Prominence Energy

2023

Annual Financial Accounts

PROMINENCE ENERGY LTD

West Perth, Western Australia 6005
ASX Code: PRM
ABN: 69 009 196 810

CORPORATE DIRECTORY

DIRECTORS

Mr Ian McCubbing
B.Com (Hons), MBA (Ex), CA, GAICD
Non-Executive Director and Chairman

Mr Alexander Parks
GAICD, MEng
Chief Executive Officer and Managing Director

Mr Troy Hayden
B.Com , MBus (Banking)
Non-Executive Director

COMPANY SECRETARY AND CFO

Mr Sonu Cheema
BComm, CPA

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Perth, Western Australia 6000
ASX Code: PRM
ABN: 69 009 196 810

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CHAIRMAN'S LETTER

Dear Fellow Shareholder,

We are pleased to present the 2023 Annual Report for Prominence Energy Limited ("Prominence").

Since the unsuccessful Sasanof gas exploration well was drilled in the second quarter of calendar 2022 Prominence has been seeking another oil and gas project that could provide very significant upside to shareholders should exploration drilling prove successful.

In July 2023, Prominence acquired blocks A 87 and A 90 in the Brazes South Addition Area. Preliminary work indicated that these blocks, now known as the Big Apple Project, were prospective for large-scale gas resources.

Subsequent to the acquisition of Big Apple, Prominence undertook additional technical work and purchased seismic before appointing Netherland, Sewell and Associates, Inc ("NSAI") to provide an Independent Assessment of the Big Apple Project. Management and the Board were pleased to announce in our ASX release of 31 August 2023 that NSAI assessed that Big Apple has Total Unrisked Mean Net Prospective Resources of 1.37 Tcf of Gas and Total Risked Mean Net Prospective Resources of 426 Bcf with an estimated 30% Chance of Success. A key priority of Prominence in coming months is to undertake additional studies and work to mature the project, prior to seeking a farm-in partner.

The recent increase in oil price has driven an increase in enquiries from potential farm-in partners for the Bowsprit Oil Project. Management continues to work to identify a farm-in partner for this project.

Whilst Big Apple and Bowsprit are the main priorities for Prominence in the near future the company continues to use its network to review oil and gas and green energy opportunities that could provide substantial returns to shareholders.

Finally, I would like to thank my fellow Board members as well as our Company Secretary and CFO Sonu Cheema for their continued and valuable contributions. My thanks also go to our contractors, Broker and our technical advisors. Last but not least, the Board thanks our shareholders for their ongoing support of the Company.

Ian McCubbing

Chairman of Prominence Energy Ltd

REVIEW OF ACTIVITIES

OIL AND GAS EXPLORATION AND DEVELOPMENT

Big Apple Exploration Prospect - Prominence 100% working interest.
Gulf of Mexico, UNITED STATES OF AMERICA

The Big Apple Gas Prospect straddles the boundary of two adjacent lease blocks A87 and A90 in the Brazos South Addition Area, located on the Outer Continental Shelf of the Gulf of Mexico, off Texas approximately 200km directly south of Houston in approximately 250ft (75m) of water. Together the Leases cover an area of 11,520 acres (~46km2).

PRM holds both blocks A87 and A90 with 100% working interest and 80.25% Net Revenue Interest. The leases have an initial five-year exploration term, which commenced on 1 July 2023. There is no minimum work program and the blocks can be held by production for 25 years.

PRM bid for the blocks in the 2023 bidding round, on the basis of mapping and AVO analysis of seismic in the blocks, which identified a high potential and sizeable gas prospect with an area of up to 7,500 acres (30km^2).
The main sand is interpreted to be a Middle Miocene Corsair delta sand at a depth of approximately 9,000ft (2,750m). The main sand is estimated to be up to 150ft (46m) thick, with an area of between 4,000 to 7,500 acres as mapped, the sand is steeply dipping and the gas column could be up to 2,800ft (850m) from the crest to structural closure. AVO analysis of 2D seismic across the prospect shows two sands with Class III AVO anomalies (a strong indication of a gas-filled sand).

