conversion Offer?	The offer and issue of 26,149,375 Conversion Shares to the holders of Convertible Notes at a Conversion Price of \$0.16 per Conversion Share.	Section 2.10(c)
Who will be offered Conversion Shares?	The holders of Convertible Notes at a Conversion Price of \$0.16 per Conversion Share	Section 2.10(c)
What are the terms of the Conversion Shares?	Conversion Shares are fully paid ordinary shares in the Company.	Section 2.10(c)
What are the terms of the Options?	<p>Each Option will have an exercise price of \$0.30.</p> <p>Each Adviser Option and Founder Option will have an exercise period of 2 years from the Allotment Date, vesting on Completion.</p> <p>Subject to the Director remaining a Director, Director Options will vest in three equal tranches on each of the first three anniversaries of the Listing. Each tranche of the Director Options will have an exercise period of 2 years from its vesting date.</p>	Section 2.10(d)
Who will be offered and issued Options?	<p>The following persons will be offered and issued Options under the Option Offer:</p> <ul style="list-style-type: none"> • Founder Options: each of: <ul style="list-style-type: none"> - Ilwella (an entity controlled by the Flannery family); and - Lizarb (an entity controlled by Luke Donovan, a former director of the Company), <p>will be issued with Founder Options equal to 4% of the Shares on issue on Listing. These Founder Options are offered and issued to these parties on the basis of transaction incentive arrangements entered into between the Company and its initial investors at the time of the Company's acquisition of Cypress Petroleum;</p> • Director Options: <ul style="list-style-type: none"> - Stephen Harrison will be issued with 750,000 Director Options as partial remuneration for services provided to 	Section 2.10(d)

	<p>the Company (including in connection with the Listing);</p> <ul style="list-style-type: none"> - Quentin Flannery (via Offelbar Pty Ltd) will be issued with 450,000 Director Options as partial remuneration for services provided to the Company (including in connection with the Listing); - Michael Sandy will be issued with 450,000 Director Options as partial remuneration for services provided to the Company (including in connection with the Listing); and <ul style="list-style-type: none"> • Adviser Options: <ul style="list-style-type: none"> - the Lead Manager will be issued with 2,500,000 Adviser Options as partial remuneration for services provided to the Company in connection with the Listing. 																
What are the terms of the Performance Rights?	<p>On Listing, the Company will issue three tranches of Performance Rights which will (on vesting) represent 5% in aggregate of the Shares on issue on Listing.</p> <p>Each tranche of Performance Rights will be vest (for nil cash consideration) into Shares upon the occurrence of the performance conditions described in Section 2.10(e).</p>	Section 9.4(d)															
Who will be offered and issued Performance Rights?	<p>The Company will offer and issue up to 6,932,470 Performance Rights in aggregate to the Company's Management, Lauren Bennett and Regie Estabillo.</p> <table border="1" data-bbox="448 1111 1334 1435"> <thead> <tr> <th>Management personnel</th> <th>Performance Rights – Tranche 1</th> <th>Performance Rights – Tranche 2</th> <th>Performance Rights – Tranche 3</th> <th>Total number of Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Lauren Bennett</td> <td>1,386,494 Performance Rights</td> <td>1,386,494 Performance Rights</td> <td>693,247 Performance Rights</td> <td>3,466,235 Performance Rights</td> </tr> <tr> <td>Regie Estabillo</td> <td>1,386,494 Performance Rights</td> <td>1,386,494 Performance Rights</td> <td>693,247 Performance Rights</td> <td>3,466,235 Performance Rights</td> </tr> </tbody> </table> <p>Note: this table assumes that the Maximum Subscription is raised</p>	Management personnel	Performance Rights – Tranche 1	Performance Rights – Tranche 2	Performance Rights – Tranche 3	Total number of Performance Rights	Lauren Bennett	1,386,494 Performance Rights	1,386,494 Performance Rights	693,247 Performance Rights	3,466,235 Performance Rights	Regie Estabillo	1,386,494 Performance Rights	1,386,494 Performance Rights	693,247 Performance Rights	3,466,235 Performance Rights	Section 2.10(e)
Management personnel	Performance Rights – Tranche 1	Performance Rights – Tranche 2	Performance Rights – Tranche 3	Total number of Performance Rights													
Lauren Bennett	1,386,494 Performance Rights	1,386,494 Performance Rights	693,247 Performance Rights	3,466,235 Performance Rights													
Regie Estabillo	1,386,494 Performance Rights	1,386,494 Performance Rights	693,247 Performance Rights	3,466,235 Performance Rights													
What are the conditions of the Offer?	<p>The Offer is conditional upon the following events occurring:</p> <ul style="list-style-type: none"> (a) the Minimum Subscription to the Offer being reached; (b) ASX granting conditional approval for the Company to be admitted to the Official List; and (c) to the extent required by ASX or the ASX Listing Rules, certain Shareholders entering into a restriction agreement imposing such restrictions on trading on the Company's Securities. 	Section 2.7															
Will the Shares be quoted?	Yes	Section 2.23															
What is the Minimum	The Minimum Subscription under the Offer is \$12,500,000 (before	Section 2.3															

Subscription amount under the Offer?	costs) (being 62,500,000 Shares).	
Are there any escrow arrangements?	As at the date of this Prospectus, the Company expects approximately 11,337,090 Shares and 15,241,950 Options to be subject to up to 24 months escrow upon Listing. In addition, the Company may, in its discretion, resolve to enter into voluntary restriction agreements.	Section 2.15
Is the Offer underwritten?	No.	Section 2.6
Will the Company be adequately funded after Completion of the Offer?	The Company believes that the funds raised from the Offer will provide it with sufficient working capital to fund its near-term capital commitments and to achieve its stated objectives as detailed in this Prospectus.	Section 2.9
Who is eligible to participate in the Offer?	<p>Broker Firm Offer:</p> <ul style="list-style-type: none"> • Institutional Investors and Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker; and • any other investors outside of Australia to whom an offer of the New Shares may lawfully be made without a disclosure document. <p>General Offer:</p> <p>Retail Investors who have a registered address in Australia and certain Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, who are not in the United States. The General Offer is being made under this Prospectus.</p>	Section 2.8
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made on the Application Form accompanying this Prospectus. Persons wishing to apply for Shares under the Offer should refer to Section 2.11 for further details and instructions.	Section 2.11
What is the allocation policy?	<p>The Directors, in consultation with the Lead Manager will allocate Shares in the Offer, with a view to ensuring an appropriate Shareholder base for the Company going forward.</p> <p>The allocation policy will be influenced, but not constrained by the following factors:</p> <ul style="list-style-type: none"> (a) number of Shares bid for by particular Applicants; (b) timeliness of the bid by particular Applicants; (c) the Company's desire for an informed and active trading market following Completion; (d) the Company's desire to establish a wide spread of institutional 	Section 2.12

	<p>Shareholders;</p> <p>(e) the Company's ability to satisfy ASX's 20% free float requirement at the time of Listing;</p> <p>(f) overall level of demand under the Offer;</p> <p>(g) size and type of funds under management of particular Applicants;</p> <p>(h) likelihood that particular Applicants will be long-term Shareholders; and</p> <p>(i) other factors that the Company and the Lead Manager consider appropriate.</p>	
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be sent to Successful Applicants on or about 4 October 2022.	Section 2.14
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, stamp duty or other costs are payable by Applicants.	Section 2.13

2 DETAILS OF THE OFFER

2.1 The Offer

The Offer comprises the following components:

- **Broker Firm Offer and General Offer:** the issue of the Minimum Subscription of 62,500,000 New Shares and the Maximum Subscription of 75,000,000 New Shares at an Offer Price of \$0.20 per Share, to raise gross proceeds of \$12.5 million under the Minimum Subscription and \$15 million under the Maximum Subscription, respectively;
- **Conversion Offer:** the offer and issue of 26,149,375 Conversion Shares to the holders of Convertible Notes at a Conversion Price of \$0.16 per Conversion Share;
- **Option Offer:** the offer and issue of up to 15,241,950 Options in aggregate. The components of the Option Offer comprise:
 - up to 11,091,950 Founder Options;
 - 1,650,000 Director Options; and
 - 2,500,000 Adviser Options.

Each Option will have an exercise price of \$0.30. Each Adviser Option and Founder Option will have an exercise period of 2 years from the Allotment Date, vesting on Completion. Subject to the Director remaining a Director, Director Options will vest in three equal tranches on each of the first three anniversaries of the Listing. Each tranche of the Director Options will have an exercise period of 2 years from its vesting date; and

- **Performance Rights Offer:** The Company will offer and issue of up to 6,932,470 Performance Rights in aggregate to the Company's Management, Lauren Bennett and Regie Estabillo.

The Offer is made on the terms, and subject to the conditions, set out in this Prospectus.

The total number of Shares on issue at Completion is expected to be approximately 126,149,375 under the Minimum Subscription and 138,649,375 under the Maximum Subscription and all Shares will rank equally with each other. Further details with respect to the rights and liabilities attaching to the Shares are further described in Section 9.3(a).

2.2 Purpose of the Offer

The purpose of the Offer is to (assumes Maximum Subscription reached):

- provide immediately funding to support the Company's growth strategy including:
- drilling, casing and testing two wells (one at each of ATP 2037 and 2038) and for ongoing oil production costs at PL 17; and
- provide access to capital markets to improve financial flexibility for growth; and
- provide the Company with the benefits of an increased profile as a listed entity.

2.3 Minimum Subscription

The minimum subscription under the Offer is \$12,500,000 (being 62.5 million Shares) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if Applications are not

received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of the Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

2.4 **Maximum Subscription**

The maximum subscription under the Offer is \$15,000,000 (being 75 million Shares) (**Maximum Subscription**).

2.5 **Oversubscriptions**

The Company intends to accept up to \$5 million oversubscription (above the Maximum Subscription) as determined by the Board in accordance with the allocation policy set out in Section 2.12.

2.6 **Underwriter**

The Offer is not underwritten.

2.7 **Conditional Offer**

The Offer is conditional upon the following events occurring:

- (a) the Minimum Subscription to the Offer being reached;
- (b) ASX granting conditional approval for the Company to be admitted to the Official List; and
- (c) to the extent required by ASX or the ASX Listing Rules, certain persons entering into a restriction agreement imposing such restrictions on trading on the Company's Securities.

2.8 **Structure of the Offer**

Offer	Details, Participation and Eligibility	Offer Securities and Amount to be raised
Broker Firm Offer	An invitation to bid for New Shares to: <ul style="list-style-type: none"> • Institutional Investors and Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker; and • any other investors outside of Australia to whom an offer of the New Shares may lawfully be made without a disclosure document. 	Offer Securities: up to 75,000,000 New Shares. Amount to be raised (gross proceeds): \$15,000,000.
General Offer	Retail Investors who have a registered address in Australia and Institutional Investors in Australia and New Zealand, who are not in the United States and are not US Persons. The General Offer is being made under this Prospectus.	

Conversion Offer	The offer and issue of 26,149,375 Conversion Shares to the holders of Convertible Notes at a Conversion Price of \$0.16 per Conversion Share.	26,149,375 Conversion Shares
Share to be issued to the Lead Manager	The Lead Manager will be issued \$500,000 New Shares as partial remuneration for services provided to the Company in connection with the Listing.	2,500,000 New Shares
Option Offer	Open only to Ilwella, Lizarb, Offelbar, Stephen Harrison, Michael Sandy and the Lead Manager.	Up to 15,241,950 Options.
Performance Rights Offer	Open only to the Company's Management, Lauren Bennett and Regie Estabillo.	Up to 6,932,470 Performance Rights

The allocation of New Shares between the Broker Firm Offer and the General Offer will be determined by the Company in consultation with the Lead Manager, having regard to the allocation policy outlined in Section 2.12.

2.9 Proposed use of funds

The following table reflects the sources and proposed uses of the Company's cash in the 12 to 18 months after Completion.

Sources of funds	Minimum Subscription (\$12.5 million)	Maximum Subscription (\$15.0 million)
Cash as at the date of Listing	\$2,300,000	\$2,300,000
Gross proceeds from the Offer	\$12,500,000	\$15,000,000
Total	\$14,800,000	\$17,300,000
Uses of funds		
ATP 2037: drilling, casing and testing one well to approximately 4,000 meters.	\$7,350,000 ¹	\$5,350,000
ATP 2038: drilling, casing and testing one well to approximately 4,000 meters.	\$0	\$5,350,000
Bennett Oilfield ²	\$25,000	\$25,000
Mobilisation costs	\$1,300,000	\$1,300,000
General and administrative expenses	\$1,000,000	\$1,000,000
Contingency for overrun and unexpected costs	\$1,102,200	\$1,610,000

Working capital³	\$4,022,800	\$2,665,000
Total	\$14,800,000	\$17,300,000

Notes:

1. In the event the Minimum Subscription amount is raised, the Company will not drill a well at ATP 2028 and will use the proceeds of the Offer to undertake expanded activities at ATP 2037. This will include fracture stimulating the well drilled in ATP 2037 on completion of drilling, casing and testing activities.
2. Activities relating to the refurbishment of the Bennett Oilfield are underway and will be majority funded using existing capital. It is the Company's intention to fund any further operating costs relating to the Bennett Oilfield, such as production and maintenance costs, using the proceeds from production. As such, minimal, if any proceeds from the Offer will be attributed to these activities.
3. Funds attributable to working capital will be used for ordinary business expenses including but not limited to wages, office lease, service providers and contractors, registry costs and the like.

The above expenditure table reflect statements of current intentions as at the date of this Prospectus.

As noted in the table above, in the event the Maximum Subscription is reached, the Company intends to drill, case and test two exploration wells, one well in each ATP 2037 and ATP 2038. In each case, the location of the well will be chosen in what the Company considers to be the most prospective and to ensure the risks associated with land holder access are managed and/or mitigated. Each well will be drilled to an approximate total depth of 4000m and will target the Kianga Formation as the primary target and the Backcreek Formation as the secondary target. The Company intends to fracture stimulate both wells if there is measured gas to surface. The cost of fracture stimulating is not included in the Maximum Subscription scenario of use of funds table above. Company intends to fund the fracture stimulation program and subsequent appraisal activities such as seismic acquisition and further appraisal drilling through either, raising further capital or engaging with a suitable joint venture partner on favourable farm-in terms.

In the proposed work program included in Table 8 of Independent Technical Adviser's Report included in Appendix B, the total proposed expenditure is \$19 million. This total expenditure differs from the cost of the drilling, casing and testing program in the Maximum Subscription scenario of use of funds table above because the cost of fracture stimulating and flow testing is not included in the Maximum Subscription scenario. In the event only the Minimum Subscription of \$12.5 million is raised, the Company intends to drill, case, test and fracture stimulate one well in ATP 2037. The location of the well will be chosen in what the Company considers to be the most prospective and to ensure risks associated with land holder access are managed and/or mitigated. If the Company intersects gas with this well and flows gas to surface post-frack, the Company will seek to continue appraisal through either, raising further capital or engaging with a suitable joint venture partner on favourable farm-in terms.

To address risks associated with tenure management, the Company is currently in the process of consulting with the proposed timing of the regulator to ensure the Queensland work program does not unduly impact the Company's retention of the permits. The Company believes it has good prospects in this regard.

Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied and the commercial

objectives and priorities of the Company.

The Board considers that on Listing, the Company will have adequate capital to meet its stated objectives as set out in this Prospectus.

If less than the Minimum Subscription of \$12,500,000 is raised, the Offer will not proceed.

2.10 Terms and conditions of the Offer

Topic	Summary
Type of security being offered	New Shares (being fully paid ordinary shares in the Company).
Offer Price per New Share	\$0.20.
Gross proceeds of Offer	\$12,500,000 to \$15,000,000 (with the ability to take oversubscriptions).
Minimum Application	10,000 New Shares, representing \$2,000.
Allocation policy	<p>Allocations under the offer of New Shares will be at the absolute discretion of the Company in consultation with the Lead Manager.</p> <p>New Shares allocated under the Broker Firm Offer will be issued to the Applicants nominated by each Broker. It will be a matter for the Brokers as to how they allocate New Shares among their retail clients, and they (and not the Company) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant New Shares.</p>
Rights and liabilities attached to Offer Shares	<p>All Shares offered under the Offer (comprising New Shares and Conversion Shares) will hold the same rights and liabilities as existing Shares in the Company.</p> <p>Further details are set out in Section 9.3(a).</p>

(a) Broker Firm Offer

The Broker Firm Offer is open to Institutional Investors and Australian and New Zealand resident Retail Investors who have received a firm allocation of New Shares from their Broker. You should contact your Broker to determine whether you can receive an allocation of New Shares from them under the Broker Firm Offer.

(b) General Offer

The General Offer is open to retailer investors who have a registered address in Australia and certain Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, who are not in the United States and are not US Persons.

(c) Conversion Offer

The Conversion Offer is only open to the holders of Convertible Notes. There are currently 41,839 Convertible Notes on issue. Each Convertible Note has a face value of \$100. On Listing, the holders of Convertible Notes will be issued Shares on the basis of 625 Conversion

Shares for each Convertible Note (at a Conversion Price of \$0.16 per Conversion Share).

The Company has raised \$4,067,300 by issuing the 40,673 Convertible Notes. In addition, a total of 1,166 Convertible Notes were issued to the following Directors for nil cash consideration in lieu of accrued but unpaid director fees from the Company's formation until 30 June 2022:

- Quentin Flannery (via Offelbar Pty Ltd): 572 Convertible Notes in lieu of \$57,200 director fees; and
- Stephen Harrison: 592 Convertible Notes in lieu of \$59,400 director fees.

(d) **Option Offer**

The Option Offer is open to the following persons only:

- **Founder Options:** each of:

- Ilwella (an entity controlled by the Flannery family); and
- Lizarb (an entity controlled by Luke Donovan, a former director of the Company),

will be issued with Founder Options equal to 4% of the Shares on issue on Listing. These Options are offered and issued to these parties under the Ilwella and Lizarb Call Option Deeds on the basis of transaction incentive arrangements entered into between the Company and its initial investors at the time of the Company's acquisition of Cypress Petroleum;

- **Director Options:**

- Stephen Harrison will be issued with 750,000 Director Options as partial remuneration for services provided to the Company (including in connection with the Listing);
- Offelbar (an entity controlled by Quentin Flannery) will be issued with 450,000 Director Options as partial remuneration for services provided to the Company (including in connection with the Listing);
- Michael Sandy will be issued with 450,000 Director Options as partial remuneration for services provided to the Company (including in connection with the Listing); and

- **Adviser Options:**

- the Lead Manager will be issued with 2,500,000 Adviser Options as partial remuneration for services provided to the Company in connection with the Listing.

Each Option will have an exercise price of \$0.30. Each Adviser Option and Founder Option will have an exercise period of 2 years from the Allotment Date, vesting on Completion. Subject to the Director remaining a Director, Director Options will vest in three equal tranches on each of the first three anniversaries of the Listing. Each tranche of the Director Options will have an exercise period of 2 years from its vesting date.

(e) **Performance Rights Offer**

The Performance Rights Offer is only applicable to Lauren Bennett and Regie Estabillo. On Listing, the Company will issue three tranches of Performance Rights which will (on vesting) represent 5% in aggregate of the Shares on issue on Listing.

Each tranche of Performance Rights will be vest (for nil cash consideration) into Shares upon the occurrence of the following performance conditions:

- Tranche 1: 40% of the Performance Rights will vest upon the Company achieving measurable gas to surface from the first two wells drilled in the ATPs within the first 12 months after Listing;

- Tranche 2: 40% of the Performance Rights will vest upon of the 30-day VWAP of the Company's share price being 100% higher than the Offer Price for a period of 3 months; and
- Tranche 3: 20% of the Performance Rights will vest upon the 30-day VWAP of the Company's share price being 200% higher than the Offer Price for a period of 3 months.

In each case, in order for the relevant tranche to vest, the holder of Performance Rights must continue to be employed by the Company. As agreed between the Company and the each of Lauren and Regie under their executive services agreements, the vesting of the Performance Rights will be accelerated in certain circumstances (see Section 7.5).

If the Minimum Subscription is raised, the Performance Rights will be issued to Lauren Bennett and Regie Estabillo on Listing as follows.

Management personnel	Performance Rights – Tranche 1	Performance Rights – Tranche 2	Performance Rights – Tranche 3	Total number of Performance Rights
Lauren Bennett	1,261,494 Performance Rights	1,261,494 Performance Rights	630,747 Performance Rights	3,153,735 Performance Rights
Regie Estabillo	1,261,494 Performance Rights	1,261,494 Performance Rights	630,747 Performance Rights	3,153,735 Performance Rights

If the Maximum Subscription is raised, the Performance Rights will be issued to Lauren Bennett and Regie Estabillo on Listing as follows.

Management personnel	Performance Rights – Tranche 1	Performance Rights – Tranche 2	Performance Rights – Tranche 3	Total number of Performance Rights
Lauren Bennett	1,386,494 Performance Rights	1,386,494 Performance Rights	693,247 Performance Rights	3,466,235 Performance Rights
Regie Estabillo	1,386,494 Performance Rights	1,386,494 Performance Rights	693,247 Performance Rights	3,466,235 Performance Rights

2.11 Applications

Applications for Shares under the Offer can be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants. Payment options are set out in the Application Form.

The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- agreed to be bound by the terms of the Offer;
- agreed to be bound by the terms of the Constitution;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in the Application Form are complete and accurate;
- declared that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- acknowledged that, once the Company receives an Application Form, it may not be

withdrawn;

- (g) applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- (h) agreed to being allocated and issued or transferred the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- (i) acknowledged that the Company may not pay dividends, or that any dividends paid may not be franked;
- (j) declared that the Applicant(s) is/are a resident of Australia or New Zealand;
- (k) authorised the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (l) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs;
- (m) acknowledged that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws;
- (n) acknowledged and agreed that the Offer may be withdrawn by the Company, or may otherwise not proceed in the circumstances described in this Prospectus; and
- (o) acknowledged and agreed that if the Listing does not occur for any reason, the Offer will not proceed.

Applications under the Offer must be for a minimum of 10,000 New Shares (\$2,000). No brokerage, stamp duty or other costs are payable by the Applicants. The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications. Applications for Shares under the Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date.

2.12 Allocation and allotment of Offer Shares

It is expected that allotment of the Offer Shares will take place within 7 business days after the Closing Date.

If the Closing Date is extended, the date for allotment may also be extended. The Company, in consultation with the Lead Manager, reserves the right to reject any Application or to allot a lesser number of New Shares than that applied for. If the number of New Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

The allocation policy will be influenced, but not constrained by the following factors:

- (a) number of Shares bid for by particular Applicants;
- (b) timeliness of the bid by particular Applicants;
- (c) the Company's desire for an informed and active trading market following Completion;

- (d) the Company's desire to establish a wide spread of institutional Shareholders;
- (e) the Company's ability to satisfy ASX's 20% free float requirement at the time of Listing;
- (f) overall level of demand under the Offer;
- (g) size and type of funds under management of particular Applicants;
- (h) likelihood that particular Applicants will be long-term Shareholders; and
- (i) other factors that the Company and the Lead Manager consider appropriate.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement.

2.13 Brokerage, commission and stamp duty considerations

No brokerage, stamp duty or commission costs are payable by Applicants.

2.14 Timetable

A Timetable is set out in the Key Dates Section of this Prospectus.

All dates are indicative only and subject to change. The Company, in consultation with the Lead Manager, reserves the right to vary these dates and times without prior notice, including the right to close the Offer early, to withdraw the Offer, and to accept late Applications.

2.15 Restricted securities

Certain securities held by certain investors following Completion of the Offer will be subject to mandatory escrow restrictions that apply to "restricted securities" in accordance with Chapter 9 of the ASX Listing Rules.

Chapter 9 of the ASX Listing Rules requires that any such Escrowed Securityholders must enter into restriction agreements in the form required by the ASX Listing Rules which preclude holders of such restricted securities from dealing in or disposing of those securities or an interest in those securities or agreeing to deal in or dispose of those securities or an interest in those securities for the relevant restriction periods. The holder of such restricted securities will also be precluded from granting a security interest over those securities. However, ASX may consent to those restricted securities being sold in certain circumstances such as under a takeover bid or under a merger by way of a scheme of arrangement under the Corporations Act. The treatment of these restricted securities for the purposes of Chapter 9 of the ASX Listing Rules is subject to confirmation by ASX.

In its absolute discretion, the Board may require certain parties unaffected by the application of mandatory escrow under Chapter 9 of the ASX Listing Rules to enter into voluntary escrow agreements with the Company.

The following table summarises the mandatory escrow restriction arrangements that are expected to apply to certain Shares and Options assuming the Maximum Subscription is raised.

Securityholder	Description of restricted securities	Number of restricted securities	Percentage of Shares on Listing	Period of restriction
Related parties or promoters of the	Certain of their existing Shares	8,837,090 Shares	6.37%	24 months from the date of

Company				Listing
	All of their Options	12,741,950 Options 3,466,235 Performance Rights		24 months from the date of Listing
Certain Existing Shareholders	Certain of their existing Shares	9,032,189 Shares	6.51%	12 months from the date the existing Shares are issued
Lead Manager	All of their New Shares	2,500,000 Shares		24 months from the date of Listing
	All of the Options	2,500,000 Options		24 months from the date of Listing

The Company's free float on Listing (assuming the Maximum Subscription is raised) is expected to be approximately 87.11%.

2.16 Pro-forma capital structure

The following table depicts the pro-forma capital structure of the Company before and on Completion of the Listing:

Shares	Minimum Subscription	Maximum Subscription
Existing Shares	35,000,000	
Conversion Shares to be issued on Listing	26,149,375	
New Shares to be issued to the Lead Manager	2,500,000	
New Shares to be issued pursuant to the Broker Firm and General Offer	62,500,000	75,000,000
Total	126,149,375	138,649,375

Options	Minimum Subscription	Maximum Subscription
Existing Options	Nil	Nil
Options to be issued on	14,241,950	15,241,950

Listing		
Total	14,241,950	15,241,950

Performance Rights	Minimum Subscription	Maximum Subscription
Existing Performance Rights	Nil	Nil
Performance Rights issued to Management	6,307,470	6,932,470
Total	6,307,470	6,932,470

2.17 Substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Shareholder	Number of Shares	Percentage holding¹
Ilwella Pty Ltd ²	15,425,633	44.07%
Blamnco Trading Pty Ltd ³	5,344,489	15.27%

On Completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Broker Firm Offer and General Offer):

Shareholder	Shares	Options	Percentage (undiluted)⁴	Percentage (fully diluted)⁵
Ilwella Pty Ltd	22,721,883 ⁶	5,495,975 ⁸	18.01%	19.24%
Blamnco Trading Pty Ltd	7,844,489 ⁷	0	6.22%	5.35%

On Completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Broker Firm Offer and General Offer):

Shareholder	Shares	Options	Percentage (undiluted)⁴	Percentage (fully diluted)⁵
Ilwella Pty Ltd	22,721,883 ⁶	5,995,975 ⁹	16.39%	17.86%
Blamnco Trading Pty Ltd	7,844,489 ⁷	0	5.66%	4.88%

Note:

1. No Options or Performance Rights are on issue as at the date of this Prospectus. The

percentages do not include the Convertible Notes currently on issue.

2. Comprising of 14,461,532 Shares held by Ilwella Pty Ltd and 964,101 Shares held by Maximus Flannery Pty Ltd as trustee for the Finco Investment Trust. Maximus Flannery Pty Ltd is an associate of Ilwella Pty Ltd since they are both controlled by Quentin Flannery, Director of the Company.
3. Comprising of 3,340,306 Shares held by Blamnco Trading Pty Ltd and 2,004,183 Shares held by Chembank Pty Ltd as trustee for the Cabac Superannuation Fund. Chembank Pty Ltd is an associate of Blamnco Trading Pty Ltd because both entities are controlled by Andrew Carr.
4. Undiluted percentages include the Shares currently on issue and the Conversion Shares to be issued at Listing.
5. Fully diluted percentages take into account:
 - a. Performance Rights issued to management personnel;
 - b. Conversion Shares to be issued at Listing; and
 - c. Options issued to the Lead Manager, Directors and former directors.
6. Comprising of 20,711,543 Shares held by Ilwella Pty Ltd, 1,652,851 Shares held by Maximus Flannery Pty Ltd as trustee for the Finco Investment Trust and 357,500 Shares held by Offelbar Pty Ltd.
7. Comprising of 4,277,806 Shares held by Blamnco Trading Pty Ltd and 3,566,683 Shares held by Chembank Pty Ltd as trustee for the Cabac Superannuation Fund.
8. Comprising of 5,045,975 Options held by Ilwella Pty Ltd and 450,000 Options held by Offelbar Pty Ltd.
9. Comprising of 5,545,975 Options held by Ilwella Pty Ltd and 450,000 Options held by Offelbar Pty Ltd.

2.18 **Interests of advisers**

Fees payable to advisers

The Company has engaged the following professional advisers in relation to the Offer:

- (a) Prenzler Group has acted as Lead Manager to the Offer. The Company has agreed to pay the Lead Manager the payments described in Section 9.6 for these services;
- (b) Sundaraj & Ker has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately \$95,000 (excluding disbursements and GST) for these services. Further amounts may be paid to Sundaraj & Ker for other work in accordance with its normal time-based charges;
- (c) UHY Haines Norton Corporate Finance Pty Ltd has acted as Investigating Accountant in relation to the Offer and has prepared the Investigating Accountant's Report included in Section 8. UHY Haines Norton Corporate Finance Pty Ltd has also performed work in relation to financial and tax due diligence services. The Company has paid, or agreed to pay, approximately \$50,000 (excluding disbursements and GST) for these services;
- (d) UHY Haines Norton has acted as auditor to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately \$25,000 (excluding disbursements and GST) for these services;
- (e) Fluid Energy Consultants has acted as the independent technical adviser in relation to the Offer and has prepared the Independent Technical Adviser's Report included in Appendix

- B. The Company has paid, or agreed to pay, approximately \$17,500 (excluding disbursements and GST) for these services; and
- (f) Squire Patton Boggs has prepared the Solicitor's Report included in Appendix C. The Company has paid, or agreed to pay, approximately \$37,533 (excluding disbursements and GST) for these services. Further amounts may be paid to Squire Patton Boggs for other work in accordance with its normal time-based charges.

These amounts, and other costs of the Offer will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of costs of the Offer is set out in Section 9.10.

Advisers' interest in Shares

On Listing, Prenzler Group will be issued 2,500,000 Shares and 2,500,000 Adviser Options.

2.19 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are summarised in Section 5.

The Offered Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, Applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice. If you require assistance or have any questions in relation to the Offer, or you are uncertain as to whether obtaining New Shares in the Company is a suitable investment for you, you should seek professional advice from your stock broker, lawyer, accountant or other professional adviser.

2.20 Taxation

The acquisition and disposal of Shares in the Company 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 New Shares from a taxation viewpoint and generally.

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

2.21 Description of Shares

The rights and liabilities attaching to ownership of Shares are detailed in the Constitution and, in certain circumstances, regulated by the Corporations Act and general law. See Section 9 for further details.

2.22 Geographic restrictions

An Offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the Offer. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are residents in countries other than Australia should consult their professional

advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offer.

2.23 **ASX listing, registers and holding statements**

(a) Application to ASX for Listing of the Company and quotation of Shares

The Company will apply within seven days of the Prospectus Date for admission to the Official List and quotation of the Shares on ASX. The Company's expected ASX code will be "OMA".

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the New Shares offered for subscription.

If permission is not granted for the official quotation of the Shares on ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

(b) CHESS and issuer sponsored holdings

The Company has applied or will apply prior to Listing, to participate in ASX's Clearing House Electronic Sub-register System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transaction in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Share certificates will not be issued.

Shareholders will receive subsequent statements shortly after the end of the month in which there has been a change to their holding and as otherwise required by the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring Broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

2.24 **Withdrawal**

The Company, in consultation with the Lead Manager, may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) to the Applicants within 28 days of giving notice of their withdrawal.

2.25 **Privacy disclosure**

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.26 **Enquiries about the Offer**

If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining New Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

3 COMPANY OVERVIEW

3.1 Background to the Company

The Company was incorporated as Luco Energy Pty Ltd, an Australian private company, in 2020 with the aim of acquiring and commercialising undervalued oil and gas assets.

In October 2020, the Company succeeded in acquiring 100% of the shares in Cypress Petroleum Pty Ltd (**Cypress Petroleum**) from Tag Oil Ltd (**Tag Oil**), a Canadian oil and gas company listed on the Toronto Stock Exchange. Cypress Petroleum holds 100% of the following petroleum tenements in South-East Queensland.

On 19 May 2022, the Company changed its name from Luco Energy Pty Ltd to Omega Oil & Gas Limited and converted from a private to public company.

- ATP 2037 and 2038

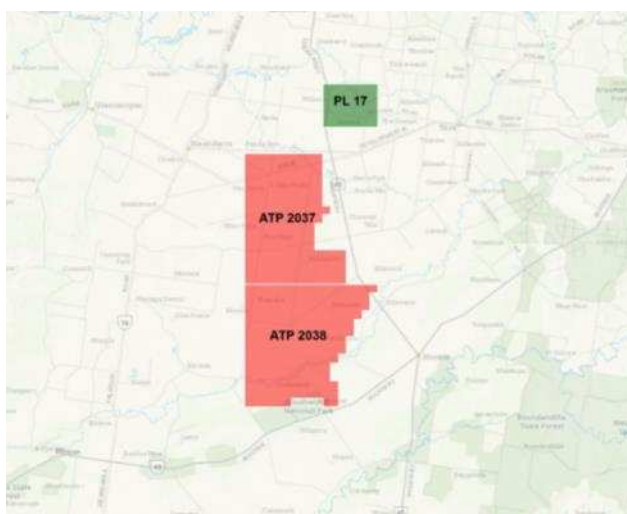
Authority to Prospect (**ATP**) 2037 and 2038 underlie a thick sequence of Surat and Bowen Basin strata. The ATPs cover a combined area of over 250,000 acres and are located approximately 50 km away from existing critical gas transmission infrastructure.

The Company's primary objective with both ATPs is to establish a Permian gas play. The Company intends to drill two wells, one in each ATP, to test the Permian Deep Gas potential of tight sandstones within the Permian Kianga Formation (found at a depth of between 3,500 and 3,700 metres below ground level). If this play is successful, it may be able to arrest future coal seam gas supply shortfalls to the Gladstone liquified natural gas (**LNG**) plants.

- **PL 17** Petroleum Lease (**PL**) 17 is a proven oil resource. The Company intends to refurbish the Bennett-1 and Bennett-4 oil wells (located at PL 17) to bring them back into production.

The Company believes that there is a significant opportunity to uplift production at PL 17.

Figure 1. Location of the Company's permits



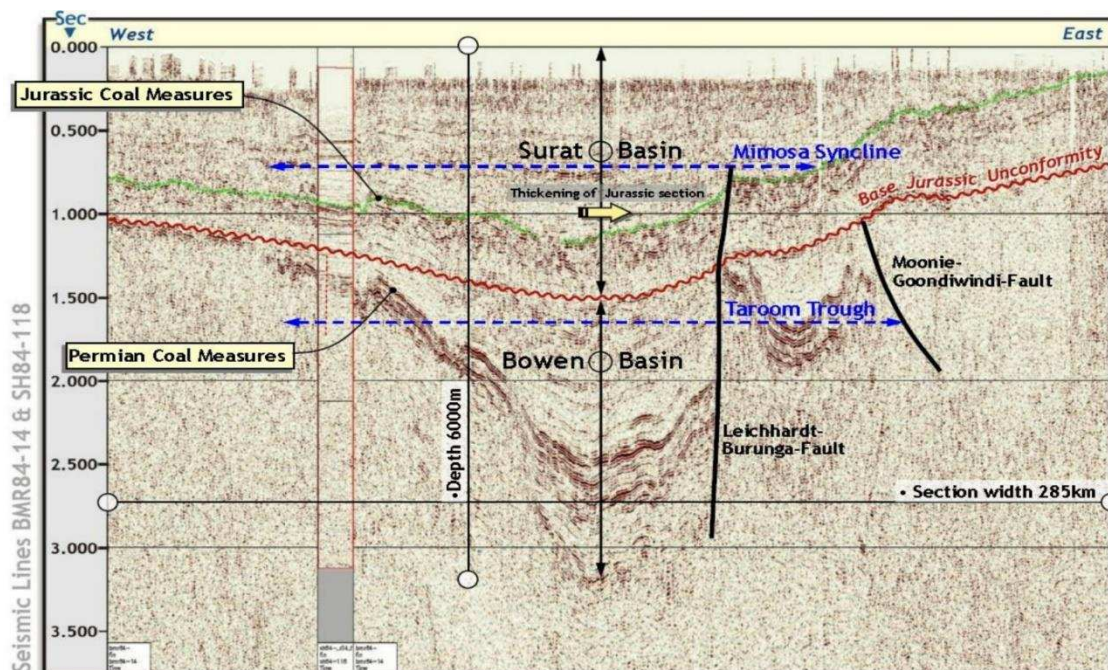
3.2 Surat-Bowen Basin

The Bowen Basin, covering an area of approximately 200 000 square kilometres, is an elongate, north-south trending basin bounded to the east by a series of north-south

oriented, Triassic thrust faults extending south of the Auburn Arch (Chincilla-Goodiwindi Fault/Moonie Fault/Leichhardt-Burunga Fault). To the north, the basin is exposed, and Permian aged coal measures are extensively mined. To the south, the basin is covered by the younger Surat Basin. There are two main depocentres in the Bowen Basin: the Denison Trough in the west and the Taroom Trough in the east. These are separated by the Comet Ridge.

The basin contains a sedimentary sequence of Permian to Triassic clastics of up to 9000m thickness in the Taroom Trough. Deposition commenced during the Early Permian extensional phase with fluvial and lacustrine sediments and volcanics deposited in a series of half-grabens in the east and thick succession of coals and non-marine sediments in the west. During the mid-Early to Late Permian, a basin-wide transgression allowed deposition of deltaic and shallow marine sediments and extensive coal measures. Erosion during the middle to late Triassic contraction has largely restricted the occurrence of the Permo-Triassic clastics to the adjacent Taroom Trough. Hydrocarbon accumulations occur throughout the succession, but the most important reservoirs are in the Early Permian and Middle Triassic. From Early Jurassic to Early Cretaceous, clastic sediments of the Surat Basin were deposited on this erosion surface.

Figure 2: Seismic Line showing structural elements of the Surat-Bowen Basin



The Surat Basin forms part of the larger Great Artesian Basin, and inter-fingers westward across the Nebine Ridge with the Eromanga Basin, and eastward across the Kumbarilla Ridge with the Clarence-Moreton Basin. Structural blocks consisting of the Central West Fold Belt and the New England Fold Belt limit the basin to the south, while in the north the basin has been eroded and unconformably overlies Triassic and Permian sediments of the Bowen Basin.

The Surat Basin contains up to 2,500m of sedimentary rocks deposited during the latest Triassic to Early Cretaceous periods. The latest Triassic to earliest Cretaceous succession in the basin consists of five fining-upwards sedimentary cycles dominated by fluvio-lacustrine deposits. In the Cretaceous, inundation of the land by a rise in sea level led to deposition of predominantly coastal plain and shallow marine sediments in two cycles.

Structurally the Surat Basin is relatively simple, with the area of maximum position, the

Mimosa Syncline, overlying the thickest Permian-Triassic rocks in the Taroom Trough. Major faulting within the basin predominantly mirrors basinal bounding faults of the underlying Bowen Basin. Formations outcrop along the northern erosional boundary and dip gently to the south and southwest at less than 5°.

The petroleum play elements of the Bowen and Surat basins are closely linked since the main source rocks are found in the Permian sequences. Oil and gas have migrated up the sequence into the Permian sandstones, the Triassic Showgrounds Sandstone and also into the Jurassic Precipice Sandstone and Evergreen Formation (Boxvale Sandstone) of the Surat Basin. Within the deeper parts of the Bowen Basin with less efficient migration pathways, there is potential for significant gas accumulations stratigraphically trapped in tight Permian sandstones.

3.3 Oil and gas industry outlook

Since the major acceleration of the oil and gas industry materially took in the 1960's, Australia has produced a stable source of oil and gas to meet domestic demand as well as the growing demand of our neighbours in South East Asia. In recent years, with the commissioning of Australia's LNG projects, Australia has emerged to become one of the top three largest LNG exporters along with Qatar and the US. The relative impact of both the LNG boom and the coal seam gas (**CSG**) boom before it has meant that investment in local onshore and offshore projects has remained strong. Historically, Australia has been a stable jurisdiction for investment in the industry and as a result there has been a pipeline of feeder projects for the LNG trains on both the east and west coast. As at July 2020, there were some 10 LNG production facilities in Australia – five in Western Australia, two in the Northern Territory and three in Queensland. The ten facilities export approximately 80 million tonnes of LNG per year. Although there was downturn in demand during the height of the Covid-19 pandemic, global pressures arising from the war in the Ukraine, the sanctions against Russian exports of oil and gas to Europe and China, and the speed with which our own domestic industries are seeking to bounce back, have placed increased pressure on Australian gas producers to meet increasing demand.

Against this backdrop of increasing demand for energy, there is a groundswell of activity and societal expectation for renewable energy projects. The Company is not absolved of these expectations and intends to position itself to be a contributor to the gas industry. This is key as gas plays an important role in the transition from fossil fuels to renewable energy sources. .

The Australian gas industry plays an important role in meeting domestic energy deficit projects, but also in ensuring our neighbours who currently benefit from Australian exports of gas, fuel and coal do not revert to the burning of coal and wood. Simply put, if Australian gas supply drops, emerging economies will have no option but to turn to the burning of coal and/or wood to meet their energy needs.

It follows that an investment in renewable energy does not translate directly to abandonment of the oil and gas industry. All players in industry have a role to play in decarbonising operations and funding renewable innovations, none more so than the oil and gas industry. However, it would be short sighted to assume that gas production does not have a role to play in transitioning to a renewable energy future. Until renewable counterparts can provide commercially viable solutions at scale, the gas industry is critical in ensuring energy needs are met domestically and in our neighbouring regions.

3.4 Business model of the Company

(a) Nature of the business

The Company is an early mover in an emerging play within the junior oil and gas space in Australia. The company is focused on unlocking the immense value in Permian deep gas assets beneath historical CSG targets. This exploration and appraisal work will form the company's core exploration activity and will be primarily funded initially by investor capital contributions.

The Company's value is underpinned by a leadership team with proven experience in oil and gas, engineering, large-scale infrastructure projects and commercial structuring.

The Company's commercial prospectivity is built on a deep-seated knowledge of challenged assets and the tools needed to extract value at low cost. The members of the Board and the Management have extensive experience in the oil and gas industry. Regie Estabillo (COO) has been at the forefront of the CSG industry in Queensland. Regie was previously employed by BG Group in its special projects team, and evaluated the oil and gas targets in adjacent acreage. This team was responsible for BG Group's acquisition of Queensland Gas Company. BG Group pioneered LNG development on the East Coast of Australia, being the first company to sanction its project and also the first company to have exported an LNG cargo out of Gladstone in 2015.

Regie's experience at BG Group has been invaluable for the Company and developing its plan to commercialise its foundation assets. Regie was part of the special projects team at BG, which was tasked with the ambitious plan to find 'new gas' to be able to sanction a third LNG train. The pinnacle of his time in this team, was marked by the drilling of 4 exploration wells in the Surat Basin drilled at a depth of over 4,000 metres targeting Permian gas sands well below the overlying coal layers. The wells all proved the presence of gas and, more importantly, all the wells flowed gas at near commercial rates. Regie left BG Group in 2014, the same year Shell acquired BG Group. The significance of the takeover and more specifically the timing of the takeover has meant that much of the personnel and the knowledge of the deep gas in the Surat was lost. Hence since the takeover Shell has not drilled any new exploration or appraisal wells in the East Coast of Australia.

Regie's prior experience and knowledge of the Company's assets and the deep gas potential in the Surat Basin has meant that the Company has been a first mover in recognising the potential for gas underlying the coal.

As environmental opposition to any new CSG projects increases; the market is looking beyond coal for the supply of new gas. The evidence of which is the recent Shell and Santos JV, which has been awarded exploration acreage in the Surat Basin specifically targeting the deep gas sands (the same play as the Company's assets). Competition for acreage in the Surat Basin with deep gas potential is increasing and it is anticipated that the future Queensland gas exploration acreage bidding rounds will be more competitive than ever.

The Company is fortunate to have had the prior knowledge to be able to be an early mover in this new market. The early mover advantage has meant that Company has been able to acquire acreage which is top tier for deep gas potential in the Surat Basin.

The Company's CEO and Managing Director, Lauren Bennett brings extensive industry and commercial experience across oil and gas, carbon capture, storage and utilisation (CCUS), large scale infrastructure and construction. Lauren's prior experience at Senex Energy has been valuable in developing the Company's program of works and activities. Additionally, Lauren's commercial structuring and advisory expertise has ensured the Company is well positioned to deliver its planned program of works.

Michael Sandy is a non-executive Director of the Company and he brings with him extensive oil and gas experience across various companies, both listed and unlisted and across various

jurisdictions. Michael is currently serving as a non-executive director of Melbana Energy (ASX: MAY). Prior to Melbana Energy, Michael was involved in listing Novus Petroleum Ltd, he served as a non-executive director of Tap Oil Limited (ASX: TAP), Hot Rock Ltd (ASX: HRL), Caspian Oil and Gas (ASX: CIG) and Pan Pacific Petroleum (ASX:PPP), ex-chairman of Burleson Energy Limited (ASX: BUR) and non-executive chairman of MEC Resources (ASX: MEC).