Area	Block / Lease	Working Interest	PRM Net Revenue Interest NRI (%)	Term Commencing 1 July 2023	Area Acres
Brazos Area, South Addition	A 87 / OCS-G37341	100%	80.25	**5 Years**	5,760
Brazos Area, South Addition	A 90 / OCS-G37341	100%	80.25	**5 Years**	5,760

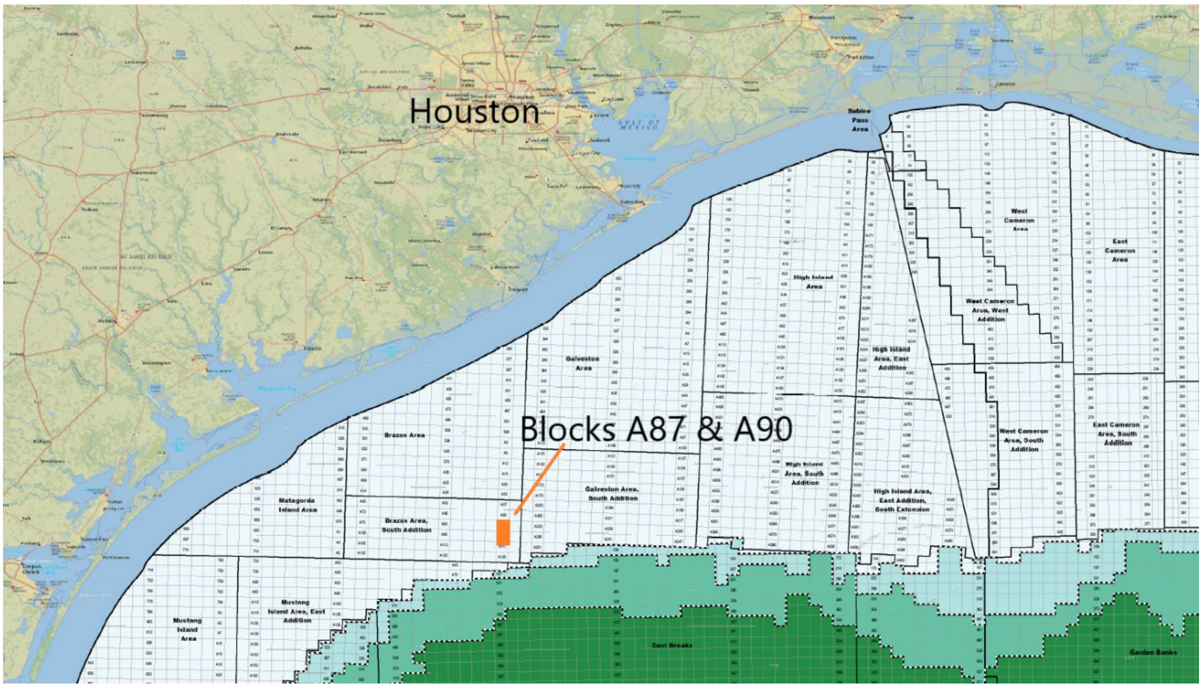

Figure 1 - Big Apple Location Map –Brazos Area, South Addition Blocks A87 &A90 approximately 200km South of Houston

REVIEW OF ACTIVITIES

Netherland, Sewell & Associates, Inc. have provided an Independent Assessment[1]
Big Apple has Total Unrisked Mean Net Prospective Resources of 1.37 Tcf (2) of Gas and Total Risked Mean Net Prospective Resources of 426 Bcf. 30% CoS[2]:

	Unrisked Estimated Ultimate Recovery Net to PRM (80.25% NRI)					
	Gas (Bcf)			**Condensate (MMbbls)**		
Prospect Block	**Low Estimate**	**Best Estimate**	**High Estimate**	**Low Estimate**	**Best Estimate**	**High Estimate**
Main Sand	1U	2U	3U	1U	2U	3U
BA3 Central	300.6	691.3	1396.3	1.4	4.7	13.1
BA3 East	68.3	143.8	245.2	0.3	1.0	2.4
BA3 West	84.1	179.2	315.4	0.4	1.2	3.1
Secondary Sand	1U	2U	3U	1U	2U	3U
BA4 Central	37.4	90.2	201.4	0.2	0.6	1.8
BA4 East	29.1	59.4	98.3	0.1	0.4	1.0
BA4 West	27.7	58.5	101.9	0.1	0.4	1.0

Note: Totals of unrisked prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are therefore not shown. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risked prospective resources.

Commercial Rational

Technical merit is a large part of PRM's project selection criteria, but the location and a viable route to commercialisation is a significant factor. The Big Apple project is located in the Gulf of Mexico, a prolific hydrocarbon region, with good rig availability and a deep farm-out market. It is not far from existing infrastructure that can reach the USA gas market and due south of the Freeport LNG facility. The gas market in the USA continues to grow each year and has particularly been boosted by the rise of US LNG liquefaction and export capacity in recent years. The USA gas demand is approximately 100bcf/day and rising. Approximately 13bcf/day is currently exported as LNG, from existing LNG facilities. There are new LNG facilities under construction and additional facilities, that have building and environmental approvals, that may commence construction in the coming years. The USA is forecast to reach an export capacity of over 20bcf/day by 2028 based on existing and facilities already under construction. The international demand for LNG is also growing. China and Japan are the largest importers, but LNG can be sent anywhere in the world with a port and regasification facilities. Vietnam, Germany and the Philippines all commenced LNG imports for the first time in 2023. By the end of 2024, Antigua and Barbuda, East Coast Australia, Cyprus, and Nicaragua are expected to start importing LNG for the first time, and several more countries are in advanced stages of developing LNG import capacity. All this increasing demand is expected to put upward pressure on the US spot gas prices. This bodes well for attracting a farm-in partner for Big Apple and the potential value of the project in the event of drilling success.

Forward Plan

Whilst the prospect has been mapped on a local prospect scale with the existing data, there is considerable work required to mature the project and demonstrate its potential value to prospective farminees. The plan is to mature the project, to highlight its potential value then attract funding for the drilling via a farm-out process. Maturing the project requires a thorough understanding and technical work up of not just the prospect, but the surrounding rock strata, geological setting, identifying and compare analogue prospects that have been successful discoveries in the region and working every possible aspect of the data available to present a comprehensive and compelling prospect prospective farminees would like to drill. It is anticipated the farm-out process will commence in the first quarter of 2024.

[1] *Refer to ASX Announcement 31 August 2023*

[2] *NSAI Geological Chance of Success estimated for Main sand as 32% in West and Central Blocks, 28% in East block and 30% for secondary sand.*

REVIEW OF ACTIVITIES

BOWSPRIT OIL PROJECT (“**BOWSPRIT**”) (Lease No. 21754) - Prominence 100% working interest.
Louisiana State water UNITED STATES OF AMERICA

PRM secured a 100% working Interest in the Bowsprit Project via the acquisition of Pinnacle Energy International (USA) I LLC (“Pinnacle”) executed on 20 August effective 1 August 2021. The Company issued 20.5 million PRM shares to Pinnacle to complete the buy-out. Pinnacle is entitled to a Royalty of 5% (five percent) of gross production revenue (net revenue received after Tariffs and direct sale costs as per the calculation of State Royalty) (“Royalty”). PRM is entitled to collect the first US$12 million in gross revenue before any Royalty payment is made to Pinnacle. The 5% Royalty remains payable on the first US$12million of revenue and is accrued and payable, only when the Leases produce at least US$12 million in gross production revenue. Therefore, if the Leases do not produce $12 million in gross revenue, no royalty is payable to Pinnacle. No provision has been made for this contingent liability, as it cannot be estimated reliably.

In October 2021 the vertical portion of the Bowsprit-1 well was drilled to appraise a potential field extension in the T2 sand to the northwest of the proven oil field as prospective upside for the project. Numerous oil and gas shows were encountered in the well, that were ultimately deemed to be residual hydrocarbons. The fault to the north-west of the well does not provide the seal hoped for, so no commercially producible hydrocarbons were found in the field extension area. The Bowsprit-1 well was suspended at the cased hole depth of approximately 3,000ft for potential future re-entry and side-tracking. The proven oil in the T1 Upper Miocene Sand was not affected by the vertical well result and remains a viable target for a single well development via a side-tracking of the vertical well and tie back to a nearby platform. During the reporting period Netherland Sewell and Associates, Inc updated the reserves estimate for the field and as announced on 21 July 2022 the Bowsprit field has 1P reserves. The Bowsprit T1 reservoir is expected to have a permeability of over 200mD, which in combination with horizontal drilling, modern completion techniques and the light nature of the oil, should result in an initial flow rate of over 1,500bopd. With third party processing costs of less than $10/bbl, operating costs will be low and the Bowsprit project has the potential to produce substantial free cash flow to fund other PRM projects.

The Bowsprit field remains a potentially valuable asset for the company. The Netherland Sewell & Associates Inc, (NSAI) Reserves reassessment as at 30 June 2022, values the 2P reserves at A$22.25 million assuming US$85.82/bbl. PRM is looking at the best way to fund the drilling and tie-back to put the field on production in the most commercial way possible. The optimum solution to fund the drilling and tie-back would be via a farm-out and PRM is engaged in discussions with agents and prospective farminees to try to make that happen.

The war in Ukraine and economic forces have made the farm-out market relatively weak during 2022/2023, fears of a US recession invoked by inflation have contributed to the oil price having a relatively volatile year with lows of under US$70/bbl, however, the oil price has reached a recent high of over US$90/bbl in September, apparently driven by supply and demand forecasts. PRM has seen a pickup in interest from prospective farminees in recent weeks.

Figure 2 – Bowsprit Project Location Map (PRM 100% working Interest).