Separately to this, Stephen Harrison, the Company's non-executive Chairman, has long been involved in the oil and gas industry in Australia, through his directorships at Blue Energy and Exoma.

The Company has commenced refurbishing of the Bennett-1 and Bennett-4 oil wells located at PL 17 with a view to bringing them back into production during 2022. The Board believes that securing productive assets such as PL 17, will ensure the business is built on a foundation of consistent, growing organic revenue, and that this will assist in de-risking and commercialising investments made in appraising exploration assets such as ATP 2037 and ATP 2038.

(b) Significant dependencies

The Company's operational success is largely impacted by the following factors.

	Dependency	Mitigant
1	Procurement of critical resources and consumables	The Company has partnered with SGS Global for all key aspects associated with a drilling campaign at ATP 2037 and 2038. The Company intends to direct charter a suitable drilling rig from a reputable service provider of a drilling rig capable of drilling down to depths of 4,000 metres. Procurement of key long lead time items (such as well casings and well heads) and the drilling rig are underway and on schedule. With respect to PL17 operations, the Company has engaged SGS to provide in field operational support and services to reinstate production in the Bennett Oil Field.
2	Crude marketing	The Company has secured a Crude Oil Sale Agreement with IOR for the sale of crude produced from its Bennett Oil Field.
3	Design and execution of a successful fracture stimulation program	Following the drilling and testing of the two wells in ATP 2037 and 2038, the Company intends to fracture stimulate target formations. Given the reservoir risk identified by Fluid Energy in the Independent Technical Adviser's Report (refer to Appendix B), the execution risk of this activity can be high. The Company will work with a reputable service provider at the appropriate time, to mitigate potential issues associated with design and execution of an appropriate fracture stimulation program. There are various reputable service providers to the industry who can provide subject matter expertise and key personnel at the time required by the Company.

3.5 Strategy, plans and objectives

(a) Our vision

The Company's vision is to become a leader in supporting Australia's future energy demands by realising value in Australia's immense gas assets. The Company is committed to instituting

a safety-first approach across all operations. The Company is mindful of the issues relating to fossil fuels and environmental sustainability. The Company aims to position itself to be a meaningful contributor to the east coast gas market and provide a material source of transition fuel through the development of its Permian deep gas assets.

(b) Our mission

The Company's mission is to redefine the profile of the Australian energy market, by bringing online gas projects of scale in South-East Queensland. In line with the changing narrative in the energy industry, the Company seeks to position itself as a producer of gas as a transition fuel. We aim to contribute domestic energy security for industrial and retail consumers alike.

(c) Our values

- **Safety.** The Company, through its Management and Board, prides itself on an establishing and fostering a 'Safety First' culture. Through the team's prior operational experience in the industry, Management employ only best practice operational practices.
- **Accountability.** We will continuously endeavour to define our goals and commit achieving them, thereby engendering an ethos trust and accountability.
- **Tenacity.** The team at the Company are unified by one key characteristic – tenacity. Whether it is securing prime exploration acreage in emerging hydrocarbon fairways, or utilising existing CSG infrastructure to reduce our operational footprint, here at Omega we are driven and disciplined in our pursuit of success.
- **Community.** We are privileged to call Australia home, in particular the unique and prosperous region of South-East Queensland. Our ability to operate in the Surat Basin is made possible by our strong ties to the community and we are focused on ensuring our contributions to the local community preserve the regions way of life, whilst uplifting the local economy.

3.6 ESG Commitment and Committee

(a) Culture

At the Company, we are proud to be contributing to Australia's energy landscape, even more so through the oil and gas industry which has historically been such a strong contributor amongst others in the sector. As Australia and the world moves to more considered sources of energy, the oil and gas industry is forced to recognise that it cannot operate just as it has – it must evolve its practices to ensure it can continue to support Australia's growing energy needs in what is an increasingly 'sustainability' focused environment.

We take this evolution seriously and through every level of the business, we strive to reflect a culture that mirrors the environmental and socially responsible values of the world we operate in. We view our ESG responsibility broadly and seek to implement:

- Innovative operational practices that reduce our physical footprint onsite and reuse materials where possible
- Employment and engagement programs which are inclusive and foster diversity of thought
- Conscientious use of non-renewable resources such as water and fuel

- Implementation of renewable sources of energy onsite
- Efficient onsite work campaigns to reduce mobilisation footprint
- Cross-functional hiring to capture talent and experience from complimentary industries
- Partnerships with carbon capture, utilisation and storage projects in the region

Though the steps we are taking may seem small, they are deliberate, impactful and scalable as the business grows.

(b) Social

We do not operate in an echo chamber. The Company is committed to ensuring that the voices at the table represent the society we live and capture the best and the brightest talent available to us. We are committed to implementing recruitment processes that tap into a diverse range of skills and expertise. We are also committed to maintaining inclusive corporate practices.

Our number one priority at Omega is to ensure operational safety through all facets of the business. This is all encompassing and non-negotiable. We firmly stand by our commitment to provide a safe environment for our workers, contractors, sub-contractors, land holders and community stakeholders at all times.

(c) Environment

At Omega Oil & Gas, we believe in measurable and achievable targets to hold ourselves accountable to. We plan to use recycled water for fracking activities with the aim of achieving 100 percent recycled water for fracking by 2030. Fracking activities are water intensive processes and can tolerate a broad range of water properties. Recycled water has the potential to preserve water from local water bores for agricultural purposes.

(d) Corporate governance

It is often said that a company's greatest asset is its people. There is no truer a statement than here at Omega Oil & Gas. We have a management team and a Board who has excelled in not just the oil and gas industry, but across finance, resources, energy and construction. Through our diverse range of skills and expertise at the company we are able to develop and implement robust corporate policies which align with our mission, our values and purpose as a company. Our team is appropriately incentivised to ensure a commitment to company targets is maintained and corporate values are upheld.

3.7 Company structure

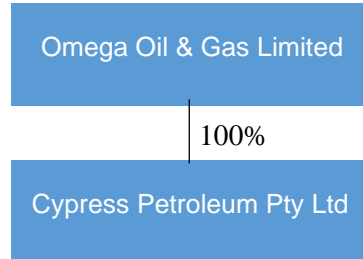
(a) Capital Structure of the Company

On Listing, the Company's capital structure will comprise Shares, Options and Performance Rights.

	Minimum Subscription (\$12.5 million)	Maximum Subscription (\$15 million)
Number of Shares	126,149,375	138,649,375
Number of Options	14,241,950	15,241,950
Number of Performance Rights	6,307,470	6,932,470

(b) Corporate Structure

The Company is an Australian unlisted public company incorporated on 23 September 2020 as Luco Energy Pty Limited and converted to Omega Oil & Gas Limited on 19 May 2022. The Company owns 100% of Cypress Petroleum. Cypress Petroleum owns 100% of ATP 2037, ATP 2038 and PL 17.



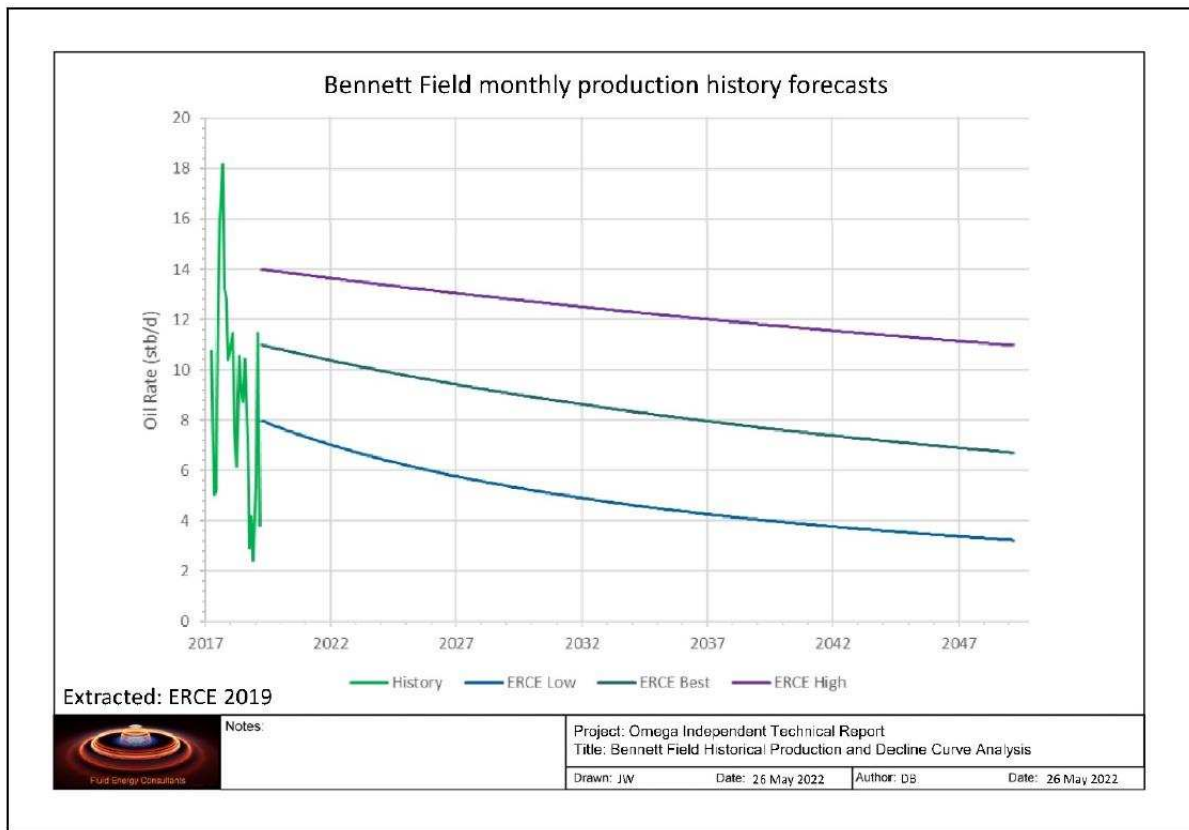
3.8 Overview of PL 17

(a) Conventional Oil

PL 17 is located within the Surat Basin in Queensland and covers an area of approximately 26,000 acres, inclusive of the Bennett and Leichardt oilfields. The primary objective in PL 17 is oil-bearing Jurassic sandstone.

The Bennett oilfield was shut in March 2019 due to very low oil prices. The Bennett oilfield produces 43° API oil from the Lower Jurassic aged Upper Precipice Sandstone (56-4 sand) through two wells – Bennett-1 and Bennett-4. Bennett-1 and Bennett-4 production history is poorly documented, making it difficult to estimate the total amount of production from the wells to date. Using various historical sources and the production database from the Queensland government, it is estimated that a total of 279,547 bbl of oil has been produced from Bennett-1 and 64,476 bbl from Bennett-4. Refer to the Figure below for historical production data for the Bennett Oilfield.

Figure 3. Bennett Oil Field historical monthly production and ERCE forecasts



It is noted that the operating efficiency of the Bennett wells have historically been poor. Between 2005 and 2019, Bennett-1 produced oil for 9 out of those 15 years and Bennett-4 produced for 5 out of those 15 years.

The Bennett oilfield has four existing wells in total, with two shut-in wells. Historically, Bennett-1 and Bennett-4 has flowed oil at a rate of approximately 10 to 20 bbl/day. The Leichardt oilfield also has 4 wells and is currently suspended (not producing).

The Leichardt oilfield has four wells but has been shut-in since 2015. Oil was produced from the Middle Jurassic aged Hutton Sandstone through well Leichardt-1. Between 2005 and 2015, records show that the field produced approximately 19,000 bbl of oil.

The Company sees the near-term opportunity in PL 17 being the recompletion of the existing wells in both the Bennett and Leichardt fields, with the view to bring all the Bennett wells back online. The Company's reinstatement program will involve optimising the performance of surface equipment to improve the Bennett Oil Field's up-time.

The Company has contingent (2C) oil resources of 723,301 bbls.

Figure 4. Historic daily production from Bennett field (bbl/d)

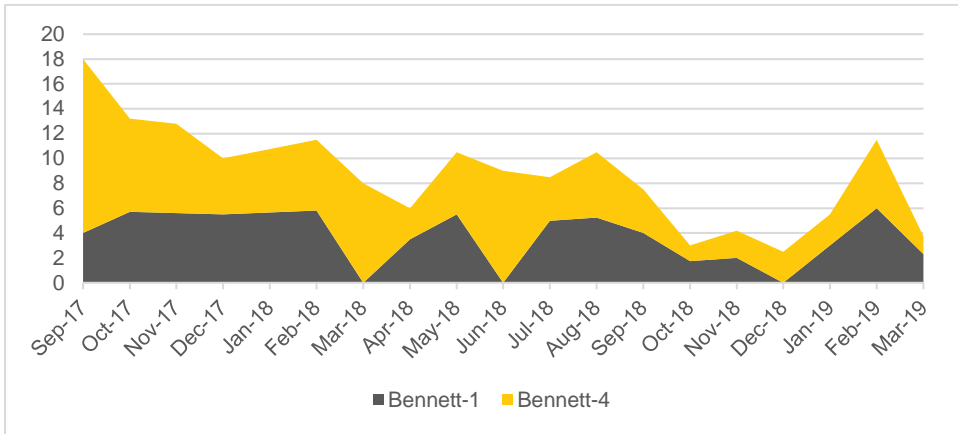
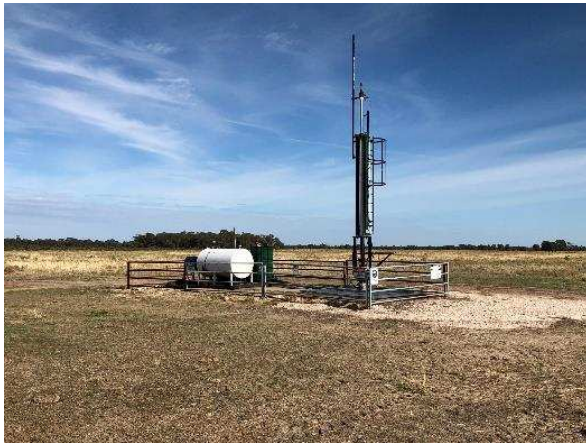


Figure 5. Bennett-4 Well



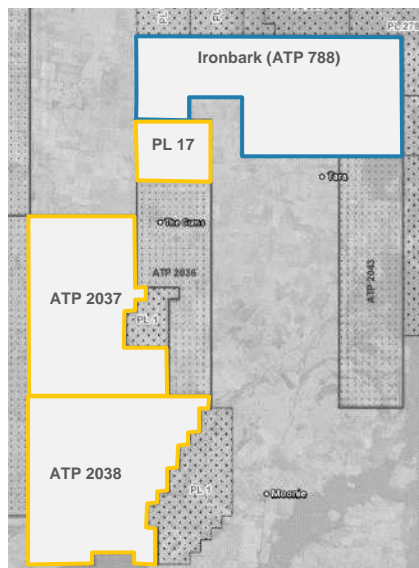
(b) Coal Seam Gas

An analysis undertaken by RISC Advisory prior to the Company's acquisition of Tag Oil produced a probabilistic estimate coal seam gas (CSG) resource of 191 PJ (2U) within PL 17.

Structurally this estimate in PL 17 is located on the southern (downdip) end of the Undulla Nose – the updip portion of which is the site of prolific CSG production from coal within the Jurassic aged Walloon Subgroup (and is one of the most productive CSG targets in Queensland – as shown by the red dots in the below figure).

Given industry dynamics within the Australian east coast upstream gas sector, the Board is of the view that there should be a healthy level of interest in PL 17 should the asset demonstrate a substantial recoverable gas resource from medium and large exploration and production companies with a demonstrated appetite for CSG asset aggregation.

Figure 7. PL 17 and Ironbark Location Map



3.9 Overview of the two exploration licences (ATPs)

Omega acquired the exploration tenements ATP 2037 and 2038 as part of the purchase of Cypress Petroleum from Tag Oil in October 2020. ATP 2037 and ATP 2038 are adjacent gas exploration permits located in the Surat Basin. The two ATPs span a total area of over 250,000 acres and are located approximately 50 km away from existing gas infrastructure and gas pipelines which feed into the Australian east coast gas market and the Gladstone LNG export terminals.

It is anticipated that the proximity of the ATPs to pipelines and infrastructure will enable the Company to commercialise any gas reserves discovered at the tenements. The potential market for this gas spans the southern states of New South Wales and Victoria as well the LNG export gas markets at Gladstone.

The proceeds from the Offer will be used to drill and case two wells (one at each ATP) at up to a depth of 4,000 metres. Each well will test the Permian deep gas potential of tight sandstones found below overlying coal layers within the Permian Kianga Formation (found at a depth of between 3,500 and 3,700 metres below ground level).

With the capacity to feed significant volumes of gas to the domestic gas market within a five-year timeframe. This is supported by favourable current and projected East Coast gas pricing (projected to be between A\$8 to A\$14 per GJ)

A condition of the granting of the ATPs by the Queensland government is a minimum work commitment. The work commitment agreed to by the Company is described in the table below, which outlines the capital program planned for ATP 2037 and ATP 2038. The program represents the capital expenditure required to meet the conditions of the exploration, as well as contingent expenditure on an appraisal well depending on success in the exploration activities.

Refinement to the program will be ongoing, and opportunities to accelerate exploration and appraisal activities will be assessed as options become clearer.

Figure 8. The Company's work commitment to ATP 2037 and 2038

Proposed Activity	Capex (A\$M)	Timing
ATP 2037 & 2038 Seismic Acquisition & Processing (deferred)	TC	2023
2 well Exploration Program: Drill, open hole logging and flow testing, cement and case in preparation for future extended production testing	15	Dec 2022
TOTAL ATP 2037 & ATP 2038 EXPENDIURE COMMITMENTS	15	

(a) Previous exploration activity undertaken by the Board and Management

Regie Estabillo, the Company's COO has previously worked at BG Group and was directly involved in the group's exploration for deep gas resources in the Surat Basin.

BG Group were the first to recognise and explore for the potential of Permian gas in the Surat Basin. In 2012, BG Group drilled six wells, all of which intersected thick gas bearing sands through the Permian formation. The wells were located proximal to ATP 2037 and 2038, as noted on the map below. The wells flowed at rates between 0.2 to 2.0 mmscf / d.

In addition to Regie Estabillo's experience and familiarity with the Permian play, the Company has also got over 50 years of G&G experience. Michael Sandy who was appointed as a non-executive director has over 30 years of experience working various geological basins in Australia and around the world. In addition to Michael, Leslie Atkinson who is the Company's exploration manager brings with her over 20 years of experience working in the Cooper Basin in South Australia.

The wells that flowed at higher rates were drilled at a shallower depth through the Permian formation. ATP 2037 and 2038 are located in such a way that the Permian is expected to be penetrated at shallower depths relative to the wells of the BG Group, and therefore better reservoir quality is expected in this acreage.

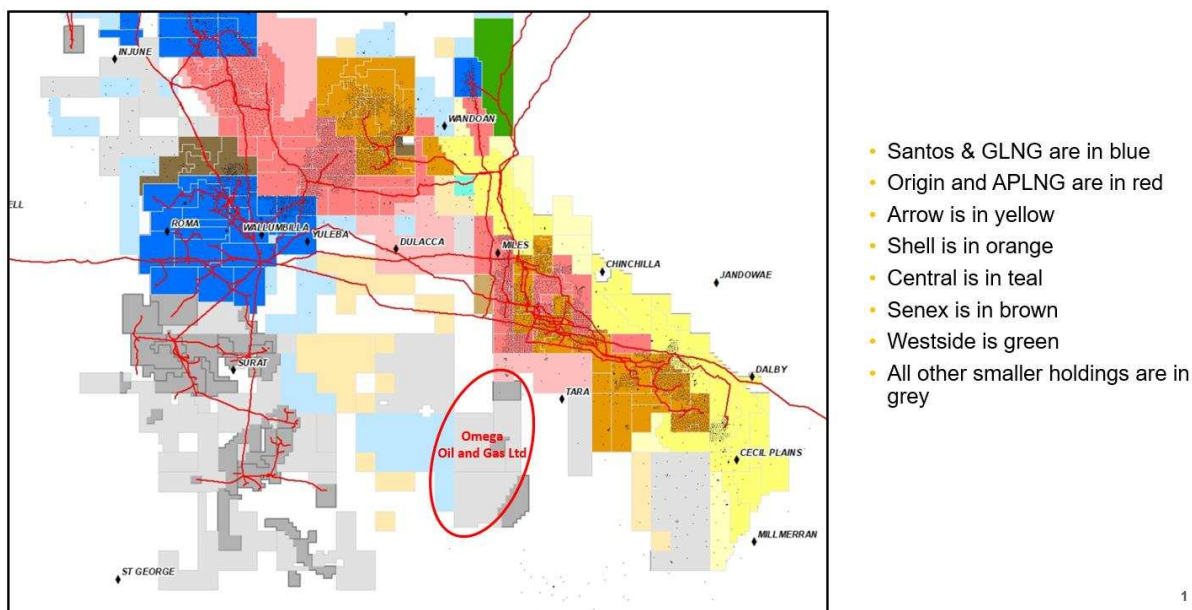
Michael Sandy is a non-executive Director of the Company and he brings with him extensive oil and gas experience across various companies, both listed and unlisted and across various jurisdictions. Michael is currently serving as a non-executive director of Melbana Energy (ASX: MAY). Prior to Melbana Energy, Michael was involved in listing Novus Petroleum Ltd, he served as a non-executive director of Tap Oil Limited (ASX: TAP), Hot Rock Ltd (ASX: HRL), Caspian Oil and Gas (ASX: CIG) and Pan Pacific Petroleum (ASX:PPP), ex-chairman of Burleson Energy Limited (ASX: BUR) and non-executive chairman of MEC Resources (ASX: MEC).

Separately to this, Stephen Harrison, the Company's non-executive Chairman, has long been involved in the oil and gas industry in Australia, through his directorships at Blue Energy and Exoma. Lauren Bennett, the Company's CEO and Managing Director has also held commercial and operational roles at Senex Energy and Worley Parsons. The Company's other non-executive Director, Quentin Flannery is a seasoned investor in the resources space and has previously served in operational roles in the Coal industry, with his most recent experience being his time as head of thermal coal marketing at Yancoal.

(b) Growing interest in deep gas resources in the Surat Basin

The Permian deep gas play in the Surat Basin has recently been attracting growing interest from oil and gas majors, as having the potential to be a new major source of gas supply in Queensland.

Figure 9. Operators in the area



Over the past 24 months, the following developments have occurred in the Surat and Bowen Basins:

- The Santos-Shell JV secured acreage in the Surat and Bowen Basins – the PLR201718-2-5. Their licence covers 393km².
- Santos noted that exploration work in the new licence area will target natural gas in deep sandstone reservoirs of the Bowen Basin, beneath the Surat Basin.
- Armour Energy was awarded Area PLR201718-2-4 on the Roma Shelf, in the Surat Basin. The area covers 457 km² and was stated by CEO Roger Cressey to add to Armour Energy’s plans for the reinvigoration of the large Permian gas and condensate plays of the Surat Basin.
- Shell (via the acquisition of BG Group in 2014) have also retained the block which contains the Daydream-1 and Magnetic-1 well, which is within a similar depth horizon to ATP 2037 & 2038. Shell have committed a significant appraisal program on 2020/21 to further appraise and develop the Permian gas play.

The participation of these major players in the region are an indication that the region is becoming an exploration hotspot. The prospectivity of the Company’s acreage in relation to its peers is illustrated in Figure 9 above. Figure 10 below shows its proximity to BG’s Tasmania-1 discovery. In addition to this, the Company’s acreage position benefits from favourable proximity to existing gas offtake infrastructure as well as proximity to established towns and regional hubs such as Tara, Moonie, Condamine, Dalby and Toowoomba.

(c) Proximity to infrastructure

ATP 2037 and 2038 span a total area of over 254,000 acres and is located approximately 50 km away from the Roma to Brisbane Pipeline.

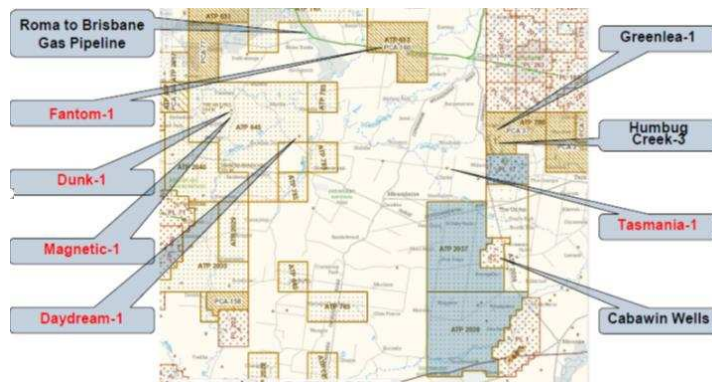
(d) Material Resource

The primary objective is the large Permian gas play beneath the overlying coal layers.

(e) Favourable Gas Price

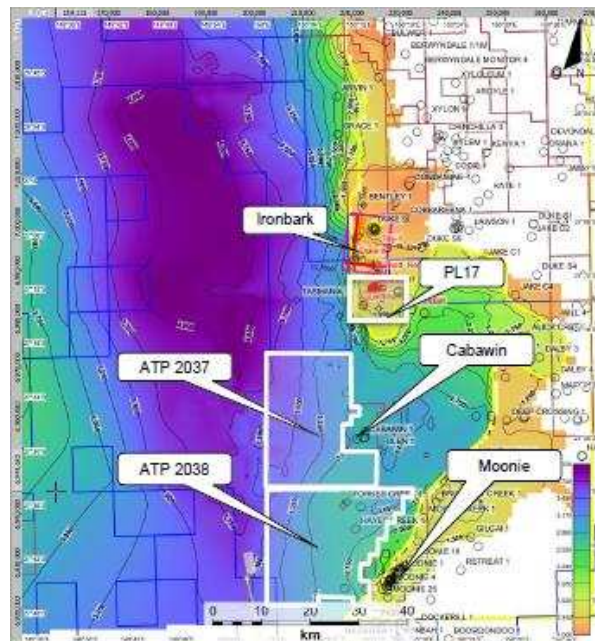
The East coast of Australia is currently in a gas deficit, with demand exceeding production as existing fields move into decline. The gas prices are forecasted to be A\$8 – 14/GJ in the medium to long term, underpinning strong returns on a new gas supply entering the market from 2023 and beyond.

Figure 10. Permian Exploration Well Locations Relative to ATP 2037 and ATP 2038



Additionally, Figure 11 is a structural map showing the top of the Permian. The map shows the continuity of the sand across the breadth and width of ATPs 2037 & 2038. This represents a large area, with an estimated unrisks resource volume ranging from 0.2 to 5.5 PJ.

Figure 11: Top Permian structure map (map indicates subsea depths)



3.10 Reserves and Resources Estimate

The reserves and resources for Omega has been independently reviewed and certified by Fluid Energy, as summarised in the tables below. The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploitation appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The tables are extracted from the Independent Expert Report authored by Fluid Energy.

Table 1: Omega’s Calculation of Prospective Gas and Oil Resources after Adjusting for the 3% TAG Royalty on Liquid Hydrocarbons

Project Name	Classification	Peta-Joules		
		1U	2U	3U
ATP 2037 and 2038	Prospective Gas Resource	1,700	3,000	4,600
		Million Barrels		
ATP 2037 and 2038	Associated Prospective Oil Resource (80bbbls oil/mmcf gas)	132	233	357

Table 2: PL17, Omega’s Net Oil Reserve and Contingent Resource Summary Adjusting for the 3% TAG Royalty on Liquid Hydrocarbons (Volumes by ERCE, 2019)

Project Name	Classification	Sub-classification	1P (BBL Oil)	2P (BBL Oil)	3P (BBL Oil)
Bennett-1 and Bennett-4	Reserve	Approved for development	52,213	90,307	131,289
Bennett-4 Bypassed Pay	Reserve	Approved for development	11,650	39,806	73,786
Total Oil Reserve			63,863	130,113	205,076
			1C	2C	3C
Dev-A (Infill)	Contingent Resource	Development unclarified	66,019	436,893	1,343,689
Dev-B (Infill)	Contingent Resource	Development unclarified	22,330	245,631	1,013,592
TOTAL Contingent Oil Resource			120,388	723,301	2,421,359

Table 4: Omega’s Prospective Coal Seam Gas Resource Summary (RISC, 2019)

Project Name	Classification	1U (PJ)	2U (PJ)	3U (PJ)
PL17 CSG	Prospective Dry Gas Resource	80	191	342

3.11 Relinquishment

Both ATP 2037 and ATP 2038 are subject to a requirement to relinquish 107 sub-blocks and 61 sub-blocks (respectively) on 31 December 2022. However, the Company is currently in dialogue with regulatory authority to defer the relinquishment obligations.

In the event that the Company is unsuccessful in obtaining a deferral in request of the relinquishment obligations from the regulatory authority, the Company will relinquish the sub-blocks that it considers the least prospective. In doing so, there is a risk that sub-blocks are relinquished before the Company is able to fully evaluate the prospectivity of all the acreage available under ATP 2037 and ATP 2038.

3.12 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.

Any future determination as to the payment of dividends by the Company will be at the

discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

3.13 Equipment and operation

Instead of employing staff to carry out the work in relation to oil and gas exploration and extraction, the Company has engaged service providers such as SGS Australia Pty Ltd (**SGS**), for the provision of services and equipment in relation to oil and gas wells at the ATPs and PL 17. Through SGS, the Company has hired a dedicated Drilling and Completions Manager and a dedicated Procurement Manager.

(a) SGS Services Agreement

The Company entered into a services agreement with SGS on 2 December 2021. SGS agreed to provide the Company with:

- end-to-end project management service for plug and abandonment services; and
- well testing services (including flowback services, production testing services and general well services).
- Project management and technical services in relation to the procurement and execution of the deep permian drilling program

The Company has given SGS instructions to commence reinstatement of production from the Bennett Oil Field in PL17. With the strong oil price and the low cost of reinstatement, the Company will be able to capitalise on existing value within the portfolio in the immediate term.

The Company has also engaged the services of SGS in relation to the deep permian drilling program, and has appointed the services of a procurement manager and a drilling and completions manager both of whom commenced on the 29 June 2022.

(b) Ilwella Services Agreement

On or about 12 October 2021, the Company entered into a services agreement (**Ilwella Services Agreement**) with Ilwella, a significant Shareholder in the Company. Under the agreement, Ilwella provides the Company with access to office space, furniture and amenities as well as access to certain personnel employed by Ilwella for a fee of \$3,500 per month.

On 9 December 2021, the Ilwella Services Agreement was novated from Ilwella to KTQ Group Pty Ltd (**KTQ**), a company that controls Ilwella. As a result, KTQ replaces Ilwella under the Ilwella Services Agreement.

The Ilwella Services Agreement may be terminated:

- at any time upon the mutual written consent of the parties;
- by either party by giving 30 business days' written notice; or
- or immediately by a party if the other party commits a material breach of the agreement and does not remedy it within 20 business days after receipt of the notice of breach.

It is noted that although Ilwella and KTQ are related parties of the Company, the Ilwella Services Agreement was entered into prior to the Company's conversion to a public company and as such, member approval of the transaction was not required or sought. Nevertheless, the Board is satisfied that the Ilwella Services Agreement is on commercial and arms' length terms.

3.14 Royalty arrangements

As part of Cypress Petroleum acquisition, the Company and Tag Oil entered into a royalty deed dated on or about 30 October 2020 (**Tag Oil Royalty Deed**) under which Cypress Petroleum agrees to pay Tag Oil a 3% royalty on the gross proceeds received by Cypress Petroleum from a sale of petroleum products (excluding gas) produced and/or recovered from PL 17, ATP 2037 and ATP 2038 every quarter. More details on the Tag Oil Royalty Deed are set out in Section 7.

Further, the *Petroleum Act 1923* (Qld) requires a petroleum lessee to pay royalties on petroleum produced under the petroleum lease. The laws and regulations that apply to calculating royalties are set out in more detail in section 4.5(f) of the Solicitor's Report (Appendix C).

3.15 Sale of crude oil from PL 17

The Company and IOR Energy Pty Ltd (**IOR**) entered into a crude oil sale agreement on or about 24 January 2022 (**Crude Oil Sale Agreement**) under which the Company agrees to sell crude oil to IOR on an ongoing basis. Under the agreement, IOR will use road tankers to collect crude oil from the Bennett oilfield and other processing facilities as agreed between the parties. IOR will use all reasonable efforts to take delivery of the crude oil available at the facilities unless there is a force majeure event, unplanned maintenance or shut down event at the refinery. More details of the Crude Oil Sale Agreement are set out in Section 7.

The pricing for each accepted offtake is the Australian dollar equivalent of the prior month average of Brent Oil Price (as reported in Platt's Crude Oil Marketwire), less a facility discount of between \$24.50 - \$26.50 depending on where the crude is taken.

4 FINANCIAL INFORMATION

4.1 INTRODUCTION

The financial information contained in this Section includes:

- (a) audited consolidated statement of profit or loss and other comprehensive income for the financial period 23 September 2020 to 30 June 2021 (**FY21**);
 - (b) reviewed consolidated statements of profit or loss and other comprehensive income for the period 23 September 2020 to 31 January 2021 and the 7-month period ended 31 January 2022;
 - (c) audited consolidated statement of cash flows for FY21;
 - (d) reviewed consolidated statement of cash flows for the period 23 September 2020 to 31 January 2021 and the 7-month period ended 31 January 2022;
 - (e) audited consolidated statement of financial position as at 30 June 2021; and
 - (f) reviewed consolidated statements of financial position as at 31 January 2021 and 31 January 2022,
- (together referred to as the “**Statutory Historical Financial Information**”); and
- (g) pro-forma historical consolidated statement of financial position as at 31 January 2022 and supporting notes, which includes the pro-forma transactions, subsequent events, consolidation adjustments and capital raising,

(referred to as the “**Pro-Forma Historical Financial Information**”).

The Statutory Historical Financial Information and Pro-Forma Historical Financial Information together referred to as the “**Financial Information**”.

The Financial Information should be read together with the other information contained in the Prospectus, including:

- (a) Management’s discussion and analysis set out in this Section 4;
- (b) key accounting policies set out in Section 4.11;
- (c) the risk factors described in Section 5;
- (d) the Investigating Accountant’s Report on the Financial Information set out in Section 8; and
- (e) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

4.2 BASIS OF PREPARATION OF THE STATUTORY HISTORICAL AND PRO-FORMA HISTORICAL FINANCIAL INFORMATION (“FINANCIAL INFORMATION”)

(a) Overview

The Financial Information is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of Omega, together with the pro-forma historical financial position. The Directors are responsible for the preparation and presentation of the Financial Information.

Subject to Section 4.2(b), which details the preparation of the Historical Financial Information, the financial information in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards,

which are consistent with the International Financial Reporting Standards (“IFRS”) and interpretations issued by the International Accounting Standards Board. The Financial information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Significant accounting policies applied to the Financial Information are noted at Section 4.11, heading ‘Significant Accounting Policies’.

The consolidated general purpose financial statements of the Company were prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with IFRS as issued by the International Accounting Standards Board.

The Financial Information presented in this Section includes a consolidation for FY21, the period 23 September 2020 to 31 January 2021 and the 7-month period ended 31 January 2022 of the following entities historical financial performance:

- (i) Omega Oil & Gas Limited; and
- (ii) Cypress Petroleum Pty Limited.

Omega’s key accounting policies are detailed in the Section 4.11 to this Prospectus. In preparing the financial Information, the accounting policies of Omega have been applied consistently throughout the periods presented.

(b) Preparation of the Financial Information

The Historical Financial Information has been prepared on a consolidated basis for FY21, the period 23 September 2020 to 31 January 2021 and the 7-month period ended 31 January 2022.

Omega’s historical financial performance and financial position has been audited by UHY Haines Norton for the period ended 30 June 2021 (FY21) and reviewed by UHY Haines Norton for the 7-month period ended 31 January 2022. An unqualified audit opinion and an unqualified review conclusion was issued for those periods respectively with a disclosed material uncertainty regarding the going concern assumption, which was dependent upon:

- (i) the Company having sufficient cash available for Omega to continue operating until it can raise further capital;
- (ii) the Company successfully closing the Offer and gaining admission to the ASX Official list; and
- (iii) the Company having the continued support of its shareholders (as is demonstrated by the recent success through Offer of Convertible Notes).

The Financial Information has been reviewed by UHY Haines Norton Corporate Finance Pty Ltd, whose Investigating Accountant’s Report is attached within Section 8. Investors should note the scope and limitations of that report. The information in this Section should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

All amounts disclosed in the tables in this Section are presented in Australian dollars unless otherwise noted, are rounded to the nearest whole dollar. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals

and sum of components in figures contained in this Prospectus are due to rounding.

The Directors are responsible for the inclusion of all financial information in this Prospectus. Investors should note that historical financial performance is not a guide for future financial performance.

4.3 STATUTORY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Omega Oil & Gas Limited
Consolidated statement of profit or loss and other comprehensive income

	Consolidated		
	For the seven- month period ended 31 January 2022 (Reviewed)	For the period 23 September 2020 to 31 Jan 2021 (Reviewed)	For the period 23 September 2020 to 30 June 2021 (Audited)
Other income	27,611	711	1,064
Expenses			
Administration	(119,530)	(14,925)	(41,998)
Depreciation and amortisation expense	(19,471)	(8,886)	(23,665)
Employee benefits expense	(343,673)	-	(59,295)
Finance costs	(3,953)	(1,154)	(185)
Occupancy expenses	(37,719)	(2,726)	(8,603)
Other expenses	(2,322)	(252)	(836)
Professional fees	(428,764)	(346,514)	(449,684)
Legal claim expenses	-	-	(729,340)
Share based payments expense	(70,000)	-	(10,000)
Write-off of assets	-	-	(248,573)
Loss before income tax expense	(997,821)	(373,746)	(1,571,115)
Income tax expense	-	-	-
Loss after income tax expense for the period attributable to the owners of Omega Oil & Gas Limited	(997,821)	(373,746)	(1,571,115)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period attributable to the owners of Omega Oil & Gas Limited	(997,821)	(373,746)	(1,571,115)

4.4 STATUTORY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Omega Oil & Gas Limited
Consolidated statement of financial position

	Consolidated	
	As at 31 Jan 2022 (Reviewed)	As at 30 June 2021 (Audited)
Assets		
Current assets		
Cash and cash equivalents	543,082	384,592
Other receivables	252,540	281,046
Other current assets	24,601	49,811
Total current assets	<u>820,223</u>	<u>715,449</u>
Non-current assets		
Property, plant and equipment	100,172	130,735
Exploration and evaluation	2,341,006	2,341,006
Total non-current assets	<u>2,441,178</u>	<u>2,471,741</u>
Total assets	<u>3,261,401</u>	<u>3,187,190</u>
Liabilities		
Current liabilities		
Trade and other payables	244,957	1,088,871
Employee benefits	32,092	4,546
Total current liabilities	<u>277,049</u>	<u>1,093,417</u>
Non-current liabilities		
Provisions	159,500	154,188
Total non-current liabilities	<u>159,500</u>	<u>154,188</u>
Total liabilities	<u>436,549</u>	<u>1,247,605</u>
Net assets	<u>2,824,852</u>	<u>1,939,585</u>
Equity		
Issued capital	5,280,388	3,500,100
Reserves	58,400	10,600
Accumulated losses	<u>(2,513,936)</u>	<u>(1,571,115)</u>
Total equity	<u>2,824,852</u>	<u>1,939,585</u>

4.5 STATUTORY CONSOLIDATED STATEMENT OF CASH FLOWS

Omega Oil & Gas Limited Consolidated statement of cash flows

	For the seven- month period ended 31 January 2022 (Reviewed)	Consolidated For the period 23 September 2020 to 31 Jan 2021 (Reviewed)	For the period 23 September 2020 to 30 June 2021 (Audited)
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)	(1,648,266)	(72,434)	(599,221)
Withholding tax payment	(15)	-	-
	<u>(1,648,281)</u>	<u>(72,434)</u>	<u>(599,221)</u>
Interest received	32	-	1,064
Interest and other finance costs paid	<u>(1,611)</u>	<u>(1,097)</u>	<u>(185)</u>
Net cash used in operating activities	<u>(1,649,860)</u>	<u>(73,531)</u>	<u>(598,342)</u>
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired	<u>-</u>	<u>(2,489,066)</u>	<u>(2,489,066)</u>
Net cash used in investing activities	<u>-</u>	<u>(2,489,066)</u>	<u>(2,489,066)</u>
Cash flows from financing activities			
Proceeds from issue of shares	1,835,288	3,472,000	3,472,000
Proceeds from prior period unpaid shares	28,000	-	-
Share buyback	<u>(55,000)</u>	<u>-</u>	<u>-</u>
Net cash from financing activities	<u>1,808,288</u>	<u>3,472,000</u>	<u>3,472,000</u>
Net increase in cash and cash equivalents	158,428	909,403	384,592
Cash and cash equivalents at the beginning of the financial period	384,592	-	-
Effects of exchange rate changes on cash and cash equivalents	62	173	-
Cash and cash equivalents at the end of the financial period	<u><u>543,082</u></u>	<u><u>909,576</u></u>	<u><u>384,592</u></u>

4.6 PRO-FORMA STATEMENT OF FINANCIAL POSITION

The table below sets out the pro-forma Statement of Financial Position of the Company as at 31 January 2022.

Reviewed results at 31 Jan 22	Subsequent event transactions*	Min \$12.5m scenario				Max \$15m scenario				
		Capital raise	Initial Public Offer costs	Director and management options	Pro-forma Balance Sheet - Min scenario	Capital raise	Initial Public Offer costs	Director and management options	Pro-forma Balance Sheet - Max scenario	
Assets										
Current assets										
Cash and cash equivalents	543,082	1,463,942	12,500,000	(953,864)	-	13,553,160	15,000,000	(1,055,677)	-	15,951,347
Other receivables	252,540	116,034	-	122,203	-	490,777	-	128,953	-	497,527
Other current assets	24,601	(18,824)	-	-	-	5,777	-	-	-	5,777
Total current assets	820,223	1,561,153	12,500,000	(831,661)	-	14,049,714	15,000,000	(926,724)	-	16,454,651
Non-current assets										
Property, plant and equipment	100,172	(10,931)	-	-	-	89,241	-	-	-	89,241
Exploration and evaluation	2,341,006	-	-	-	-	2,341,006	-	-	-	2,341,006
Total non-current assets	2,441,178	(10,931)	-	-	-	2,430,247	-	-	-	2,430,247
Total assets	3,261,401	1,550,221	12,500,000	(831,661)	-	16,479,961	15,000,000	(926,724)	-	18,884,898
Liabilities										
Current liabilities										
Trade and other payables	(244,957)	(214,971)	-	-	-	(459,928)	-	-	-	(459,928)
Employee benefits	(32,092)	(14,361)	-	-	-	(46,453)	-	-	-	(46,453)
Total current liabilities	(277,049)	(229,332)	-	-	-	(506,381)	-	-	-	(506,381)
Non-current liabilities										
Provisions	(159,500)	(1,449)	-	-	-	(160,949)	-	-	-	(160,949)
Total non-current liabilities	(159,500)	(1,449)	-	-	-	(160,949)	-	-	-	(160,949)
Total liabilities	(436,549)	(230,781)	-	-	-	(667,330)	-	-	-	(667,330)
Net assets	2,824,852	1,319,440	12,500,000	(831,661)	-	15,812,631	15,000,000	(926,724)	-	18,217,568
Equity										
Share capital	5,280,388	4,408,687	12,500,000	(1,304,114)	-	20,884,961	15,000,000	(1,400,806)	-	23,288,269
Reserves	58,400	(58,400)	-	500,000	1,306,755	1,806,755	-	500,000	1,433,559	1,933,559
Accumulated losses	(2,513,936)	(3,030,847)	-	(27,547)	(1,306,755)	(6,879,085)	-	(25,918)	(1,433,559)	(7,004,260)
Total equity	2,824,852	1,319,440	12,500,000	(831,661)	-	15,812,631	15,000,000	(926,724)	-	18,217,568

The pro-forma Statement of Financial Position is based on the reviewed Statement of Financial Position of the consolidated entity as at 31 January 2022, after adjusting for the impact of the Offer and other material transactions or events occurring prior to the Offer.

The pro-forma Statement of Financial Position is provided for illustrative purpose only and does not represent an indication of the consolidated entity's view of its future financial position.

* Subsequent event transactions relate to transactions following the end of the reviewed financial period (7 months to 31 January 2022) and prior to the capital raising.

4.7 PRO-FORMA CASH RECONCILIATION

The table below details the reconciliation of the pro-forma cash balance of the consolidated entity as at 31 January 2022, reflecting the actual cash balance at that date and reflecting the impact of the pro-forma adjustments discussed below:

	Minimum subscription \$12.5m	Maximum subscription \$15m
Cash at 31 January 2022	543,082	543,082
Subsequent events:		
Proceeds from Convertible Note raising (i)	4,067,300	4,067,300
Exploration and evaluation expenditure (ii)	(1,844,319)	(1,844,319)
General expenditure (iii)	(626,263)	(626,263)
Expenses of the offer (iv)	(120,705)	(120,705)
GST paid on expenses of the offer (v)	(12,071)	(12,071)
Initial public offer transactions:		
Capital raising proceeds (vi)	12,500,000	15,000,000
Expenses of the offer (iv)	(876,147)	(968,960)
GST paid on expenses of the offer (v)	(77,717)	(86,717)
Pro-forma Cash Balance	13,553,160	15,951,347

Subsequent events:

- (i) *Proceeds from Convertible Note raising* - Convertible Notes issued to Directors and other investors that convert on Completion at a 20% discount to the Offer Price. Refer to Section 2.10 for further detail.
- (ii) *Exploration and evaluation expenditure* - amounts to be paid to Condor Energy, Marubeni-Itochu Tubulars Oceania Pty Ltd and other parties (refer to Section 3.4(b) and Section 9.5 for detail) for exploration and evaluation activities.
- (iii) *General expenditure* - amounts paid during the ordinary course of business, including professional fees, salaries and wages, administrative fees and occupancy expenses.
- (iv) *Expenses of the offer* - estimated cash costs associated with the Offer. Refer to Section 4.10 below for detail of accounting treatment of costs associated with the offer.
- (v) *GST paid on expenses of the offer* - estimated Goods and Services Tax to be paid on expenses of the Offer. GST paid on Initial public offer transactions is subject to Reduced Income Tax Credits due to the Company exceeding the Financial Acquisitions Threshold at Offer date and therefore, may be at a lower claimable rate.