REVIEW OF ACTIVITIES

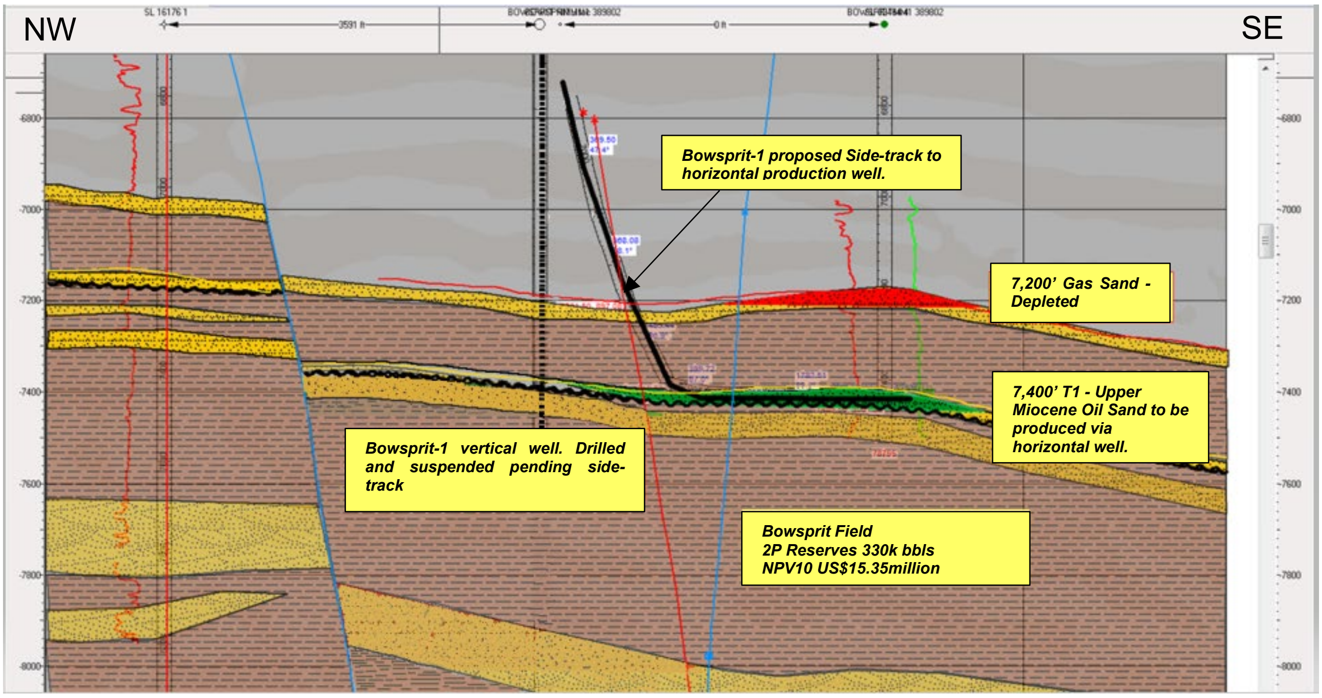

Figure 3 - Bowsprit-1 ST well path Schematic. Cross Section through Bowsprit Field from Northwest to Southeast.

Reserves Attributed to Bowsprit-1

The field consists of the proven Upper Miocene Reservoir (T1) at a depth of approximately 7,400ft TDSS.

Reserves estimated by Netherland, Sewell & Associates, Inc. (NSAI) on the Bowsprit Project.

Resource Classification	Confidence Level	Net Reserves to PRM		Net Cash Flow (NPV0)	NPV10	NPV10
		Oil Mbbls	Gas MMSCF	US$ million	US$ million	A$ million
Undeveloped Reserves (T1)	1P (90%)	106.9	81.3	2.93	2.34	3.39
	2P (50%)	330.7	254.7	18.33	15.35	22.25
	3P (10%)	643.5	502.9	38.57	29.47	42.71

Table 1 – Bowsprit Field Upper Miocene Reservoir T1 Reserves @ $US85.82/bbl (0.69AUD/USD)

Land Status (net acres of oil & gas leases)
Prominence's total net land position in the Breton Sound, Louisiana was approximately 635 net acres of oil and gas leases.

Oil Project Area	Prominence Working Interest (%WI)	Prominence Net Revenue Interest (%NRI)	Project area Gross Acres (1ha = 2.471ac)	Prominence's Net Acres (1ha = 2.471ac)
Bowsprit SL21754	100%	73%	635	635
TOTAL	**-**	**-**	**635**	**635**

(Total acres are approximate, as at 30 June 2023)

WG-519 PTY LTD - WA-519-P PROJECT (PRM 12.5%)
AUSTRALIA

In March 2022, Prominence Energy Ltd ("PRM") finalised the acquisition of a 12.5% interest in the Multi-TCF potential Sasanof Gas Prospect located in exploration Permit WA-519-P on the Northwest Shelf, Australia. PRM acquired a 12.5% shareholding interest in the WA-519-P licence holder, Western Gas (519 P) Pty Ltd (WG519).

The Sasanof-1 well was drilled with the Valaris MS-1 semi-submersible in Q2 2022. Sasanof-1 was a vertical well, drilled to a depth of approximately 2,400m in 1,070m of water. The main target zone was encountered at the expected depth but found to contain no hydrocarbons.

Remaining potential of WA-519-P

WA-519-P is located offshore Western Australia, on the Exmouth Plateau approximately 200km northwest of Onslow. The area is surrounded by proven gas fields. Western Gas as operator has applied for a permit renewal of WA-519-P and subject to application approval by the government and partial relinquishment, may be extended for a further 5-year term.

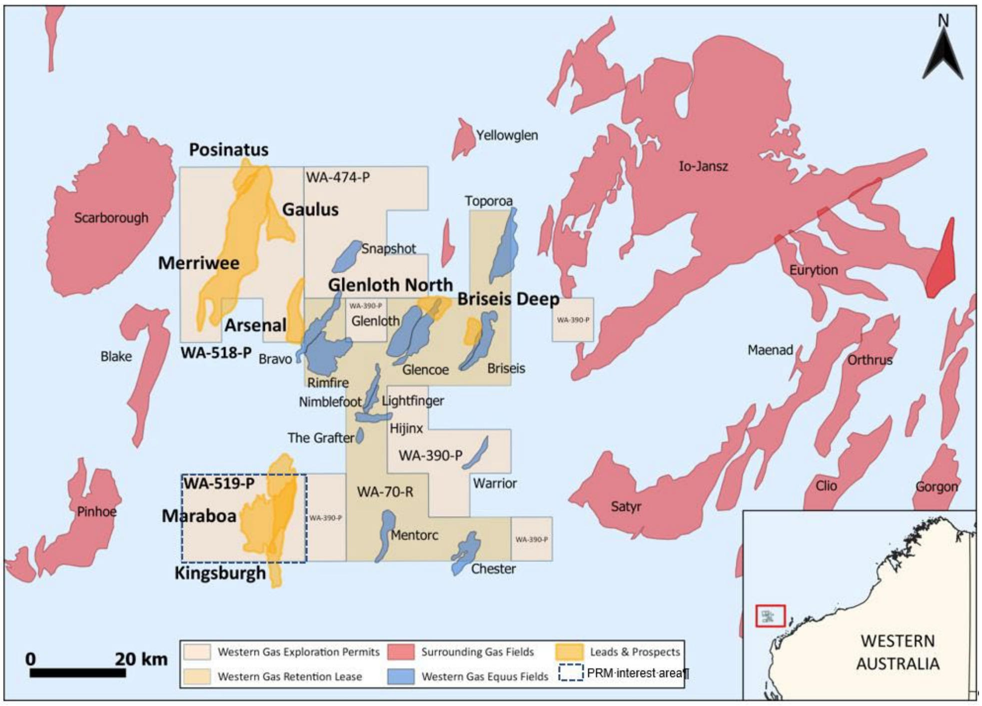

Figure 4 - Location of WA-519-P (PRM 12.5% beneficial interest).

ECOSSAUS SALT CAVERN DEVELOPMENT FOR POTENTIAL FUTURE GHG SEQUESTRATION (PRM 10.9%) AUSTRALIA

The Company has made a modest investment in ECOSSAUS Ltd (ECOSSAUS) (10.9%). ECOSSAUS landholding comprises tenements granted and applications pending for approximately 11,800km^2 located in Northern Territory, South Australia and Queensland. These areas are believed to be prospective for solution mining of salt and potential subsequent use of resultant salt caverns for storage purposes.

Salt caverns are used in other parts of the World for storage of non-aqueous gases or liquids that do not dissolve salt, such as hydrocarbons and petroleum products. They have recently proven to be effective for the storage of hydrogen, which can be challenging to store in large volumes via typical storage methods (ie, tanks and vessels). There is also potential for CO2, methane and other greenhouse gases (GHG) to be stored in salt caverns for long term as a form of carbon sequestration.

PRM's initial investment of A$100,000 was part of a $415,000 capital raise to fund ECOSSAUS in the grant of tenements and initial data gathering and technical studies. PRM has an option to maintain it's current holding level by participating in future raises.