Initial public offer transactions:

- (vi) *Capital raising proceeds* - proposed Offer at a price of \$0.20 per Share to raise:
 - a minimum of \$12,500,000 via the issue of 62,500,000 Shares; and
 - a maximum of \$15,000,000 via the issue of 75,000,000 Shares.

4.8 PRO-FORMA ISSUED CAPITAL RECONCILIATION

The table below details the reconciliation of the pro-forma issued capital balance of the consolidated entity as at 31 January 2022, reflecting the actual issued capital balance at that date and reflecting the impact of the pro-forma adjustments discussed below:

	Minimum subscription \$12.5m	Maximum subscription \$15m
Issued Capital at 31 January 2022	5,280,388	5,280,388
Initial public offer transactions:		
Capital raising proceeds (i)	12,500,000	15,000,000
Expenses of the offer allocated to equity (ii)	(1,804,114)	(1,900,806)
Shares issued to the Lead Manager (iii)	500,000	500,000
Convertible Note raising (iv)	4,408,687	4,408,687
Pro-forma Issued Capital Balance	20,884,961	23,288,269

Initial public offer transactions:

- i) *Capital raising proceeds* - proposed Offer at a price of \$0.20 per Share to raise:
 - a minimum of \$12,500,000 via the issue of 62,500,000 Shares; and
 - a maximum of \$15,000,000 via the issue of 75,000,000 Shares.
- ii) *Expenses of the offer* - estimated costs associated with the Offer allocated to equity. Refer Section 4.10 below for detail of accounting treatment of costs associated with the Offer.
- iii) *Shares issued to the Lead Manager* – New Shares to be issued to the Lead Manager to a fixed value of \$500,000.
- iv) *Convertible Note raising* - Convertible Notes issued to Directors and other investors that convert upon Completion at a 20% discount to the Offer Price. The amount recorded in equity reflects the carrying amount of the Convertible Note liability expected at Completion.

4.9 PRO-FORMA RESERVES RECONCILIATION

The table below details the reconciliation of the pro-forma reserves balance of the consolidated entity as at 31 January 2022, reflecting the actual reserves balance at that date and reflecting the impact of the pro-forma adjustments discussed below:

	Minimum subscription \$12.5m	Maximum subscription \$15m
Reserves at 31 January 2022	58,400	58,400
Subsequent events:		
Accrued director fees (i)	58,200	58,200
Initial public offer transactions:		
Director fees paid (ii)	(116,600)	(116,600)
Founder Options (iii)	1,175,086	1,291,524
Director Options (iv)	27,055	27,055
Adviser Options (v)	500,000	500,000
Performance rights issued to Management (vi)	104,613	114,979
Pro-forma Reserves Balance	1,806,755	1,933,559

Subsequent events:

- (i) *Accrued director fees* - Accrued but unpaid directors fees from the Company's formation until 30 June 2022 were paid via the issue of Convertible Notes to Directors. The Convertible Notes will be converted to Conversion Shares on Completion. Director fees accrued after 30 June 2022 are invoiced quarterly and are payable in cash.

Initial public offer transactions:

- (ii) *Director fees paid* - issuance of Convertible Notes to Directors for accrued but unpaid director fees since their respective appointment date, refer (i) above.
- (iii) *Founder Options* - Options are issued to key persons involved in the founding of the Company equal to 4% of total Shares on issue on Completion, after the conversion of the Convertible Note. These Founder Options have an exercise price of \$0.30, expiry date of 2 years post-Completion and vest on Completion. Utilising acceptable finance valuation methodologies, the Founder Options have a fair value per Option of \$0.1164. The fair value of the Founder Options has been recognised as a share-based payment expense in the pro-forma financial information in accordance with AASB 2 *Share based payment*.
- (iv) *Director Options* - 1,650,000 total Options are allotted to Directors of the Company with an exercise price of \$0.30.

Tranche 1 - 550,000 options, vesting 1 year after Listing with an expiry date of 3 years from Completion.

Tranche 2 - 550,000 options, vesting 2 years after Listing with an expiry date of 4 years from Completion.

Tranche 3 - 550,000 options, vesting 3 years after Listing with an expiry date of 5 years from Completion.

4.9 PRO-FORMA RESERVES RECONCILIATION (CONTINUED)

Utilising acceptable finance valuation methodologies, the Director Options have a fair value per Option of \$0.1387, \$0.1542 and \$0.1652 per tranches 1, 2 and 3 respectively. The fair value of the Director Options has been recognised as a share-based payment expense, pro-rated from grant date to vesting date in the pro-forma financial information in accordance with AASB 2 *Share based payment*.

- (v) *Adviser Options* - Options are allotted to the Lead Manager to the value of \$500,000. These contain an exercise price of \$0.30, expiry date of 2 years post-Completion and vest on the date of Listing. In accordance with AASB 2 *Share based payment*, the Adviser Options are recognised to the fair value of services rendered of \$500,000.
- (vi) *Performance rights issued to Management:*

Tranche 1 - Performance Rights are issued to Management of the Company to the amount of 2% of total Shares on issue at Completion, after the conversion of the Convertible Note. These contain an exercise price of nil, and are subject to the Company achieving measurable gas to surface from the first two wells drilled in the ATPs within the first 12 months after Completion and Management must be employed at the time of this event and 6 months thereafter. Tranche 1 Performance Rights carry a nil exercise price and therefore, the value per Performance Right is equal to the value being issued. The Offer carries a fixed Offer Price of \$0.20 per Share and hence, these will be valued at \$0.20 per Performance Right. The fair value of the Performance Rights has been recognised as a share-based payment expense in the pro-forma financial information in accordance with AASB 2 *Share based payment*, pro-rated from grant date to vesting date.

Tranche 2 - Performance Rights are issued to Management of the Company to the amount of 2% of total Shares on issue at Completion, after the conversion of the Convertible Note. These contain an exercise price of nil and will vest upon of the 30-day VWAP of the Company's share price being 100% higher than the Offer Price (i.e. \$0.20 per Share) for a period of 3 months. Utilising acceptable finance valuation methodologies, the Tranche 2 Performance Rights have a fair value per option of \$0.0604, adjusted for the probability of achieving market-based performance conditions. The fair value of the Performance Rights has been recognised as a share-based payment expense, pro-rated from grant date to vesting date in the pro-forma financial information in accordance with AASB 2 *Share based payment*.

Tranche 3 - Performance Rights are allotted to Management of the Company to the amount of 1% of total Shares on issue at Completion, after the conversion of the Convertible Note. These contain an exercise price of nil and will vest upon of the 30-day VWAP of the Company's share price being 200% higher than the Offer Price (i.e. \$0.20 per Share) for a period of 3 months. Utilising acceptable finance valuation methodologies, the Tranche 3 Performance Rights issued have a fair value per option of \$0.0363, adjusted for the probability of achieving market-based performance conditions. The fair value of the Performance Rights has been recognised as a share-based payment expense, pro-rated from grant date to vesting date in the pro-forma financial information in accordance with AASB 2 *Share based payment*.

All 3 tranches are open ended performance rights and therefore, do not possess an expiry date.

4.10 PRO-FORMA COSTS OF CAPITAL RAISE RECONCILIATION

The table below details the reconciliation of the pro-forma cost of capital raise balance of the consolidated entity as at 31 January 2022, reflecting the actual costs of capital raise, exclusive of GST, at that date and reflecting the impact of the pro-forma adjustments discussed below:

	Minimum subscription \$12.5m	Maximum subscription \$15m
Costs of Capital Raise at 31 January 2022	-	-
Subsequent events:		
Costs of the offer settled in equity	-	-
Costs of the offer settled in cash	120,705	120,705
Initial public offer transactions:		
Costs of the offer settled in equity	1,000,000	1,000,000
Costs of the offer settled in cash	876,147	968,960
Pro-forma Costs of Capital Raise	1,996,853	2,089,666
Allocated as follows:		
Offset against equity	1,848,600	1,943,042
Expensed in the statement of profit or loss	148,252	146,623
	1,996,853	2,089,666
Breakdown of Costs of Capital Raise at 31 January 2022		
Lead Manager fees, settled in cash	720,282	810,282
Lead Manager fees, settled in equity	1,000,000	1,000,000
Legal advisory fees	95,000	95,000
Independent Expert Geologists Report	17,500	17,500
Independent Expert Tenements Report	30,091	30,091
Independent Accountant Review Fees	35,000	35,000
ASX and ASIC Fees	98,980	101,793
	1,996,853	2,089,666

Incremental costs that are directly attributable to the issuance of New Shares are deducted from equity, whereas costs that relate to the Offer or are otherwise not directly attributable to the issuance of New Shares are recorded as an expense. Costs that relate to both the issuance of New Shares and the Offer are allocated between equity and expense, based on an apportionment of New Shares issued against the total number of Shares on issue on Completion.

4.11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are allowance for expected credit losses, fair value measurement hierarchy, estimation of useful lives of assets, income tax, employee benefit provision, make-good provision and share-based payments.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Omega Oil & Gas Limited ('company' or 'parent entity') as at 31 January 2022 and the

results of all subsidiaries for the period then ended. Omega Oil & Gas Limited and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

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

Other income

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment 3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled share-based compensation benefits are awards of shares, or options over shares provided to directors and other parties as part of their compensation for services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the directors to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or director, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or director and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Convertible note payable

The company has convertible notes that are convertible into ordinary shares of the parent entity at a 20% discount to the IPO price. Nil interest is payable and the notes are unsecured. The convertible notes are classified as financial liabilities as they are not a fixed price for a fixed number of shares. As the instrument contains an embedded derivative, the derivative portion has been designated as at fair value through profit or loss on initial recognition, whereas the host liability is recognised at amortised cost.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the reporting period ended 31 January 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

5 RISK FACTORS

5.1 Risks specific to the Company and the industry

(a) Limited operating history

The Company was incorporated on 23 September 2020 and therefore has limited operational and financial history on which to evaluate its business and prospects.

The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the gas exploration and development sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or development of its assets. Until the Company can realise value from its assets, it will incur operational losses.

The Company's historical financial performance and financial position has been audited by UHY Haines Norton for the period ended 30 June 2021 and reviewed by UHY Haines Norton for the 7-month period ended 31 January 2022. An unqualified audit opinion and an unqualified review conclusion was issued for those periods respectively with a disclosed material uncertainty regarding the going concern assumption, which was dependent upon:

- the Company having sufficient cash available to continue operating until it can raise further capital;
- the Company successfully closing the Offer and gaining admission to the ASX's Official List; and
- the Company having the continued support of its shareholders (as is demonstrated by the recent successful offer of Convertible Notes).

(b) Exploration risk

Oil and gas exploration and development is speculative and involves elements of significant risk with no guarantee of success. There is no assurance that expenditure on ATP 2037 or ATP 2038 will result in gas discoveries that can be commercially or economically exploited.

A key to the Company's financial performance is to have success in exploring for and locating commercially exploitable hydrocarbons. Exploration is subject to technical risks and uncertainty of outcome. The Company may not find any or may find insufficient hydrocarbon reserves and resources to commercialise, which would adversely impact the financial performance of the Company.

There is the risk that drilling will result in dry holes or not result in the discovery of commercially exploitable hydrocarbons. Wells may not be productive, or they may not provide sufficient revenues to return a profit after accounting for associated costs. The cost of drilling, completing, equipping, and operating wells is subject to uncertainties.

(c) Operational risk

There is no special risk other than the quality of the reservoir. More details of this risk are set out in the Technical Adviser's report at Appendix B. The Company seeks to address this risk by planning to fracture stimulate the entire Kianga Formation, ensuring that all sandstones, including those that cannot be resolved with petrophysics, will be addressed.

Gas development activities include numerous operational risks, including but not limited to, adverse weather conditions, compromised well integrity, environmental hazards, water production and unforeseen increases in establishment costs, accidents (including, for example, fires, explosions, uncontrolled releases, spills and blowouts), equipment failure,

industrial disputes, technical issues, supply chain failure, labour issues, deliberate destruction, adverse production results, uncertainty in resource and reserve estimation, uncertainty in deliverability estimation, IT system failure, cyber security breaches, political opposition and other unexpected events. Drilling operations, in particular, carry inherent risk associated with, for example, unexpected geological conditions, mechanical failures, or human error.

The occurrence of an operational risk event could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, increase operational costs and significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its development and operational programs. This, in turn, may adversely impact the Company's financial performance.

(d) Development risk

If the Company is successful in locating commercial quantities of oil or gas, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs, access to infrastructure and land access to construct suitable infrastructure. If one or more of these occurrences has a material impact, then the Company's operational and financial performance may be negatively affected.

(e) Reserves and resources estimates

Estimating hydrocarbon reserves and resources is subject to significant uncertainties associated with technical data and interpretation of that data, future commodity prices and development and operating costs. There can be no guarantee that the Company will successfully produce the volume of hydrocarbon that it estimates are reserves or that hydrocarbon resources will be successfully converted to reserves. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production tests over the life of the field. As estimates change, development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance.

Accumulations of hydrocarbons will be classified according to the system designed by the Society of Petroleum Engineers, through the Petroleum Resources Management System (**SPE-PRMS**) and in accordance with ASX Listing Rules.

The SPE-PRMS classifies accumulations of hydrocarbons with respect to a matrix of uncertainty and chance of commerciality. Whilst there are a multitude of pathways through this matrix from prospective resources to contingent resources and then to reserves, the process is defined by three stages of exploration, appraisal, and development.

Prospective resources are defined as those quantities of gas which are estimated on a given date to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development; however, are undiscovered and as such carry significant exploration risk.

There is a different process for the conversion of resources to reserves between conventional (high permeability) reservoirs and unconventional (low permeability) reservoirs.

For conventional reservoirs this is done via a relatively short-term flow tests in the appraisal wells. For the unconventional reservoirs which often contain much larger accumulations covering larger areas, several longer-term production pilots may be required to demonstrate commerciality and quantification of reserves.

(f) Access to infrastructure risk, availability of drilling and hydraulic

fracturing equipment

The Company's oil and gas exploration and development activities are dependent on the availability of drilling rigs and related equipment in its exploration permit. Recent increases in oil and gas exploration activities in Australia have resulted in high demand and limited availability for some types of drilling rigs and equipment in certain areas which may result in delays to the Company's planned exploration and development activities. For example, there are long lead times for obtaining well casings from overseas due to manufacturing delays and logistical delays. Failure to obtain access to infrastructure (whether owned by the Company or others) may adversely impact the Company's financial performance.

With respect to the Company's gas assets only, the Company will require access to infrastructure and plant, or to be required to construct infrastructure, to sell the reserves it produces, including but not limited to the construction of pipelines and plant to transport the gas to market. Given the location of the Company's assets, there can be no guarantee that the Company will be able to gain access to appropriate plant and infrastructure on commercially viable terms or that it will be commercially viable for it to fund the construction of its own infrastructure.

(g) Permit risk

The Company is required to comply with a range of laws to retain its permits and periodically renew them. The Company is also required to comply with a range of laws and report milestones to obtain new permits related to the development and commercialisation of the Company's project. The Company's permits also have their own specific requirements that the Company must satisfy.

The Initial Work Programs (**IWP**) for the first 4 years of the initial 6-year term of each permit is as follows

ATP 2037 IWP

Permit year	Year end date	Proposed work
1	31 Dec 2019	127km of 2D and 32 km ² of 3D seismic reprocessing Airbourne transient electromagnetic survey Geological and geophysical studies
2	31 Dec 2020	Finalise reprocessing 20km of 2D seismic acquisition Geological and geophysical studies
3	31 Dec 2021	Geology, geophysics and engineering studies
4	31 Dec 2024	Drill one (1) well

ATP 2038 IWP

Permit year	Year end date	Proposed work
1	31 Dec 2019	253km of 2D and 70km ² of 3D seismic reprocessing Airbourne transient electromagnetic survey Geological and geophysical studies

2	31 Dec 2020	30km of 2D seismic acquisition Geological and geophysical studies
3	31 Dec 2021	Geology, geophysics and engineering studies
4	31 Dec 2024	Drill one (1) well

The Company has completed the Year 1 reprocessing work commitment for both ATP 2037 and 2038. The Company plans on completing the Year 2-4 work program by December 2024.

Both ATP 2037 and ATP 2038 carry a minimum partial relinquishment requirement of 8.33% per year of the original sub blocks for each permit on 31 December 2022 and each year thereafter. The Company is working to defer this requirement.

PL17 Later Development Plan

Year Commencing	Subsurface Activity	Other Proposed Activities
2020	Drill a well to the Upper Precipice to test geologic model	Continue production from Bennett-1 and Bennett-4 wells, rework of geological understanding and seismic reinterpretation
2021	Contingent reinstatement of production from Leichhardt-1 (Precipice Fm.). Contingent assessment of interpreted by-passed pay in Bennett-4. Contingent workovers of producing wells. Update geological model based on recent drilling.	Continue production from Bennett-1 and Bennett-4 wells, rework of geological understanding and seismic reinterpretation, assess water-flood potential
2022, 2023 and 2024	Contingent on success - Drill a well or wells	Continue production from Bennett-1 and Bennett-4 wells

Even if specific requirements are met, there is no certainty that an application for grant or renewal of the permit will be approved at all, or on satisfactory terms or within expected timeframes.

The laws relating to permits are complex and subject to changes in interpretation. Non-compliance with them could lead to the revocation of the Company's permit and the Company cannot guarantee its permit will be renewed or future permits will be granted.

(h) Relinquishment obligations

Both ATP 2037 and ATP 2038 are subject to a requirement to relinquish 107 sub-blocks and 61 sub-blocks (respectively) on 31 December 2022. While the Company is currently in dialogue with regulatory authority to defer the relinquishment obligations, the Company will relinquish sub-blocks that it considers the least prospective if it is unsuccessful in deferring the relinquishment requirements. In doing so, there is a risk that sub-blocks are relinquished before the Company is able to fully evaluate the prospectivity of all the acreage available under ATP 2037 and ATP 2038.

(i) Encumbrances

As stated in Section 5.2 of the Solicitor's Report, Squire Patton Boggs did not review any documents (if any) that pre-date registration of Cypress Petroleum's interest in the Tenements. While the Company is not aware of and does not anticipate registration of any other encumbrances or documents giving an interest in the permits, there is a risk that registration of other encumbrances or document giving an interest in the permits that the Company is not aware of exists.

(j) Overlapping tenements

PL 17, ATP 2037 and ATP 2038 overlap with a greenhouse gas exploration permit (**EPQ**) granted under the *Greenhouse Gas Storage Act 2009* (Qld) and an area the subject of an application for an EPQ. Legislative regimes for overlapping tenements impose, amongst other things, restrictions on the carrying out of activities that interfere with activities under the overlapping tenement and additional consultation requirements should the holder of an ATP or EPQ apply for a petroleum lease or greenhouse gas lease (respectively). The two overlapping tenement regimes also contain a priority regime, which may result in the rights of Cypress Petroleum under the ATPs being subject to the exercise of priority rights by the overlapping EPQ tenement holder in certain circumstances (and vice versa).

There is an unavoidable risk that future mining, pipeline, greenhouse gas or geothermal tenures may be granted over the area of the tenements, in which case the applicable overlapping tenements regime will apply.

(k) Community opposition risk

Given community opposition to certain gas projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company. Such action by community opposition may include undertaking legal proceedings, media campaigns and protests.

(l) Hydraulic fracturing

There are regulatory requirements in relation to hydraulic fracturing. As hydraulic fracturing requires the use of water, the availability and regulation of which may change over time. There are costs associated with water disposal that may be required should the Company produce water in its wells. The Company may be subject to additional regulations or restrictions from local, state, or federal governmental authorities, resulting in increased compliance costs. Any modification to the current requirements may adversely impact the value of the Company's assets and future financial performance.

(m) Product risk

There is a risk that any gas or oil resource identified may not be of sufficient quality to develop commercial operations, which could have an adverse impact on the Company. There are also risks that actual gas or oil products produced and sold will differ from the Company's expectations.

(n) Commodity prices

The prices of oil and gas are outside the control of the Company and fluctuate; the prices impact the availability and costs of opportunities for the Company and any future revenue and profitability from the sale of oil and gas.

(o) Regulatory risk

The Company must comply with relevant laws and regulations in each jurisdiction it operates

as it applies to the environment, tenure, land access, landholders and native title holders. Non-compliance with these laws and regulations and any special licence conditions could result in suspension of operations, loss of permits or financial penalties. Non-compliance may impact the Company's ability to commercialise or retain its assets, which may in turn impact its operational and financial performance.

Changes to these requirements (including, for example, new requirements relating to climate change, environmental protection and energy policy) may restrict or affect the Company's right or ability to conduct its activities.

(p) Conditionality of Offer

The obligation of the Company to issue the Shares under the Offer is conditional on ASX providing the Company with a list of conditions which, once satisfied, will result in ASX admitting the Company to the Official List, the Company raising the Minimum Subscription and to the extent required by ASX or the ASX Listing Rules, and certain persons entering into a restriction agreement imposing such restrictions on trading on the Company's Securities as mandated by the ASX Listing Rules. If these conditions are not satisfied, the Company will not proceed with the Offer and Application Monies will be returned.

(q) Reliance on key personnel

The Company is reliant on a number of key personnel and consultants, including members of Management and the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(r) Policy risk

The Company's business is affected by government policy, which in turn may be influenced by international policies and laws. While the Company considers that the Federal Government's current policy is supportive of the development of Australia's natural gas resources, there is no guarantee that this stance will not change in the future. In particular, there is a risk that the Federal Government could shift its domestic or international policy.

International policy developments have the potential to have an indirect impact on the Company's operations, given that domestic policy makers might have regard to those developments in helping to formulate and in setting the direction of local policy.

Shifts in government policy could have varying degrees of impact on the Company's operations and its profitability and could range from loss or reduction in industry incentives, preventing infrastructure development to moratoriums on future gas development in specific areas.

(s) Reliance on oil and gas development and production activity

The Company is an explorer and developer of hydrocarbons. The level of activity in the oil and gas industry may vary and is principally affected by the prevailing or predicted future oil and gas prices, market demand and other factors. These other factors, including economic growth, the cost and availability of other energy sources (including renewable energy) and changes in energy technology and regulation, affect the industry. The future growth of the Company is dependent on the continued economic importance of oil and gas, development, and production industry in Australia and internationally.

Any substantive and prolonged changes to the current economic importance of the gas development and production industry in Australia would be likely to have an adverse effect on the business, financial condition, and profits of the Company.

(t) Competition risk

The Company competes with numerous other organisations in the search for, and the acquisition of, gas assets. The Company's competitors include 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 resources and reserves in the future will depend not only on its ability to explore and develop its current project, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling.

There is also no guarantee that the Company will be able to compete effectively with future competitors, including from organisations specialising in alternative sources of energy. Future competition may adversely impact the Company's financial performance.

(u) Native title and heritage risk

The Company is required to comply with the *Native Title Act 1993* (Cth) since native title has been determined for part of the land underlying the petroleum lease and granted exploration tenements. As such, consultations and negotiations with the registered native title body corporate or native title claimant may be required. Further, under the *Aboriginal Cultural Heritage Act 2003* (Qld), any person carrying out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal culture heritage. This applies whether or not such places are recorded in an official register and whether or not they are located on private land. Failure to comply with the Aboriginal cultural duty of care is an offence for which large penalties apply. These legislative regimes may affect the existing or future activities of the Company and impact on its ability to develop projects and on its operational and financial performance.

(v) New projects and potential acquisitions

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(w) Third party contractor risks

The Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(x) Health and safety risk

All aspects of petroleum operations, including seismic, drilling, development and production are inherently hazardous. In addition to the risk of injury or damage to persons or property, health and safety failures represent a substantial reputational and regulatory risk for the

Company. Furthermore, if any Company personnel are injured while undertaking operations, the Company may be financially liable to the individual. This would adversely impact the Company's financial performance.

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the industry. While the Company has a strong commitment to achieving a safe performance on site a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Additionally, laws and regulations as well as the requirements of customers may become more complex and stringent or the subject of increasingly strict interpretation and/or enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities to suspended operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's operations. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

(y) Environmental risk

Despite efforts to conduct activities in an environmentally responsible manner and in accordance with applicable laws, there is a risk that operational activities may cause harm to the environment which could impact production or delay future development timetables.

The Company is also subject to laws and regulations to minimise the environmental impact of its operations and rehabilitation of any areas affected by its operations. Changes to environmental laws may result in the cessation or reduction of the Company's activities, materially increase development or production costs or otherwise adversely impact the Company's operations, financial performance or prospects. Penalties for failure to adhere to requirements and, in the event of environmental damage, remediation costs can be substantive and may not, in its entirety, be insurable. Compliance with these laws requires significant expenditure and non-compliance may potentially result in fines or requests for improvement action from the regulator.

In addition, if the Company were to be held responsible for environmental damage, in addition to remediation costs, it may suffer reputational damage, possible suspension or cessation of operations, revocation of permits or financial penalties.

(z) Climate change risk

There has been increasing concern by the public and regulators globally on climate change issues. As an oil and gas development company, the Company is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon (CO₂) economy may entail extensive policy, legal, technology and market changes and, if demand for oil and gas declines, the Company will find it difficult to commercialise any resources it discovers.

Climate change is a risk the Company has considered, particularly related to its operations in the industry. The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(aa) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with exploration and production is not always available and where available the costs can be prohibitive.

(bb) COVID-19 impact risk

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gas price and foreign exchange rates. There is also continued uncertainty as to the ongoing and future responses of governments and authorities globally, and the after-effects of the pandemic on the Australian and international economy are yet to be fully observed. Given the economic uncertainty that remains during the COVID-19 pandemic, the Company's financial performance may be adversely impacted.

COVID-19 also poses a health risk to the Company's personnel. While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

A risk is also present regarding the ability to secure a labour force that has the appropriate vaccination status, as required by the government.

(cc) Land access risk

Land access is critical for the success of the Company's exploration and development activities. The Company may need to enter into land access agreements with land owners and occupiers for the impact on land or to businesses currently utilising the land, by the proposed exploration activities. The Company's exploration operations and profitability may be adversely impacted or delayed in the event of a dispute with a land owner or user that delays or prevents the Company carrying out its projects and this could materially adversely affect its financial position and performance.

(dd) Unforeseen expenditure risk

Although the Company is not currently aware of any unforeseen future expenditure, any unforeseen material expenditure is likely to adversely affect the financial position of the Company.

(ee) Exchange rate risk

The Company's accounts are expressed in Australian dollars. However, the Company has,

and expect to incur expenditure in currencies other than Australian dollars. This exposes the Company to fluctuations and volatility of the exchange rate between the Australian dollar and overseas currencies as determined in international markets. Consequently, a fall in the value of the Australian dollar against other currencies could increase costs for the Company. All of these factors have a bearing on operating costs, potential revenue and share prices and could materially adversely impact the Company's exploration activities and its financial position and performance.

5.2 General Risks

(a) General economic climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

(b) Market conditions

The market price of the Shares 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.

Further, share market conditions may affect the value of Shares regardless of the Company's performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Securities investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(d) Force majeure

Events may occur within or outside Australia that could impact upon the global, Australian and other local economies, the operations of the Company and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, pandemic, floods, extreme weather, water contamination, earthquakes, labour strikes, war, natural disasters, outbreaks of disease, quarantine restrictions or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's products and its ability to conduct business.

In most cases, these risks cannot be insured against and when they are insurable, there is no guarantee that insurance claims will be made in all circumstances or that available insurance proceeds will cover every aspect of loss or damage.

(e) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to conduct its activities.

The Company is not aware of any reviews or changes that would affect its assets.

However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its project. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(f) Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation and is not aware of any pending or threatened litigation.

(g) Taxation

The acquisition and disposal of Securities 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 Securities from a taxation point of view and generally.

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

5.3 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 Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus 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 highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

6 BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

6.1 Board of Directors

The Board has four members comprising:

- three non-executive Directors (two of whom are independent); and
- one executive Director.

Director	Biography
<p>Stephen Harrison, Independent Chairman</p>	<p>Stephen brings extensive experience in the ASX listed environment being currently Chairman of ASX listed, NobleOakLife Limited (ASX: NOL), Incentiapay Limited (ASX: INP) and Aumake Limited (ASX: AUK).</p> <p>Stephen also has extensive experience in the oil and gas industry, including having been a director of Blue Energy Limited and Exoma Energy limited, both of which hold or held assets in Queensland.</p>
<p>Quentin Flannery, Non-executive Director</p>	<p>Quentin Flannery has served on several private and public company boards and has extensive experience in natural resources. He holds a Bachelor of International Business from Queensland University of Technology with a minor in Chinese Languages. Quentin currently holds board roles with Delta Coal, Field Orthopaedics and is an alternate director on the board of Delta Electricity. Quentin currently runs the family office investment portfolio of Ilwella and is a member of the Australian Institute of Company Directors.</p>
<p>Lauren Bennett, CEO and Managing Director</p>	<p>Lauren is a management professional, with experience across varied industries including oil and gas, mining and resources, healthcare, telecommunications and large-scale infrastructure. Lauren has held key technical and commercial roles in private companies and government agencies, as well as companies listed on the ASX and the Paris Stock Exchange, including Senex Energy, Air Liquide Healthcare, ANLEC R&D, Worley Parsons and TfNSW.</p>
<p>Michael Sandy, Independent Non-executive Director</p>	<p>Michael Sandy is a geologist with 40 years' experience in the resources industry. In the early 1990s he was Technical Manager of Oil Search Limited based in Port Moresby. Michael was involved in establishing Novus Petroleum Ltd and preparing that company for its \$186m IPO in April 1995. Over 10 years, he held various senior management and business development roles with Novus including manager of assets in Australia, Asia, the Middle East and the USA. He co-managed the defence effort in 2004 when Novus was taken over by Medco Energi.</p> <p>Michael is the principal of consultancy company Sandy Associates P/L and involved in resources industry projects</p>

	<p>and start-ups. He is currently a non-executive director of Melbana Energy (ASX: MAY).</p> <p>Mr Sandy previously was non-executive director of Tap Oil Limited (ASX: TAP), Hot Rock Ltd (ASX: HRL), Caspian Oil and Gas (ASX: CIG) and Pan Pacific Petroleum (ASX:PPP), ex-chairman of Burluson Energy Limited (ASX: BUR) and non-executive Chairman of MEC Resources (ASX: MEC)</p>
--	---

6.2 Company secretary

<p>David Franks Company Secretary</p>	<p>David is a principal in the company secretarial and finance divisions of the Automic Group.</p> <p>With over 30 years in governance, company secretarial and finance, David has been CFO, company secretary and/or director for numerous ASX listed and unlisted public and private companies.</p> <p>David's experience has included acting for Top 200 ASX listed entities, foreign companies listed on the ASX and Australian companies listed on the OTC and house-hold names such as Zip, Superhero and AUB Group. He is currently the company secretary for Applyflow Limited, Bayrock Resources Limited, COG Financial Services Limited, Cogstate Limited, Evergreen Lithium Limited, Exopharm Limited, GB Energy Holdings Limited, IRIS Metals Limited, IXUP Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, Superhero Holdings Limited, White Energy Company Limited and Zip Co Limited.</p>

6.3 Senior management

Senior management	Biography
<p>Lauren Bennett Chief Executive Officer and Managing Director</p>	<p>See Section 6.1</p>
<p>Luke Manos Chief Financial Officer</p>	<p>Luke is an accounting and finance professional, with experience in statutory and regulatory reporting within Australia, the UK and New Zealand across both listed and unlisted environments. He is a member of Chartered Accountants Australia and New Zealand (CAANZ) and holds a Bachelor of Commerce, Professional Accounting from Macquarie University. Luke has a proven track record in technical accounting under IFRS/AASB, extensive detailed analytical expertise and project management skills. Luke's experience includes acting as CFO for Iris Metals Limited and Evergreen Lithium Limited.</p>

Regie Estabillo Chief Operating Officer	Regie is an oil and gas professional, with over 15 years of experience. He has held technical and commercial positions, spanning multiple basins onshore and offshore, including the Surat and Bowen Basins. He has worked for a number of well-known organisations in the sector, ranging from junior oil and gas companies listed on the ASX through to large multinationals listed on the London Stock Exchange, including BG Group, Strike Energy, Blue Energy, Beach Energy and Nido Petroleum.
--	--

6.4 Directors' disclosures

Each Director who will be a Director on Listing has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Director without constraints from other commitments.

No Director who will be a Director on Listing has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last ten years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for New Shares.

No Director who will be a Director on Listing has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

6.5 Interests and benefits

(a) Non-executive and executive Director remuneration

	Stephen Harrison	Lauren Bennett	Quentin Flannery	Michael Sandy
Position	Independent Chairman	CEO and Managing Director	Non-executive Director	Non-executive Director
Director fees	\$6,000 ¹	Nil ²	\$4,000 ¹	\$4,000 ¹
Director Options/Performance Rights	750,000	Up to 3,466,235	450,000 ⁴	450,000
Salary review	Annually	Annually	Annually	Annually

1. Amount exclusive of GST.
2. Lauren Bennett receives a salary of \$247,500 per annum (inclusive of superannuation) for acting as the CEO of the Company. She does not receive additional remuneration for acting as the Managing Director of the Company.
3. This assumes that the Maximum Subscription is raised under the Offer.
4. Quentin Flannery will also receive Founder Options indirectly via Ilwella Pty Ltd under the Ilwella Call Option Deed.

(b) Director and Management interests in Shares and other securities

Based on the intentions of the Directors and key management personnel at the date of this

Prospectus in relation to the Offer, the Directors, key management personnel and their related entities will have the following interests in Shares on Listing:

Director	Shares held on Prospectus Date	Shares acquired on Listing	Shares held on Listing	% Shares held on Listing (Maximum Subscription)
Stephen Harrison	807,398	437,500	1,244,498	0.90%
Quentin Flannery	15,425,633	7,296,250	22,721,883	16.39%
Michael Sandy	0	0	0	N/A
Lauren Bennett	540,216	437,500	977,716	0.71%
Regie Estabillo	474,207	0	474,207	0.34%
Luke Manos	0	0	0	N/A

(i) Options to be issued to Directors, former directors and Management

Founder Options will be issued to the following persons on Listing:

- Ilwella: Founder Options representing 4% of the total number of Shares on issue at Listing;
- Lizarb: Founder Options representing 4% of the total number of Shares on issue at Listing;

The Founder Options will be issued on the following terms:

- Exercise price: \$0.30 per Founder Option (150% of the Offer Price).
- Vesting on Completion.
- Exercise period: 2 years from the Allotment Date.
- On exercise (including receipt of the exercise price) one New Share will be issued.
- Unexercised Founder Options will lapse at the conclusion of the exercise period.

Director Options will be issued to the following persons on Listing:

- Offelbar (an entity controlled by Quentin Flannery): 450,000 Director Options;
- Stephen Harrison: 750,000 Director Options; and
- Michael Sandy: 450,000 Director Options.

The Director Options will be issued on the following terms:

- Exercise price: \$0.30 per Director Option (150% of the Offer Price).
- The Director Options will vest in three tranches on the following conditions:
 - Tranche 1: 33.33% will vest on the first anniversary of Listing;
 - Tranche 2: 33.33% will vest on the second anniversary of Listing; and
 - Tranche 3: 33.33% will vest on the third anniversary of Listing, and
as a further condition, the Director must remain a Director at the time each vesting condition is met.
- Exercise period: for each tranche of Director Options, 2 years from the vesting date of that

tranche.

- On exercise (including receipt of the exercise price) one New Share will be issued.
- Unexercised Director Options will lapse at the conclusion of the relevant exercise period.

(ii) Performance Rights

Lauren Bennett and Regie Estabillo will be issued Performance Rights representing 5% (in aggregate) of the total number of Shares on issue on Listing.

The Performance Rights will be issued in tranches and will vest on satisfaction of the following conditions:

- (a) 2% will vest as shares in exchange for achieving measurable gas to surface from the first two wells drilled in the ATPs within the first 12 months after the IPO;
- (b) 2% will vest if the 30-day VWAP of the Company share price is at least 100% higher than the Offer Price for at least 3 months; and
- (c) 1% of the Company to be awarded should the 30-day VWAP of the Company share price be 200% higher than the Offer Price for a period of 3 months.

As a further condition, Management must be employed at the time each performance condition is met and for a period 6 months thereafter for each tranche of Performance Rights to vest.

(iii) Fair value of the Options and Performance Rights

The fair values of each Founder Option, each tranche of the Director Options and each tranche of the Performance Rights are set out in Section **Error! Reference source not found.**

(c) Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 7. At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

6.6 Corporate Governance

(a) Overview

This Section 6.6 explains how the Board will oversee the management of the Company. The Board is responsible for the overall corporate governance of the Company. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, and its Directors, other officers and personnel operate in an appropriate environment of corporate governance. Accordingly,

the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The main policies and practices adopted by the Company, which will take effect from listing, are summarised below. In addition, many governance elements are contained in the Constitution. The Company's Code of Conduct outlines the standards of conduct expected of the Company's business and personnel in a range of circumstances. In particular, the code requires awareness of, and compliance with, laws and regulations relevant to the Company's other policies and procedures.

Copies of the Company's key policies and practices and the charters for the Board and each of its committees will, from Completion, be available at www.omegaoilandgas.com.au.

The Company is seeking a Listing on ASX. The 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**) for Australian listed entities aim to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Principles are not prescriptive. However, under the ASX Listing Rules, the Company will be required to provide a corporate governance statement in its annual report disclosing the extent to which it has followed the ASX recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the relevant recommendation that has not been followed and state reasons for not following it.

Under the ASX Listing Rules, the Company will be required to report any departures from the ASX Principles in its annual report. At Listing, the Company's departures from the ASX Principles will be as set out below:

ASX Principle	Compliance	Reasons for departure
1.5	No formal diversity policy has been established.	The Company does not discriminate on the basis of gender and all applicants for positions with the Company are assessed on their merits irrespective of their gender. Due to the Company's stage of development and small number of employees (currently, two), the Board is of the view that the current composition of the Board does not disadvantage the Company and that no efficiencies or other benefits would be gained by establishing a formal diversity policy.
2.1	A nomination committee has not been formed.	The Board has not formed a separate nomination committee given the size of the Board and the nature and scale of the Company's activities. The Board as a whole reviews the size, structure and composition of the Board including competencies and diversity, in addition to reviewing Board succession plans and continuing development. The Board considers that no efficiencies or other benefits would be gained by establishing

		a separate nomination committee.
2.4	The Board does not have a majority of independent directors.	Given the nature and size of the Company, its business interests and the stage of development, the Board is of the view that active director oversight with executive involvement is required, thereby limiting the number of directors who can be independent. Given the nature and depth of their experience, each of the Directors are aware of and capable of acting in an independent manner and in the best interest of the shareholders.
8.1	No formal remuneration committee has been established or formal charter drawn.	<p>The Company has not formed a separate remuneration committee given the size of the Board and the nature and scale of the Company's activities.</p> <p>The Board as a whole has responsibilities typically assumed by a remuneration committee, including but not limited to:</p> <ul style="list-style-type: none"> (a) reviewing the remuneration (including incentives and equity-based remuneration, where applicable) and performance of Directors; (b) setting policies for senior executive remuneration, setting the terms and conditions of employment for senior executives, undertaking reviews of senior executive performance, including setting goals and reviewing progress in achieving those goals; and (c) reviewing the Company's senior executive and employee incentive schemes (including equity-based remuneration) (where applicable) and making recommendations to the Chair on any proposed changes.

(b) Board appointment and composition

At the time of Listing, the Board will comprise of Stephen Harrison, Quentin Flannery, Michael Sandy and Lauren Bennett. Detailed biographies of the Board members are provided in Section 6.1.

Each Director who will be a Director on Listing has confirmed to the Company that he or she anticipates being available to perform his or her duties as a non-executive Director or Executive Director, as the case may be, without constraint from other commitments.

In determining whether a Director is "independent", the Board has adopted the definition of

this word in the ASX Principles. Consequently, a Director will be considered “independent” if that Director is free of any interest, position, association or other relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board charter to assist in this regard.

The Board considers each of Stephen Harrison and Michael Sandy an independent Director, free from any interest, position, association or any other relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally, and each is able to fulfil the role of an independent Director for the purposes of the ASX Principles.

As a nominee or representative of Ilwella, a major Shareholder, Quentin Flannery is not considered by the Board to fulfil the role of independent Director.

No Director is acting as a nominee or representative of the Lead Manager.

Despite not having a majority of independent Directors, the Board has considered the Company’s immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board reflects an appropriate range of independence, skills and experience for the Company after listing. The Board will regularly review the independence of each Director in light of interests disclosed to the Board and will disclose any change to ASX, as required by the ASX Listing Rules.

(c) Board charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the roles and responsibilities of the Board including to provide overall strategic guidance for the Company and effective oversight of management, internal controls and organisational policies, financial performance, management and review of the Company’s compliance with its disclosure obligations and the Continuous Disclosure Policy (see Section 6.6(e)(ii)), promotion of effective engagement with Shareholders, ethical and responsible decision making along with risk management;
- the role and responsibilities of the Chairman;
- the delegations of authority of the Board to both committees of the Board, the CEO and other management of the Company;
- the membership of the Board, including in relation to the Board’s composition and size and the process of selection and re-election of Directors, independence of Directors and conduct of individual Directors;
- the education and ongoing development of Directors;
- the need for, and criterion establishing, the independence of Directors;
- the Board process, including how the Board meets; and
- the Board’s performance evaluation processes, including in respect of its own performance, and the performance of the Board committees, individual Directors and senior management.

Directors are entitled to access senior management and request additional information at any time they consider appropriate. The Board collectively, and each Director individually, may seek independent professional advice, subject to the approval of the Chairman, or the Board as a whole.

(d) Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established and will maintain an audit and risk committee.

Other ad hoc committees may be established by the Board when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements and the skills and experience of individual Directors.

(i) Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in the effective discharge of its governance and oversight responsibilities in relation to the Company's financial reporting, accounting policies, risk management, internal control systems, compliance with laws and regulations and internal and external audit functions.

The Board has adopted a charter of the Audit and Risk Committee which provides that the committee should comprise at least three members, each of whom are non-executive Directors, and a majority of whom are independent. A member of the Audit and Risk Committee, who does not chair the Board, shall be appointed the chair of the committee. At the time of Listing, the committee will comprise Michael Sandy (Chair), Stephen Harrison and Quentin Flannery.

The Audit and Risk Committee has rights of access to Management and has authority to directly communicate with, and seek explanations and additional information from, the Company's external auditors, without Management present, when required.

The Audit and Risk Committee will convene at least 4 times a year and with such frequency as is sufficient to appropriately discharge its duties. Non-committee members including without limitation, other Directors, Chief Executive Officer, Chief Financial Officer, the external auditor to the Company and the company secretary may attend meetings of the Audit and Risk Committee on a regular basis assuming no conflict of interest as determined by the Chair of the committee.

At the time of this Prospectus, the Board has not established any other committees since the Company does not have a majority of independent Directors on the Board and it is not currently considered to be a size to justify the appointment of additional non-executive Directors.

(e) Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles. The Company's policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet the needs of the Company.

(i) Risk management policy

The identification and proper management of the Company's risks are an important priority of the Board. The Board has adopted a risk management policy appropriate for its business. This policy highlights the risks relevant to the Company's strategic and operational objectives.

The Board is responsible for oversight of the risk management framework and

establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

The Board will undertake, at a minimum, annual reviews of its risk management procedures to ensure their effectiveness and relevance. The Board may delegate these functions to the risk and audit committee or a separate risk committee in the future.

(ii) Continuous disclosure policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately disclose to ASX any information concerning the Company and which a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company unless an exception under the ASX Listing Rules applies. The Company is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company has adopted a policy to take effect from Completion, which establishes procedures which inform Directors and management of their obligations in relation to timely disclosure of material price-sensitive information. Under the continuous disclosure policy, the company secretary in conjunction with the Board will be responsible for managing the Company's compliance with its continuous disclosure obligations.

(iii) Securities trading policy

The Company has adopted a securities trading policy which will apply to the Company and its Directors, officers, senior management, and certain other employees and contractors and their connected persons (including those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly).

The policy is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and to establish a best practice procedure for dealing in securities that protects the Company and its personnel against the misuse of unpublished or confidential information which could materially affect the value of the Company's securities.

Subject to certain exceptions, the policy defines certain "prohibited periods" during which trading in securities by Directors, officers, senior management, and certain other employees and contractors and their connected persons is prohibited. Those prohibited periods are currently defined as the following periods:

- in the two weeks prior to the release of the Company's quarterly or half year results until 24 hours following the release of such results;
- from the Company's financial year balance date until 24 hours following the release of the Company's preliminary full year results as long as such results are audited;
- within 24 hours of release of price sensitive information to the market; and
- any additional periods imposed by the Board from time to time (e.g. when the Company is considering matters which are subject to ASX Listing Rule 3.1A).

Outside these periods, Directors, officers, senior management, and certain other employees and contractors and their connected persons must receive clearance for any

proposed dealing in securities and, in all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information.