NEW VENTURES

The company is primarily focussed on the advancement of Big Apple and Bowsprit, however PRM will continue to review new venture opportunities, that fit the company's investment criteria. The Company is seeking projects with:

1. a high probability of success, focused on appraisal and development projects as opposed to pure high-risk exploration;
2. early entry opportunity such as acreage applications where drilling can be substantially funded via farm-out;
3. Niche opportunities in Helium, Hydrogen or other 'green' energy projects, that are appropriate in scale of investment and have potential to generate a meaningful return on investment for PRM shareholders.

The company uses in house expertise or select specialist consultants to review the technical merits of opportunities at low cost. Future drilling or major acquisitions will require funding via farm-out or capital raising.

DIRECTORS' REPORT

The Directors of Prominence Energy Ltd ("Prominence" or "the Company") present their report on the consolidated entity consisting of the Company and the entities it controlled at the end of, or during, the year ended 30 June 2023.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

1. DIRECTORS AND OFFICERS

The names of the Directors of the Company in office during the year and at the date of this report are as follows:

Mr Ian McCubbing (Non-Executive Chairman) B.Com (Hons), MBA (Ex), CA, GAICD (appointed 9 December 2022)

Mr McCubbing is a Chartered Accountant and Graduate of the Australian Institute of Company Directors with more than 30 years' corporate experience, including five years investment banking, principally in the areas of corporate finance and mergers and acquisitions. Mr McCubbing has spent more than 15 years' working with ASX 200 and other listed companies in senior finance roles, including positions as Finance Director and Chief Financial Officer in mining and industrial companies. Mr McCubbing holds a Bachelor of Commerce (Honours) from UWA and an Executive MBA from the AGSM. Mr McCubbing is currently a director of Rimfire Pacific Mining Limited. In the last three years, Mr McCubbing has also held a directorship in Swick Mining Services Limited.

Mr Alexander Parks (Chief Executive Officer and Managing Director) GAICD, MEng

Mr Alexander Parks was appointed to the Board as Chief Executive Officer and Managing Director on 2 November 2017. Mr Parks previously served as a Non-Executive Director from 18 February 2016. Mr Parks is an energy expert with over 25 years' of experience in the oil and gas industry, commencing as a petroleum engineer with RPS Energy Australia (formerly Troy-Ikoda, UK & Australia) in 1997. Mr Parks has managed companies and company projects in Australia, SE Asia, North America, New Zealand, Europe, FSU and North Africa. Projects have included onshore and offshore exploration, development, production and significant new ventures and transactions. Mr Parks was formerly Managing Director of Tamaska Oil & Gas Ltd (ASX:TMK), he has previously held the positions of Chief Commercial Officer at Cue Energy Resources Ltd, CEO of Mosaic Oil NL, CEO of Otto Energy Ltd and Technical Director at RPS Energy. Mr Parks has a Petroleum Engineering degree from Imperial College, London, is a member of the Society of Petroleum Engineers (SPE) and is a Member Australian Institute of Company Directors (GAICD).

Mr Troy Hayden (Non-Executive Director) B.Comm, MBus (Banking)

Mr Hayden has more than 27 years' experience in the upstream oil and gas industry. He was the CEO/Managing Director at ASX listed, Tap Oil for 6 years and worked at Woodside Petroleum Limited for 12 years, where he held several positions, including Treasurer, Acting CFO, Vice President of the USA Business Unit based in Louisiana, and Vice President of the Pluto Business Unit. Mr Hayden spent two and a half years living in Louisiana whilst working for Woodside (USA), where he worked on Woodside's Gulf of Mexico operating assets and exploration portfolio. Troy has worked on numerous oil and gas asset acquisitions, divestments and M&A transactions. Troy is currently a non-executive director of ASX listed Global Oil and Gas Limited.

Mr Sonu Cheema (Company Secretary) B.Comm, CPA

Sonu Cheema has over 10 years' experience working with public and private companies in Australia and abroad. He currently serves as a Company Secretary for several ASX listed companies within the mineral exploration and technology sectors.

Dr Jaap Poll (Non- Executive Director and Chairman) PHD, Geology (resigned 9 December 2022)

Jaap Poll is an experienced geologist and company Director and Chairman. Jaap's initial career was with Shell, Woodside and he also served as CEO of Oil search in Port Moresby in the 1990's. Since the mid 90's Jaap has focussed on smaller companies both public and private, establishing Ottoman Energy (now Otto Energy), Petroz and others. Jaap has worked many basins, and projects in Australia and internationally and is a proven oil and gas finder. Jaap is an accredited Arbitrator and Mediator, a Distinguished Life Member of the Petroleum Exploration Society of Australia and recognised as an industry "Legend" at the Excellence in Energy Conference.