(iv) Code of conduct

The Company is committed to providing an ethical and legal framework within which its Directors, officers, Management, employees and contractors conduct the Company's business. Accordingly, the Company has adopted a code of conduct to take effect from Completion, which sets out the values, commitments, ethical standards and policies of the Company and the standards of conduct expected of the business and its personnel.

(v) Whistleblower policy

The Company is committed to ensuring the highest standards of integrity and promoting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. As part of this commitment, the Company has put in place a whistleblower policy to ensure people can report instances of suspected unethical, illegal, fraudulent or undesirable conduct by the Company or its officers, employees or agents, and to ensure that anyone who does report such behaviour can do so without fear of reprisal, discrimination, intimidation or victimisation.

The whistleblower policy sets out the Company's commitment to investigating all matters reported in an objective and fair manner as soon as possible after the matter has been reported. The Board will be informed of any material concerns raised under the whistleblower policy that call into question the culture of the Company.

(vi) Anti-bribery and corruption policy

The Company has adopted an anti-bribery and corruption policy for Directors, employees, contractors, consultants, business partners and other persons that act on behalf of the Company and its associates.

The anti-bribery and corruption policy sets out the Company's 'zero tolerance' approach to bribery and corruption. The anti-bribery and corruption policy covers bribery and corruption, gifts, entertainment, meals and travel expenses, secret commissions, facilitation payments, dealings with politicians and government officials, political contributions, charitable contributions, payments to business partners and compliance with local laws. The anti-bribery and corruption policy sets out mechanisms for persons to report conduct which breaches the anti-bribery and corruption policy and explains the consequences which persons may face if they breach the anti-bribery and corruption policy.

The company secretary is responsible for the overall administration of the anti-bribery and corruption policy. The company secretary must notify the Board of any material breach of the anti-bribery and corruption policy.

7 MATERIAL CONTRACTS

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section.

7.1 Offer Management Agreement

Prenzler Group has been engaged to act as Lead Manager of the Offer. As consideration for the provision of its services, Prenzler Group received the following fees:

Capital Raising Fees

2% (exclusive of GST) of the aggregate amount of capital raised under the Offer from the Flannery family and Andrew Carr.

4% (exclusive of GST) of the aggregate amount of capital raised under the Offer from the Shareholders.

6% (exclusive of GST) of the aggregate amount of capital raised under the Offer from any new investors.

Equity Fee

\$500,000 of New Shares (i.e. 2.5 million Shares).

Option Fee

2.5 million Adviser Options.

Adviser Options will be used at Prenzler Group's discretion to incentivise key Brokers.

Out-of-pocket Expenses

In addition to the above fees, Prenzler Group will require reimbursement of their out-of-pocket expenses directly related to this engagement. These expenses may include, but are not limited to, legal fees of Prenzler Group's own legal advisors and travel and accommodation. Prenzler Group will obtain the Company's consent prior to incurring any single expense greater than \$5,000.

The Lead Manager's Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

7.2 Independent Chairman appointment letter – Stephen Harrison

The Company has appointed Stephen Harrison as an independent non-executive Chairman of the Company from 3 June 2021. The Company has agreed to pay Stephen Harrison \$6,000 (inclusive of superannuation and exclusive of GST) for services provided to the Company as an independent Chairman. The Company has also agreed to grant Stephen Harrison 750,000 Director Options in relation to his appointment to the Board.

7.3 Non-executive Director appointment letter – Quentin Flannery

The Company has appointed Quentin Flannery as a non-executive Director of the Company from 13 October 2020. The Company has agreed to pay Quentin Flannery \$4,000 (inclusive of superannuation and exclusive of GST) for services provided to the Company as a non-

executive Director. The Company has also agreed to grant Quentin Flannery 450,000 Director Options in relation to his appointment to the Board. As an employee of a major Shareholder (Ilwella), he is not considered an independent Director under ASX governance recommendations.

7.4 Independent non-executive Director appointment letter – Michael Sandy

The Company has appointed Michael Sandy as a non-executive Director of the Company from 27 June 2022. The Company has agreed to pay Michael Sandy \$4,000 (inclusive of superannuation and exclusive of GST) for services provided to the Company as a non-executive Director. The Company has also agreed to grant Michael Sandy 450,000 Director Options in relation to his appointment to the Board.

7.5 Executive services agreements

Lauren Bennett (CEO and Managing Director)

Lauren Bennett commenced as CEO on 3 May 2021 and was appointed as a Board member on 18 May 2022. Details of Lauren’s terms of appointment are set out below.

Term	Description
Remuneration	\$247,500 (inclusive of superannuation)
Termination	The employment can be terminated by the Company or Lauren Bennett by giving 6 months’ written notice. The Company may terminate the employment immediately if Lauren Bennett engages in serious misconduct.
Restraints	Lauren Bennett will be subject to a non-compete and non-solicitation restraint for a period of 9 months in Australia during and following the termination of her employment.
Intellectual property	All intellectual property rights that Lauren Bennett develops or conceives in the course of, or arising out of, the performance of her duties as an employee of the Company, whether for the Company or for any other company in the Group, whether alone or in conjunction with anybody else, and otherwise in any way related to the business of the Group, will be the sole and exclusive property of the Company.
Change of control	<p>If a Change of Control Event occurs before Listing, the Company will issue Lauren 0.625% of the Shares in the Company as at the date of the Change of Control Event (Exit Date).</p> <p>If a Change of Control Event occurs after Listing:</p> <p>(a) unvested Tranche 1 Performance Rights will fully vest on the Exit Date;</p> <p>(b) unvested Tranche 2 Performance Rights will fully vest on the Exit Date if the Exit Price is greater than or equal to \$0.40 per Share; and</p> <p>(c) unvested Tranche 3 Performance Rights will fully on the Exit Date vest if the Exit Price is greater than or equal to \$0.60 per Share.</p> <p>The Board may, in its full discretion, determine that all or some of</p>

	the unvested Performance Rights will vest even if the conditions in paragraphs (a) to (c) above are not satisfied.
--	--

Luke Manos (Chief Financial Officer)

Luke Manos commenced as CFO on 4 May 2021. Luke is an employee of the Automic Group, a contractor that provides company secretarial, accounting and finance services to the Company. As such, Luke's terms of engagement are governed by the agreement between the Company and Automic Group and are as follows:

Term	Description
Remuneration	Service fees are paid to Automic Group monthly instead of directly to Luke
Termination	Automic Group provide one-month written notice or such shorter notice agreed by the Company if it wishes to replace Luke or terminate its engagement with the Company.
Restraints	Automic Group owes a duty of confidentiality to the Company and will not act where a conflict of interest or a significant risk of such a conflict exists.

Regie Estabillo (Chief Operating Officer)

Regie Estabillo commenced as COO on 3 May 2021. Details of Regie's terms of appointment are set out below.

Term	Description
Remuneration	\$247,500 per annum (inclusive of superannuation)
Termination	The employment can be terminated by the Company or Regie Estabillo by giving 6 months' written notice. The Company may terminate the employment immediately if Regie Estabillo engages in serious misconduct.
Restraints	Regie Estabillo will be subject to a non-compete restraint for a period of 6 months and a non-solicitation restraint for a period of 12 months in Australia following the termination of his employment.
Intellectual property	All intellectual property rights that Regie Estabillo develops or conceives in the course of, or arising out of, the performance of his duties as an employee of the Company, whether for the Company or for any other company in the Group, whether alone or in conjunction with anybody else, and otherwise in any way related to the business of the Group, will be the sole and exclusive property of the Company.
Change of control	If a Change of Control Event occurs before Listing, the Company will issue Regie 0.625% of the Shares in the Company as at the Exit Date. If a Change of Control Event occurs after Listing: (a) unvested Tranche 1 Performance Rights will fully vest on the

	<p>date of the Exit Date;</p> <p>(b) unvested Tranche 2 Performance Rights will fully vest on the Exit Date if the Exit Price is greater than or equal to \$0.40 per Share; and</p> <p>(c) unvested Tranche 3 Performance Rights will fully on the Exit Date vest if the Exit Price is greater than or equal to \$0.60 per Share.</p> <p>The Board may, in its full discretion, determine that all or some of the unvested Performance Rights will vest even if the conditions in paragraphs (a) to (c) above are not satisfied.</p>
--	--

7.6 Deeds of access, indemnity and insurance

The Company has entered into customary deeds of indemnity, insurance and access with each Director which confirm each Director's right of access to certain papers and documents of the Company for a period of seven years after the Director ceases to hold office. This period may be extended where certain proceedings or investigations commence before the seven year period expires. The deeds also provide an indemnity in favour of each Director for liability incurred as an officer of the Company and its related bodies corporate, to the maximum extent permitted by law.

7.7 Tag Oil Royalty Deed

Cypress Petroleum, the wholly owned subsidiary of the Company, has entered into the Tag Oil Royalty Deed under which Cypress Petroleum is required to, amongst other things:

- (a) pay Tag Oil a 3% royalty on the gross proceeds (subject to adjustments) received by Cypress Petroleum from the sale of petroleum products (excluding gas) produced and/or recovered from PL 17, ATP 2037 and ATP 2038 (together the **Petroleum Titles**) every quarter;
- (b) not transfer any interest or right in any Petroleum Title unless Cypress Petroleum and the transferee enter into an assumption deed under which the equivalent percentage of rights and obligations under the royalty deed is also transferred to the transferee;
- (c) give Tag Oil 30 days' prior notice of its intention to extend, renew, convert or substitute any Petroleum Title, noting that the Royalty Deed will apply to any resulting new petroleum title;
- (d) give Tag Oil 30 days' prior notice of its intention to relinquish, surrender, withdraw from or not renew or extend the whole or part of any Petroleum Title, noting that Tag Oil may, within 21 days of receiving such a notice, require Cypress Petroleum to convey the relinquished Petroleum Title (if it is possible to do so); and
- (e) keep each Petroleum Title in good standing under applicable law, comply with the terms and conditions of each Petroleum Title and not relinquish, surrender, transfer or create encumbrance on any Petroleum Title except in accordance with the royalty deed.

Cypress Petroleum's obligation to pay the royalty continues for the full term of each Petroleum Title and throughout the period that any petroleum can lawfully be produced and recovered from the tenements unless the Petroleum Titles are relinquished or transferred in accordance with the terms of the Tag Oil Royalty Deed.

7.8 Crude Oil Sale Agreement

The Company has entered into the Crude Oil Sale Agreement to sell the crude oil products

produced by the Bennett oilfield and future production sites. While there are no exclusive arrangements between the parties, IOR has agreed to use all reasonable efforts to take delivery of the crude oil available at the facilities unless there is a force majeure event, unplanned maintenance or shut down event at the refinery.

The price per barrel of crude oil is determined by reference to the Dated Brent quotes and the USD/AUD exchange rate, noting that a discount of \$24.50 to \$26.50 per barrel will be applied to the price.

There is no specified termination date of the agreement. However, each party may terminate the agreement without penalty by giving:

- (a) 90 days' written notice;
- (b) seven days' written notice if the other party is in material breach of the agreement and has not remedied such breach within 14 days of receiving notice to do so; or
- (c) written notice, if an insolvency event occurs to either party or if there has been an event of force majeure.

7.9 Call Option Deeds

On or about 26 May 2021, the Company entered into a call option deed with Ilwella (**Ilwella Call Option Deed**) to grant Ilwella options for 4% of the fully paid ordinary shares of the Company on issue immediately after closing of the IPO on the basis of transaction incentive arrangements entered into between the Company and its initial investors at the time of the Company's acquisition of Cypress Petroleum from Tag Oil.

The Company also entered into a call option deed with Lizarb (**Lizarb Call Option Deed**), an entity controlled by Luke Donovan, a former director of the Company on substantially the same terms as the Ilwella Call Option Deed.

Under the call option deeds, the options will be issued on the following terms:

- exercise price: \$0.30 per Founder Option (150% of the Offer Price);
- exercise period: 2 years from the Allotment Date;
- on exercise (including receipt of the exercise price) one New Share will be issued; and
- unexercised options will lapse at the conclusion of the exercise period.

8 INVESTIGATING ACCOUNTANT'S REPORT

The Directors
Omega Oil & Gas Limited
Suite 6, Level 22
56 Pitt Street
Sydney NSW 2000

5/09/2022

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on the historical and pro forma historical financial information

Introduction

This report has been prepared at the request of the Directors of Omega Oil & Gas Limited (the Company), for inclusion in the prospectus (the Prospectus) to be issued in respect of the proposed public offering of ordinary shares in the Company ("Capital Raising" or "the Offer") and the listing of the Company on the Australian Stock Exchange ("ASX").

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Statutory Historical Financial Information

You have requested UHY Haines Norton Corporate Finance Pty Limited ("UHYHNCF") to review the statutory historical financial information of the Company, being:

- the statutory historical consolidated statement of profit or loss and other comprehensive income for the financial periods ended 31 January 2021, 30 June 2021 and 31 January 2022;
- the statutory historical consolidated statement of cash flows for the financial periods ended 31 January 2021, 30 June 2021 and 31 January 2022; and
- the statutory historical consolidated statement of financial position as at 30 June 2021 and 31 January 2022.

as set out in Sections 4.3, 4.5 and 4.4 respectively of the Prospectus (together "the Statutory Historical Financial Information").

The Statutory Historical Financial Information for the financial period ended 30 June 2021 has been extracted from the audited general purpose financial statements of the Company, which were audited by UHY Haines Norton (UHYHN) in accordance with the Australian Auditing Standards. UHYHN has issued an unmodified audit opinion on these financial statements.

The Statutory Historical Financial Information for the financial periods ended 31 January 2021 and 31 January 2022 have been extracted from the reviewed financial statement of the Company, which were reviewed by UHY Haines Norton (UHYHN) in accordance with the Australian Standards on Review Engagements. UHYHN has issued an unmodified review opinion on these financial statements.

Without modification of its audit opinion and review opinion, UHYHN's audit report and review report for the respective periods included a paragraph drawing attention to the fact that there were events or conditions, along with other matters disclosed in the financial statements indicating that a material uncertainty existed that may cast doubts on the Company's ability to continue as a going concern.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested UHY Haines Norton Corporate Finance Pty Limited ("UHYHNCF") to review the pro forma historical financial information of the Company, being:

- the pro forma historical consolidated statement of financial position as at 31 January 2022.

as set out in Section 4.6 of the Prospectus ("the Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Sections 4.7-4.10 of the Prospectus (the Pro Forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Statutory Historical Financial Information and the events or transactions to which the Pro Forma Adjustments relate, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or performance.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information;
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors of the Company determine are necessary to enable the preparation of Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Statutory Historical Financial Information

- consideration of work papers, accounting records and other documents of the Company, including those dealing with the extraction of the Statutory Historical Financial Information from the audited financial statements of the Company for the financial period ended 30 June 2021 and from the reviewed financial statements of the Company for the financial periods ended 31 January 2021 and 31 January 2022;
- analytical procedures on the Statutory Historical Financial Information;
- a review of the stated basis of preparation, as described in the Prospectus, to the Statutory Historical Financial Information for consistency of application over the period;
- a review of work papers, accounting records and other documents of the Company and the work papers of its auditors;
- a review of the application of Australian Accounting Standards; and
- enquiry of Directors, management and other relevant persons in relation to the Statutory Historical Financial Information.

Pro Forma Historical Financial Information

- consideration of work papers, accounting records and other documents of the Company, including those dealing with the extraction of the Statutory Historical Financial Information from the reviewed financial statements of the Company for the financial period ended 31 January 2022;
- consideration of the appropriateness of the Pro Forma Adjustments described in Section 4.6 of the Prospectus;
- enquiry of Directors, management and other relevant persons of the Company;

- the performance of analytical procedures applied to the Pro Forma Historical Financial Information;
- a review of work papers, accounting records and other documents of the Company and the work papers of its auditors; and
- a review of the accounting policies adopted and used by the Company over the period for consistency of application.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Sections 4.3, 4.5 and 4.4 of the Prospectus, and comprising:

- the statutory historical consolidated statement of profit or loss and other comprehensive income for the financial periods ended 31 January 2021, 30 June 2021 and 31 January 2022;
- the statutory historical consolidated statement of cash flows for the financial periods ended 31 January 2021, 30 June 2021 and 31 January 2022; and
- the statutory historical consolidated statement of financial position as at 30 June 2021 and 31 January 2022.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Sections 4.2 and 4.11 of the prospectus.

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information, as described in Section 4.6 of the Prospectus, and comprising:

- the pro forma historical consolidated statement of financial position as at 31 January 2022.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Sections 4.2 and 4.11 of the prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 4.2 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

UHY Haines Norton Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

General Advice Limitation

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not

make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regards to their objectives, financial situation or needs.

Disclosure of Interest

UHY Haines Norton Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report for which normal professional fees will be received.

Yours faithfully



Vikas Gupta
Director
UHY Haines Norton Corporate Finance Pty Limited
5/09/2022
Sydney

FINANCIAL SERVICES GUIDE

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INVESTIGATING ACCOUNTANT'S REPORT

1. UHY Haines Norton Transaction Advisory Services

UHY Haines Norton Corporate Finance Pty Ltd ("UHYHNCF" or "we" or "us" or "our") has been engaged to provide general financial product advice in the form of an Investigating Accountant's Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person. AFSL License no: 269158.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail and wholesale clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence, which authorises us to provide the following services:

- financial product advice for the following classes of financial products:
 - (i) securities to retail and wholesale clients

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$50,000 (exclusive of GST).

Except for the fees and benefits referred to above, UHYHNCF, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of our Report.

6. Associations with product issuers

UHYHNCF and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of UHYHNCF is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the below details. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company’s employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of the Corporations Act 2001.

<p>Contacting UHYHNCF</p> <p>The Director UHY Haines Norton Corporate Finance Pty Ltd Level 11, 1 York Street Sydney NSW 2001</p> <p>Telephone: (02) 9256 6600</p>	<p>Contacting the Independent Dispute Resolution Scheme:</p> <p>Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001</p> <p>Telephone: 1300 367 287</p>
---	--

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

9 ADDITIONAL INFORMATION

9.1 Registration

The Company was incorporated on 23 September 2020 in New South Wales as a proprietary company.

9.2 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.3 Constitution

On or about 19 May 2022, the Company adopted a new constitution that is suitable for a publicly listed Company prior to Listing. The following Sections summarise the most significant rights attaching to the Shares and other material provisions of the Company's Constitution. These summaries are not exhaustive and do not constitute a definitive statement of the rights and liabilities of Shareholders. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Rights attaching to Shares

(i) Ordinary shares

The Offer Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to Shares are set out in the Company's Constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law.

(ii) Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, redeemable or convertible to Shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by members in accordance with the Corporations Act.

(iii) General meetings

Shareholders are entitled to be present in person or by proxy, attorney or representative to attend and to vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Company's Constitution.

(iv) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or of classes of Shareholders, on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by that person or in respect of which the person is appointed proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

(v) Dividend rights

The Board may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a Share, all dividends will be declared and paid according to the proportion of the amount paid on the Share to the total amount payable in respect of the Share (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Board as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Board may from time to time grant to Shareholders or to any class of Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may at their discretion resolve, in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions provided for in the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may properly be applied.

(vi) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(vii) Future increase in capital

The allotment and issue of any new Shares is under the control of the Board. Subject to restrictions on the issue or grant of new Shares contained in the ASX Listing Rules, the Company's Constitution and the Corporations Act (and without affecting any special right previously conferred upon the holder of an existing Share or class of Shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(viii) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, distribute among the shareholders the whole or any part of the assets of the Company, and may for that purpose set such value as they consider fit upon any assets to be so divided, and may determine how the assets are to be distributed between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit. No Shareholder is compelled to accept any Shares, securities or other assets in respect of which there is any liability.

(ix) Variation of rights

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 at least 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.

(b) Other material provisions of the constitution

(i) Non-marketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel by following the procedures set out in the Constitution.

(ii) Proportional takeover provisions

The Constitution contains provisions for Shareholder approval to be required in relation to any proportional takeover bid. These provisions will cease to apply on the day that is three years after the adoption of the Constitution or, if the provisions have been renewed in accordance with the Corporations Act, 3 years after their last renewal.

(iii) Appointment and removal of Directors

Under the Constitution, the Company will have at least three Directors, unless otherwise provided by the Corporations Act and the maximum is 10 unless the Shareholders pass a resolution varying that number. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that any Director who has held office for three or more annual general meetings (excluding the CEO) faces re-election. The Directors may also appoint a Director to fill a casual vacancy on the Board to the extent necessary to bring the number of directors up to the minimum. Subject to the provision setting a maximum number of directors, Directors may at any time appoint any person to be a Director, who will then hold office until the next annual general meeting of the Company and is then eligible for election at that meeting.

(iv) Remuneration of Directors

Refer to Section 6.5 for a description of the remuneration arrangements for Directors.

The Company may pay to each Director for their services as a Director such fees (excluding the salaries of executive Directors) as the Board may decide, provided that the aggregate of such fees does not exceed \$500,000 (as may be varied by ordinary resolution of the shareholders in a general meeting) in any financial year.

If a Director at the request of the Board performs additional or special services for the Company, the Company may pay or provide to that Director such remuneration or other benefits as the Board determines having regard to the value to the Company of the additional or special services provided.

Subject to the Corporations Act and the ASX Listing Rules the Company may establish and maintain any share, option or other incentive scheme for the benefit of Directors or in which Directors are permitted to participate, and may grant to the Directors benefits under any such scheme.

(v) Powers and duties of Directors

The business of the Company is to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may

exercise all the powers that are within the Company's power (that are not required by law or by the Constitution to be exercised by the Company in general meeting).

(vi) Indemnities

To the extent permitted by law, the Company indemnifies each person who is or has been a Director, secretary or other officer of the Company or a subsidiary of the Company against any liability incurred by the person in that capacity, and legal costs incurred by that person in connection with any juridical proceedings or investigation in which that person becomes involved as a result of holding that office. To the extent permitted by law, the Company may make a payment (whether by way of an advance or loan) to a person who is or has been a Director, secretary or other officer in respect of legal costs incurred by that person in connection with any judicial proceedings or investigation in which that person becomes involved as a result of holding that office.

9.4 Rights attaching to Options and Performance Rights

(a) Founder Options to be issued to Ilwella and Lizarb

Founder Options will be issued to the following persons on Listing.

- Ilwella: Founder Options representing 4% of the total number of Shares on issue at Listing;
- Lizarb: Founder Options representing 4% of the total number of Shares on issue at Listing;

The Founder Options will be issued on the following terms:

- Exercise price: \$0.30 per Founder Option (150% of the Offer Price).
- Vesting on Completion.
- Exercise period: 2 years from the Allotment Date.
- On exercise (including receipt of the exercise price) one New Share will be issued.
- Unexercised Founder Options will lapse at the conclusion of the exercise period.

(b) Director Options to be issued to the Directors as partial remuneration

Director Options will be issued to the following persons on Listing:

- Offelbar (an entity controlled by Quentin Flannery): 450,000 Director Options;
- Stephen Harrison: 750,000 Director Options; and
- Michael Sandy: 450,000 Director Options.

The Director Options will be issued on the following terms:

- Exercise price: \$0.30 per Director Option (150% of the Offer Price).
- The Director Options will vest in three tranches on the following conditions:
 - Tranche 1: 33.33% will vest on the first anniversary of Listing;
 - Tranche 2: 33.33% will vest on the second anniversary of Listing; and
 - Tranche 3: 33.33% will vest on the third anniversary of Listing, andas a further condition, the Directors must remain a Director at the time each vesting condition is met.

- Exercise period: for each tranche of Director Options, 2 years from the vesting date of that tranche.
- On exercise (including receipt of the exercise price) one New Share will be issued.
- Unexercised Director Options will lapse at the conclusion of the relevant exercise period.

(c) Adviser Options to be issued to the Lead Manager

On Listing, Prenzler Group will be issued 2,500,000 Adviser Options. The Adviser Options will be issued on the same terms as the Director Options.

(d) Performance Rights

Lauren Bennett and Regie Estabillo will be issued Performance Rights representing 5% (in aggregate) of the total number of Shares on issue on Listing.

The Performance Rights will be issued in tranches and will vest on satisfaction of the following conditions:

- (a) 2% will vest as shares in exchange for achieving measurable gas to surface from the first two wells drilled in the ATPs within the first 12 months after the IPO;
- (b) 2% will vest if the 30-day volume-weighted average share price (**VWAP**) of the Company share price is at least 100% higher than the Offer Price for at least 3 months; and
- (c) 1% of the Company to be awarded should the 30-day VWAP of the Company share price be 200% higher than the Offer Price for a period of 3 months.

As a further condition, Management must be employed at the time each performance condition is met and for a period 6 months thereafter for each tranche of Performance Rights to vest.

9.5 Services agreements

Instead of employing staff to carry out the work in relation to oil and gas exploration and extraction, the Company has engaged two service providers, Condor Energy and SGS, for the provision of services and equipment in relation to oil and gas wells at PL 17.

Condor Master Services Agreement

The Company entered into a master services agreement with Condor Energy on 6 January 2022. Condor Energy agreed to procure and supply labour, materials and equipment as required for the Company's requested well services.

SGS Services Agreement

The Company entered into a services agreement with SGS on 2 December 2021. SGS agreed to provide the Company with:

- end-to-end project management service for plug and abandonment services; and
- well testing services (including flowback services, production testing services and general well services).

Ilwella Services Agreement

On or about 12 October 2021, the Company entered into a services agreement (**Ilwella Services Agreement**) with Ilwella, a significant shareholder in the Company. Under the agreement, Ilwella provides the Company access to office space, furniture and amenities as well as access to certain personnel employed by Ilwella for a fee of \$3,500 per month. On 9 December 2021, the Ilwella Services Agreement was novated from Ilwella to KTQ Group Pty Ltd (**KTQ**), a company that controls Ilwella. As a result, KTQ replaces Ilwella under the Ilwella

Services Agreement, and a reference in the Ilwella Services Agreement to Ilwella is read as a reference to KTQ.

The Ilwella Services Agreement may be terminated:

- at any time upon the mutual written consent of the parties;
- by either party by giving 30 business days' written notice; or
- or immediately by a party if the other party commits a material breach of the agreement and does not remedy it within 20 business days after receipt of the notice of breach.

It is noted that although Ilwella and KTQ are related parties of the Company, the Ilwella Services Agreement was entered into prior to the Company's conversion to a public company and as such, member approval of the transaction was not required or sought. Nevertheless, the Board is satisfied that the Ilwella Services Agreement is on commercial and arms' length terms.

9.6 Offer Management Agreement

Prenzler Group has been engaged to act as Lead Manager of the Offer. As consideration for the provision of its services, Prenzler Group received the following fees:

Capital Raising Fees

2% (exclusive of GST) of the aggregate amount of capital raised under the Offer from the Flannery family and Andrew Carr.

4% (exclusive of GST) of the aggregate amount of capital raised under the Offer from the Shareholders.

6% (exclusive of GST) of the aggregate amount of capital raised under the Offer from any new investors.

Equity Fee

\$500,000 of New Shares (i.e. 2.5 million Shares).

Option Fee

2.5 million Adviser Options.

Adviser Options will be used at Prenzler Group's discretion to incentivise key Brokers.

Out-of-pocket Expenses

In addition to the above fees, Prenzler Group will require reimbursement of their out-of-pocket expenses directly related to this engagement. These expenses may include, but are not limited to, legal fees of Prenzler Group's own legal advisors and travel and accommodation. Prenzler Group will obtain the Company's consent prior to incurring any single expense greater than \$5,000.

The Offer Management Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company,

holds at the date of this Prospectus, or has held at any time during the last 2 years, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (c) the Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

9.8 Summary of Australian Tax issues for Australian tax resident investors

(a) Taxation considerations

The following tax comments are based on the tax law in Australia in force as at the date of the Prospectus. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or a complete statement of all potential tax implications for each investor or relied upon as tax advice. During the period of ownership of the Shares by investors, the taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

The following information is a general summary of the Australian income tax and stamp duty implications for Australian resident individuals, complying superannuation entities, trusts, partnerships and corporate investors that hold their Shares on capital account. These comments do not apply to investors that hold Shares as trading stock on revenue account, investors who are exempt from Australian income tax or investors subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* (Cth) which have made elections to apply the fair value or Reliance on Financial Reports (ROFR) methodologies.

Taxation issues, such as (but not limited to) those covered by this Section 9.8, are only one of the matters an investor needs to consider when making a decision about a financial product. Investors should consider taking advice from someone who holds an Australian financial services licence before making such a decision.

(b) Dividends paid on shares

Dividends may be paid to Shareholders by the Company. To the extent available, the Company may attach 'franking credits' to such dividends. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian income tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such transactions as off-market share buy-backs.

(c) Australian tax resident individuals and complying superannuation entities

Dividends paid by the Company on a Share will constitute assessable income of an Australian

tax resident investor in the income year in which dividends are received by the investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend. Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, such investor should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, the investor should include the dividend in their assessable income with no tax offset available.

(d) Australian tax resident corporate shareholders

Corporate investors are also required to include both the dividend and associated franking credit in their assessable income. They are then entitled to a tax offset up to the amount of the franking credit attached to the dividend. Where the tax offset exceeds the tax payable, the excess cannot give rise to a refund entitlement for a company but can be converted into carry forward tax losses.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the corporate investor to pass on the benefit of the franking credits to its own investor(s) on the subsequent payment of dividends.

(e) Australian tax resident trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

(f) Australian tax resident shares held 'at risk'

The benefit of franking credits can be denied where an investor is not a 'qualified person' in which case the investor will not need to include an amount of the franking credits in their assessable income and will not be entitled to a corresponding tax offset.

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold Shares "at risk" for more than 45 days continuously over a specified period in order to qualify for franking benefits, including franking credits. This period is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares become ex-dividend.

This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the Shares at risk for the continuous 45 day period as above but within the limited period commencing on the 45th day before, and ending on the 45th day after, the day the Shares become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

(g) Australian capital gains tax implications for Australian tax resident Shareholders on a disposal of Shares

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian capital gains tax (CGT) provisions in respect of the disposal of their Shares. Some Shareholders may hold their Shares on revenue account as trading stock or be subject to the Taxation of Financial Arrangements regime. These Shareholders should seek their own professional advice in respect of the consequences of a disposal of Shares.

Where the capital proceeds received on disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will be required to recognise a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, among other things, transaction or incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of the Shareholder receiving non-assessable distributions from the Company, such as returns of capital.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are added together. To the extent that a net gain exists, such Shareholder should be able to reduce the gain by any amount of unapplied net capital losses carried forward from previous income years (provided certain loss recoupment tests are satisfied). Any remaining net gain (after the application of any carried forward capital losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to the comments below in relation to the availability of the CGT discount concession) and will be taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the loss will only be deductible against future capital gains. Capital losses are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the Shares have been held for at least 12 months prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder or trust, and a one third reduction of a capital gain for an Australian tax resident Shareholder that is a complying superannuation entity. The CGT discount applies to any net capital gain (i.e. it applies after capital losses have been deducted against any gains). The concession is not available to corporate Shareholders.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied. Shareholders that are trusts should seek specific advice as to the circumstances in which a beneficiary may be entitled to a CGT discount.

(h) Tax File Numbers

A Shareholder is not obliged to quote their tax file number (**TFN**), or where relevant, Australian Business Number (**ABN**), to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable (i.e. exemption details are not provided by the Shareholder), Australian income tax is required to be deducted by the Company at the highest marginal tax rate plus the Medicare levy from certain dividends paid.

(i) Stamp duty

The below provides high level guidance on the landholder duty implications for the acquisition of the Offer Shares. However, investors would need to seek their own advice to determine whether any duty would be payable on the acquisition of Shares under the Listing and any

subsequent acquisitions/disposal of Shares.

(j) Landholder duty

Stamp duty is a state/territory based tax. An entity will be a landholder if it holds, directly or indirectly through its Subsidiaries, interests in land (i.e. freehold land, leaseholds and fixtures/assets fixed to land depending on the jurisdiction) which have an unencumbered market value that meets or exceeds the relevant landholder duty threshold in the relevant state/territory.

The landholder duty threshold in each state/territory ranges from nil to \$2 million and landholder duty is calculated at rates of up to 5.95% on the unencumbered market value of the landholder's interests in land (and goods in certain jurisdictions). Higher rates apply to residential land if the acquirer of the interest is a foreign person.

(k) The Company is a landholder and listed on ASX

Where the Company is listed on ASX and is a landholder in any State or Territory in Australia, no landholder duty should be payable by a Shareholder on the acquisition of the New Shares under the Listing (i.e. the issuance of New Shares by the Company under the Listing) if the investors:

- acquire the New Shares after the Company is listed and all of the Shares of the Company are quoted on ASX; and
- each investor and any associated persons (or persons acquiring under one arrangement or in concert) do not acquire 90% or more of the interests in the Company or, as a result of the acquisition, hold 90% or more of the interests in the Company.

Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided the above requirements are met.

(l) The Company is not a landholder

No landholder duty should be payable on the acquisition of New Shares under the Listing by the investor where the Company is not a landholder in any State or Territory.

(m) Australian Goods and Services Tax

Under current Australian GST law, GST should not be payable in respect of the issue of New Shares by the Company which will be input taxed financial supplies made to Australian investors. No GST will be payable on the payment of dividends on the basis dividends are not consideration for any supply.

However, Australian investors may be charged GST on brokerage, or other professional advisory services acquired by them in their own right in relation to the Proposed Listing of the Company.

Australian investors should seek their own advice to determine whether they will be entitled to claim GST incurred on costs associated with the acquisition of New Shares.

9.9 Consent to be named and statement of disclaimers of responsibility

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, and any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus 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 Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Prenzler Group has given its written consent to being named as Lead Manager in this Prospectus. Prenzler Group has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

UHY Haines Norton Corporate Finance Pty Limited has given its written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion of its Investigating Accountant's Report on the Financial Information in Section 8 in the form and context in which it appears in this Prospectus. UHY Haines Norton Corporate Finance Pty Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

UHY Haines Norton has given its written consent to being named as Auditor in this Prospectus. UHY Haines Norton has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Sundaraj & Ker has given its written consent to being named as the Australian Legal Advisers to the Company in this Prospectus. Sundaraj & Ker has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Automic Group has given its written consent to being named as the Share Registry to the Company in this Prospectus. Automic Group has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

9.10 Costs of the Offer

Particulars	Cost (\$)
ASX fees	\$104,333
Professional adviser fees	\$225,033
Lead Manager fees	\$810,282
Total	\$1,139,648

This table sets out cash costs only, as at the date of this Prospectus and assumes the Maximum Subscription amount is raised. See pro-forma costs of the capital raise in Section 4.10 which includes additional non-cash costs of the offer (in particular, the Lead Manager's fees settled in equity).

9.11 Company tax status

The Company is and will be subject to tax at the relevant corporate tax rate. The Company has formed an income tax consolidated group with the Company as head entity and its wholly owned Subsidiary, Cypress Petroleum, are members of this group. The Company is part of a GST group, of which the Company is the head entity and Cypress Petroleum is the member.

9.12 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications and bids under this Prospectus are governed by the laws applicable in New South Wales, Australia and each applicant and bidder under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read "Stephen Harrison", is written over a diagonal line that extends from the top left towards the bottom right.

Stephen Harrison
Independent Chairman

5 September 2022

Appendix A: GLOSSARY

Term	Definition
\$	Australian dollars.
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
Adviser Options	The options to be issued by the Company to Prenzler Group under the Option Offer on the terms set out in Section 9.4(c).
Allotment Date	The date on which Offer Shares offered under this Prospectus will be allotted.
Applicant	A person who submits an Application.
Application	An application to subscribe for New Shares offered under this Prospectus.
Application Form	The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the AASB.
Automic Group	Automic Group Pty Ltd ACN 152 260 814.
Application Monies	The Offer Price multiplied by the number of New Shares applied for by an Applicant under the Offer.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange, as operated by ASX Limited ACN 008 624 691.
ASX Listing Rules	The official rules of the ASX governing the procedures and behaviour of all listed entities.
ASX Principles	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
ASX Settlement Operating Rules	The official settlement rules applicable to trading on the ASX.
ATP	Authority to Prospect.
Auditor	UHY Haines Norton Sydney ABN 85 140 758 156.
bbl	Barrels.
bbl/d	Barrels per day.
Board	The board of Directors of the Company.
Broker	Any ASX participating organisation selected by the Lead Manager or financial advisers to act as a broker to the Offer.
Broker Firm Offer	Offer of New Shares under this Prospectus to Institutional Investors and Australian and New Zealand resident retail clients of brokers who have received a firm allocation from their Broker as more fully set out in Section 1.4.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
Change of Control Event	The occurrence of one or more of the following events: <ul style="list-style-type: none"> (a) if the Company is not listed on ASX, a Trade Sale; and (b) if the Company is listed on ASX: <ul style="list-style-type: none"> (i) Scheme of Arrangement; (ii) a Takeover Bid: <ul style="list-style-type: none"> (A) is announced; (B) has become unconditional; and (C) the person making the Takeover Bid has a relevant interest in 50% or more of the shares in the Company; (c) approval has been given by a resolution duly passed at a general

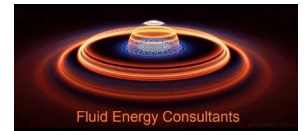
	<p>meeting of the Company for an acquisition that would result in a person having voting power in the Company of more than 50%;</p> <p>(d) that the Board determines that the relevant circumstances constitute a Change of Control Event; or</p> <p>(e) any other merger, consolidation or amalgamation involving the Company occurs or is proposed where either or both of the following applies:</p> <p>(i) the merger, consolidation or arrangement results in the holders of shares immediately prior to the merger, consolidation or amalgamation having relevant interests, in aggregate, in 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or</p> <p>(ii) the Board determines that the relevant circumstances constitute a Change of Control Event.</p>
CHESS	Clearing House Electronic Sub-register System.
Closing Date	The date on which the offer under the Broker Firm Offer, Institutional Offer and Priority Offer closes.
Company or Omega	Omega Oil & Gas Limited ACN 644 588 787.
Completion or Completion of the Offer	The Completion of the Offer, being the date on which Offer Shares are issued or transferred to the relevant recipient in accordance with the terms of the relevant Offer.
Condor Energy	Condor Energy Services Ltd ABN 35 153 250 670
Constitution	The constitution of the Company which is suitable for a publicly listed company and will be adopted prior to Listing.
Convertible Notes	The unsecured, interest-free convertible notes issued by the Company with a face value of \$100.00.
Conversion Offer	The offer and issue of 26,149,375 Conversion Shares to the holders of Convertible Notes at a Conversion Price of \$0.16 per Conversion Share.
Conversion Shares	26,149,375 New Shares to be issued by the Company at the Conversion Price under the Conversion Offer.
Conversion Price	\$0.16 per Conversion Share.
Corporations Act	Corporations Act 2001 (Cth).
COO	Chief Operating Officer.
CSG	Coal seam gas.
Crude Oil Sale Agreement	The crude oil sale agreement between the Company and IOR dated on or about 24 January 2022.
Cypress Petroleum	Cypress Petroleum Pty Ltd ACN 613 738 088.
Director	A director of the Company.
Director Options	The options to be issued by the Company to the Directors (other than Lauren Bennett) under the Option Offer on the terms set out in Section 9.4(b).
EPQ	Exploration permit for greenhouse gas.
Escrowed Securityholders	Certain securityholders who have or will enter into restricted security agreements in respect of their securities in the Company, as described in Section 1.4.
ESG	Environmental, Social and Governance.
Existing Shareholder	Any Shareholder of the Company as at the date of this Prospectus.
Exit Date	The date of the Change of Control Event.
Exit Price	The implied price per Share in the Company paid by the purchaser in a Change of Control Event.
Expiry Date	13 months after the Prospectus Date.
Exposure Period	The 14 day period after the date of lodgement of this Prospectus with ASIC.
Fluid Energy	Fluid Energy Consultants as a trading name for FMB Holdings Pty Ltd ATF FMB Unit Trust (ABN 67 906 844 649).
Financial Information	The Historical Financial Information and Pro Forma Historical Financial Information described in Section 4.

Founder Options	The options to be issued by the Company to Ilwella and Lizarb under the Option Offer on the terms set out in Section 9.4(a).
General Offer	Offer of New Shares under this Prospectus to retail investors who have a registered address in Australia and certain Institutional Investors in Australia, New Zealand and certain other jurisdictions around the world, who are not in the United States and are not US Persons.
Glossary	This glossary.
Group	Jointly and severally, the Company and Cypress Petroleum.
GST	Goods and services tax.
H1 FY22	The period ended 31 December 2021.
HIN	Holder identification number.
Historical Financial Information	The statutory historical financial information described as Statutory Historical Financial Information in Section 4.
FY21	The financial year ended 30 June 2021.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
Ilwella	Ilwella Pty Ltd ACN 003 220 371.
Ilwella Call Option Deed	The call option deed between the Company and Ilwella dated on or about 26 May 2021.
Ilwella Services Agreement	The agreement entered into between the Company and Ilwella dated on or about 12 October 2021.
Implementation Deed	The implementation deed between the Company and Shareholders of the Company dated on or about 26 May 2021.
Institutional Investor	An investor: (a) in Australia who is a 'wholesale client' for the purpose of section 761G of the Corporations Act and who is either a "professional investor" or "sophisticated investor" under sections 708(11) and 708(8) of the Corporations Act; or (b) in certain other jurisdictions, as agreed between the Lead Manager and the Company, to whom offers or invitations in respect of securities can be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one which the Company is willing, in its absolute discretion, to comply provided that such investors are not in the United States).
Investigating Accountant	UHY Haines Norton Corporate Finance Pty Limited ABN 74 001 155 988.
Investigating Accountant's Report	The report provided by the Investigating Accountant set out in Section 7.
IOR	IOR Energy Pty Ltd ACN 010 504 444.
IPO	An initial public offering of Shares made under a prospectus that states that the Company has or will apply, in conjunction with the offering, for quotation of Shares on ASX.
IWP	Initial work programs.
KTQ	KTQ Group Pty Ltd ACN 164 482 857.
Lead Manager	Prenzler Group Pty Ltd ACN 621 100 730.
Legal Adviser	Sundaraj & Ker Pty Ltd ACN 622 278 700.
Listing	The completion of the Offer and listing of all the Shares on the ASX.
Lizarb	Lizarb Pty Ltd ACN 601 737 259 as trustee for the Campos Trust.
Lizarb Call Option Deed	The call option deed between the Company and Lizarb dated on or about 26 May 2021.
LNG	Liquified natural gas.
LLI	Long lead-time item.
Management	The management team of the Company.
Maximum Subscription	The maximum subscription under the Offer is \$15,000,000 (being the issue of 75 million New Shares).

Minimum Subscription	The minimum subscription under the Offer is \$12,500,000 (being the issue of 62.5 million New Shares).
New Shares	Up to 75,000,000 new Shares to be issued by the Company at the Offer Price under the Broker Firm Offer and the General Offer.
Offer	The Offer of Offer Securities under this Prospectus.
Offelbar	Offelbar Pty Ltd ACN 616 028 918.
Offer Management Agreement	The agreement entered into between the Company and the Lead Manager dated on or about 6 June 2022.
Offer Period	The period from the Opening Date to the Closing Date.
Offer Price	\$0.20 per New Share.
Offer Securities	New Shares, Conversion Shares, Options and Performance Rights.
Official List	The official list of entities that ASX has admitted and not removed from listing.
Opening Date	The date on which the offer under the Broker Firm Offer and General Offer opens.
Options	The Adviser Options, Founder Options and Director Options.
Option Offer	The offer of Options on the terms set out under this Prospectus.
Origin Energy	Origin Energy Limited ACN 000 051 696.
Performance Rights	The performance rights to be issued to Management of the Company on the terms set out in Section 9.4.
Performance Rights Offer	The offer of Performance Rights on the terms set out under this Prospectus.
Petroleum Titles	PL 17, ATP 2037 and ATP 2038.
PL	Petroleum Lease.
Privacy Policy	The privacy policy of the Company, available at the Company's website.
Pro Forma Historical Financial Information	The pro forma historical financial information described as Pro-Forma Historical Financial Information in Section 4.
Prospectus	This document (including the electronic form of the prospectus) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being 5 September 2022.
RISC Advisory	RISC Advisory Pty Ltd ACN 150 789 030.
Retail Investors	An investor who is not an Institutional Investor.
Scheme of Arrangement	A court approval of a merger by way of scheme of arrangement (but shall not include a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company).
Securities Act	The Securities Act, as amended, of the United States of America 1933.
Settlement Date	The date specified in the Key Dates Section.
SGS	SGS Australia Pty Ltd ACN 000 964 278.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of Shares.
Share Registry	Automic Group Pty Ltd ACN 152 260 814.
SPE-PRMS	A system designed by the Society of Petroleum Engineers through the Petroleum Resources Management System.
SRN	Securityholder reference number.
Successful Applicant	A person who submits an Application to subscribe for New Shares offered under this Prospectus, which is successful.
Subsidiaries	Has the meaning given to in under the Corporations Act.
Sydney Time	The official time in Sydney, Australia.
Tag Oil	Tag Oil Ltd.
Tag Oil Royalty Deed	The royalty between the Tag Oil and Cypress Petroleum dated on or about 30 October 2020.
Takeover Bid	Has the meaning given to in under the Corporations Act.

Trade Sale	(a) the acquisition of 50% or more of the Shares in the Company by a trade or strategic buyer including, for the avoidance of doubt, an existing Shareholder or its affiliates; or (b) the sale or disposal of all or substantially all of the Company's business and assets.
Technical Adviser	Fluid Energy.
Timetable	The transaction timetable as agreed between the Company and the Lead Manager.
VWAP	Volume Weighted Average Price.