2. DIRECTOR'S INTERESTS

As at the date of this report, the Director's interests in the securities of the Company are as follows:

		Ordinary Shares	Options over Ordinary Shares	Performance Rights
Mr Ian McCubbing[(1)]	Non-Executive Director and Chairman	1,903,126	-	-
Mr Alexander Parks	Managing Director	625,000	667,708	1,525,000
Mr Troy Hayden	Non-Executive Director	125,000	541,667	575,000

(1) Appointed 9 December 2022

Principal Activities of the Consolidated Entity

The principal activities of the consolidated entity during the financial year were oil and gas exploration and investment. There were no significant changes in these activities during the year. The consolidated entity's exploration and production activities are summarised in the "Review of Activities" preceding this report.

Operation Results

The net loss of the consolidated entity for the financial year after income tax was $979,688 (2022: loss of $10,715,128).

Dividends

No dividends were paid or declared during the financial year or subsequent to the year end.

Review of Operations

A review of the oil and gas operations of the Company and the consolidated entity is set out in the "Review of Activities" section of the Annual Report.

Likely Developments and Expected Results of Operations

The consolidated entity intends to continue the present range of activities during the forthcoming year. In accordance with its objectives, the consolidated entity may participate in exploration and appraisal wells and new projects and may grow its exploration effort and production base by farm-in or new lease acquisitions. Certain information concerning the future activity is set out in the "Review of Activities" section of the Annual Report. Other information on the likely developments and the expected results has been included where they can be reasonably anticipated.

Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Events since the End of the Financial Year

On 17 July 2023, the Company announced it was awarded two adjacent exploration blocks in the USA Outer Continental Shelf (OCS). Leases OCS-G-37341 and OCS-G-37342, following a period of extensive due diligence. The leases have an initial five-year exploration term, there is no minimum work program and the blocks can be held by production for 25 years. The Leases commence on 1 July 2023 with an initial 5-year term.

On 12 September 2023, the Company announced that it had issued 30,000,000 fully paid ordinary shares at $0.02 per share, following completion of a $600,000 placement. A total of 2,645,503 shares at $0.0189 per share (10% discount to 10-day VWAP) following shareholder approval on 2 June 2023.

Directors Loans and Convertible Notes

2023

The Directors in the previous financial year entered into loans to support the Company with short-term working capital. These loan amounts were fully repaid during the prior period.

2022

Patric Glovac, a previous Director via GTT Global Opportunities Pty Ltd, loaned the Company $100,000 via a convertible Note facility agreement. The agreement was settled in October 2021 via the issue of 9,530,057 at a deemed price of $0.01063 for a total value of $101,324. This included the interest component of $1,324 which was repaid in shares.

Environmental and Occupational Health and Safety Regulations

The Company's environmental and occupational health and safety ("OHS") obligations are regulated under both State and Federal Law or in the case of the Company's overseas interests, by the governing laws of that country. All environmental and OHS performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. The Company has a policy of complying, and in most cases exceeding its performance obligations. The Company ensures that it complies with all necessary conditions while exploring its permits, which is governed by the terms of respective joint operating agreements. The consolidated entity did not operate any of its exploration or producing assets. The Company has established environmental and OHS Board policies under which all exploration is carried out. Both policies ensure all employees, contractors and other service providers are fully acquainted with the Company's environment and OHS programs. The Company's primary goal in the environmental management of exploration activities is to prevent unnecessary environmental impact and reinstate sites where disturbance cannot be avoided, whilst its goal in OHS is to provide and foster a culture of carrying out exploration activities in a safe working environment at best exploration practice. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007, which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2022 to 30 June 2023 the Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Voting and comments made at the Company's 2023 Annual General Meeting

Prominence received in excess of 92% of 'yes' votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices. This report details the nature and amount of remuneration for each Director of Prominence and specified Executives (Executive officers) involved in the management of the Company who were not Directors.

Company Specific Risks

Oil and Gas exploration and development risks
The business of oil and gas exploration, project development and production, by its nature, is highly speculative and contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

(i) the discovery and/or acquisition of economically recoverable reserves;
(ii) access to adequate capital for project development;
(iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
(iv) securing and maintaining title to interests;
(v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production; and
(vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Oil and gas exploration may involve drilling operations and exploration activities which do not generate a positive return on investment. This may arise from dry wells, but also from wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.
There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

Operational Risks
Oil and gas exploration and development activities involve numerous operational risks, including encountering unusual or unexpected geological formations, mechanical breakdowns or failures, human errors and other unexpected events which occur in the process of drilling and operating oil and gas wells.

The occurrence of any of these risks could result in substantial financial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, clean-up responsibilities and regulatory investigation, amongst other factors. Damages occurring to third parties as a result of such risks may give rise to claims against the Company which may not be covered fully by insurance or at all.