Appendix B: TECHNICAL ADVISER'S REPORT



19 August 2022

Omega Oil & Gas Limited
Level 22, 56 Pitt St
Sydney
NSW 2000

Attn: Board of Directors

Dear Directors,

RE: Omega Oil & Gas Independent Technical Report

1.0. INTRODUCTION

In June 2021, Fluid Energy Consultants (Fluid) was engaged by the directors of Omega Oil & Gas Limited (Omega) to prepare an Independent Technical Report (ITR) for inclusion in a Prospectus to raise to capital to fund an exploration program in 2022. The capital raise is proposed to be done via an initial public offering (IPO) which is scheduled to be completed in 2022. Omega will raise A\$15 million (before costs) through the issue of 75 million fully paid ordinary shares at A\$0.20 per share (Offer).

Omega is an Australian company, established in 2022, with its registered office in Sydney, NSW. The Company operates two exploration tenements located in South East Queensland; Authority to Prospect (ATP) 2037 and ATP 2038. In addition to the exploration leases the Company also operates Petroleum Lease 17 (PL 17).

As summarised in the Prospectus, Omega is undertaking the Offer to fund exploration in its two Queensland ATPs and Production from PL 17 (Figure 1), These permits overlie a thick sequence of Surat and Bowen Basin strata.

In the second half of 2022, Omega plans to drill two wells, one in each ATP, to test the Permian Deep Gas potential of tight sandstones within the Permian Kianga Formation (up to 3700m below ground level) in the Surat-Bowen Basin. This play, if successful, may be able to arrest future shortfalls of coal seam gas supply to the Gladstone LNG plants.

The proposed work program that supports the IPO capital raising A\$15 million dollars of the drilling of two (2) appraisal wells (one in each of ATP 2037 and ATP 2038) to a depth of up to 4000m, that are then potentially cased, fracture stimulated and production tested across the Permian deep gas interval of the Kianga Formation.



Omega’s Prospective Resources are very large and the associated oil and condensate component is also very large. These are presented in Table 1. Resources are calculated deterministically by Omega and are unrisks. Fluid considers the calculation of as yet undiscovered Prospective Resources to be reasonable.

Table 1: Omega’s Calculation of Prospective Gas and Oil Resources after Adjusting for the 3% TAG Royalty on Liquid Hydrocarbons

Project Name	Classification	Peta-Joules		
		1U	2U	3U
ATP 2037 and 2038	Prospective Gas Resource	1,700	3,000	4,600
		Million Barrels		
ATP 2037 and 2038	Associated Prospective Oil Resource (80bbbls oil/mmcf gas)	132	233	357

In the nearer term, Omega is progressing plans to rehabilitate two (2) existing oil wells in the Bennett Field in Petroleum Lease (PL) 17, with production expected to recommence in late 2022 at flow rates of between 10 and 20 BOPD. These wells have been shut-in since March 2019, due to previously low oil prices.

Later, Omega will appraise this oil field’s significant potential for increased oil resources identified in structure mapping. The potential resources are also shown in Table 2 and are derived from the P4565 Tag Oil 2018-2019 Year End PL17 Audit Report by ERC Equipoise Ltd (ERCE), May 2019 and the PL17 Reserves Evaluation April 2019 by ERCE. Resources are calculated deterministically and are unrisks and the ERCE work was found to be reasonable.

The classification and methodology applied by ERCE in the calculation of the reserve and resources are in accordance with SPE PRMS 2018 Guidelines (Table 3 and Appendix 1). ERCE (2019) classified the Bennett-4 bypassed pay as Contingent Resources. Fluid has reclassified them as Reserve now that Omega has committed to the development of the interval.

Table 2: PL17, Omega’s Net Oil Reserve and Contingent Resource Summary Adjusting for the 3% TAG Royalty on Liquid Hydrocarbons (Volumes by ERCE, 2019)

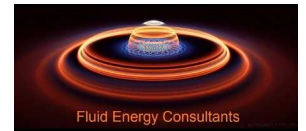
Project Name	Classification	Sub-classification	1P (BBL Oil)	2P (BBL Oil)	3P (BBL Oil)
Bennett-1 and Bennett-4	Reserve	Approved for development	52,213	90,307	131,289
Bennett-4 Bypassed Pay	Reserve	Approved for development	11,650	39,806	73,786
Total Oil Reserve			63,863	130,113	205,076
			1C	2C	3C
Dev-A (Infill)	Contingent Resource	Development unclarified	66,019	436,893	1,343,689
Dev-B (Infill)	Contingent Resource	Development unclarified	22,330	245,631	1,013,592
TOTAL Contingent Oil Resource			120,388	723,301	2,421,359



The refurbishment of Bennett is to have a low cost of about A\$80,000 and will be funded by Omega from existing funds. The very small oil Reserve and cash flow will go towards supporting the day-to-day costs of the business. The main play for Omega is the drilling and eventual testing of the large exploration play in ATP2037 and 2038.

Table 3: Definitions of Hydrocarbon Resource Categories Under SPE PRMS (2018)

Category	Definition
Reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation's effective date) based on the development project(s) applied.
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.
1P	Denotes low estimate of Reserves (i.e., Proved Reserves). Equal to P1.
2P	Denotes the best estimate of Reserves. The sum of Proved plus Probable Reserves.
3P	Denotes high estimate of reserves. The sum of Proved plus Probable plus Possible Reserves.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.
1C	Denotes low estimate of Contingent Resources.
2C	Denotes best estimate of Contingent Resources.
3C	Denotes high estimate of Contingent Resources.
Prospective Resource	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity
1U	Denotes the unrisks low estimate qualifying as Prospective Resources.
2U	Denotes the unrisks best estimate qualifying as Prospective Resources.
3U	Denotes the unrisks high estimate qualifying as Prospective Resources.



There is also a discovered coal seam gas (CSG) resource contained within the Walloon Coal Measures within PL 17. The Company is currently in the process of assessing the viability of this resource, and may seek a farmin partner in order to further progress the play. Omega’s Prospective Coal Seam Gas Resources are presented in Table 4 and were determined by RISC, in April, 2019, PL17 CSG Volumetrics. A probabilistic volumetric estimate of unrisks recoverable gas was made and the RISC work was found to be reasonable.

Table 4: Omega’s Prospective Coal Seam Gas Resource Summary (RISC, 2019)

Project Name	Classification	1U (PJ)	2U (PJ)	3U (PJ)
PL17 CSG	Prospective Dry Gas Resource	50	191	342

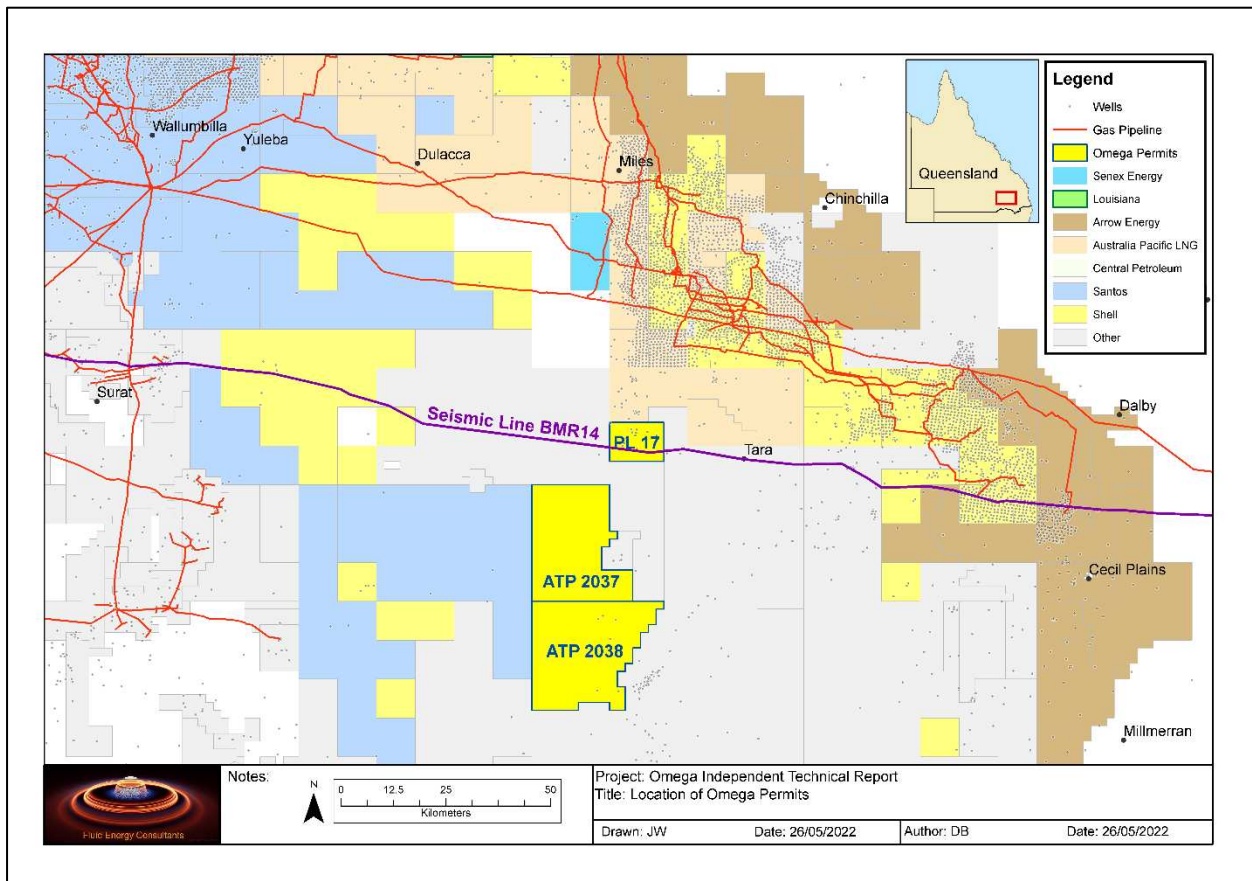


Figure 1: Location of Omega’s Permits

Figure 1 includes the location of Seismic Line BMR14, which is imaged in Figure 2.

2.0. SURAT-BOWEN BASIN, AUSTRALIAN ONSHORE ACREAGE

In 2020, Omega acquired Cypress Petroleum Pty Ltd (Cypress), from TAG Oil. The acquisition included 100% interests in PL 17, ATP 2037 and ATP 2038 in the onshore Surat-Bowen Basins of Queensland.

These permits cover an area of 1117km² on the southern flank of the productive Surat Basin (Figures 2 and 3). The permits are close to existing infrastructure, located between the Jackson to Moonie oil pipeline to the south and the Roma to Brisbane gas pipelines.

The Bowen Basin, covering an area of approximately 200,000 square kilometres, is an elongate, north-south trending basin bounded to the east by a series of north-south oriented, Triassic thrust faults extending south of the Auburn Arch (Chincilla-Goodiwindi Fault/Moonie Fault/Leichhardt-Burunga Fault). To the north, the basin is exposed, and Permian aged coal measures are extensively mined. To the south, the basin is covered by the younger Surat Basin. There are two main depocentres in the Bowen Basin: the Denison Trough in the west; and the Taroom Trough in the east. These are separated by the Comet Ridge.

The basin contains a sedimentary sequence of Permian to Triassic clastic sediments of up to 9,000m thickness in the Taroom Trough. Deposition commenced during the Early Permian extensional phase with fluvial and lacustrine sediments and volcanics deposited in a series of half-grabens in

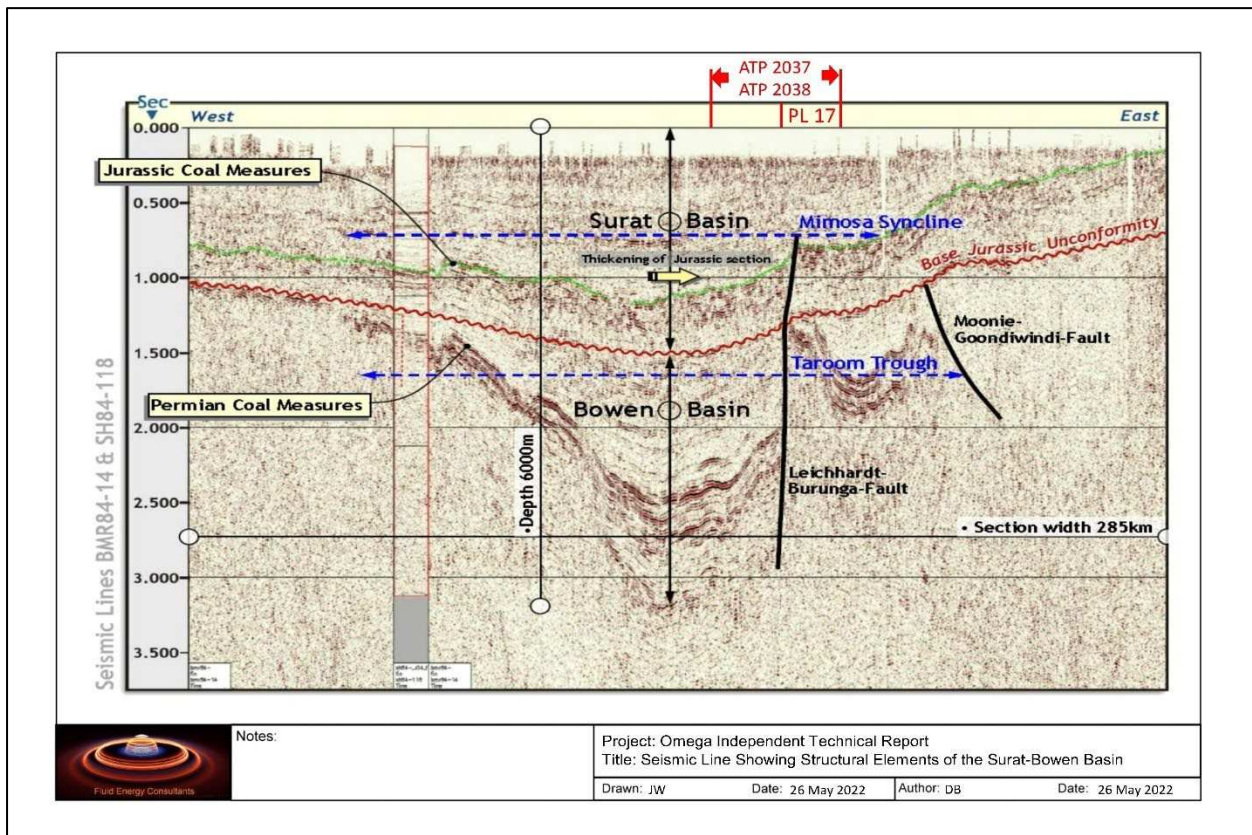


Figure 2: Seismic Line Showing Structural Elements of the Surat-Bowen Basin (Review Figure 1 for the location of the seismic line)

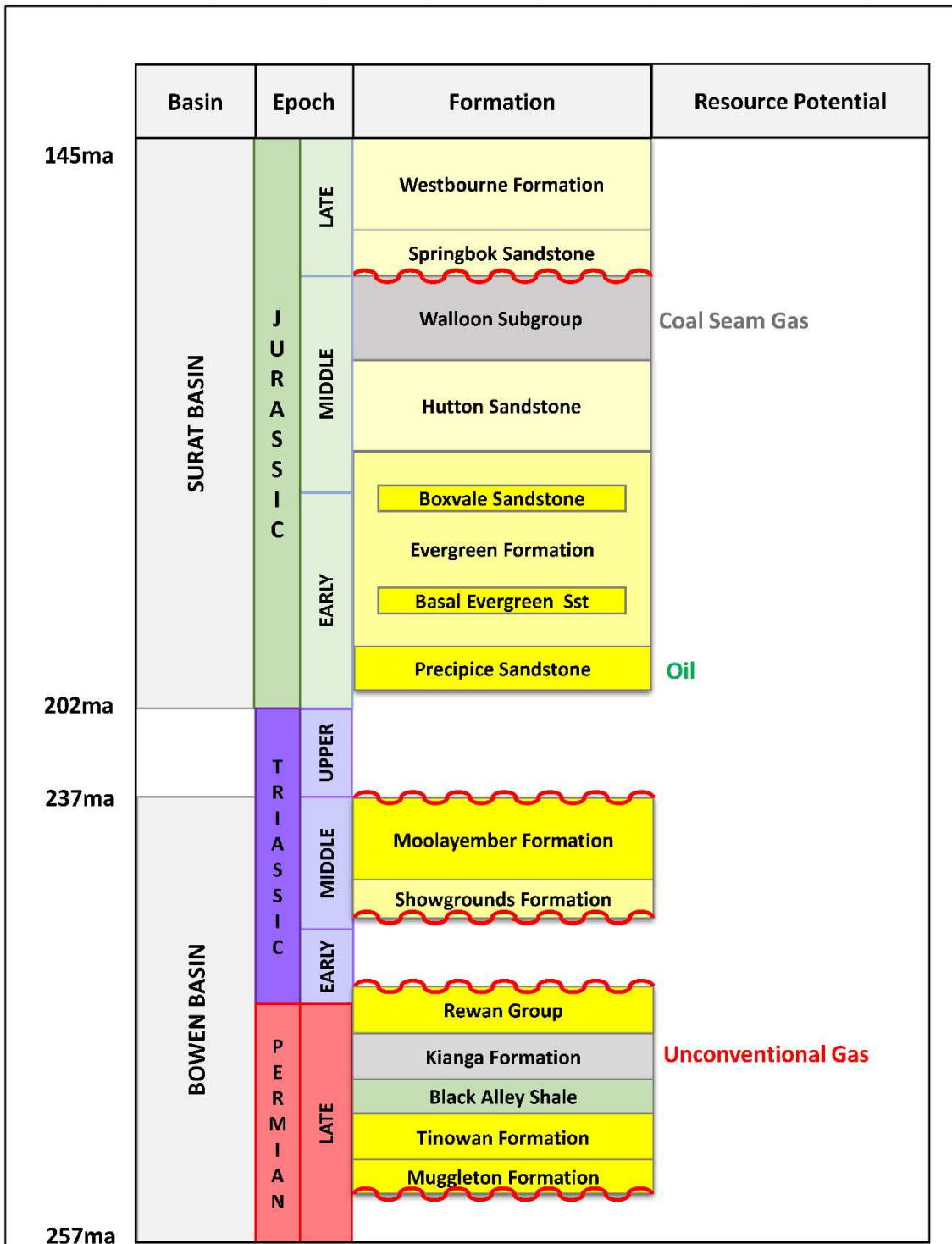


the east and thick succession of coals and non-marine sediments in the west. During the mid-Early to Late Permian, a basin-wide transgression allowed deposition of deltaic and shallow marine sediments and extensive coal measures. Erosion during the middle to late Triassic contraction has largely restricted the occurrence of the Permo-Triassic clastic sediments to the adjacent Taroom Trough. Hydrocarbon accumulations occur throughout the succession, but the most important reservoirs are in the Early Permian and Middle Triassic. From Early Jurassic to Early Cretaceous, clastic sediments of the Surat Basin were deposited on this erosion surface.

The Surat Basin forms part of the larger Great Artesian Basin, and inter-fingers westward across the Nebine Ridge with the Eromanga Basin, and eastward across the Kumbarilla Ridge with the Clarence-Moreton Basin. Structural blocks consisting of the Central West Fold Belt and the New England Fold Belt limit the basin to the south, while in the north the basin has been eroded and unconformably overlies Triassic and Permian sediments of the Bowen Basin.

The Surat Basin contains up to 2,500m of sedimentary rocks deposited during the latest Triassic to Early Cretaceous periods. The latest Triassic to earliest Cretaceous succession in the basin consists of five fining-upwards sedimentary cycles dominated by fluvio-lacustrine deposits. In the Cretaceous, inundation of the land by a rise in sea level led to deposition of predominantly coastal plain and shallow marine sediments in two cycles.

Structurally the Surat Basin is relatively simple, with the area of maximum deposition, the Mimosa Syncline, overlying the thickest Permian-Triassic rocks in the Taroom Trough. Major faulting within the basin predominantly mirrors basin-bounding faults of the underlying Bowen Basin.



Project: Omega Independent Technical Report
 Title: Stratigraphic Column of the Surat and Bowen Basins
 Drawn: JW Date: 26 May 2022 Author: DB Date: 26 May 2022

Figure 3: Stratigraphic Column of the Surat and Bowen Basins.



Formations outcrop along the northern erosional boundary and dip gently to the south and southwest at less than 5°.

The petroleum play elements of the Bowen and Surat basins are closely linked since the main source rocks are found in the Permian sequences. Oil and gas have migrated up the sequence into the Permian sandstones, the Triassic Showgrounds Sandstone and also into the Jurassic Precipice Sandstone and Evergreen Formation (Boxvale Sandstone) of the Surat Basin. Within the deeper parts of the Bowen Basin with less efficient migration pathways, there is potential for significant gas accumulations stratigraphically trapped in tight Permian sandstones.

3.0. ATP 2037 and ATP 2038

These ATPs are the most important in Omega’s portfolio as they contain very large Prospective Gas and Liquid Hydrocarbon Resources in the Permian Kianga Formation. The IPO is mainly concerned with raising sufficient money to be able to drill two wells that can later be fracture stimulated and flow tested.

3.1. ATP 2037 and ATP 2038 Interests

The first terms of both Authority to Prospect 2037 and 2038 commenced on 1 January 2019 and will expire on 31 December 2024. The current working interest is listed in Table 5. Cypress Petroleum Pty Ltd (Cypress), a wholly owned subsidiary of Luco Energy Pty Ltd (Luco), which has changed its name to Omega Oil & Gas Limited on 19 May 2022, is the Operator and 100% Licence holder. TAG Oil Ltd (TAG), sold Cypress to Luco. TAG holds a 3% overriding royalty interest (ORRI) on the Gross Proceeds in Australian dollars from all liquid petroleum products produced or recovered.

Table 5: ATP 2037 and ATP 2038 Interests

Company	Contributing Interest
Cypress Petroleum Pty Ltd (Operator)	100%
Total	100%

TAG holds a 3% ORRI on the Gross Proceeds in Australian dollars from all liquid petroleum products produced or recovered.

3.2. ATP 2037 and ATP 2038 Government Work Programs

The Initial Work Programs (IWP) for the first 4 years of the initial 6-year term of each permit is summarised in Tables 6 and 7.

There is a minimum partial relinquishment of 8.33% per year of the original sub-blocks in each permit, required on 31 December 2022 and each year thereafter. A permit can be relinquished at any time.

The Company has completed the Year 1 seismic reprocessing in both ATP 2037 and 2038. The Year 2 to 4 program will be complete by Dec 2024.



Table 6: ATP 2037 Work Program

Permit Year	Year End Date	Proposed Work	Indicative Cost (A\$)
1	31 Dec 2019	127km of 2D and 32km ² of 3D Seismic Reprocessing Airborne Transient Electromagnetic Survey Geological and Geophysical Studies	252,000
2	31 Dec 2020	Finalise Reprocessing 20km of 2D Seismic Acquisition Geological and Geophysical Studies	700,000
3	31 Dec 2021	Geology, geophysics and Engineering Studies	250,000
4	31 Dec 2024	Drill One (1) Well	2,100,000
TOTAL Indicative Expenditure			3,302,000

Table 7: ATP 2038 Work Program

Permit Year	Year End Date	Proposed Work	Indicative Cost (A\$)
1	31 Dec 2019	253km of 2D and 70km ² of 3D Seismic Reprocessing Airborne Transient Electromagnetic Survey Geological and Geophysical Studies	379,000
2	31 Dec 2020	30km of 2D Seismic Acquisition	950,000
3	31 Dec 2021	Geology, geophysics and Engineering Studies	300,000
4	31 Dec 2024	Drill One (1) Well	2,100,000
TOTAL Indicative Expenditure			3,729,000

3.3. ATP 2037 and ATP 2038 Forward Program

Omega plans to execute a two (2)-well exploration program in 2022, one (1) in each of ATP 2037 and ATP 2038 (Table 8, Figure 4). These are to be focused on the Kianga Formation with drilled depths expected to be 3200 to 3500m. The wells are planned to be vertical, fracture stimulated and then production tested for 90 days to determine if economic gas flows can be achieved.



Table 8: Omega’s Proposed Work Program in ATP2037 and ATP2038 During 2022

Project	Permit	Work Program	Indicative Cost
Test Kianga Gas Resource	ATP2037	Drill, case, one well up to 4000m. Fracture stimulate and flow test the Kianga Formation	\$9,500,000
	ATP2038	Drill, case, one well up to 4000m. Fracture stimulate and flow test the Kianga Formation	\$9,500,000
Total Proposed Expenditure			\$19,000,000

Omega is well advanced towards the commencement of drilling of the two wells by February 2023.

The drilling of the exploration wells, excluding fracture stimulation and production testing as shown in Table 8, exceeds the government Proposed Work Commitments in Tables 6 and 7.

3.4. ATP 2037 and ATP 2038 Exploration History

Omega (previously as Luco Energy Pty Ltd) acquired exploration tenements ATP 2037 and 2038 as part of the purchase of Cypress from TAG Oil in October 2020. Luco was renamed Omega on 19 May 2022. These permits overlie the flanks of the Taroom Trough, to the south of PL 17 (Figure 1). The primary target is deep gas within the Permian Kianga Formation (Figure 3).

To date, only one well has been drilled through the Permian in ATP 2037 or 2038. Sussex Downs-1 was drilled in 1966 to test a conventional structural closure west of the Moonie Oil Field, in what is now the southern limit of ATP 2038. In this location, the Kianga Formation (140m) and Back Creek (308m) were encountered overlying basement.

In 2011 and 2012, BG (QGC) conducted a 4-well deep exploration drilling campaign targeting thickened Triassic and Permian gas in the deep Taroom Trough (Figure 4). Figure 4 also shows the location of BG’s deep exploration wells of Fantome-1, Daydream-1 and Tasmania-1.

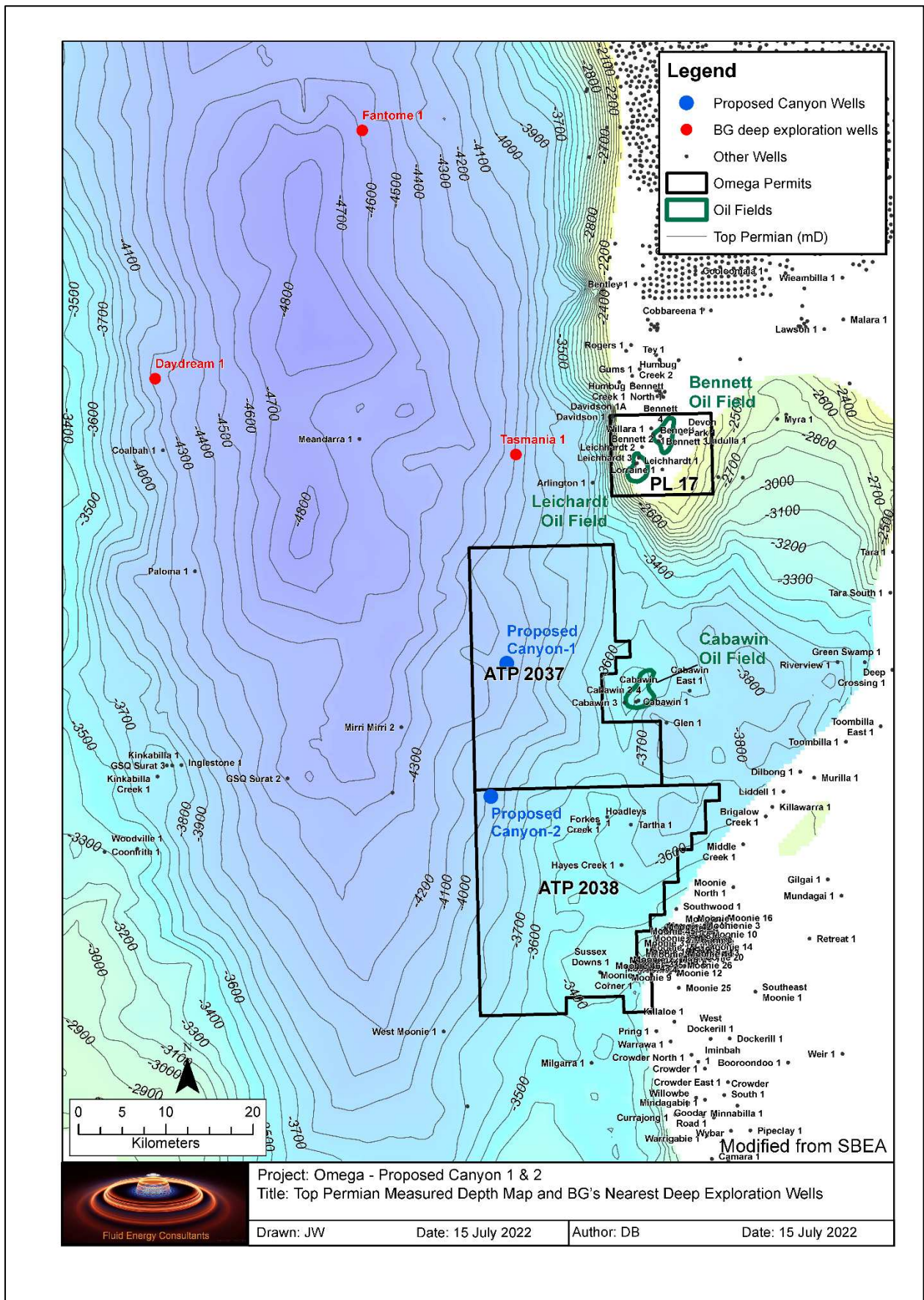


Figure 4: Top Permian Depth Map and BG's Nearest Deep Exploration Wells



These wells were designed to test the limits of overpressure in various parts of the basin, based on the thesis that the existence of overpressure in a well was a pre-cursor for high gas saturations. This premise held in that, all wells confirmed the presence of overpressures below 2500m and successfully proved movable hydrocarbons post-fracture stimulation from the Permian Kianga Fm and Back Creek Group.

- **Daydream-1** was located on the western flank of the Trough, where the primary targets were the Permian Kianga Formation and underlying Back Creek Group. The well which intersected Top Kianga at 3592.5m MD, penetrated 518m of Permian interbedded coals, sandstone, siltstone, claystone and tuff. The presence of over-pressuring was confirmed, starting at around 2500m and increasing markedly at the top of the Kianga Formation (Figure 5). A normal water gradient (0.43psi/ft) is interpreted down to a depth of about 2500 to 2700m. Below that depth there is a significant increase on the formation over pressure.

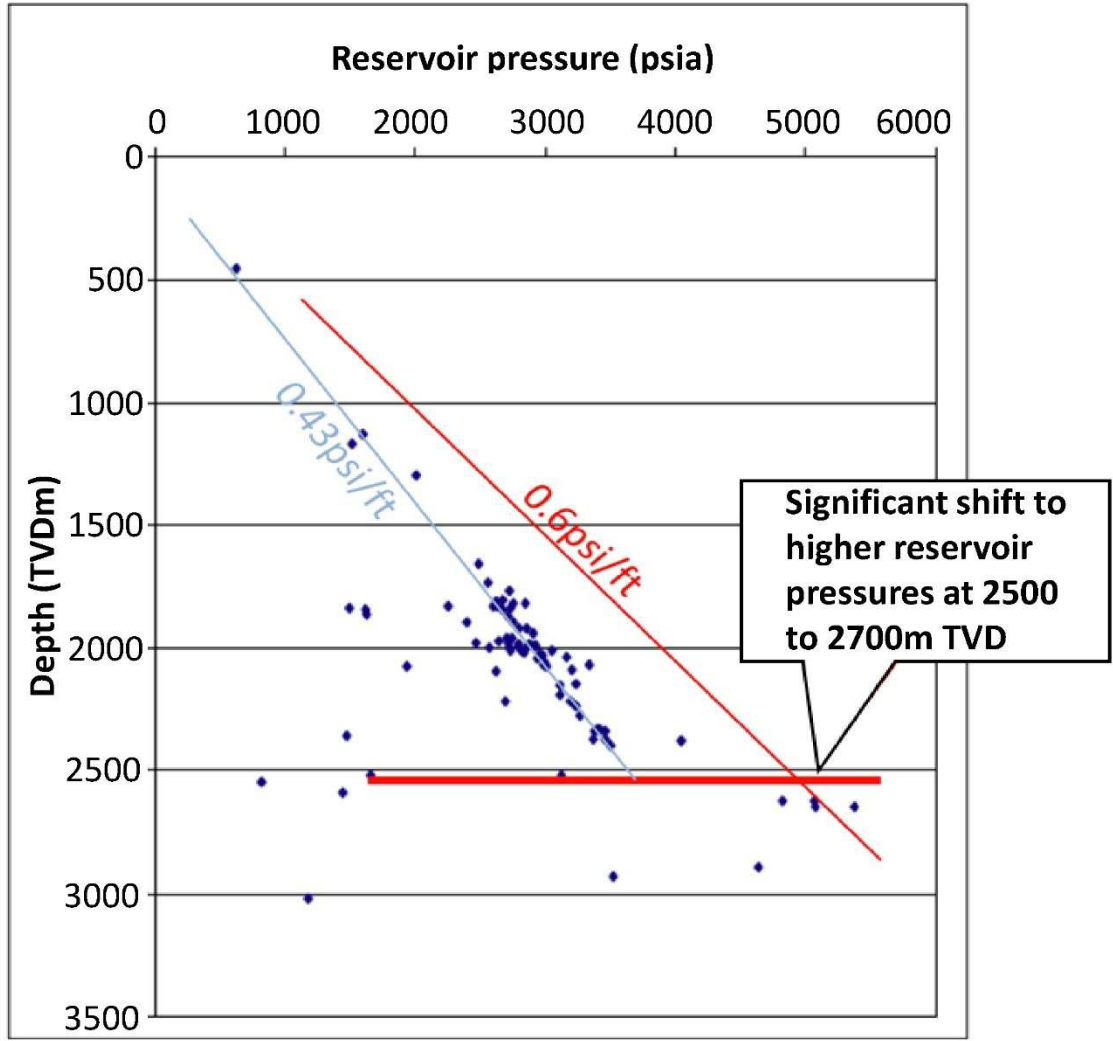
Three zones (3839-3879m Kianga Fm; 3940-3984 and 4026-4078m Back Creek Group) were selected for testing based on petrophysical analysis. When fracture stimulated and tested together, the well flowed gas to surface at peak rates of 3 MMscfd. Review of the fracture stimulation of Daydream-1 by RPS concluded that the best reservoir quality was developed within the Kianga Formation. Petrophysical interpretations also indicated that the highest gas saturations and potentially higher porosities were within the Kianga Formation.

- **Fantome-1** was located in the north, along the central axis of the trough. The primary objective of the well was to confirm the presence of tight gas within the Early Triassic. The Permian Kianga Formation was secondary objective. Triassic sandstones and siltstones of the Lower Rewan were penetrated but not tested. Being deeper within the basin, the Kianga Formation was intersected some 500m deeper than in Daydream-1. Three zones (3940-3985m, 4400-4408m and 4456-4484m) were tested post-fracture stimulation and flowed gas to surface at very low rates.

- **Tasmania-1** was located on the eastern flank, approximately 10 km north of ATP 2037, in what was thought to be an optimal location to prove the existence of a pervasive gas accumulation in a reservoir capable of delivering at commercial rates. The Permian Kianga Formation and Back Creek Group were the primary targets. The Triassic Rewan Formation was a secondary objective.

Tasmania-1 drilled through 991m of Triassic overlying approximately 977m of Permian. Top Kianga was intersected at 3646m RT, approximately 50m deeper than in Daydream-1. Despite significant drilling problems which provided a challenging environment for testing (ERD 2021), two zones (3896-3911m Kianga Formation; 3929-3960 Kianga Formation and Back Creek Group) were selected for testing based on petrophysical analysis. When fracture stimulated and tested together, the well flowed gas to surface at peak rates of 0.2 MMscfd

The presence of over pressuring was confirmed, starting at around 2500m and increasing markedly at the top of the Kianga Formation (Figure 5).



Based on Bowen and Surat basins



Project: Omega Independent Technical Report			
Title: Reservoir pressure vs Depth plot based on well data			
Drawn: JW	Date: 26 May 2022	Author: DB	Date: 26 May 2022

Figure 5: Overpressure in the Bowen Basin (Extracted from Petrel Robertson 2014)



Wells of the Cabawin Field (PL1) located adjacent to ATP 2037 (Figure 4) provide further offset reservoir information.

- **Cabawin-1**, drilled in 1961, flowed gas at 0.534 MMcf/d and 62 barrels (bbl) condensate per day on test from the Kianga Formation, which is equivalent to 116bbl condensate/MMcf. An oil column was also noted in the Back Creek Group.
- **Cabawin-2**, drilled in 1963, flowed 0.2mmcf/d and a 27m column of 51o API oil from the Kianga Formation. Overpressures increased at top Permian. There were indications of condensate production during testing at both Tasmania-1 and Daydream-1. However, since none of the samples could be taken under stabilised flowing conditions, only rough estimates of the Condensate Gas Ratio (CGR) could be determined. These ranged from 10 to 80 bbl condensate/MMscf of gas. Condensate remains a consideration and obtaining good PVT samples is one of the objectives of the 2022 exploration program.

3.5. ATP 2037 and 2038 Prospective Resource

A geological model was constructed using a revised mapping of the Permian Kianga Formation. The gas in place (GIP) over the tenement area is estimated in this static model.

It is believed that the Kianga Formation is gas-charged in all wells in what is regarded as a basin centred gas play (Figure 6). The gas is hydro-dynamically trapped resulting in a pervasive gas field that is not controlled by structure and gas-water-contacts. Overpressure of the reservoir is a result of the trapping mechanism and is also an important parameter that can assist by improving gas flow rates.

The reservoir is the main risk, because of significant layers of tuff and the Kianga sandstones contain a very high proportion of volcanic grains that may weather to clay. Fracture stimulation has been carried out on Daydream-1, Tasmania-1 and Fantome-1. However, the stimulation was not carried out immediately after drilling and was instead performed many months following the suspension of the well. Exploration is inherently risky and there is no guarantee that the proposed work will be successful.

Figure 7 includes the Top Kianga Formation depth map and Figure 8, the Kianga thickness map. Mapping shows that the Kianga is continuous across ATP 2037 and 2038 and can be mapped from Tasmania-1 (BG gas discovery well) into ATP 2037. The Top Kianga depth map shows that the top of the target formation is between 2,900 to 3,600m below ground level (GL), and is deepest in the West. The thickness of Kianga is up to 300m in ATP 2037 and 150 to 250m in ATP 2038.

A single-well dynamic simulation of the geological model was run and this provided estimates of gas volume and rate that could be produced. Production forecasts on a one-well model have been estimated based on single well fracture stimulation model developed by Condor Energy (2021). The low and mid case models were based on reservoir qualities seen in Tasmania-1 and Daydream-1 respectively. The high case is based on the Daydream-1 reservoir quality, though applied to a with a thicker reservoir (Figure 9). Parameters are included in Appendix 2.

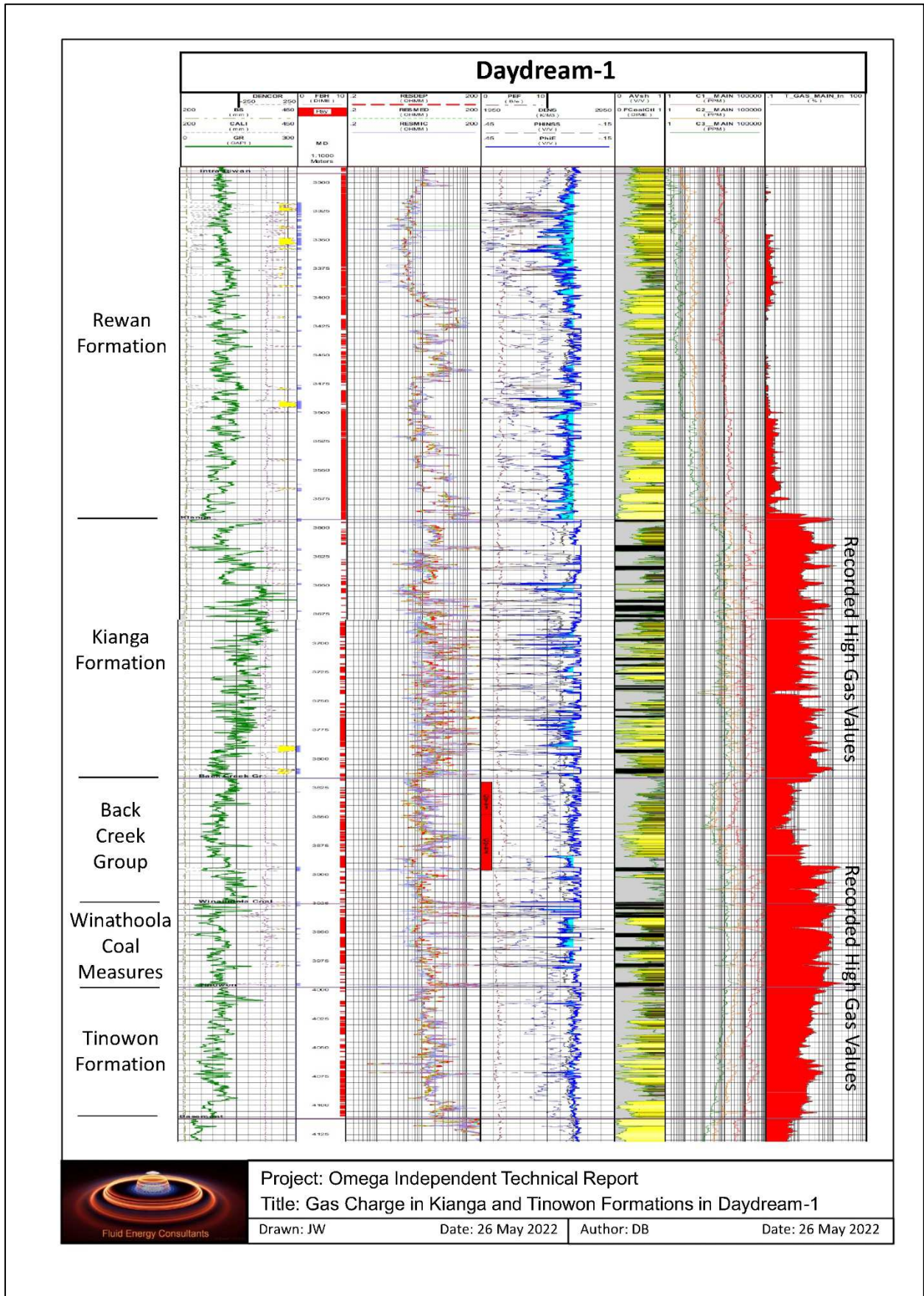


Figure 6: Gas Charge in Kianga and Tinowon Formations in Daydream-1

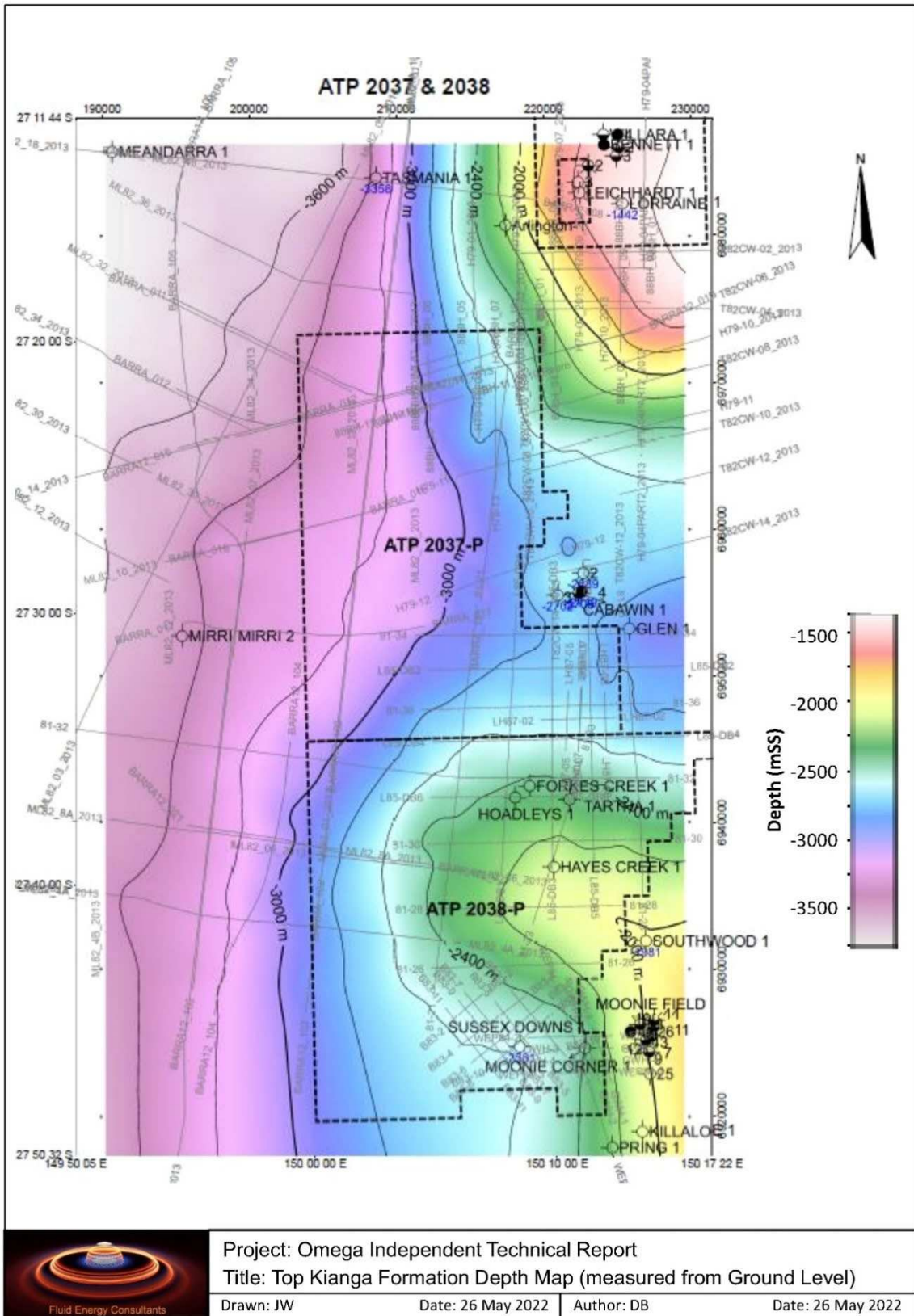


Figure 7: Top Kianga Formation Depth Map (measured from Ground Level)

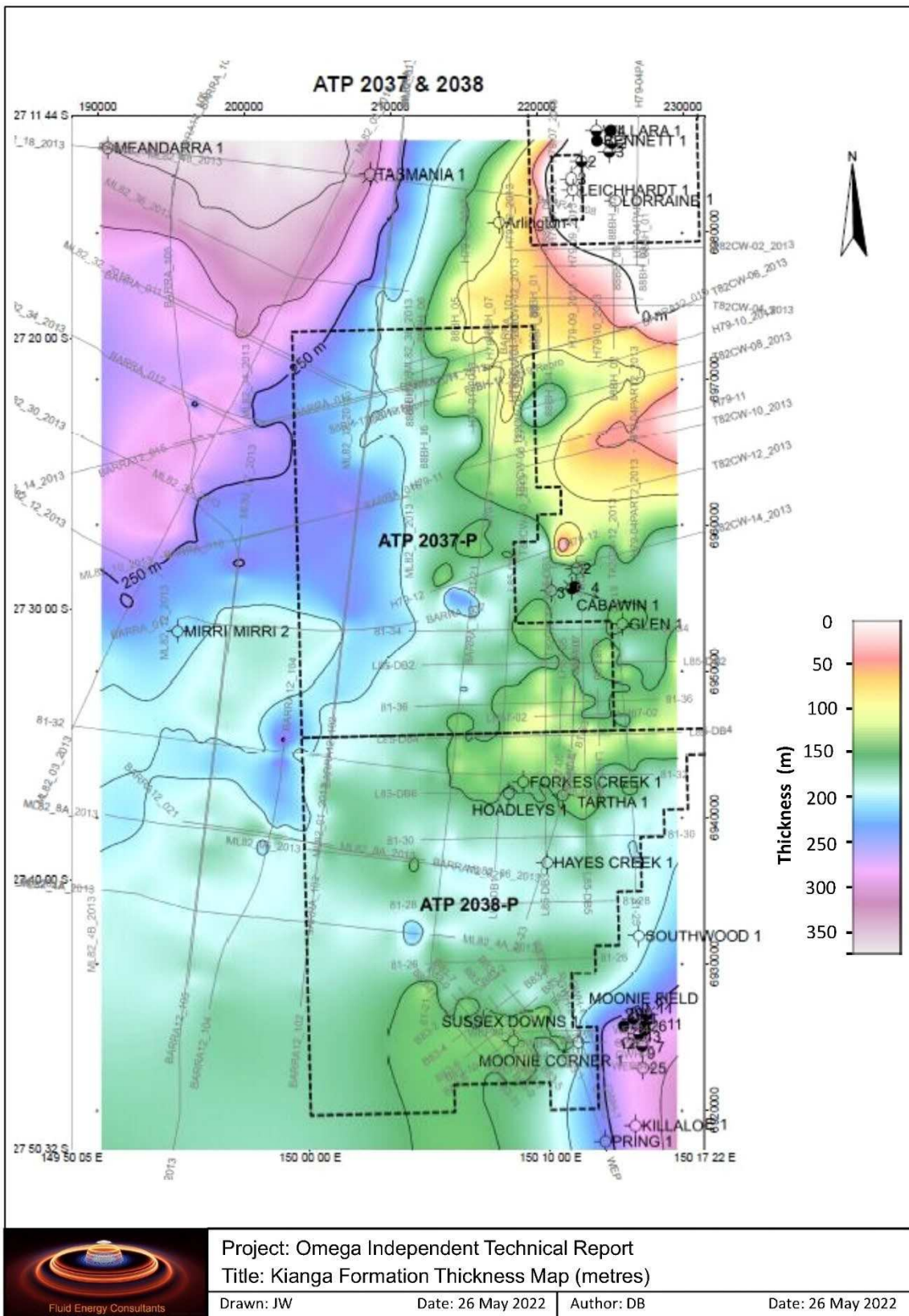


Figure 8: Kiangia Formation Thickness Map

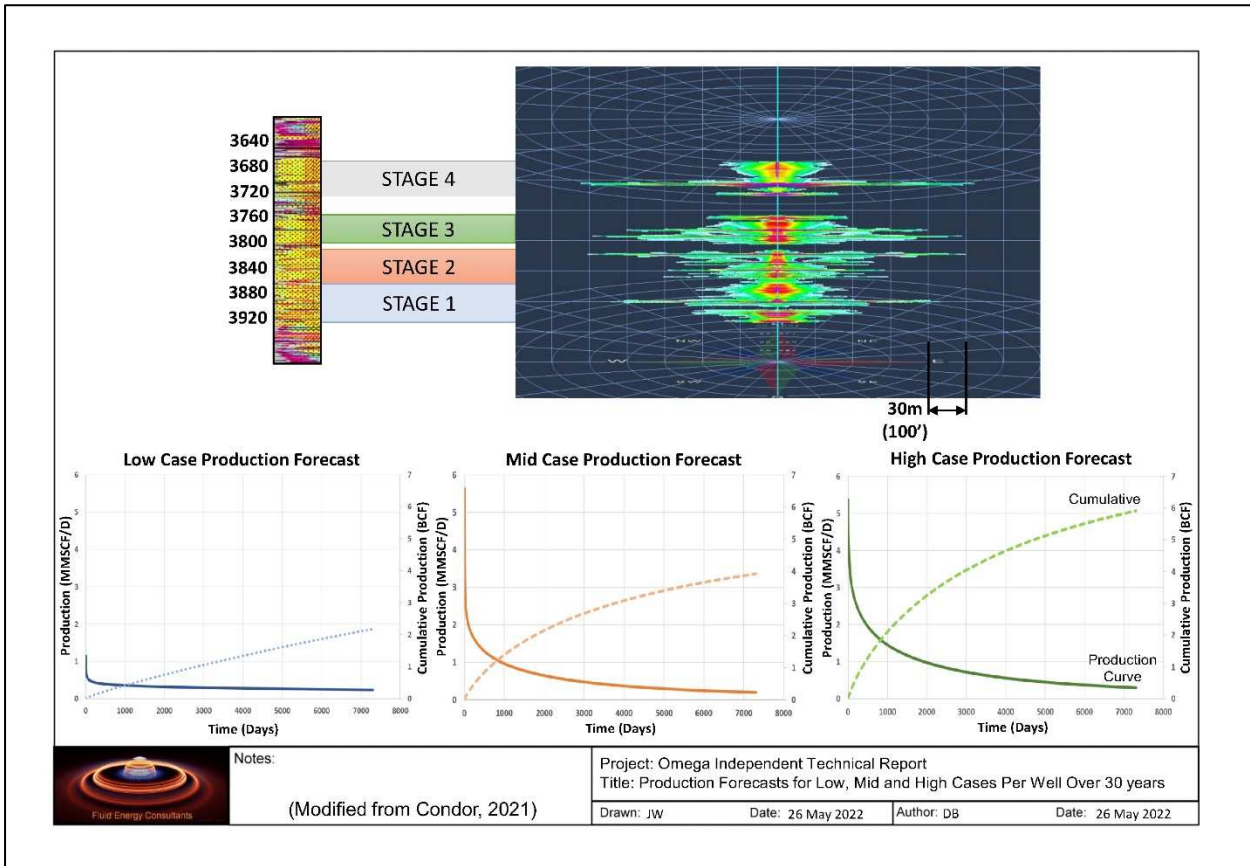


Figure 9: Production Forecasts for Low, Mid and High Cases Per Well Over 30 years (Modified from Condor, 2021)

The modelled gas recovered from the one-well model is compared to the GIP within the single well model's drainage radius and a recovery factor is determined. The recovery factor is applied to the tenement/project-wide GIP to obtain the Prospective Resources.

The entire area of the permits (1012 km²), could be developed if exploration is successful. However, for the purposes of the Prospective Gas Resource estimate, the successful area has been discounted by 50% to 506km² to account for surface limitations and potential subsurface hazards. Prospective Resources are presented in Table 1 and Table 9. There are liquid hydrocarbons dissolved in the gas in the subsurface. As the gas is produced and experiences lower pressure and temperature, oil drops out and some gas condenses to condensate.

Table 9: Omega's Calculation of Prospective Gas and Oil Resources after Adjusting for the 3% TAG Royalty on Liquid Hydrocarbons

Project Name	Classification	Peta-Joules		
		1U	2U	3U
ATP 2037 and 2038	Prospective Gas Resource	1,700	3,000	4,600
		Million Barrels		
ATP 2037 and 2038	Associated Prospective Oil Resource (80bbbls oil/mmcf gas)	132	233	357



The main risk is reservoir quality and the ability to achieve a minimum flow rate that will encourage further drilling appraisal or even development. In unconventional resources it often takes several rounds of drilling and pilot production to achieve confidence that development can proceed, because these developments are usually large scale. This has been the case in Australian and USA CSG and in USA Shale Gas. Once the Resource is discovered, meaning that minimum flow rates are achieved, the chance of development is high. Omega has assessed the chance of an unconventional Kianga discovery as being 36% and Fluid is in agreement with Omega’s assessment.

The thin sandstones, having a considerable volcanic lithic content can be difficult to identify on wireline logs. So, unlike BG’s fracture stimulation strategy of selective-targeting, Omega’s plan to fracture stimulation the entire Kianga Formation (Figure 10). This will ensure that all sandstones, including those that cannot be resolved with petrophysics, will be addressed and should increase the chance of a commercial success. Fracture stimulation model input parameters are included in Appendix 2.

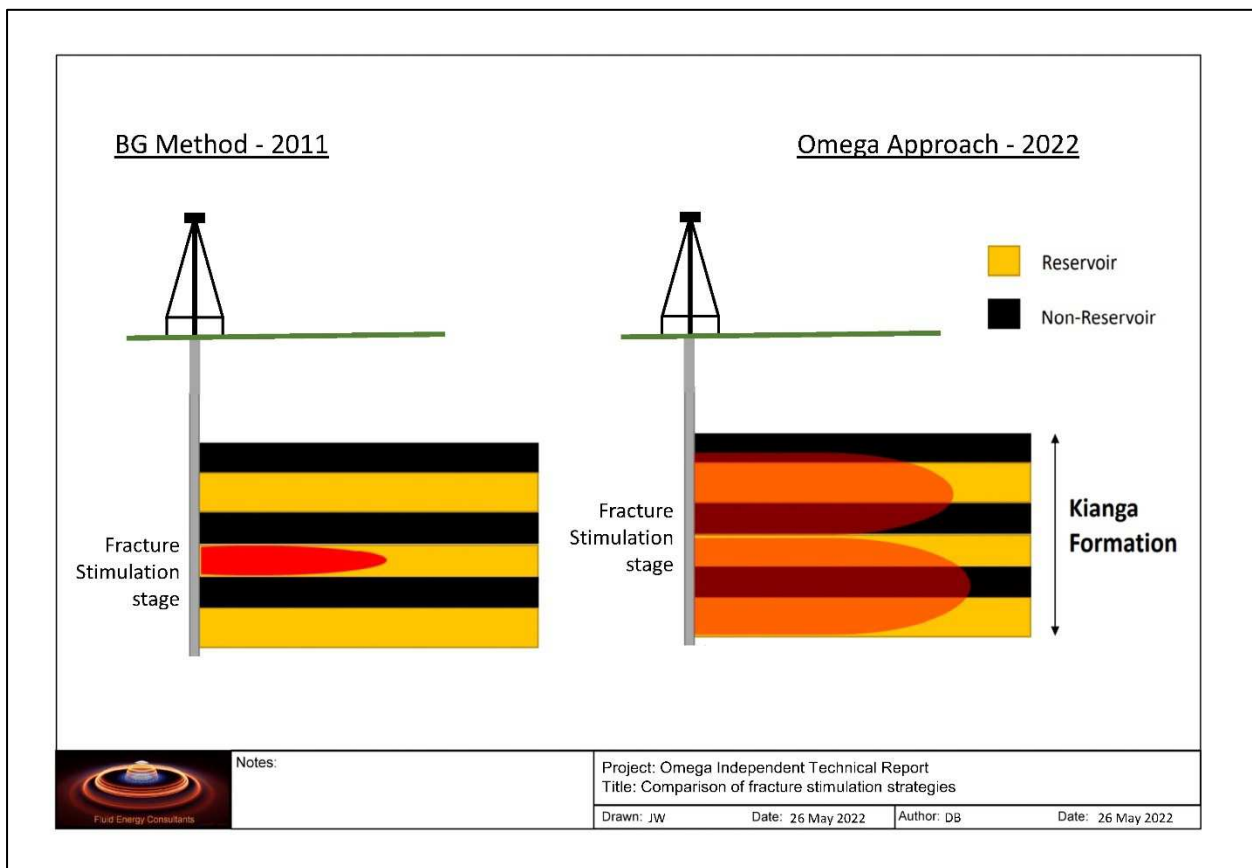


Figure 10: Comparison of fracture stimulation strategies: a) BG 2011 and b) Omega 2022

4.0. PL 17

4.1. PL 17 Interests

The current term of PL 17 was granted on 13 April 1978 and expires on 29 February 2040. The current working interests are listed in Table 10. Cypress Petroleum Pty Ltd, a wholly owned subsidiary of Luco Energy Pty Ltd, which has changed its name to Omega Oil & Gas Limited on 19 May 2022, is the Operator and 100% licence holder.



Table 10: PL 17 Interests

Company	Contributing Interest
Cypress Petroleum Pty Ltd (Operator)	100%
Total	100%

TAG holds a 3% ORRI on Gross Proceeds in Australian dollars from all liquid petroleum products produced or recovered.

4.2. PL 17 Government Work Program

The approved PL 17 Later Development Plan (LDP) is presented in Table 11. It is focused on the development of remaining oil resources in the permit. Omega aims to re-establish oil production by trialling innovative pumping solutions to further optimise oil production from the existing wells.

Table 11: PL 17 Later Development Plan (approved)

Year Commencing	Subsurface Activity	Other Proposed Activities
2020	Drill a well to the Upper Precipice to test geologic model	Continue production from Bennett-1 and Bennett-4 wells, rework of geological understanding and seismic reinterpretation
2021	Contingent reinstatement of production from Leichhardt-1 (Precipice Fm.). Contingent assessment of interpreted by-passed pay in Bennett-4. Contingent workovers of producing wells. Update geological model based on recent drilling.	Continue production from Bennett-1 and Bennett-4 wells, rework of geological understanding and seismic reinterpretation, assess water-flood potential
2022, 2023 and 2024	Contingent on success - Drill a well or wells	Continue production from Bennett-1 and Bennett-4 wells

4.3. PL 17 Exploration History

Omega (previously as Luco) acquired PL 17 as part of the purchase of Cypress Energy from TAG Oil in October 2020. Luco was renamed Omega on 19 May 2022. PL 17 covers an area of 105 km² overlying the Mimosa Syncline and the Taroom Trough of the Surat and Bowen Basins respectively. The Petroleum Lease contains the Bennett and Leichhardt oil fields, discovered by the Union Oil Development Company (Union Oil) in the mid-1960s, following their discovery of the Moonie Oil Field to the south.



- October 1965, **Bennett-1** was drilled to a total depth of 1744m, recording oil shows in the Hutton and Precipice Sandstones. A test over the thick basal Precipice Sandstone recovered only 30m of mud and 1575m of fresh water. However, a well test over the interval 1625-1632m MD within the thinner Upper Precipice Sandstone flowed gas to surface and recovered 1,311m of 43° API oil in the drill pipe. Bennett-1 was completed as an oil producer from the Upper Precipice 56-4 Sand.
- December 1965 and April 1970, appraisal wells **Bennett-2 and -3** were drilled by Union Oil to the east and southeast of the discovery well respectively. Neither well encountered the Upper Precipice sandstone which was oil-bearing in Bennett-1. Despite numerous tests of encouraging oil shows recorded while drilling, these wells failed to flow significant hydrocarbons and were plugged and abandoned.
- February 1966, **Leichhardt-1** was drilled by Union Oil to a total depth of 1883m MD on a separate feature approximately 4 km to the southwest of Bennett-1. The well recorded oil shows in the Hutton and Precipice Sandstones. Formation test #3 (1676-1680m) over the Precipice Sandstone recovered approx. 30m of light oil. Formation test #6 (1,537-1540mMD) over the basal Hutton Sandstone was the most successful, producing gas to surface at 5-6 MMscf/d. Between 2005 and 2015 when this well was shut-in, Leichhardt-1 produced approximately 19,000 bbls of oil from the Precipice Sandstone.
- March 1966, **Leichhardt-2**, was drilled approximately 2km to the northeast of Leichhardt-1, to a total depth of 1763m. Multiple formation tests were conducted without producing significant hydrocarbons. The gas-producing sandstone intersected in Leichhardt-1 was present, but water-filled in Leichhardt-2. The well was plugged and abandoned.
- April 1970, **Leichhardt-3** was drilled by Union Oil approximately 700m to the northeast of Leichhardt-1. No significant hydrocarbons were recorded, and the well was plugged and abandoned.
- May 1970, **Bennett-4** was drilled by Union Oil to the northeast of Bennett-1. Strong oil shows were encountered in the upper Precipice Sandstone. A test over the interval 1615-1620m recovered 991m of 43° API oil. Bennett-4 was completed as an oil producer.
- 2008, **Ludwig-1** was drilled as a CSG exploration well by Santos. Unlike the conventional wells in PL17, this well acquired a reasonable CSG dataset including core and density logs over the Walloon Coal Measures. This is the primary target for coal seam gas in fields situated on the Undulla Nose to the north.



4.4. PL 17 Oil Resources

The Bennett Oil Field was shut-in in March 2019, due to very low oil prices. ERCE (2019) determined the future oil production volume. The original classification of all volumes as Contingent Resources was based on continuing oil price uncertainty. Since then, changing macro-economic conditions has caused the oil price to steadily increase, to above \$US80/bbl. And Omega has committed to restart Bennett-1 and Bennett-4 oil production. When re-starting Bennett-4, the by-passed pay interval will be completed.

Omega carries a 2P Oil Reserves position of 130,113 bbl of oil, as presented in Table 2 and Table 12.

The Bennett Contingent Resources require more work on geophysical structure mapping, location of appraisal wells and detailed planning and budgeting of a forward strategy and will require the drilling of the new wells before a Reserve in the Dev-A and Dev-B areas can be determined.

SPE PRMS, 2018 describes its unclarified classification as being a discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.

Table 12: PL17, Omega’s Net Oil Reserve and Contingent Resource Summary Adjusting for the 3% TAG Royalty on Liquid Hydrocarbons (Volumes by ERCE, 2019)

Project Name	Classification	Sub-classification	1P (BBL Oil)	2P (BBL Oil)	3P (BBL Oil)
Bennett-1 and Bennett-4	Reserve	Approved for development	52,213	90,307	131,289
Bennett-4 Bypassed Pay	Reserve	Approved for development	11,650	39,806	73,786
Total Oil Reserve			63,863	130,113	205,076
			1C	2C	3C
Dev-A (Infill)	Contingent Resource	Development unclarified	66,019	436,893	1,343,689
Dev-B (Infill)	Contingent Resource	Development unclarified	22,330	245,631	1,013,592
TOTAL Contingent Oil Resource			120,388	723,301	2,421,359

4.4.1. Bennett-1 and Bennett-4

Bennett-1 and Bennett-4 production history is poorly documented, making it difficult to estimate the total amount of production from the wells to date. Using various historical sources and the production database from the Queensland government, it is estimated that a total of 279,547 bbl of oil has been produced from Bennett-1 and 64,476 bbl from Bennett-4.

Historical production decline curve analysis was used to determine the remaining oil reserves within combined Bennett-1 and Bennett-4 (Figure 11).

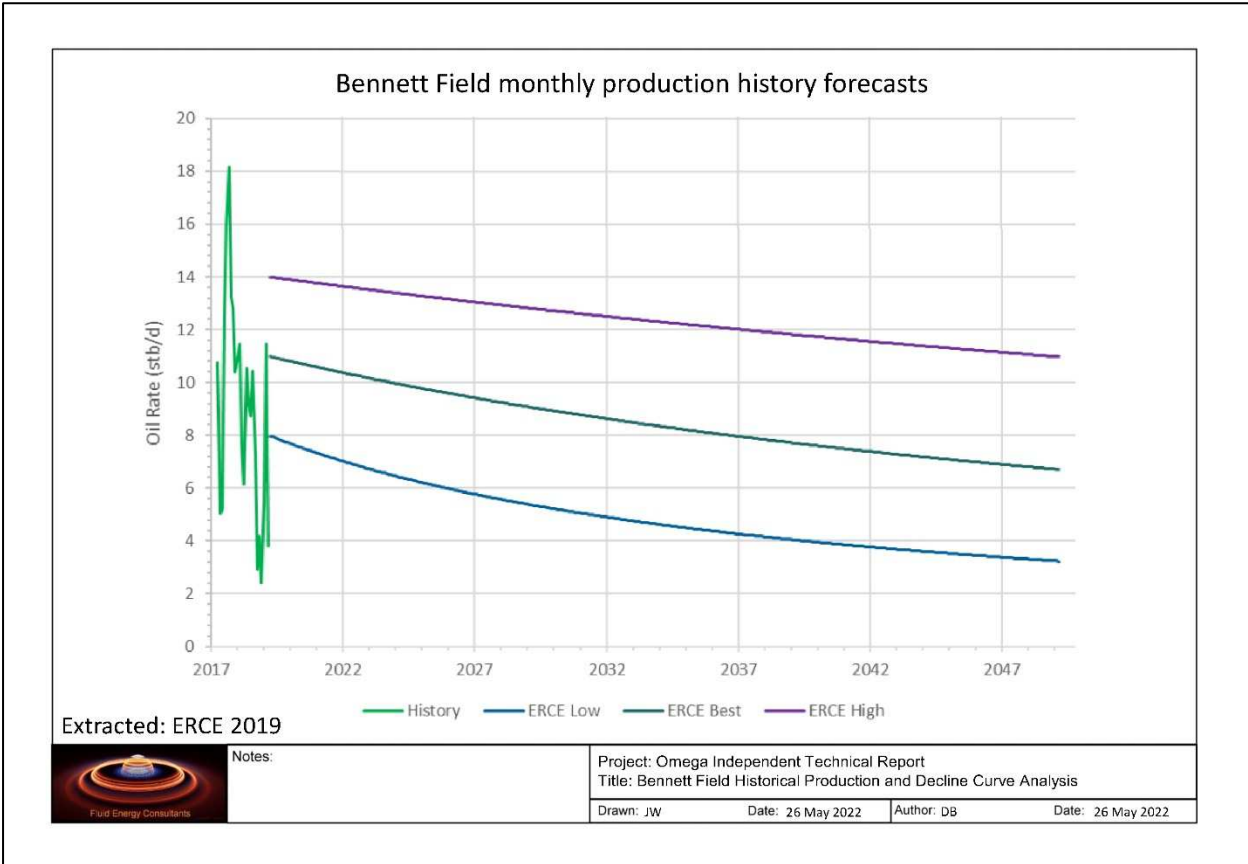


Figure 11: Bennett Field Historical Production and Decline Curve Analysis (Extracted from ERCE, 2019)

The operating efficiency of the Bennett wells has historically been poor. Between 2005 and June 2019, the Australian Government records show Bennett-1 to have been producing for 9 out of 15 years, and Bennett-4 to have been producing for 5 out of 15 years. From 2017 to 2019, both wells experienced periods of down time. These were mainly due to surface equipment failures and replacement of the failed equipment.

Omega’s reinstatement program will involve optimizing the performance of the surface equipment to improve uptime, resulting in an increase in average daily production. The performance from the Bennett Oil Field has been hampered by the inability to run the surface equipment for extended periods of time. Omega forecasts an average daily production of 10-20 BOPD. Work had begun on repairing the surface infrastructure at the time of writing.

4.4.2. Bennett-4 Bypassed Pay

Petrophysical Analysis of the Bennett wells identified the potential for bypassed pay in a shallower zone within the Upper Precipice Sandstone in Bennett-4 (1607-1611m MD) (Figure 12). Though this zone is known to contain oil it has not previously been not completed and produced.

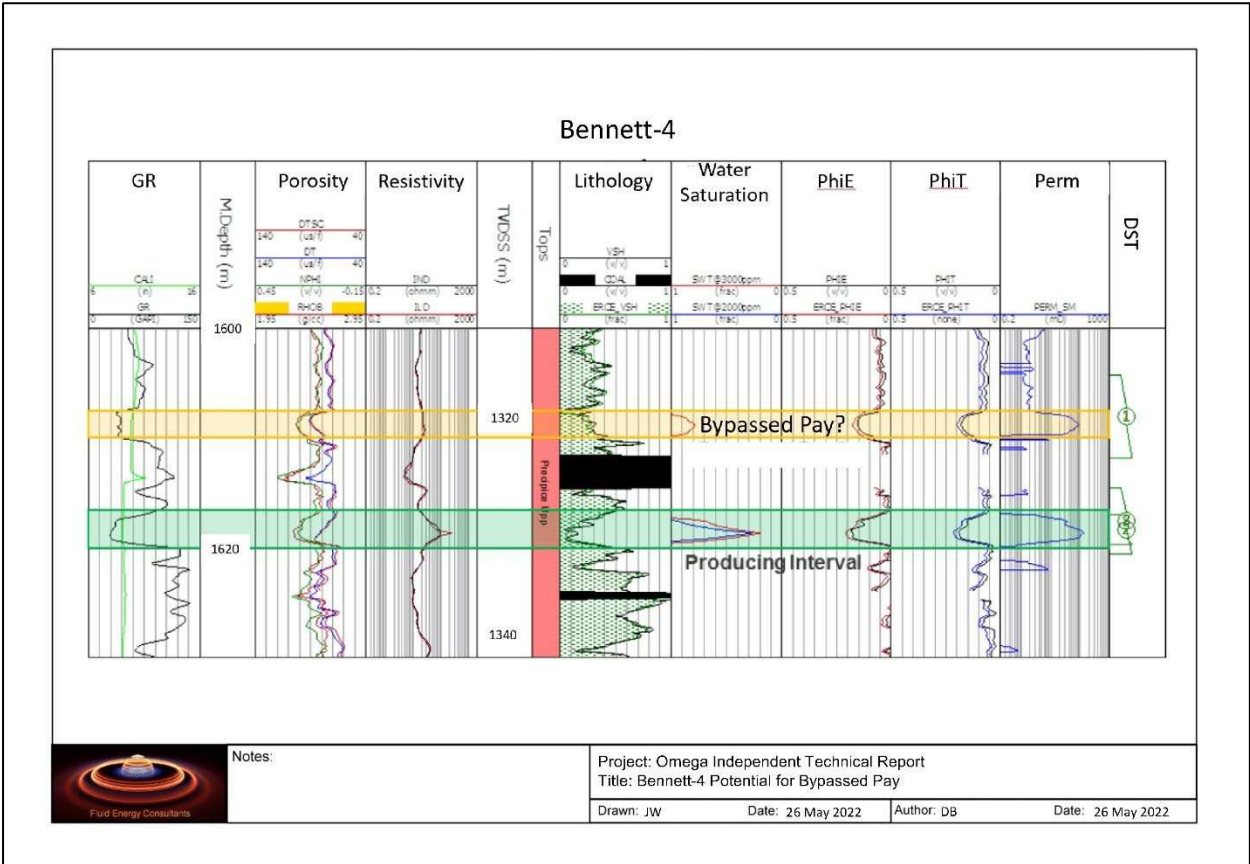


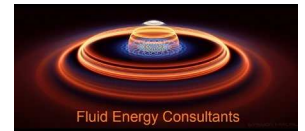
Figure 12: Bennett-4 Potential for Bypassed Pay

The reservoir quality over the “bypassed pay” interval is poorer than in the producing interval.

The interval was subject to a drill stem test (DST) when the well was drilled in 1970. The results of this test are ambiguous with the well completion report and drilling report suggesting 40 m of clean oil and 15 m of fresh water from the drill pipe, while the drill stem test report of the testing company suggesting these values are the reverse being 15 m of oil and 40 m of water.

In contrast, when the lower producing interval was drill stem tested, 991 m of oil was recovered from the drill pipe.

It is likely that the bypassed pay interval will not produce at the same rates as the existing producing interval has in the past. However, as an In-Well-Bore (IWB) opportunity, it is commercially viable at the current oil price and will be recompleted and any influx will be included in the production stream. Omega plans to complete this zone.



4.4.3. Contingent Upside Development Around Bennett-1 and -4

The Brigalow 3D Seismic Survey was acquired in 2017 over the Bennett and Leichhardt fields. Mapping of this new dataset shows that at the producing Upper Precipice Sandstone level, Bennett-1 and Bennett-4 intersected separate pools due to fluvial facies changes (Figure 13).

ERCE extracted seismic amplitude data from the seismic over the Bennett-1 and Bennett-4 sandstone reservoirs. Based on seismic mapping including isopach mapping, ERCE has identified apparently isolated bodies in Bennett-1 and Bennett-4 (Figure 13). These are the basis then for low-side oil volume calculations identified as the red-dashed polygons on Figure 13. The high cases are bounded by the green-dashed polygons

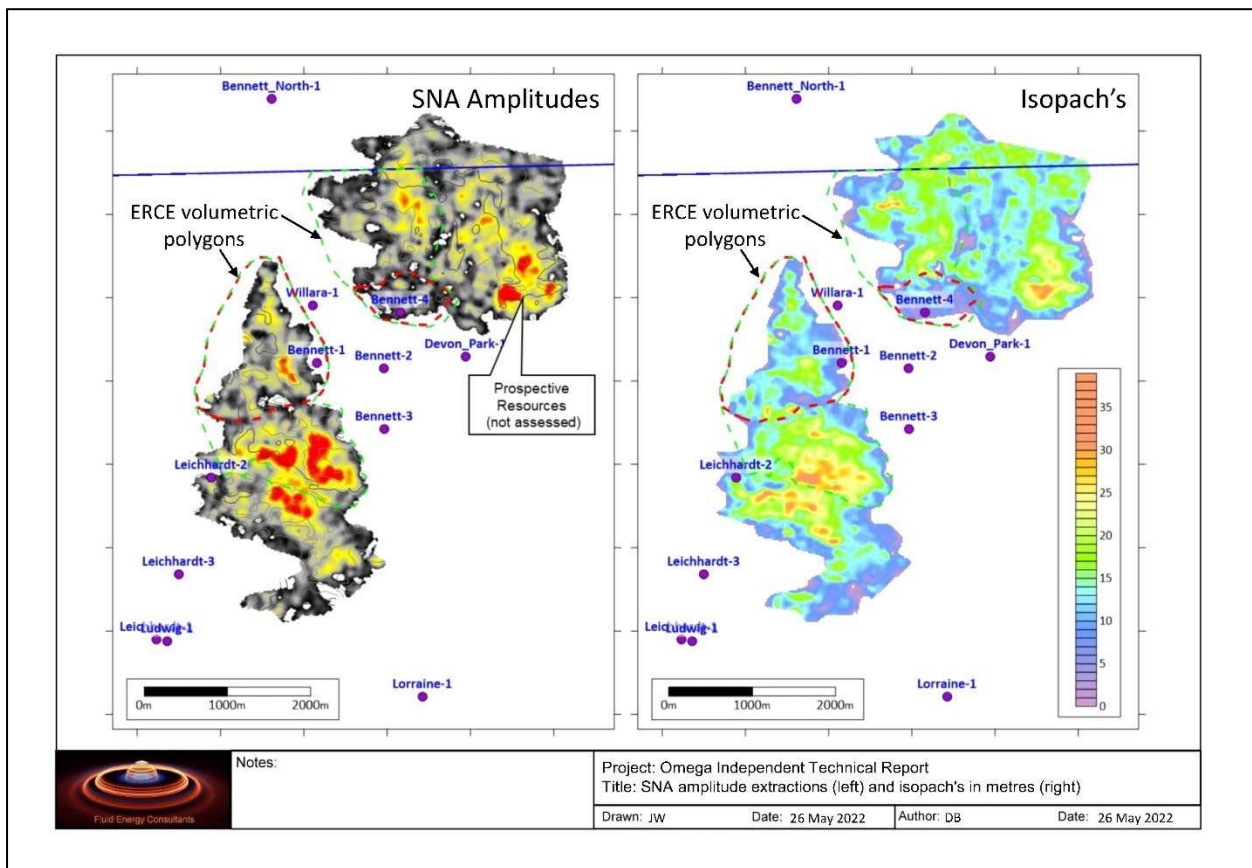


Figure 13: SNA Amplitude Extractions (Left) and Isopach (m) (Right) showing ERCE's volumetric Polygons (Extracted from ERCE, 2019)

4.5. PL 17 Coal Seam Gas Potential

PL 17 lies on trend with the plunging Undulla Nose, a 'sweet spot' for coal seam gas (CSG) production from the Walloon Coal Measures (WCM) (Figure 14).

In 2018, RISC reviewed the CSG potential of PL17 for TAG, and produced a probabilistic estimate of CSG resources in the permit (Table 4 and Table 14). Only one dedicated CSG well, Ludwig-1, has been drilled in the PL. Nearby conventional and offset CSG wells were used to supplement the data set where possible. Figure 15 shows the location of Ludwig-1 on a depth structure map at the top of the WCM.

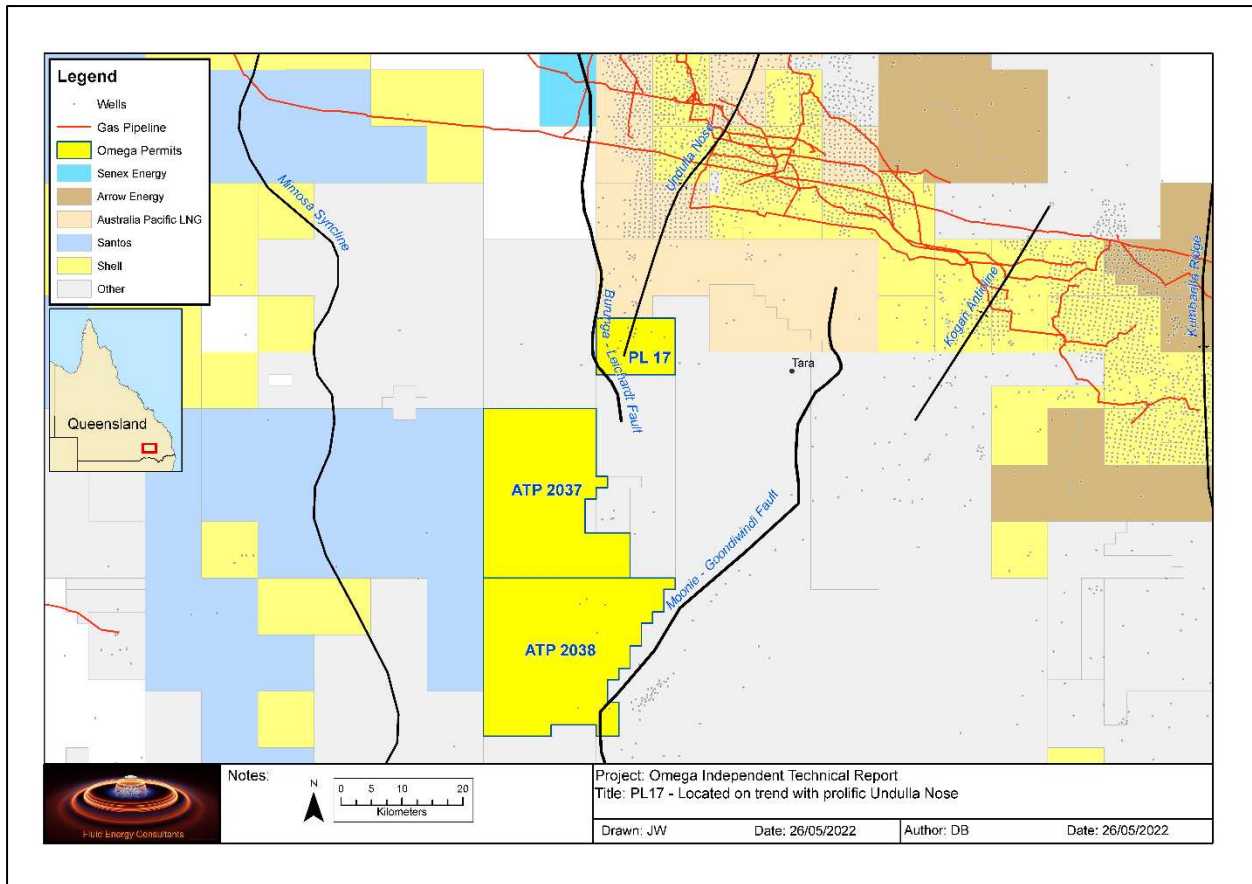


Figure 14: PL 17 is located on trend with prolific Undulla Nose

RISC notes that the actual recovery will depend on the development undertaken and coal properties, given that the Walloon Coal Measures are located at 900–1300m below ground level, which is deeper than any CSG fields are currently producing from. The permeability of the coal is the main concern.

Table 14: Probabilistic Volumetric Estimate, Gas-in-Place & Recoverable Gas, PL17 (RISC, 2018)

P90	1U (P90)	P50	2U (P50)	P10	3U (P10)
OGIP (BCF)	UR (PJ)	OGIP (BCF)	UR (PJ)	OGIP (BCF)	UR (PJ)
313	50	467	191	640	342

The main risk is reservoir quality and the ability to achieve a minimum flow rate that will encourage further drilling appraisal or even development. In unconventional resources it often takes several rounds of drilling and pilot production to achieve confidence that development can proceed, because these developments are usually large scale. This has been the case in Australian and USA CSG and in USA Shale Gas. Once the Resource is discovered, meaning that



minimum flow rates are achieved, the chance of development is high. Omega has assessed the chance of of a CSG discovery as being 18% and Fluid is in agreement with Omega’s assessment.

1.1. PL 17 Proposed Forward Program

Omega’s proposed 5-year plan for PL 17 is summarised in Table 15. Omega has been in discussions with the Queensland Department of Resources in regards to the proposed 5-year plan in PL 17, specifically in relation to the further appraisal of the coal seam gas opportunity. Omega will carry out work to refurbish Bennet -1 and Bennett-4 at a proposed cost of A\$80,000. The proposed program was reviewed and is considered to be reasonable.

All other work is contingent on success of the refurbishment of the wells and on attracting a farmin partner to assist with drilling new wells that would be required to test the up-dip oil potential and the CSG play.

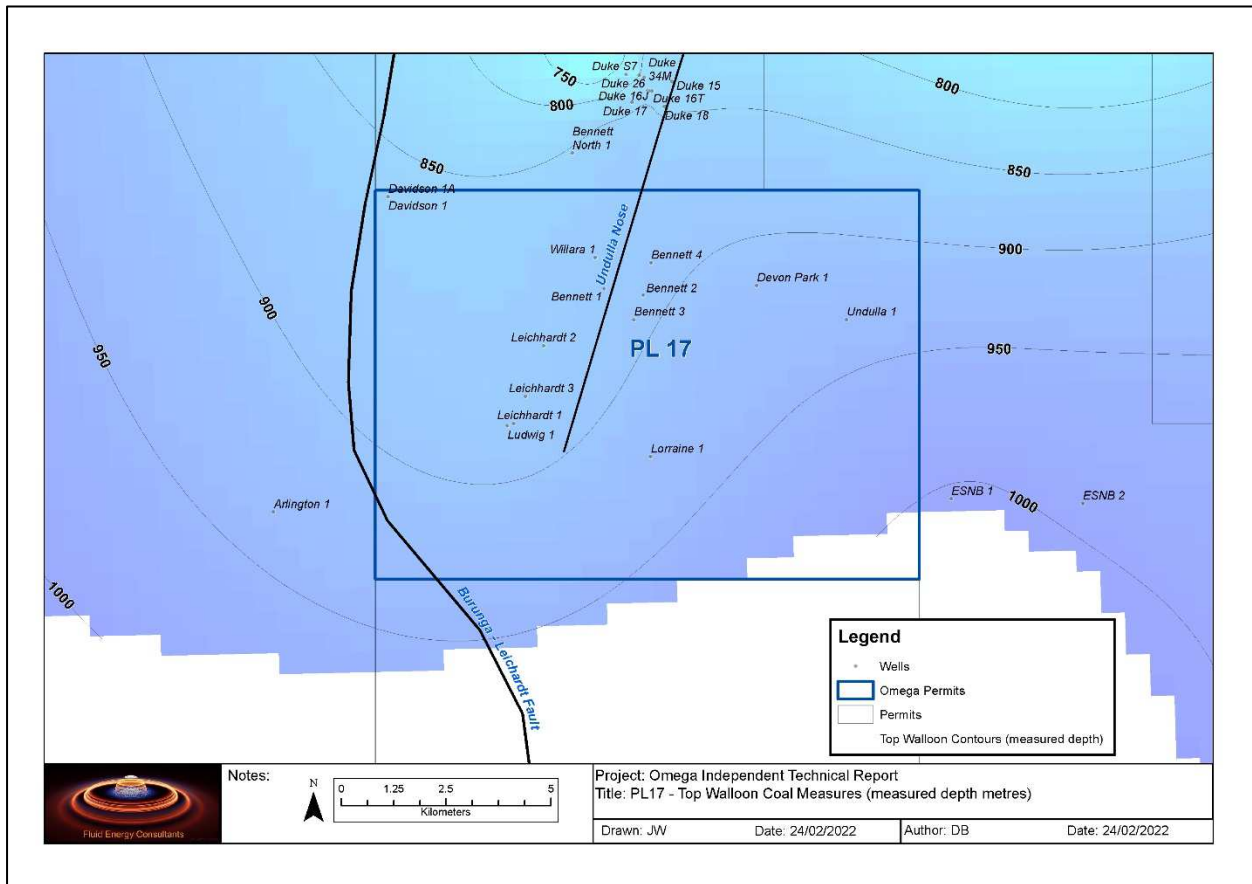


Figure 15: Top Upper Juandah Coal Measures Depth Map, PL 17



Table 15: PL 17 Omega’s 5-Year Plan

Year Commencing	Oil-related Activity	CSG-related Activity
2022	Plan brown-field (Bennett Field appraisal) development. Board approval has been given and some works have commenced	Execute a strategic partnership to develop CSG capability
2023	Continue to produce from Bennett-1 and Bennett-4	Drill a 5-spot pilot to test CSG potential gas production performance
2024	Continue to produce from existing wells. If the oil production indicates more oil than expected, build a business case for further appraisal drilling	Engage 3 rd - party expert for classification of gas resources and seek GSA
2025	Continue to produce from existing wells. Present business case for further oil drilling to the Omega Board for consideration	Commence Pre-Feed studies and finalise a development plan
2026	Continue to produce oil from new wells and old	Final Investment Decision for CSG production

2.0. STATEMENTS

2.1. Limitations

Fluid has primarily relied on data supplied by Omega which were largely various literature written by third party experts contracted to Luco/Omega and employees of Omega. Other references were compiled and written by various industry and government bodies, as well as consultants. The material was reviewed for its quality, accuracy and validity and was considered to be acceptable.

It is believed that the information received is reliable and there is no reason to believe that any material facts have been withheld. However, the level of review of the information provided to us does not amount to an audit, verification or due diligence, save to the extent necessary to satisfy ourselves that it is reasonable for us to rely on that information, and no warranty can be given that this review has analysed all of the matters which a more extensive examination might reveal. Fluid has not been required to check the status of Omega’s interests in the permits.

No warranty can be given that this review has analysed all of the matters, which an extensive examination might reveal.

This report or any reference thereto, may not be included in any other document or distributed for any other purpose without the prior written consent of Fluid to the purpose of such distribution and to the form and context in which the report or reference appears.

The opinions and statements in this report are made in good faith and in the belief that such opinions and statements are not misleading.



2.2. Declaration

2.2.1. Independence

This report is our genuine opinion and the product of our professional judgment. Fluid has not had and, at the date of this report, does not have any relationship with Omega or any related bodies corporate that could be regarded as capable of affecting Fluid's ability to provide an unbiased opinion in relation to this report. In particular, neither the author of this report, or any director or senior employee of Fluid involved in preparing the report has a substantial interest in, or is a substantial creditor of, or has any material financial interest in the transaction.

2.2.2. Fees and Other Benefits

A fee of \$36,300 plus GST will be received for the preparation of this report. Payment of the fee is not contingent on any matter. Fluid will receive no other benefit for the preparation of the report. The author of this report has no pecuniary or other interest which could be regarded as capable of affecting his ability to provide an unbiased opinion in relation to this report.

2.2.3. Changes in Facts or Circumstances

Advance copies of this report were provided to Omega and minor changes were made as a consequence. There have been no material changes made to the report. The author confirms that there has been no material change of circumstances, or of available information that Fluid is aware of since this report was compiled, and Fluid is not aware of any significant matters arising from this evaluation that are not covered by this report, which might be of a material nature.

2.2.4. Currency of Report

This report has been prepared based on information available up to and including 1 June 2022. It has been prepared in accordance with the SPE PRMS 2007 and 2018 Guidelines.

2.2.5. Consent for Use

Fluid has given and not withdrawn its written consent to the inclusion of this report in the Prospectus in the form and context in which this report appears.

3.0. STATEMENTS QUALIFICATIONS OF THE AUTHORS

Kym Mills (Principal Geologist)

Kym Mills-Knight received a BSc (Geology) from the University of Queensland. She has more than 35 years of technical experience across multiple conventional and unconventional exploration, appraisal and development projects in Queensland, North West Shelf and the Taranaki Basin of New Zealand. She has worked for several medium-sized Operating companies including AAR Limited, Bridge Oil Limited, New Zealand Oil and Gas, Pan Pacific Petroleum, Origin Energy and as an advisor to Westside Corporation. Kym specialises in prospect evaluation, risk analysis and well planning in clastic reservoirs in structurally complex settings. Kym is a member of AAPG and PESA.



Doug Barrenger (Director of Fluid and Principal Geologist)

Doug Barrenger received a BSc degree (geology) from the Australian National University and a Graduate Diploma in computing Science from the Queensland University of Technology. He has more than 35 years of experience in the petroleum industry and has undertaken all facets of geological work, from wellsite and operations geology to prospect evaluation, risk analysis, reserve assessment, basin analysis, portfolio valuation and project management for both operated permits and new-venture roles and for development and exploration projects. He has worked on all Australian petroleum basins, including coal seam gas (CSG, CBM) and Shale Gas, and has overseas experience in SE Asia and Europe as an employee and as a consultant. He has written numerous Independent Expert Reports, Resource Reports and Acreage and Resource Valuations, for IPO on several stock exchanges. Doug is a founding partner of MBA Petroleum Consultants (2001), which merged with AWT in 2009 and which was later sold to Nautic in 2013. He was the General Manager Subsurface at Exoma Energy Pty Ltd through 2012, and is a founding partner of Fluid Energy Consultants (2013). He is a member of the Society of Petroleum Engineers (SPE).

A handwritten signature in black ink, reading "D. Barrenger". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Doug Barrenger

(Director of Fluid and Principal Geologist)



4.0. ABBREVIATIONS

A\$	Australian dollars
BCFG	Billion Cubic Feet of Gas
BO	Barrels of oil.
BOPD	Barrels of oil per day
CAD\$	Canadian Dollars
C1 or 1C	Equivalent to Proven (P90) category of a recoverable hydrocarbon volume
C2	Equivalent to Probable (P90 to P50) category of a hydrocarbon volume
2C	P90 plus (P90-P50)
C3	Equivalent to Possible (P50-P10) category of a hydrocarbon volume
3C	P90 plus (P90-P50) plus (P50-P10)
COSg	Geological Chance of Success
COSe	Economic Chance of Success
°C	degrees Celsius
EMV	Expected monetary value
Ft, OR, ‘	Foot / feet
GIP	Gas in Place
JV	Joint Venture
km	Kilometre
km ²	Square kilometre
Lead	Potential hydrocarbon trap that requires further work to become a prospect
m	Metre
ma	million ago (years)
\$m	millions of dollars
m ³ /t	cubic meters of gas per tonne of coal
mmCFD	million cubic feet a day
mmBO	million barrels of oil
MSL	Metres below Sea Level
MW	mega-watt
NPV	Net Present Value
OOIP	Original oil in place
Prospect	Potential hydrocarbon trap that is ready to drill
P1 or 1P	Proven category of a hydrocarbon reserve volume
P2	Probable category of a hydrocarbon reserve volume
2P	Proven plus Probable
P3	Possible category of a hydrocarbon reserve volume
3P	Proven plus Probable plus Possible
P90	90% of the potential recoverable hydrocarbon volume is greater than this volume on a probabilistic distribution (prospective resource).
P50	50% of the potential recoverable hydrocarbon volume is greater than this volume on a probabilistic distribution (prospective resource).
P10	10% of the potential hydrocarbon volume is greater than this volume on a probabilistic distribution (prospective resource).
£	English pounds
US\$	United States dollars
VRo	Vitrinite Reflectance, measure of thermal maturity.



5.0. BIBLIOGRAPHY

Condor Energy, 2021. ATP 2037P and ATP 2038P Fracture Design *for Luco Energy*

DNRME, 2018. Permit Documents for ATP 2037

DNRME, 2018. Permit Documents for ATP 2038

ERCE, 2019. P4565 Tag Oil 2018-2019 Year End PL17 Audit Report by ERC Equipoise Ltd (ERCE), March 2019

ERCE, 2020. TAG Oil – FY2020 Year End Audit Report: Evaluation of PL 17 Reserves and Resources at 31st March 2020

ERD and Associates, 2021. Initial evaluation of ATP's 2037 & 2038, Taroom Trough Tight Gas Project *for Luco Energy*

Greg Pass Consulting, 2020. ATP 2037P and 2038P Regional TWT and Depth Mapping *for Luco Energy*

Luco Energy, 2021. PL17 Development Presentation to DNRME 8 July 2021

Luco Energy, 2021. Board Paper Discussion: Introduction to the Permian Deep Gas

Petrel Robertson, 2014. Geoscience / Exploration Report, Exploration Permit ATP 840P, Surat Basin, Queensland, Australia for Clark Oil & Gas Pty Ltd. By Petrel Robertson Consulting Ltd. December, 2014

RISC, 2018 PL17 CSG Volumetrics

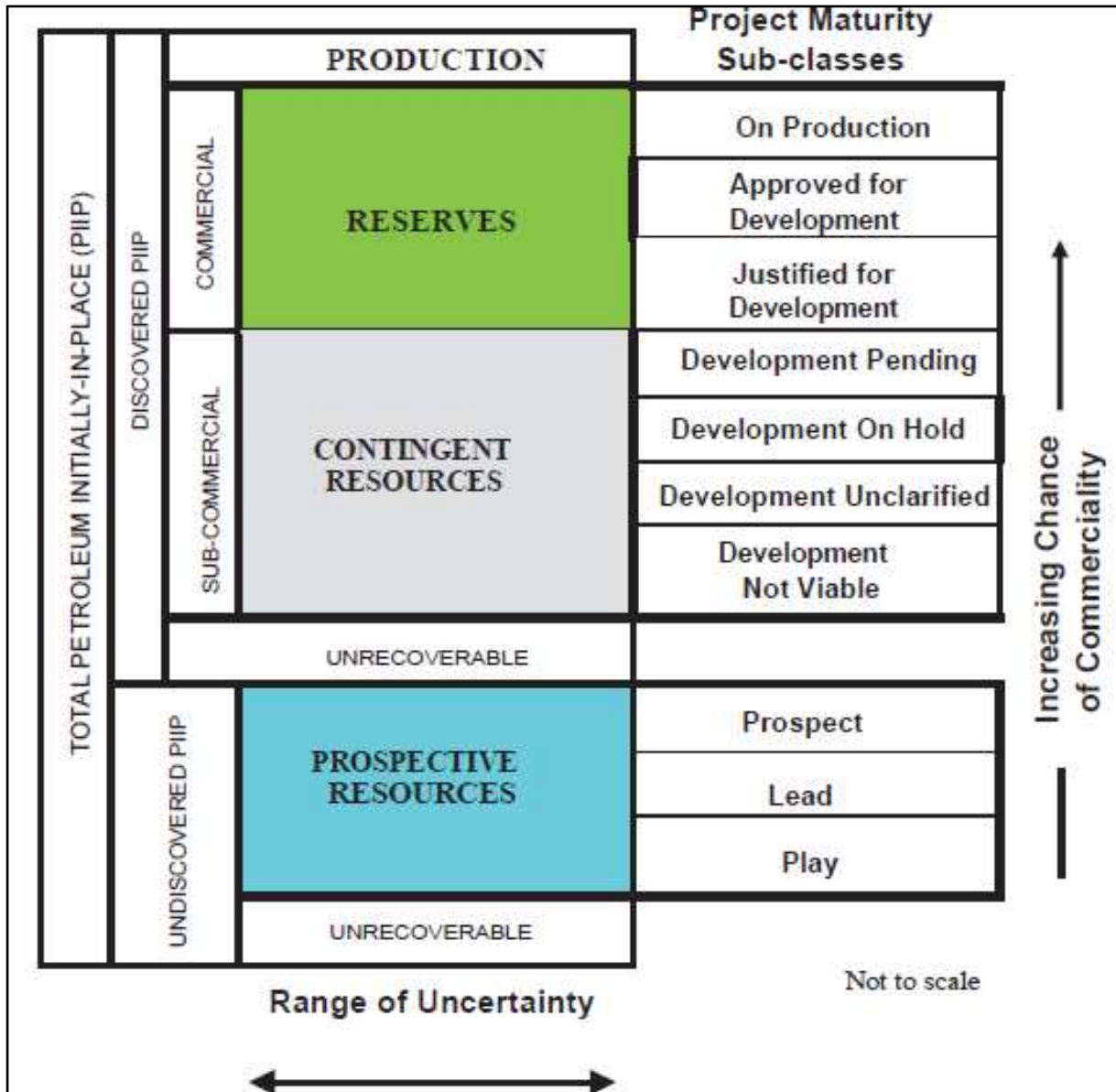
SPE PRMS, 2018: https://petrowiki.spe.org/Petroleum_Resources_Management_System



Appendix 1: SPE PRMS 2018 Partial Definitions

[https://petrowiki.spe.org/Petroleum Resources Management System](https://petrowiki.spe.org/Petroleum_Resources_Management_System)

Category	Definition
Reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation's effective date) based on the development project(s) applied.
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.
1P	Denotes low estimate of Reserves (i.e., Proved Reserves). Equal to P1.
2P	Denotes the best estimate of Reserves. The sum of Proved plus Probable Reserves.
3P	Denotes high estimate of reserves. The sum of Proved plus Probable plus Possible Reserves.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.
1C	Denotes low estimate of Contingent Resources.
2C	Denotes best estimate of Contingent Resources.
3C	Denotes high estimate of Contingent Resources.
Prospective Resource	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity
1U	Denotes the unrisks low estimate qualifying as Prospective Resources.
2U	Denotes the unrisks best estimate qualifying as Prospective Resources.
3U	Denotes the unrisks high estimate qualifying as Prospective Resources.





Appendix 2: Fracture Stimulation Parameter Details

Parameter	Low Estimate	Best Estimate	High Estimate
Average Pore Pressure	10,092 psi	8,610 psi	8,610 psi
Average Permeability	0.003 mD	0.02mD	0.02mD
Average Porosity	5.8%	7.7%	7.7%
Total Pay	150m	41.4	82.8
Well Drainage Area	0.647 km ² (160 acre)	0.647 km ² (160 acre)	0.647 km ² (160 acre)

Treating Schedule – Stage 1 - 4

Stage #	Elapsed Time:mm:ss	Stage Time:mm:ss	Fluid	Clean Stage Vol.GAL	Cum Clean Vol.GAL	Proppant	Slurry Conc:PPA	Cum Proppant:LB	Slurry Rate:BBL/M	Cum Slurry:BBL	Clean Fluid Rate:BBL/M
1	0:00	8:56	HCFR_8gpt_120F	30000.00	30000.00	<None>	0.00	0.00	80.00	714.29	80.00
2	8:56	4:34	HCFR_8gpt_120F	15000.00	45000.00	White Frac 100 Mesh (B)	0.50	7500.00	80.00	1079.54	78.22
3	13:30	4:38	HCFR_8gpt_120F	15000.00	60000.01	CARBOPROP 40/70 (A)	1.00	22500.00	80.00	1449.75	77.18
4	18:07	4:47	HCFR_8gpt_120F	15000.00	75000.01	CARBOPROP 40/70 (A)	2.00	52500.00	80.00	1833.03	74.54
5	22:55	4:57	HCFR_8gpt_120F	15000.00	90000.02	CARBOPROP 40/70 (A)	3.00	97500.02	80.00	2229.38	72.09
6	27:52	5:07	HCFR_8gpt_120F	15000.00	105000.02	CARBOPROP 40/70 (A)	4.00	157500.00	80.00	2638.80	69.79
7	32:59	5:06	HCFR_8gpt_120F	10406.00	115406.02	<None>	0.00	157500.00	80.00	2886.56	80.00
8	36:05	10:00	HCFR_8gpt_120F	0.00	115406.02	<None>	0.00	157500.00	0.00	2886.56	0.00
Total	46:05			115406.02	115406.02			157500.00		2886.56	

- 115,406 gallons of HVFR Fluid System per stage (High Viscosity Friction Reducer)
- 7,500 lbs of 100 Mesh Sand Per Stage
- 150,000 of 40/70 Mesh Intermediate Strength Proppant per Stage
- 80 bpm for stages 1-3 and 60 bpm for Stage 4

Appendix C: SOLICITOR'S REPORT

22 August 2022

The Directors
Omega Oil and Gas Limited
Level 4
17-19 Bridge St
SYDNEY NSW 2000

Dear Directors,

Solicitor's Report on Petroleum Tenements

This report (**Report**) is prepared for inclusion in a prospectus to be issued by Omega Oil and Gas Limited ACN 644 588 787 (**Company** or **Omega**) in support of its initial public offering (**Offer**) (**Prospectus**).

1 **SCOPE**

This Report relates to the following petroleum tenements onshore in Queensland in which Omega or one of its subsidiaries holds an interest:

- (a) **Petroleum Lease (PL) 17** granted pursuant to (and administered under) the Petroleum Act 1923 (**1923 Act**), held by Cypress Petroleum Pty Ltd ACN 613 738 088 (**Cypress Petroleum**) (100% interest), being a wholly owned subsidiary of Omega;
- (b) **Authority to Prospect (ATP) 2037** granted pursuant to (and administered under) the Petroleum and Gas (Production and Safety) Act 2004 (**PAG Act**), held by Cypress Petroleum (100% interest); and
- (c) **Authority to Prospect (ATP) 2038** granted pursuant to (and administered under) the PAG Act, held by Cypress Petroleum (100% interest).

In this Report, each of PL 17, ATP 2037 and ATP 2038 are collectively referred to as the **Tenements**, and **Tenement** means any of them.

This Report relates only to the Tenements. In preparing this Report, we have considered the laws relating to the Tenements under resources legislation and regulation, laws relating to Native Title and Aboriginal cultural heritage (as such laws relate to the Tenements) and any third party dealings and encumbrancers affecting the Tenements.

The scope of this Report is limited to the matters set out in this section 1 and we have not considered any other matters.

This Report is subject to the qualifications and assumptions set out section 13 below.

2 PUBLIC DATABASE SEARCHES AND REVIEW OF DOCUMENTS

2.1 Our investigations for the purpose of preparing this Report are limited as follows:

- (a) we have undertaken and considered the following public database searches:
 - (i) public searches of the resource authorities database maintained by the Queensland Department of Resources (**DoR**) in respect of each of the Tenements on 19 August 2022 (**Resource Authority Public Report** or **RAPR**) (the results of which are set out in Schedule 1);
 - (ii) searches of the Tenements on the GeoResGlobe database maintained by the DoR on 19 August 2022 to determine whether the Tenements overlap with:
 - (A) petroleum titles granted under the 1923 Act or PAG Act;
 - (B) mineral titles granted under the *Mineral Resources Act 1989* (Qld) (**MRA**);
 - (C) geothermal titles granted under the *Geothermal Energy Act 2010* (Qld); and
 - (D) greenhouse gas titles granted under the *Greenhouse Gas Storage Act 2009* (Qld) (**GHG Act**),or are adjacent to any:
 - (E) petroleum titles granted under the 1923 Act or PAG Act; and
 - (F) MLs granted under the MRA,(the results of which are set out in Schedule 2);
 - (iii) searches of the Native title Register maintained by the National Native Title Tribunal (**NNTT**) in respect of the area of the Tenements on 4 July 2022 (the results of which are set out in Schedule 3); and
 - (iv) searches of the Cultural Heritage Database and Register maintained by the Queensland Department of Aboriginal and Torres Strait Islander Partnerships (**DATSIP**) on 4 July 2022 (the results of which are set out in Schedule 4).
- (b) we have reviewed and considered the following documents provided to us by (or on behalf of) the Company:
 - (i) the terms of grant or renewal (as applicable) for each of the Tenements;
 - (ii) except as otherwise provided in this Report, the terms of the dealings and encumbrances registered against the title of each of the Tenements (if any); and

- (iii) responses to our requests for information on 19 August 2022 in relation to the Company and the Tenements.

2.2 On the basis of the searches and documents we have considered, we consider that this Report provides an accurate statement as to the status of the Tenements. However, if any of the assumptions set out in this Report are not correct, this Report will need to be amended.

3 EXECUTIVE SUMMARY

We have identified a number of key issues that affect the Tenements. A summary of these key issues is set out below.

#	Issue	Comment
1.	Minimum work obligations - ATPs	<p>ATP 2037 and ATP 2038 each have minimum work obligations that are required to be completed in the period 1 January 2022 to 31 December 2022 as follows:</p> <ul style="list-style-type: none"> • ATP 2037: Preparation for seismic acquisition in next IWP tenure period, permit management and drilling one well (Expenditure: \$2,100,000); and • ATP 2038: Preparation for seismic acquisition in next IWP tenure period (Expenditure: \$50,000), permit management (Expenditure: \$50,000) and drilling one well (Expenditure: \$2,000,000). <p>Compliance with the registered work program is a condition of an ATP. Accordingly, a failure to comply with the registered work programs above may entitle the Minister to cancel the relevant ATP (in whole or in part), refuse a renewal of the ATP or take the non-compliance into consideration in deciding whether to grant a future resource tenement to the Company.</p>
2.	Production requirements - PL 17	<p>PL 17 is required to comply with minimum production requirements under the registered development plan. These volumes are required to gradually increase through to permit year 12 before decreasing over the remainder of the petroleum lease term.</p> <p>Any significant change to the nature and extent of an authorised activity (including a decrease or an increase in the volume of production) will require a new proposed later development plan (LDP) to be lodged, and where there is a significant reduction in production, the Company may be required to relinquish part of PL 17.</p> <p>For further information, see section 4.5(h) below.</p>
3.	Conditions on title	<p>We have not identified any unusual or onerous conditions imposed on any of the Tenements. However, we note the following conditions:</p> <p>(a) PL 17</p> <p>The conditions imposed on PL 17 include (amongst others) a standard condition pursuant to the 1923 Act that, if directed by the Minister, the petroleum lease holder must not dispose of any petroleum or petroleum products for use or consumption outside Australia.</p>

		<p>(b) ATP 2037 and ATP 2038</p> <p>While not unusual, both ATP 2037 and ATP 2038 are subject to conditions that:</p> <ul style="list-style-type: none"> • no application to transfer the ATPs will be considered in the first 4 years of the term of the ATP; and • an amendment to the initial work program is prohibited. <p>For further information, see sections 4.4(d), 4.5(c) and Schedule 1 below.</p>
4.	Relinquishment obligations	<p>Under the PAG Act, the holder of an ATP is required to relinquish parts of the area comprising the ATP progressively during the term.</p> <p>Both ATP 2037 and ATP 2038 are subject to a requirement to relinquish 53 sub-blocks and 61 sub-blocks (respectively) on 31 December 2022.</p> <p>For further information, see section 4.4(h) and Schedule 1 below.</p>
5.	Overlapping tenements	<p>Our searches of the GeoResGlobe database indicate that the Tenements overlap with:</p> <ul style="list-style-type: none"> • a greenhouse gas exploration permit (EPQ) granted under the GHG Act; and • an area the subject of an application for an EPQ under the GHG Act. <p>Both the PAG Act and the GHG Act contain similar overlapping tenement regimes. These impose, amongst other things, restrictions on the carrying out of activities that interfere with activities under the overlapping tenement and additional consultation requirements should the holder of an ATP or EPQ apply for a petroleum lease or greenhouse gas lease (respectively). The two overlapping tenement regimes also contain a priority regime, which may result in Cypress Petroleum's rights under the ATPs being subject to the exercise of priority rights by the overlapping EPQ tenement holder in certain circumstances (and vice versa). This requires a public interest determination by the Minister.</p> <p>Our search results of the GeoResGlobe database are set out in Schedule 2.</p> <p>This issue is discussed in more detail in sections 6.1 to 6.4 below.</p>
6.	Adjacent tenements	<p>The Tenements are adjacent to a number of petroleum titles (including production leases and applications) but not mining leases or applications.</p> <p>The Company has instructed us that all petroleum recovery operations occurring within the area of PL 17 are in respect of reservoirs wholly contained within that petroleum lease. However, in the event any future petroleum discoveries extend outside the border of the Tenements, the co-extensive reservoir regime in the PAG Act, which imposes (amongst other things) consultation and consent requirements on the adjacent titleholders, will apply.</p> <p>This issue is described in further detail at section 6.5 below.</p>

7.	Statutory royalties	<p>PL 17 is subject to a condition to pay statutory royalties on petroleum production in accordance with the royalty regime set out in the <i>Petroleum and Gas (Royalty) Regulation 2021 (Royalty Regulations)</i>.</p> <p>The Royalty Regulations set out a volume based royalty model and the method for calculating the applicable statutory royalty, which depends on the total liable volume of petroleum produced during the period, the classification of petroleum (e.g. “domestic gas”, “supply gas”, “project gas” or “liquid petroleum”) and the royalty rate that applies to each class of petroleum.</p> <p>This issue is described in further detail at section 4.5(f) below.</p>
8.	Third party royalty interest	<p>A Royalty Deed between Cypress Petroleum and TAG Oil Ltd. CO 771528 (TAG Oil) dated 20 October 2020 (TAG Oil Royalty Deed) is registered on title against each of the Tenements. Pursuant to the TAG Oil Royalty Deed, Cypress Petroleum must pay TAG Oil a royalty equal to 3% of the wellhead value of all liquid petroleum products produced or recovered from the area of the Tenements.</p> <p>The TAG Oil Royalty Deed expressly states that TAG Oil has no legal or equitable interest in any of the Tenements (or the area within the boundaries of the Tenements).</p>
9.	Encumbrances	<p>Based on our searches, there are no undischarged third party security interests registered on title against any of the Tenements.</p>
10.	Native Title	<p>Our searches reveal that:</p> <ul style="list-style-type: none"> (a) in respect of PL17, there is a small portion of PL17 where native title has not been negotiated and a small portion of the Tenement that is subject to native title; (b) in respect of ATP 2038, the Bigambul People have an active native title claim that overlaps 74.89% of ATP 2038; and (c) in respect of ATP 2037, the Mandandanji People and GQC Pty Limited ILUA have a 100% native title interest overlapping ATP 2037.
11.	Aboriginal cultural heritage	<p>Our searches of the Aboriginal and Torres Strait Islander Cultural Heritage Database and Register maintained by DATSIP showed that there is no recorded Aboriginal cultural heritage within the area of any of the Tenements.</p> <p>However, these search results do not confirm the actual extent of Aboriginal cultural heritage within the area of the Tenements. Aboriginal cultural heritage may exist regardless of whether it has been recorded in the Aboriginal and Torres Strait Islander Cultural Heritage Database and Register and regardless of whether native title rights and interests have been extinguished.</p>

4 REGULATORY OVERVIEW

4.1 Key Legislation

The Tenements are primarily governed under the 1923 Act and the PAG Act (as applicable). Onshore petroleum exploration and production activities in Queensland

are also subject to other legislation and subordinate legislation, including but not limited to:

- (a) *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCPA**);
- (b) *Mineral and Energy Resources (Financial Provisioning) Act 2018* (Qld) (**MERFP Act**);
- (c) *Petroleum and Gas (General Provisions) Regulation 2017* (**General Provisions Regulations**);
- (d) *Mineral and Energy Resources (Common Provisions) Regulation 2016* (**MERCPR**);
- (e) *Petroleum Act 1923* (**1923 Act**);
- (f) *Petroleum and Gas (Production and Safety) Act 2004* (**PAG Act**);
- (g) *Geothermal Energy Act 2010* (Qld);
- (h) *Greenhouse Gas Storage Act 2009* (Qld) (**GHG Act**);
- (i) *Native Title Act 1993* (Cth) (**NT Act**);
- (j) *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**);
- (k) *Environmental Protection Act 1994* (Qld) (**EP Act**) ;
- (l) *Nature Conservation Act 1992* (Qld);
- (m) *Forestry Act 1959* (Qld); and
- (n) *Regional Planning Interests Act 2014* (Qld) (**RPI Act**).

Describing the full details of the requirements set out in this legislation above is beyond the scope of this Report.

4.2 **Background to the Queensland petroleum regulatory regime**

- (a) **PAG Act:** The PAG Act regulates (amongst other things) the upstream petroleum activities, tenures (including application process, relinquishment and renewals), overlapping tenures, statutory royalties and safety with respect to petroleum exploration, production and pipelines.
- (b) **1923 Act:** The 1923 Act (being the original legislation regulating petroleum exploration and production in Queensland) preserves and continues to regulate some petroleum tenures granted prior to 1993, which have not been transitioned or replaced under the PAG Act. As these petroleum tenures were granted prior to the Native Title legislation, they do not comply with native title requirements and require native title approvals prior to being transitioned or replaced under the PAG Act.

- (c) **Interface between 1923 Act and PAG Act:** A number of provisions in the PAG Act also apply to petroleum tenures that are administered under the 1923 Act.

4.3 **Types of petroleum tenures under the PAG Act**

The primary petroleum exploration and production tenures that may be granted under the PAG Act are:

- (a) Authorities to Prospect (**ATP**) (e.g., ATP 2037 and ATP 2038); and
- (b) Production Licences (PL).

The PAG Act also regulates the grant and administration of pipeline licences, petroleum facility licences and petroleum survey licences.

4.4 **Overview of the ATP 2037 and ATP 2038 regulated under the PAG Act:**

Both ATP 2037 and ATP 2038 (**ATPs**) were granted pursuant to, and are administered under the PAG Act.

We have set out below a high-level overview of the rights and obligations applying to the ATPs under the PAG Act and associated regulations.

- (a) **Authorised activities:** The authorised activities that may be undertaken in the authority area under an ATP include: exploring for petroleum, testing for petroleum production, evaluating the feasibility of petroleum production and any other activities that are reasonably necessary or incidental to the foregoing. Additionally, an ATP holder is also authorised to evaluate and test natural underground reservoirs for the storage of petroleum or a prescribed storage gas. In all cases, the carrying out of authorised activities is subject to the PAG Act and broader regulatory regime as outlined in section 4.1 above.
- (b) **Term:** The term for an ATP must be for at least the required program period of the initial work program under the call for tenders, but must not exceed 12 years after the ATP takes effect.

ATP 2037 and ATP 2038 have a current term of 6 years and are both due to expire on 31 December 2024, unless renewed or extended.
- (c) **Renewal:** An ATP may be renewed in accordance with the PAG Act for a further period of up to 12 years (subject to some exceptions). The area of the renewed authority must not exceed the area of the preceding ATP. The conditions that apply to the renewed ATP may differ from those of the preceding ATP. In deciding whether to grant a renewal, the Minister will take into consideration matters including the ATP holder's compliance with their obligations under the PAG Act and under the existing ATP.
- (d) **Conditions:** ATPs are subject to mandatory conditions including (amongst others) notification and consent requirements for production testing and storage testing, restrictions on flaring/venting, obligations to pay royalties and annual rent, obligations to comply with minimum work programs, relinquishment requirements and requirements to lodge proposed later work

programs. The Minister also has a broad discretion to impose additional conditions on the tenement as the Minister sees fit.

ATP 2037 and ATP 2038 are both currently subject to additional conditions that:

- (i) no application to transfer the ATPs will be considered in the first 4 years of the term of the ATP(s); and
 - (ii) an amendment to the initial work program is prohibited.
- (e) **Change in control:** If the holder of an ATP holder undergoes a change in “control” (as defined in section 50AA of the *Corporations Act 2001* (Cth)) and the Minister considers the ATP holder may not have the financial and technical resources to comply with conditions of the ATP following the change, the Minister may impose additional conditions or amend an existing condition of an ATP.

Completion of the Offer by the Company could trigger this change of control regime, such that the conditions of ATP 2037 and ATP 2038 could be amended if, following completion of the Offer, the Minister considers that Cypress Petroleum may not have the financial and technical resources to comply with conditions of the ATPs. Cypress Petroleum would be given prior notice of such decision and the opportunity to make submissions.

There are no requirements under the PAG Act for an ATP holder to notify the Minister of a change in control. However, there are notification obligations under the MERFP Act, on change of control, see our comment in section 9.2 below.

- (f) **Work program and proposed later work program:** It is a condition of the grant of an ATP to have a minimum work program that has been approved and registered on title by the DoR. The registered holder must comply with that registered work program. Failure to comply with the registered work program under an ATP may entitle the Minister to cancel the authority (in whole or part), refuse a renewal of the ATP or take the non-compliance into consideration in deciding whether to grant a future resource tenement to the holder.

The holder of an ATP must lodge a proposed later work program at least 40 days (but no more than 100 days) before the end of the program period for the current registered work program. Failure to do so may result in the ATP being cancelled.

The upcoming minimum work program commitments for ATP 2037 and ATP 2038 are set out in Schedule 1. The initial work program period for both ATP 2037 and ATP 2038 ends on 31 December 2022.

Amendment work program: ATP 2037 and ATP 2038 are both currently subject to additional conditions prohibiting the amendment of their registered work programs during the initial term. However, the PAG Act may allow certain amendments to the initial registered work program in some limited circumstances, including (amongst other things) for certain exceptional events or circumstances beyond the titleholder’s control.

- (g) **Extension to work program:** For an extension to the period of an (registered) initial work program to be approved, the period of the (registered) initial work program must not have been previously extended and the Minister must be satisfied that the amendment is required for a reason beyond the holder's control or the ATP must have been transferred within 3 months before the making of the application.
- (h) **Relinquishment:** Both ATP 2037 and ATP 2038 are subject to a requirement to relinquish 53 sub-blocks and 61 sub-blocks (respectively) on 31 December 2022.
- (i) **Surrender:** An ATP cannot be surrendered.
- (j) **Non-compliance:** Instances of non-compliance include (amongst other things) obtaining an authority because of a materially false or misleading representation or declaration, failing to comply with the PAG Act or a direction given under the PAG Act or the terms of, including a condition on the permit, failing to pay amounts owing to the regulator, and using of the land for unauthorised purposes.

In the event of a non-compliance, the Minister has discretion to reduce the term or area of the authority, amend or impose a new condition on the permit, require the relinquishment of the permit, cancel the authority or withdraw approval of the work program.

- (k) **Pathway to a petroleum lease under the PAG Act:** The holder of an ATP may apply for a petroleum lease under the PAG Act over all or any part of the area of the ATP. The Minister can also direct an ATP holder to apply for a petroleum lease in certain circumstances.

An application for a petroleum lease by the holder of an ATP must be supported by (amongst other things) information justifying the size of the proposed area and that such areas contain commercial quantities of petroleum; information regarding commercial petroleum production in the area of the lease, whether supply arrangements are in place and whether the area of the lease is suitable for underground storage of petroleum/prescribed storage gas within 5 years or by the end of the proposed development plan; and a proposed development plan.

In deciding whether to grant a petroleum lease, the Minister will take into consideration matters including: the appropriateness of the size of the area, whether there has been compliance with the conditions of the ATP; the financial and technical resources of the applicant and the applicants ability to undertake exploration and production.

If granted, a petroleum lease under the PAG Act would have a maximum term of 30 years and would authorise the holder to (amongst other things) undertake petroleum production operations, construct and operate pipelines and undertake petroleum processing in the area of the petroleum lease (subject to the broader regulatory regime outlined in section 4.1 above).

4.5 Overview of Petroleum Leases regulated under the 1923 Act

PL 17 is granted pursuant to (and administered under) the 1923 Act and not the PAG Act (as discussed in section 4.4(k) above).

We have set out below a high-level overview of the rights and obligations applying to petroleum leases under the 1923 Act.

- (a) **Authorised activities:** The 1923 Act authorises the holder of a petroleum lease to mine, extract, recover, remove, and dispose of all petroleum in the licence area; construct and maintain all works, buildings, plant, waterways (including any pipelines for conveying water), roads pipelines reservoirs tanks pumping stations and other structures necessary to the full enjoyment of the petroleum lease. The carrying out of authorised activities is subject to the broader regulatory regime outlined in section 4.1 above.
- (b) **Term:** PL 17 has a term of 20 years and is due to expire on 29 February 2040, unless renewed or extended.
- (c) **Conditions:** Each petroleum lease is subject to the mandatory conditions under the 1923 Act that include (amongst other things): requirements to pay rent and statutory royalties, to work the licence area in accordance with good oilfield practice; the right for the Minister to restrict the sale of any petroleum or petroleum products for use or consumption outside Australia.
- (d) **Change in control:** The 1923 Act contains an equivalent change in control regime to the PAG Act (see our comments in section 4.4(e) above), which could be triggered by the IPO of the Company if, following the IPO, the Minister considers that Cypress Petroleum may not have the financial and technical resources to comply with conditions of PL 17. There are no requirements under the 1923 Act for a petroleum lessee to notify the Minister of a change in control. However, see our comments in section 9.2 below.
- (e) **Rent:** A lessee must pay the State the annual rent in accordance with the General Provisions Regulations.
- (f) **Royalties:** The 1923 Act requires a petroleum lessee to pay royalties on petroleum produced under the petroleum lease in accordance with the regime set out in the PAG Act and Royalty Regulations, which prescribe a volume-based model for calculating royalties by reference to the total liable volume of petroleum produced during the period, the classification (e.g. domestic gas, supply gas, project gas or liquid petroleum) and the royalty rate that applies to each class of petroleum.

For example, the royalty rate for “domestic gas”,¹ being just one classification of petroleum under the Royalty Regulations, is:

- (i) if the average sales price for domestic gas for the producer for the period is not more than \$3 per gigajoule—0.02 cents per gigajoule for each 1 cent per gigajoule more than \$0 per gigajoule;

¹ See section 6(1) of the Royalty Regulations

- (ii) if the average sales price for domestic gas for the producer for the period is more than \$3, but not more than \$8, per gigajoule—6 cents per gigajoule plus 0.08 cents per gigajoule for each 1 cent per gigajoule more than \$3 per gigajoule; or
- (iii) if the average sales price for domestic gas for the producer for the period is more than \$8 per gigajoule—46 cents per gigajoule plus 0.10 cents per gigajoule for each 1 cent per gigajoule more than \$8 per gigajoule.

The Royalty Regulations contain a mechanism for calculating the “average sales price” for domestic gas.

- (g) **Excluded Land:** The Minister may decide that land is excluded land for a lease in deciding whether to grant or renew the Petroleum Lease or approve any later development plan for the Petroleum Lease.
- (h) **Later Development Plans:** The holder of a Petroleum Lease must submit a proposed plan setting out (amongst other things) proposed activities and expected petroleum recovery. The proposed LDP must be accepted by the Minister and, once accepted, the holder of a Petroleum Lease must comply with the development plan.

The plan must be renewed every 5 years (with a replacement lodged at least 40, but no more than 100, business days before the expiration of the current plan period. If the holder of a Petroleum Lease fails to comply with a notice requiring the lessee to lodge a replacement proposed development plan, the Petroleum Lease will be cancelled.

The 1923 Act also requires the holder of a PL to lodge a proposed LDP as soon as practicable after the holder proposes (or becomes aware of) a significant change to the nature and extent of an authorised activity that is not already dealt with under the current development plan for the lease.

On 5 October 2020, pursuant to section 45(1) and 53E(1) of the 1923 Act, the Minister agreed to the renewal of PL 17 for a term of twenty (20) years ending 29 February 2040 and approved the associated later development plan for a period ending 28 February 2025.

- (i) **Relinquishment:** Under the 1923 Act, if a proposed later development plan contemplates a significant cessation or reduction of petroleum production, the Minister may require the lessee to relinquish a portion of the Petroleum Lease. However, unlike ATPs (see section 4.4(h) above), there are no ongoing, progressive relinquishment obligations for Petroleum Leases under the 1923 Act.
- (j) **Surrender:** A Petroleum Lease may be surrendered with the consent of the Minister upon application by the petroleum lessee. Approval of the surrender is subject to (amongst other things) the petroleum lessee having paid all royalties, other amounts owing to the Crown, amounts owing to workers and the petroleum lessee demonstrating that public interest will not be impaired. A surrender of the petroleum lease relieves the lessee of all future obligations to produce petroleum under the lease.

- (k) **Non-compliance:** The non-compliance regime under the 1923 Act is substantially similar to the non-compliance regime contained in the PAG Act (see section 4.4(j) above). In particular, a failure of a petroleum lessee to comply with the 1923 Act or the terms of the Petroleum Lease may result in (amongst other things) the lease be cancelled or its term or area being reduced.
- (l) **Decommissioning:** Pipelines, wells, bores and other property brought into the petroleum lease area must be removed or decommissioned (as applicable) prior to expiration of the lease.

5 REGISTERED DEALINGS

5.1 Overview of registration and approval of dealings

MERCPA introduced a uniform regime relating to the approval and registration of dealings, which applies across mining, petroleum, geothermal and greenhouse gas tenures.

Under MERCPA and MERCPR, prescribed dealings require Ministerial approval and registration to have effect. These include (amongst other things) a mortgage or a release, transfer or surrender of a mortgage; a sublease or transfer of a sublease; an assessable transfer (a transfer of a resource authority or a share in a resource authority other than a non-assessable transfer); and a non-assessable transfer (includes the transfer of an interest in a resource authority to an existing titleholder).

A complete list of all dealings registered on title for each of the Tenements is set out in section 2 of Schedule 1.

5.2 Encumbrances

Based on the RAPRs for each of the Tenements, the TAG Oil Royalty Deed (as described in section 5.3) is the only dealing that has been registered in respect of each of the Tenements since Cypress Petroleum obtained a registered interest in the Permits.

We have not reviewed any documents (if any) that pre-date registration of Cypress Petroleum's interest in the Tenements.

Omega has instructed us that it is not aware of and does not anticipate registration of any other encumbrances or documents giving an interest in the Permits.

5.3 Third party royalty interests

The TAG Oil Royalty Deed is registered against each of the Tenements.

The TAG Oil Royalty Deed commenced on 30 October 2020 and operates for the life of the Tenements. The Royalty Deed also applies to any "New Petroleum Titles" obtained by Cypress Petroleum that confer the right to explore for or produce petroleum in the area within the boundaries of the Tenements (plus any other areas agreed by the parties) (defined in the TAG Oil Royalty Deed as the "**Title Area**").

Pursuant to the TAG Oil Royalty Deed, Cypress Petroleum must pay TAG Oil a royalty equal to 3% of the "Wellhead Value" of all liquid "petroleum products"

produced or recovered from the area of the Tenements (as those terms are described in the TAG Oil Royalty Deed).

The TAG Oil Royalty Deed expressly states that TAG Oil has no legal or equitable interest in any of the Tenements (or the area within the boundaries of the Tenements) or in any petroleum recovered from that area (including any security interest as an unpaid creditor) prior to that petroleum being converted into “petroleum products”.

The TAG Oil Royalty Deed was registered twice on the PL 17 title, however as this was an administrative error, we are instructed that an application has been made to the Department of Resources to remove the duplicate registration.

6 OVERLAPPING AND ADJACENT TENEMENTS

6.1 Overlapping GHG Tenements

Searches of the GeoResGlobe database indicate that of all the Tenements overlap in part with:

- (a) an EPQ granted under the GHG Act; and
- (b) an area the subject of an application for an EPQ under the GHG Act.

As discussed below, both the PAG Act and GHG Act contain overlapping tenure regimes that apply where petroleum titles and greenhouse gas titles overlap.

6.2 Overlapping GHG tenure regime under the PAG Act

The overlapping tenure regime in the PAG Act will apply if Cypress Petroleum seeks to obtain a petroleum lease from one of the ATPs in respect of an area that overlaps with a greenhouse gas tenure (including an EPQ) granted under the GHG Act.

This overlapping tenure regime provides for (amongst other things):

- **Additional information requirements:** an information statement must be submitted by Cypress Petroleum with the application for a Petroleum Lease, which must address matters including: an assessment of the impact of the proposed overlapping activities; an assessment of the technical and commercial feasibility of coordinating overlapping activities; proposals for minimising the potential adverse effects on future operations under the overlapping GHG tenure; and the potential for the overlapping tenement holders to entering into a GHG coordination arrangement; and the “public interest”.
- **Consultation between titleholders:** The applicant must provide the GHG authority holder with a copy of the petroleum lease application (including the above information statement).
- **GHG authority holder may make submissions:** The overlapping greenhouse gas titleholder has the right to make submissions in respect of the Petroleum Lease application, through which it may: (a) object or not object to the granting of the proposed petroleum lease; and/or (b) request priority for the carrying out of authorised activities for any future lease that may arise

from the permit. The greenhouse gas titleholder must give the Petroleum Lease applicant a copy of these submissions.

- **Ministerial discretion:** The Minister may: (a) refuse the Petroleum Lease application, (b) grant the Petroleum Lease without priority rights owing to the greenhouse gas titleholder; or (c) grant the Petroleum Lease subject to certain priority rights owing to the greenhouse titleholder in circumstances where: (i) the public interest would be best served by not first granting a Petroleum Lease to the applicant; and (ii) where it is unlikely that the petroleum titleholder and greenhouse gas titleholder would enter into a coordination arrangement or where such coordination is not commercially or technically feasible.
- **Priority to greenhouse gas titleholder:** If priority is to be given to the greenhouse gas titleholder, the Minister must provide the overlapping titleholders with a notice of the decision and invite the greenhouse gas titleholder to apply for a GHG lease under the GHG Act within 6 months after the notice in respect of the area over which priority is granted.

In these circumstances, the Petroleum Lease application will be stayed until after the GHG lease application has been decided. If the GHG lease is granted, the petroleum lease application is taken to have lapsed. If a GHG lease application is not submitted within the application period, the Petroleum Lease application may then proceed to assessment. The Petroleum Lease application may also be amended to exclude the area subject to the greenhouse gas titleholder's priority rights.

The PAG Act also contains a separate provision staying an application for the grant of a petroleum lease where there is a pre-existing, undecided application for a GHG lease over the same area.

- **Consent / notification requirements:** The PAG Act imposes certain consent and/or notification requirements for the carrying out of authorised activities under, and imposes additional requirements for proposed initial and later development plans for, a petroleum authority that overlaps with a greenhouse gas authority.

6.3 Overlapping GHG tenure regime under the GHG Act

The GHG Act contains an equivalent overlapping tenements regime to that discussed in section 6.2 above, which in certain circumstances grants priority rights to the overlapping petroleum titleholder.

This regime would apply if the titleholders of the EPQ's overlapping the Tenements were to apply for a GHG lease.

Similarly to the PAG Act's overlapping tenements regime, if the holder of a greenhouse gas title (such as an EPQ) wishes to apply for a GHG lease, the greenhouse gas titleholder must submit a qualifying information statement and provide a copy of the GHG lease application to the petroleum titleholder, following which the petroleum titleholder will have the ability to make submissions and object (or not object) to the grant of the GHG lease or request priority rights.

The Minister must then decide whether to grant the GHG lease with or without priority rights owing to the petroleum titleholder or refuse the application. If the GHG lease is to be granted subject to priority rights, the petroleum titleholder will have 6 months to apply for a Petroleum Lease, during which period the GHG lease application will be stayed. If the petroleum titleholder fails to apply for a Petroleum Lease with this period, the GHG lease application will then proceed to assessment.

6.4 Future overlapping tenements

There is an unavoidable risk that future mining, pipeline, greenhouse gas or geothermal tenures may be granted over the area of the Tenements, in which case the applicable overlapping tenements regime will apply.

6.5 Adjacent Tenements

Searches of the GeoResGlobe database indicate that there are multiple adjacent petroleum tenements (including petroleum ATPs and Petroleum Leases) in respect of the Tenements but not adjacent to any mining leases (or applications). Details of these searches (excluding those Tenements held by the Company) are set out in section 2 of Schedule 2.

The PAG Act contains a regime (which also applies to Petroleum Leases granted under the 1923 Act) that regulates the production of petroleum and the carrying out of authorised activities in respect of reservoirs that extend across the boundary of a Petroleum Lease into:

- (a) the area of an adjacent Petroleum Lease or coal or oil shale mining lease; or
- (b) an area for which there is an application for a Petroleum Lease, coal mining lease or oil shale mining lease.

Subject to some exceptions, the co-extensive reservoirs regime requires (amongst other things) that the relevant petroleum production or authorised activities be carried in accordance with:

- (a) the written consent of the holder of the adjacent lease (or proposed adjacent lease);
- (b) a coordination arrangement that has been approved by the Minister;² or
- (c) a decision of the Land Court.

Any unitisation agreed under the 1923 Act in force before 31 December 2004 will be taken to be an approved coordination agreement under the PAG Act.

Our searches have not revealed any coordination agreements registered on title for any of the Tenements and the Company has instructed us that petroleum production

² The PAG Act contains a coordination arrangement regime that allows petroleum lessees (including petroleum lessees under the 1923) to enter into coordination arrangements with each other (and with the holders of mining leases under the MRA) that relate to (a) the orderly production of petroleum from a natural underground reservoir under more than 1 of the leases; (b) the orderly carrying out of an authorised activity for any of the leases by any party to the arrangement; and (3) petroleum production from more than 1 natural underground reservoir under more than 1 of the leases. A coordination agreement will not be effective unless it has been approved by the Minister.

activities occurring within PL 17 relate exclusively to reservoirs contained wholly within PL 17.

However, in the event any future petroleum discoveries extend outside the border of the Tenements, the co-extensive reservoir regime in the PAG Act will apply.

7 REGIONAL INTEREST AREA

Under the RPI Act, a regional interest development approval is required to carry out a resource activity (or regulated activity) in an area of regional interest, unless an exemption under that Act applies. Failure to comply with the requirement to hold a regional interest development approval under the RPI Act is an offence for which significant penalties apply.

According to our searches of the Queensland Government's GeoResGlobe mapping platform conducted on 19 August 2022 the Tenements overlap a Strategic Cropping Area. A Strategic Cropping Area is a category protected by the RPI Act and accordingly the Company must obtain a regional interest development approval prior to commencing any resource activities on the Tenements.

Section 24 of the RPI Act provides that a resource activity is an exempt resource activity for the area of regional interest where immediately before the relevant land became land in an area of regional interest under the RPI Act:

- (a) the activity could be carried out lawfully on the land under a resource authority or an environmental authority, and without the need for any further authority or approval relating to the location, nature or extent of the expected surface impacts of the activity to be obtained under an Act or a condition of either authority; and
- (b) information provided in, with or in support of the application for the resource authority or environmental authority (or an amendment of the application) identified the location, nature and extent of the expected surface impacts of the activity.

8 LAND ACCESS

8.1 Overview of the land access regime

The right to carry out authorised activities under the Tenements is subject to provisions of the PAG Act, 1923 Act and the land access provisions under MERCPA (and its associated regulations).

The land access requirements in MERCPA depend on whether proposed activities are "preliminary activities" or "advanced activities".

- (a) **Preliminary activities:** A "preliminary activity" is an authorised activity that will have no impact, or only a minor impact, on the business or land use activities of any owner or occupier of the land on which the activity is to be carried out.

MERCPA provides a non-exhaustive list of examples of activities that are "preliminary activities", which include walking the area of the permit or licence; driving along an existing road or track in the area or taking soil or water samples.

MERCPA requires an entry notice to be given to the owner and occupier of the land before such activities may be carried out.

- (b) **Advanced activities:** An “advanced activity” is an authorised activity that is not a “preliminary activity”. MERCPA provides a non-exhaustive list of examples of activities that are “advanced activities”, which include levelling of drilling pads, earthworks associated with pipeline installation, constructing an exploration camp, concrete pad, sewage or water treatment facility or fuel dump, carrying out a seismic survey using explosives and constructing a track or access road. Advanced activities may only be carried out:
- (i) **(Conduct and compensation agreement (CCA)):** in accordance with an approved CCA entered into between the tenement holder and the owner or occupier of the land that covers the proposed activity;
 - (ii) **(Deferral Agreement):** in accordance with an approved deferral agreement entered into between the tenement holder and the owner or occupier of the land;
 - (iii) **(Opt-out):** if each owner and occupier of the land has opted out of their right to enter into a CCA or deferral agreement; or
 - (iv) **(Land Court Proceedings):** if an application to the Land Court for determination of compensation has been made.

8.2 Approved conduct and compensation agreements

- (a) **PL 17:** We have been provided with a copy of the Land Compensation Agreement dated 27 July 2016 between Jim E Moran and Michelle G Moran (ABN 54 459 817 098) (**Landholders**) and Southern Cross Petroleum & Exploration Pty Ltd (ABN 50 076 448 238) (previous **Tenement Holder**) (**PL 17 Land Compensation Agreement**) in respect of an area within PL17. Details of this Land Compensation Agreement are summarised in the table below.

The Tenement Holder agrees to compensate the Landholders in respect of the “Petroleum Operations”, which are defined to mean the authorised activities of the Tenement Holder under the PL 17 including:

- (i) the transfer, establishment, use of and access to the “infrastructure” (being all equipment, plant, access required for drilling, operation, production and abandonment within PL 17 installed or constructed by the Tenement Holder);
- (ii) all works carried out in relation to the such infrastructure; and
- (iii) access to and from the Land, free from any interference by the Landholders, for the purposes of discharging rights and obligations under the PA and PAG Act.

Section 30 of MERCPR sets out that the requirements for an access and compensation agreement. These include:

- the agreement must specify how and when the holder may enter the land, activities to be carried out and the compensation;
- the agreement must provide the amount of the compensation to the extent the compensation liability is monetary and for how and when the compensation liability will be met;
- the agreement must be in writing and signed by the parties; and
- the agreement must be registered on the relevant land titles.

The PL 17 Land Compensation Agreement, is compliant with all the requirements set out in section 30 of the MERCPR except for the requirement that it be registered on the relevant land titles.

Further, although the Company currently enjoys the benefits of the PL 17 Land Compensation Agreement, including the right to access the area of PL17, this agreement was not formally assigned by the previous Tenement Holder to Cypress Petroleum.

While we understand that this lack of assignment and registration is not currently impeding the operations of the Company, we are instructed that the Company and the Landholders intend to enter into a new access and compensation agreement to formalise access arrangements for the ongoing development of PL17. The Company is aware that it must then arrange the registration of the revised access and compensation agreement across all relevant land titles.

- (b) **ATP 2037 and ATP 2038:** In respect of the ATP 2037 and ATP 2038, the Company has instructed us that they currently do not have any CCAs in place. As each Tenement overlaps with areas of third party owned land, the Company will need to enter into CCAs with land owners and occupiers before undertaking any Advanced Activities on any areas of third party owned land. However, there is no general obligation to enter into a CCA with an underlying landholder for any Tenement where no advanced activities are being undertaken.

9 KEY ENVIRONMENTAL APPROVALS

9.1 Environmental Authorities

An environmental authority (**EA**) under the EP Act is required before petroleum activities can be undertaken.

Based on our searches of the EP Act Public Register, we note that an EA has been obtained for the authorised activities under each of PL 17, ATP 2037 and ATP 2038.

9.2 Financial Provisioning Regime

- (a) **Overview of Financial Provisioning Regime:** From 1 April 2019, the financial assurance requirements for resource activities under the EP Act were replaced with a new financial provisioning scheme under the MERFP Act, which is statutory officer known as the Scheme Manager.

It is now a deemed condition of each of the EAs above that the relevant Tenement holder must not carry out, or allow the carrying out of, a resource activity under the Tenement unless:

- (i) a decision about the “estimated rehabilitation cost” (**ERC**) for the resource activity (an ERC decision) is in effect for the resource activity; and
- (ii) the Tenement holder has provided the required scheme assurance under the MERFP Act, by either paying a contribution to the scheme fund or by giving a surety to the Scheme Manager (or in some limited cases, a combination of the two), and complied with the requirements under that Act.

(b) **Financial Provisioning Regime - PL 17**

Pursuant to a notice issued by the Queensland Treasury under the MERFP Act Financial Provisions Scheme:

- (i) an ERC decision had previously been made in respect of PL 17 with an Annual Review Allocation date of 14 April 2022;
- (ii) a surety is currently held in respect of that ERC decision and no further surety has been requested; and
- (iii) we are instructed that the Company has made submissions to the Queensland Treasury in relation to a revised ERC decision and is currently awaiting an outcome from the department. On receipt of a revised ERC decision, we are instructed that the Company will provide the required additional surety (if any).
- (iv) the next annual risk category allocation review would be conducted within 12 months from the date of the revised ERC decision.

(c) **Financial Provisioning Regime – ATP 2037 and ATP 2038**

No ERC decisions have been made in relation to ATP 2037 and ATP 2038. Accordingly no sureties are required to be provided in relation to either ATP.

- (d) **Change of control:** The MERFP Act also includes a requirement for an authority holder to notify the scheme manager if it undergoes a change in “control” (as defined in the Corporations Act) in circumstances where the authority holder has been assessed for a risk allocation under the Scheme. This may trigger a review of the risk allocation and a requirement to provide further financial assurance. We consider the notification requirements would apply to the listing and Initial Public Offering of the Company.

9.3 **EPBC Act**

An action that has, will have, or is likely to have, a significant impact on a matter of national environmental significance must be referred to the Commonwealth Environment Minister under the EPBC Act for a decision about whether it constitutes a “controlled action” requiring assessment and approval under that Act. Failure to comply with the requirement to hold an approval under the EPBC Act is an offence for which significant penalties apply.

Section 43A of the EPBC Act provides that assessment and approval under the EPBC Act is not required for an action that, immediately prior to the commencement

of the EPBC Act on 16 July 2000, was authorised by a “specific environmental authorisation” (such as an environmental authority) and did not require a further environmental authorisation, where the specific environmental authorisation remains in force at the time the action is taken. In circumstances where the specific environmental authorisation has been renewed or extended, the exemption will only apply if:

- (a) the action authorised by the authorisation following the renewal or extension is the same as that authorised by the authorisation before the commencement of the EPBC Act; and
- (b) the renewal or extension could properly be made or given without any further consideration of the environmental impacts of the action.

10 NATIVE TITLE

10.1 Overview of Native Title and Future Acts regime

Native title is the communal, group or individual rights and interests of Aboriginal peoples or Torres Strait Islanders in relation to land or waters. The actual and potential existence of native title is recognised and protected in accordance with the NT Act.

The NT Act validates past acts which were things done prior to the commencement of the NT Act but after the Commonwealth Racial Discrimination Act 1975 (**RDA**) that may have been rendered invalid because of the operation of the RDA.

The NT Act sets out the circumstances in which a ‘future act’ that affects native title will be valid. The term ‘future act’ applies to acts that will affect native title either by extinguishing it or creating an interest that is inconsistent with the continued existence, enjoyment or exercise of native title.

The grant of a tenement (whether for exploration or production) after 1 January 1994 will generally constitute a ‘future act’ under the NT Act where native title cannot be shown to be extinguished.

Depending on the type of future act proposed, different procedural requirements under the NT Act will apply. In relation to certain future acts, including the grant of mining and petroleum rights the relevant government party must give notice under section 29 of the NT Act to any registered native title body corporate or if there is no such registered body, any registered native title claimant and any representative Aboriginal/Torres Strait Islander body. If the future act involves a perceived minimal impact on native title (which is generally the case for exploration permits), the government may, in the section 29 notice, propose that the expedited procedure under the NT Act applies, which allows the valid grant of the title with respect to native title in a shorter timeframe than under the full right to negotiate process outlined in the NT Act.

10.2 Search Results

The results of our searches of the Native Title Register are set out in Schedule 3.

Our search results indicate that:

- (a) **Validity of Tenements:** All Tenements appear to have been validly granted, they appear on the Resources Authority register, have corresponding Environmental Authorities and appear on GeoResGlobe.
- (b) **RAPR - PL17**

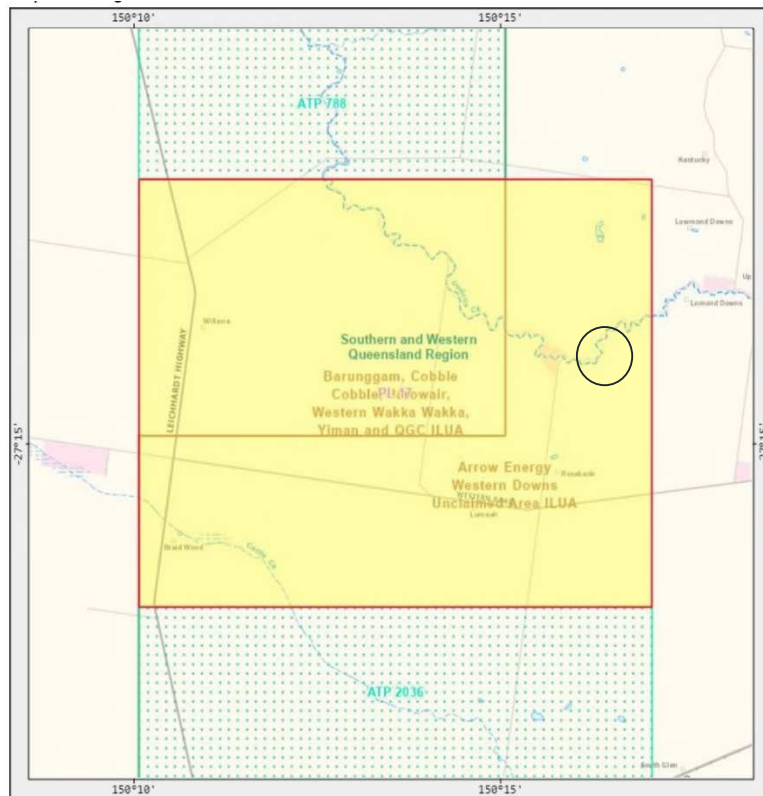
According to the RAPR the granting of PL17 was a 'pre-existing rights based act'. Pursuant to section 26 of the NT Act this is a future act to which the right to negotiate relates

Section 24IB of the NT Act relevantly provides that a future act is a pre-existing rights-based act if it takes place:

- (i) in exercise of a legally enforceable right created by any act done on or before 23 December 1996 that is valid (including because of Division 2 or 2A); or
- (ii) in good faith in giving effect to, or otherwise because of, an offer, commitment, arrangement or undertaking made or given in good faith on or before 23 December 1996, and of which there is written evidence created at or about the time the offer, commitment, arrangement or undertaking was made.

As the RAPR indicates the grant of PL17 was a pre-existing rights based act, it is likely that the right to negotiate requirements of the NT Act are triggered. As at the date of this Report, we understand that a section 29 notice has not been issued in accordance with the NT Act.

Our search results indicate that a very small part of the permit is subject to native title (the portion circled in the below map). If the activities on PL17 are proposed to be undertaken within the area subject to native title interests, the Company must seek to have this land (which is presently excluded) included within PL17.

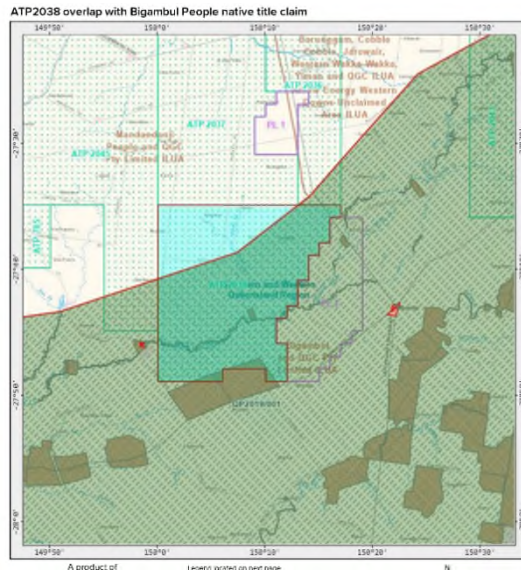


(c) **RAPR – ATP 2038**

The RAPR for ATP 2038 indicates that the Native Title outcome in respect of that tenement is that 'all land subject to Native Title (<10%) is excluded from the permit area' and that the native title process is 'predominantly exclusive land'.

The exclusions section of the RAPR indicates that ATP 2038 is subject to the following exclusion related to native title: 'Any land within the following lot on plans subject to native title are excluded from the area within ATP 2038. Lot 30 on PG172, Lot 22 on PG167 and Moonie River'

Our search results further indicate that the Bigambul People native title claim which was lodged on 20 December 2019 and remains active overlaps 74.89% of ATP 2038. The extent of the overlap is indicated on the below map, with ATP 2038 shaded in blue and the Bigambul claim shaded in green. We have further investigated this claim based on the publically available information on the NNTT website. We understand that it is a compensation claim, so will not result in a determination that native title rights and interests exists in respect to the claim area, and is therefore unlikely to have any impact on Cypress Petroleum's activities on ATP2038.



(d) **RAPR – ATP 2037**

The RAPR for ATP 2037 indicates that the Native Title outcome in respect of that tenement is that ‘all land subject to Native Title (<10%) is excluded from the permit area’ and that the native title process is ‘predominantly exclusive land’.

11 **ABORIGINAL CULTURAL HERITAGE**

11.1 **ACH Duty of Care**

Under the ACH Act, any person carrying out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage. This is known as the Aboriginal cultural heritage duty of care (**Duty of Care**). This applies whether or not such places are recorded in an official register and whether or not they are located on private land. Failure to comply with the Duty of Care is an offence for which large penalties apply.

11.2 **What is Aboriginal cultural heritage?**

“Aboriginal cultural heritage” is anything that is a “significant Aboriginal area” in Queensland, a “significant Aboriginal object” or evidence (of archaeological or historic significance) of Aboriginal occupation of an area of Queensland. A “significant Aboriginal area” and a “significant Aboriginal object” mean an area or object of particular significance to Aboriginal people (not as determined by anthropologists or archaeologists). For an area to be a significant Aboriginal area, it is not necessary for the area to contain markings or other physical evidence indicating Aboriginal occupation or otherwise denoting the area’s significance. The input of the relevant Aboriginal party is therefore sometimes sought to determine whether an area or object is of particular cultural heritage significance.

11.3 **Registered cultural heritage**

Our searches of the Aboriginal and Torres Strait Islander Cultural Heritage Database and Register, received on 4 July 2022 showed that there is no recorded Aboriginal cultural heritage within the any of the Tenements.

However, these search results do not confirm the extent of Aboriginal cultural heritage within the area of the Tenements. Aboriginal cultural heritage may exist regardless of whether it has been recorded in the Aboriginal and Torres Strait Islander Cultural Heritage Database and Register and regardless of whether native title rights and interests have been extinguished.

11.4 Discharge of ACH Duty of Care

The ACH Act provides that a person will be deemed to have complied with the Duty of Care in certain circumstances, including acting in compliance with the Duty of Care guidelines under the ACH Act, or acting in accordance with an agreement with a relevant Aboriginal party (unless the Aboriginal cultural heritage is expressly excluded from being subject to the agreement).

Queensland has gazetted Cultural Heritage Duty of Care Guidelines (**Guidelines**), which set out reasonable and practicable measures for meeting the cultural heritage duty of care. While it is not an offence to not comply with the cultural heritage duty of care guidelines, complying with the guidelines affords strict compliance with the cultural heritage duty of care. If Aboriginal heritage is harmed, and a party has failed to comply with the Guidelines they may be prosecuted under the Act for contravening the Duty of Care, for which there are significant penalties.

In order to meet the duty of care any land-use activity within the vicinity of recorded cultural heritage should not proceed without the agreement of the Aboriginal or Torres Strait Islander Party for the area, or by developing a CHMP under the ACH Act or the *Torres Strait Islander Cultural Heritage Act 2003* (Qld). Where an activity causes surface disturbance, which is defined 'as any disturbance of an area which causes a lasting impact to the land or waters during the activity or after the activity has ceased' it is considered to pose a high risk to Aboriginal cultural heritage and particular care should ideally be taken in accordance with the Guidelines.

We have not been provided with copies of any documentation related to the management of Aboriginal cultural heritage in relation to the Tenements so we are unable to conclusively comment on whether there is compliance with the Duty of Care in respect to the Tenements.

12 DEFINITIONS AND INTERPRETATIONS

12.1 In this Report.

Term	Definition
ACH Act	means the <i>Aboriginal Cultural Heritage Act 2003</i> (Qld).
ATP	means an authority to prospect (as defined in the PAG Act or 1923 Act as applicable).
CCA	means a conduct and compensation agreement.
CHMP	means a Cultural Heritage Management Plan.
Company or Omega	means Omega Oil and Gas Limited ACN 644 588 787.
Cypress Petroleum	means Cypress Petroleum Pty Ltd ACN 613 738 088.

DATSIP	means the Queensland Department of Aboriginal and Torres Straight Islander Partnerships.
DoR	means the Queensland Department of Resources.
Duty of Care	has the meaning given in the ACH Act.
Environmental Authorities or EA	means the environmental authorities issued in respect of the Tenements under the EP Act.
EP Act	means the <i>Environmental Protection Act 1994</i> (Qld).
EPBC Act	means the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (Cth).
EPQ	means greenhouse gas exploration permit granted under the GHG Act.
ERC	means Estimated Rehabilitation Cost under the MERFP Act.
GHG	means greenhouse gas.
GHG Act	means <i>Greenhouse Gas Storage Act 2009</i> (Qld).
Guidelines	has the meaning given to it in section 11.4.
IWP	means initial work program.
Landholder Compensation Agreement	means the Land Compensation Agreement dated 27 July 2016 originally entered into between Jim E Moran and Michelle G Moran (ABN 54 459 817 098) and Southern Cross Petroleum & Exploration Pty Ltd (ABN 50 076 448 238).
LDP	means later development plan (as defined in PA).
MERCPA	means the <i>Mineral and Energy Resources (Common Provisions) Act 2014</i> (Qld).
MERFP Act	means the <i>Mineral and Energy Resources (Financial Provisioning) Act 2018</i> (Qld).
Minister	means the minister for the Queensland Minister for Resources
MRA	means the <i>Mineral Resources Act 1989</i> (Qld)
NNTT	means National Native Title Tribunal.
NT Act	means the <i>Native Title Act 1993</i> (Cth).
Offer	has the meaning given on page 1
1923 Act	means the <i>Petroleum Act 1923</i> (Qld).
PAG Act	means the <i>Petroleum and Gas (Production and Safety) Act 2004</i> (Qld).

PL	means petroleum lease as defined in the PAG Act or 1923 Act (as applicable).
Prospectus	has the meaning given on page 1.
RAPR	means the Resources Authority Public Report.
RDA	means the <i>Commonwealth Racial Discrimination Act 1975</i> (Cth).
Report	has the meaning given on page 1.
Royalty Regulations	<i>Petroleum and Gas (Royalty) Regulation 2021</i> (Qld).
RPI Act	means the <i>Regional Planning Interests Act 2014</i> (Qld).
Searches	means the searches conducted in the course of Squire Patton Boggs due diligence enquiries in relation to the preparation of this Report, as set out in section 2.1(a).
Tag Oil	means Tag Oil Ltd. CO 771528.
TAG Oil Royalty Deed	means the Royalty Deed between Cypress Petroleum and TAG Oil dated 20 October 2020.
Tenements	means PL 17, ATP 2037 and ATP 2038.

13 ASSUMPTIONS AND QUALIFICATIONS

This Report is based on, and subject to, the assumptions and qualifications set out below and as otherwise specified elsewhere in this Report:

13.1 Assumptions

- (a) We have assumed the results of the Searches are accurate, complete and up-to-date.
- (b) We assume that the Tenements have been validly granted or renewed by the relevant government authorities.
- (c) We assume that the registered holder of a Tenement has valid legal title to the Tenement.
- (d) We have assumed compliance with the requirements necessary to maintain the Tenements in good standing including compliance with the conditions of the Tenements, the 1923 Act and PAG Act (as applicable) and the relevant provisions of the applicable legislation under which the Tenements are granted.
- (e) We assume that the agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them.

- (f) We have assumed that all instructions or information (including responses to requests for information) that we have received from the Company or any of its subsidiaries in relation to the Tenements or any of its officers, agents, or representatives are accurate, complete and up to date in all respects.

13.2 Qualifications

- (a) We have relied on the accuracy of all information provided to us by the Company.
- (b) We have relied on the accuracy of the registers and databases maintained by the governmental bodies referred to in section 2 of this Report and that these registers are complete and up-to-date.
- (c) We have relied upon information provided to us by third parties including government departments and have relied upon that information being accurate, complete and up to date as at the date of its receipt.
- (d) The information in this Report is accurate as at the date the relevant Searches were obtained.
- (e) Where Ministerial consent is (or was) required, we express no opinion as to whether such consent will be (or was) granted, or the consequences of consent being refused.
- (f) Native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court or NNTT (or both) in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NT Act contains no sunset provisions and it is possible that native title claims or determinations could be made in the future.
- (g) Aboriginal heritage sites or objects may exist in the areas covered by the Tenements regardless of whether or not those sites have been entered on a relevant register established by a relevant Government or regulatory authority, or is the subject of a declaration under the relevant Commonwealth legislation. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.
- (h) We have not undertaken any land tenure analysis.
- (i) We have not undertaken any overlapping Tenement analysis other than to the extent described in this Report.
- (j) This Report does not cover any third party interests (including encumbrances) in relation to the Tenements that are not apparent from our Searches and the information provided to us.
- (k) This Report relates solely to the laws of the Queensland and the Commonwealth of Australia, to the extent applicable to the Tenements. We do

not express any opinion on, and have made no investigation of the laws of any other jurisdiction.

- (l) We have only reviewed agreements relating to the Tenements that have been provided to us by the Company or that are registered against the Tenements and that are accessible online on the registers described in section 2 and which we expressly state in this Report have been reviewed by us.
- (m) Where encumbrances or dealings have been registered against the Tenements but the underlying documents relating to those encumbrances or dealings cannot be obtained online from the registers described in section 2, we have not been able to review those underlying documents and provide no opinion with respect to such documents. Further, where the identity of an applicant applying for a petroleum Tenement is listed as "confidential" on the Public Register maintained by the DoR, we have not been able to confirm if that application was lodged by or on behalf of the Company, other than by making enquiries with the Company.
- (n) This Report does not purport to cover all possible issues which may affect the Tenements.
- (o) We have not considered the impact of environmentally sensitive areas.

13.3 Exclusions

Further, as it is beyond the scope of this Report, we have not:

- (a) undertaken any searches, or reviewed any documents, in relation to any expired or surrendered tenements held by the Company or its related bodies corporate;
- (b) undertaken any searches to identify the land underlying the Tenements;
- (c) undertaken any searches of deregistered or unregistered native title claims with the NNTT; or
- (d) reviewed any endorsements, encumbrances or any other documents noted on the Tenements other than those that have been provided to us by the Company or are accessible on the public register and which we expressly state in this Report have been reviewed by us.

14 CONSENT

This Report is made solely for the benefit of the Company and its directors in connection with the issue of the Prospectus and must not be relied upon by any other person or used for any other purpose. To the maximum extent permitted by law, Squire Patton Boggs expressly disclaims any liability in respect of this Report to any person other than the Company.

Yours faithfully

A handwritten signature in cursive script, appearing to read "N. Conway".

Squire Patton Boggs

SCHEDULE 1 – Summary of Tenements

Section 1 – Tenement Overview

Tenement	Petroleum Lease (PL) 17	
Registered Holder(s)	Cypress Petroleum Pty Ltd	Percentage Holding: 100%
Tenement Status	Granted	
Applicable legislation	Granted and administered under the PA	
Term	<p>Current term: 20 years</p> <p>Granted on 13 April 1978 with a commencement date of 1 March 1978 and a current expiry date of 29 February 2040 (PL 17 was renewed under the PA on 1 March 2020 for a third term of 20 years).</p>	
Annual Rent	<p>Area units: 105</p> <p>Rate/unit area: \$162.00</p>	
Area	35 Sub-blocks	
Relinquishment obligations	N/A	
Exclusions	All land subject to Native Title (<10%) is excluded from the permit area	
Notable conditions	A covenant by the lessee that, if directed by the Minister administering the PA (the Minister) not to dispose of any petroleum or petroleum products for use or consumption outside Australia, the lessee will not so dispose of any petroleum or petroleum products	

Tenement	Authority to Prospect (ATP) 2037		
Registered Holder(s)	Cypress Petroleum Pty Ltd	Percentage Holding: 100%	
Tenement Status	Granted		
Applicable legislation	Granted and administered under the PAG Act		
Term	Current term: 6 years Granted on 20 December 2018 with a commencement date of 1 January 2019 and an expiry date of 31 December 2024		
Annual Rent	Area units: 160 Rate/unit area: \$3.00		
Area	160 Sub-blocks		
Relinquishment obligations	Next relinquishment due date: 31 December 2022 (at the end of permit year 4). Area to be relinquished: 53 sub-blocks		
Minimum work program obligation	The current work plan/program expiry: 31 December 2022.		
	The approved initial work program applies for a period of 4 years from 1 January 2019 to 31 December 2022. The minimum work requirements for permit year 4 (being the period 1 January 2022 to 31 December 2022) are as follows:		
	Permit Year	Minimum Activities	Expenditure Overall
	4	<ul style="list-style-type: none"> • Preparation for seismic acquisition in next IWP tenure period • Permit management • Drill one well to assess the complete section of the upper Precipice sandstone, Evergreen Formation and basal Hutton sandstone in the Surat Basin sequence or including the Kianga Formation in the Bowen Basin sequence 	\$2,100,000
Exclusions	All land subject to Native Title (<10%) is excluded from the permit area. Any land within the following lot on plans subject to native title are excluded from the		

Tenement	Authority to Prospect (ATP) 2037
	area within ATP 2037. Lot 39 on RG163, Lot 80 on RG416 and Lot 64 on RG384
Notable conditions	<ul style="list-style-type: none"> • No application to transfer ATP 2037 will be considered in the first 4 years of the term of the ATP. • An amendment to the initial work program is prohibited.

Tenement	Authority to Prospect (ATP) 2038		
Registered Holder	Cypress Petroleum Pty Ltd	Percentage Holding: 100%	
Tenement Status	Granted		
Applicable legislation	Granted and administered under the PAG Act		
Term	Current term: 6 years Granted on 20 December 2018 with a commencement date of 01/01/2019 and an expiry date of 31 December 2024.		
Annual Rent	Area units: 184 Rate/unit area: \$3.00		
Area	184 Sub-blocks		
Relinquishment obligations	Next relinquishment due date: 31 December 2022 (at the end of permit year 4). Area to be relinquished: 61 sub-blocks		
Minimum work program obligation	The current work plan/program expiry: 31 December 2022.		
	The approved initial work program applies for a period of 4 years from 1 January 2019 to 31 December 2022. The minimum work requirements for permit year 4 (being the period 1 January 2022 to 31 December 2022) are as follows:		
	Permit Year	Minimum Activities	Expenditure Overall
	4	<ul style="list-style-type: none"> • Preparation for seismic acquisition in next IWP tenure period 	\$50,000
	<ul style="list-style-type: none"> • Permit management 	\$50,000	
	<ul style="list-style-type: none"> • Drill one well to assess the complete section of the upper Precipice sandstone, Evergreen Formation, Boxvale Sandstone and basal Hutton sandstone in the Surat Basin sequence or including the Kianga Formation in the Bowen Basin sequence 	\$2,000,000	

Tenement	Authority to Prospect (ATP) 2038
Exclusions	All land subject to Native Title (<10%) is excluded from the permit area. Any land within the following lot on plans subject to native title are excluded from the area within ATP 2038. Lot 30 on PG172, Lot 22 on PG167 and Moonie River
Notable conditions	<ul style="list-style-type: none"> • No application to transfer ATP 2038 will be considered in the first 4 years of the term of the ATP. • An amendment to the initial work program is prohibited.

Section 2 – Registered Dealings on Title

Activity / Dealing No	Date completed	Remarks	Status	SPB Reviewed (Y/N)
PL 17				
342849	5 March 2021	<p>MMOL Reference: 342849.</p> <p>Type of agreement: Royalty Deed.</p> <p>Parties to agreement: Cypress Petroleum Pty Ltd as payer and TAG Oil Ltd as payee.</p> <p>Duration of agreement: Indefinite</p> <p>*Note: As this dealing is a duplication of MMOL Reference 335798, the Company has applied to have this registration cancelled.</p>	Registered	Yes
335798	30 January 2020	<p>MMOL Reference: 335798.</p> <p>Type of agreement: ROYALTY DEED.</p> <p>Parties to agreement: TAG OIL LTD AND CYPRESS PETROLEUM PTY LTD ACN 613 738 088. Duration of agreement: Indefinite</p>	Registered	Yes
1001783	6 February 2004	<p>Type of Agreement: DEED OF ASSIGNMENT AND ASSUMPTION</p> <p>Parties to Agreement: SANTOS QNT (NO.2) PTY LTD, SANTOS QNT PTY LTD, GOLDEN WEST HYDROCARBONS PTY LTD, TIMOR OIL LIMITED AND MOSAIC OIL QLD PTY LIMITED AND BLACK GOLD OIL PTY LTD</p> <p>Date: 30-MAY-2003.</p>	Closed	No*
1000766	22 August 2003	<p>Type of Agreement: PL 17 JOINT VENTURE - DEED OF ASSIGNMENT, ASSUMPTION AND CONSENT - PL 17 (EXCLUDING BENNETT AND LEICHHARDT JOINT VENTURERS)</p> <p>Date: 03-JUL-2003</p>	Closed	No*
1000765	22 August 2003	<p>Type of Agreement: LEICHHARDT EXCLUSION JOINT VENTURE DEED OF ASSIGNMENT, ASSUMPTION AND CONSENT</p>	Closed	No*

Activity / Dealing No	Date completed	Remarks	Status	SPB Reviewed (Y/N)
970526	3 November 1997	Type of Agreement: DEED OF ASSIGNMENT AND ASSUMPTION Parties to Agreement: ANULKA NL, SANTOS EXPLORATION PTY LTD, TIMOR OIL LTD, PETROMIN PTY LTD & GOLDEN WEST HYDROCARBONS PTY LTD Date of Agreement: 20-FEB-96	Closed	No*
930441	31 August 1993	Type of Agreement: BENNETT JV (DEED OF ASSUMPTION NET PROFITS INTERESTS) Parties to Agreement: INTERNATIONAL OIL PROPRIETARY LIMITED & SANTOS EXPLORATION PTY LIMITED Date of Agreement: 5-JAN-93	Closed	No*
930447	31 August 1993	Type of Agreement: PL 1,2&17 ASSET SALE Parties to Agreement: INTERNATIONAL OIL PROPRIETARY LTD & SANTOS EXPLORATION PTY LTD Date of Agreement: 5-JAN-93	Closed	No*
ATP 2037				
335798	30 November 2020	MMOL Reference: 335798. Type of agreement: ROYALTY DEED. Parties to agreement: TAG OIL LTD AND CYPRESS PETROLEUM PTY LTD ACN 613 738 088. Duration of agreement: Indefinite	Registered	Yes
ATP 2038				
335798	30 November 2020	MMOL Reference: 335798. Type of agreement: ROYALTY DEED.	Registered	Yes

Activity / Dealing No	Date completed	Remarks	Status	SPB Reviewed (Y/N)
		Parties to agreement: TAG OIL LTD AND CYPRESS PETROLEUM PTY LTD ACN 613 738 088. Duration of agreement: Indefinite		

**Note: The documents registered on PL 17 between 1993 and 2004 pre-date the acquisition of a 100% interest in the Tenement by Cypress Petroleum from Southern Cross Petroleum & Exploration Pty Ltd on 6 April 2017. We have not undertaken a historical chain of title analysis in respect of PL 17.*

SCHEDULE 2– Adjacent and Overlapping Tenements

Section 1 – Overlapping tenements

Tenement	Third party overlapping tenement	Overlapping interest holder(s)	Current Term	% Overlap
PL 17	EPQ 12 Application for Exploration Permit Greenhouse Gas under the GHG Act	Carbon Transport and Storage Corporation (CTSCO) Pty Limited	Lodge Date: 15 June 2010 Grant Date: N/A Expiry Date: N/A	100%
	EPQ 10 Exploration Permit Greenhouse Gas granted under the GHG Act	Carbon Transport and Storage Corporation (CTSCO) Pty Limited	Lodge Date: 15 June 2010 Grant Date: 9 December 2019 Expiry Date: 8 December 2031	91.88%
ATP 2037	EPQ 12 Application for Exploration Permit Greenhouse Gas under the GHG Act	Carbon Transport and Storage Corporation (CTSCO) Pty Limited	Lodge Date: 15 June 2010 Grant Date: N/A Expiry Date: N/A	8.12%
	EPQ 10 Exploration Permit Greenhouse Gas granted under the GHG Act	Carbon Transport and Storage Corporation (CTSCO) Pty Limited	Lodge Date: 15 June 2010 Grant Date: 9 December 2019 Expiry Date: 8 December 2031	73.91%
ATP 2038	EPQ 12 Application for Exploration Permit Greenhouse Gas under the GHG Act	Carbon Transport and Storage Corporation (CTSCO) Pty Limited	Lodge Date: 15 June 2010 Grant Date: N/A Expiry Date: N/A	26.09%

Section 2 – Adjacent petroleum tenements

Tenement	Third party adjacent tenement	Adjacent interest holder(s)	Status	Current term
PL 17	ATP 788 (Authority to Prospect administered under the PAG Act)	Australia Pacific LNG (Ironbark) Pty Limited (100%)	Granted	<p>Current term: 3 years 3 months and 19 days</p> <p>Original Commencement date: 1 January 2005</p> <p>Renewal Commencement date: 1 January 2021</p> <p>Expiry date: 19 April 2024</p>
	ATP 2036 (Authority to Prospect administered under the PAG Act)	Bridgeport (Surat Basin) Pty Ltd (100%)	Granted	<p>Current term: 6 years</p> <p>Commencement date: 1 July 2019</p> <p>Expiry date: 30 June 2025</p>
	PL 1106 (Application for a petroleum lease)	Australia Pacific LNG (Ironbark) Pty Limited (100%)	Application	<p>Term sought: 30 years</p> <p>Lodged date: 30 October 2020</p>
ATP 2037	ATP 2036 (Authority to Prospect granted and administered under the PAG Act)	Bridgeport (Surat Basin) Pty Ltd (100%)	Granted	<p>Current term: 6 years</p> <p>Commencement date: 1 July 2019</p> <p>Expiry date: 30 June 2025</p>
	ATP 2044 (Authority to Prospect granted and administered under the PAG Act)	EnergyCapture Pty Limited (100%)	Granted	<p>Current term: 6 years</p> <p>Commencement date: 30 August 2019</p> <p>Expiry date: 29 August 2025</p>

	ATP 2045 (Authority to Prospect granted and administered under the PAG Act)	Santos Qnt Pty. Ltd (50%) Starzap Pty Ltd (50%)	Granted	Current term: 6 years Commencement date: 1 July 2019 Expiry date: 30 June 2025
	PL 1 (Petroleum Lease granted and administered under the 1923 Act)	Bridgeport (Surat Basin) Pty Ltd (100%)	Granted	Current term: 21 years Original Commencement date: 1 January 1964 Renewal Commencement date: 1 January 2006 Expiry date: 31 December 2026
ATP 2038	ATP 2036 (Authority to Prospect granted and administered under the PAG Act)	Bridgeport (Surat Basin) Pty Ltd (100%)	Granted	Current term: 6 years Commencement date: 1 July 2019 Expiry date: 30 June 2025
	ATP 2045 (Authority to Prospect granted and administered under the PAG Act)	Santos QNT Pty. Ltd. (50%) Starzap Pty Ltd (50%)	Granted	Current term: 6 years Commencement date: 1 July 2019 Expiry date: 30 June 2025
	PL 1 (Petroleum Lease granted and administered under the 1923 Act)	Bridgeport (Surat Basin) Pty Ltd (100%)	Granted	Current term: 21 years Original Commencement date: 1 January 1964 Commencement date: 1 January 2006 Expiry date: 31 December 2026

SCHEDULE 3– Native Titles Searches

Our searches indicate that the following native title interests overlap with the Tenements:

Tenement	NNTT File Number	Native Title Registration Details	Type	Date of Registration	Subject matter	Overlap Area SqKm	% Overlap with Tenement
ATP2037	QI2010/034	Mandandanji People and QGC Pty Limited ILUA	ILUA	12/05/2011	Pipeline - Gas	486.8005	100.00%
ATP2038	QCD2016/012	Bigambul People Part A	Determinations	Date of Determination: 01/12/2016	N/A	12.4263	2.22%
	QI2010/024	Bigambul and QGC Pty Limited ILUA	ILUA	12/01/2012	Pipeline – Gas	418.4315	74.89%
	QI2010/034	Mandandanji People and QGC Pty Limited ILUA	ILUA	12/05/2011	Pipeline – Gas	140.2664	25.11%
	QI2016/053	Bigambul People and Local Governments ILUA	ILUA	24/03/2017	Government – Infrastructure	418.4315	74.89%
	QI2016/054	Bigambul People and Ergon Energy ILUA	ILUA	22/03/2017	Energy – Community	418.4315	74.89%
	QI2016/055	Bigambul Protected Areas ILUA	ILUA	03/05/2017	Access – terms of access	9.7589	1.75%
PL17	QI2010/006	Barunggam, Cobble Cobble, Jarowair, Western Wakka Wakka,	ILUA	22/12/2010	Pipeline – Gas	106.6972	100.00%

		Yiman and QGC ILUA					
	QI2012/116	Arrow Energy Western Downs Unclaimed Area ILUA	ILUA	19/09/2013	Petroleum/Gas – Exploration, Gas, Pipeline	60.9582	57.13%

SCHEDULE 4 – Aboriginal Cultural Heritage Searches

Tenement	Search Results																
PL 17	<ul style="list-style-type: none"> • There are no Aboriginal or Torres Strait Islander cultural heritage site points recorded in the specific search area. • There are no Aboriginal or Torres Strait Islander cultural heritage site polygons recorded in the specific search area. • The cultural heritage party for the area is the Barunggam People (QUD reference number QUD6005/99). • There is no cultural heritage body recorded for the specific search area. • There is a Cultural Heritage Management Plan (CHMP) for the area with the CHL Number CLH000690 – the sponsor is Santos Ltd and the party is the Barunggam People. • There are no Designated Landscape Areas (DLA) and no Registered Cultural Heritage Study Areas recorded in the specific search area. 																
ATP 2037	<ul style="list-style-type: none"> • There are no Aboriginal or Torres Strait Islander cultural heritage site points recorded in the specific search area. • There are no Aboriginal or Torres Strait Islander cultural heritage site polygons recorded in the specific search area. • The cultural heritage party for the area is the Mandandanji People. • There are three CHMPs for the area: <table border="1" style="margin-left: 20px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #00a651; color: white;">CLH No.</th> <th style="background-color: #00a651; color: white;">Sponsor</th> <th style="background-color: #00a651; color: white;">Party</th> <th style="background-color: #00a651; color: white;">Approved</th> </tr> </thead> <tbody> <tr> <td>CLH000690</td> <td>Santos Ltd</td> <td>Mandandanji People</td> <td>6 May 2009</td> </tr> <tr> <td>CLH000740</td> <td>QGC</td> <td>Bigambuk</td> <td>10 Nov 2010</td> </tr> <tr> <td>CLH000759</td> <td>Origin Energy</td> <td>Mandandanji People</td> <td>3 Jun 2010</td> </tr> </tbody> </table> • There are no Designated Landscape Areas (DLA) and no Registered Cultural Heritage Study Areas recorded in the specific search area. 	CLH No.	Sponsor	Party	Approved	CLH000690	Santos Ltd	Mandandanji People	6 May 2009	CLH000740	QGC	Bigambuk	10 Nov 2010	CLH000759	Origin Energy	Mandandanji People	3 Jun 2010
CLH No.	Sponsor	Party	Approved														
CLH000690	Santos Ltd	Mandandanji People	6 May 2009														
CLH000740	QGC	Bigambuk	10 Nov 2010														
CLH000759	Origin Energy	Mandandanji People	3 Jun 2010														
ATP 2038	<ul style="list-style-type: none"> • There are no Aboriginal or Torres Strait Islander cultural heritage site points recorded in the specific search area. • There are no Aboriginal or Torres Strait Islander cultural heritage site polygons recorded in the specific search area. • There are three cultural heritage parties within the area: the Mandandanji People, the Bigambul People Part A and the Bigambul People Part B. 																

- There is no cultural heritage body recorded in the specific search area.
- There are three CHMPs for the area:

CLH No.	Sponsor	Party	Approved
CLH000690	Santos Ltd	Mandandanji People	6 May 2009
CLH000740	QGC	Bigambuk	10 Nov 2010
CLH000759	Origin Energy	Mandandanji People	3 Jun 2010

- There are no Designated Landscape Areas (DLA) and no Registered Cultural Heritage Study Areas recorded in the specific search area.

CORPORATE DIRECTORY

The Company

Omega Oil & Gas Limited

Suite 6, Level 22
56 Pitt Street
Sydney NSW 2000

Telephone: +61 (439) 911912

www.omegaoilandgas.com.au

Lead Manager

Prenzler Group

Suite 6, Level 22
56 Pitt Street
Sydney NSW 2000

Australian legal adviser

Sundaraj & Ker

Level 31, Australia Square
264 George Street
Sydney NSW 2000

Investigating Accountant

UHY Haines Norton Corporate Finance Pty Limited

Level 11
1 York Street
Sydney NSW 2000

Auditor

UHY Haines Norton

Level 11
1 York Street
Sydney NSW 2000

Share Registry

Automic Group

Level 5
126 Phillip Street
Sydney NSW 2000

Independent Technical Adviser

Fluid Energy Consultants

Level 8
46 Edward Street
Brisbane QLD 4000

APPLICATION FORM

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE REPLACEMENT PROSPECTUS CAREFULLY BEFORE COMPLETING THIS GENERAL OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Omega Oil & Gas Limited (ACN 644 588 787) (**Company**) made under the terms of the General Offer set out in the Replacement Prospectus dated 05 September 2022.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Replacement Prospectus. The Replacement Prospectus contains important information relevant to your decision to invest and you should read the entire Replacement Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Replacement Prospectus and any supplementary Prospectus (if applicable). While the Replacement Prospectus is current, the Company will send paper copies of the Replacement Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AEST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESSE Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ("SRN") will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "**Omega Oil and Gas Limited – Share Account**" and drawn on an Australian bank and expressed in Australian currency and crossed "**Not Negotiable**". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AEST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.

Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AEST) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Replacement Prospectus, either in printed or electronic form and have read the Replacement Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Replacement Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Replacement Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Replacement Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Offer opens on 06 September 2022 and is expected to close on 23 September 2022. The Directors reserve the right to close the Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

Paper Application and Cheque

By Post:

Omega Oil and Gas Limited
C/- Automic Pty Ltd
GPO Box 5193
SYDNEY NSW 2001

OR

By Hand Delivery:

Omega Oil and Gas Limited
C/- Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Online Applications and BPAY® or EFT Payments

Online:

<https://apply.automic.com.au/omega>

ASSISTANCE

Need help with your application, no problem. Please contact Automic on:



PHONE:

1300 288 664 within Australia
(+61 2) 9698 5414 from outside Australia



LIVE WEBCHAT:

Go to www.automicgroup.com.au



EMAIL:

corporate.actions@automic.com.au