Title risks
The ownership of oil and gas lease rights in the USA is a combination of private and government ownership (including Indian and tribal ownership). The acquisition of privately owned oil and gas lease rights typically involves an initial review of the public records in the counties in which the relevant lands lie in order to determine the ownership of the oil and gas rights. Thereafter, oil and gas leases are negotiated with the owners of those rights. Verifying the chain of title of privately owned

USA oil and gas leases can be complex and may result in remedial steps to be taken to correct any defect in title. Big Apple Leases are federal blocks, and the Bowsprit Lease is a Louidsiana State Lease.

Sovereign risks
The Company's key project interests are situated in the USA. Accordingly, the Company is subject to the risks associated in operating in foreign countries. These risks include economic, social or political instabilities or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government relations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with oil and gas exploration and production in the USA. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects is outside the control of the Company. Such changes may affect the foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production and in turn may affect the viability and profitability of the Company.

Additional Requirements for Capital
The oil and natural gas industry is capital intensive. The Company has made, and expects to make, substantial capital expenditures for the acquisition, development and exploration of oil and natural gas reserves. As and when further funds are required the Company may need to raise additional capital, including from one or more of: the issue of equity securities; the incurrence of further debt finance; or the contribution of capital from one or more operational or financial partners in exchange for a portion of the Company's interests in its assets, if and as appropriate. There is no assurance that the Company will be able to access and secure additional funding on reasonable terms or at all.

The Company manages financial risk through the implementation of policies and procedures that address areas such as hedging and liquidity management. Furthermore, as operator of a substantial majority of its assets, the Company has the flexibility to manage its capital program to help mitigate liquidity risks.

Reliance on Key Personnel
The responsibility of overseeing the day to day operations of the Company depends on its management and its key personnel. The Company is aware of the need to have sufficient management to properly supervise the exploration and, if exploration is successful, the development of the Company's projects. As the Company's projects and prospects progress and develop the Board will continually monitor the management requirements of the Company and look to employ or engage additional personnel when and where appropriate to ensure proper management of the Company's projects. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its planned exploration programmes within the expected timetable. Furthermore, you should be aware that no assurance can be given that there will be no adverse effect on the Company if one or more of its existing Directors or management personnel cease their employment or engagement with the Company.

Contractual and Joint Venture Risk
The Directors are not able to presently assess the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become, a party or the insolvency or other failure by any of the contractors engaged by the Company for any exploration or other activity. Any such failure or default could adversely affect the operations and performance of the Company and the value of the Shares.

Reserves and resources
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 the Listing Rules.

The SPE-PRMS system 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 the three stages of exploration, appraisal and development.

In general, estimates of economically recoverable oil and gas reserves and resources are based upon a number of variable factors and assumptions, such as comparisons with production from other producing areas, the assumed effects of regulation by governmental agencies, assumptions regarding future oil and gas prices and future operating costs, all of which may vary considerably from actual results. Actual production with respect to reserves may vary from such estimates and such variances could be material.
Reserve and resource estimates are estimates only and no assurance can be given that any particular level of recovery from hydrocarbon reserves will in fact be realised or that an identified hydrocarbon resource will ever qualify as commercially viable which can be legally and economically exploited.

Hydraulic fracturing
The Company has used and may in the future use horizontal drilling together with hydraulic fracturing stimulation technology in its exploration, production and development activities. The use of these technologies may be necessary for the production of commercial quantities of oil and gas from geological formations of the type that the Company is targeting. The enactment of any new laws, regulations or requirements by any relevant government authority in respect of hydraulic fracturing could

result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Investors should note that hydraulic fracturing has been the subject of increased media scrutiny, particularly in the United States and more recently Australia, due to its potential environmental impacts on land and underground water supply if not properly managed. Restrictions or prohibitions on the use of hydraulic fracturing may reduce the amount of oil and gas the Company can produce and may have a material impact on the Company's business. The Big Apple and Bowsprit projects are not anticipated to require fracture stimulation.

INDUSTRY RISKS

Operating Risks

Oil and gas exploration, appraisal, development and production operations are subject to a number of operational risks and hazards including fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leaking of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. Oil and gas exploration, appraisal, development and production are generally considered a high- risk undertaking. The operations of the Company may also be affected by a range of factors, including:

(i) operational and technical difficulties encountered in drilling;
(ii) difficulties in commissioning and operation plant and equipment;
(iii) mechanical failure or plant breakdown;
(iv) unanticipated drilling problems which may affect production costs;
(v) adverse weather conditions;
(vi) industrial and environmental accidents;
(vii) industrial disputes; and
(viii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Oil and Gas Reserves and Production Estimates

Oil and Gas Reserves and production estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates are likely to change. This may result in alterations to development plans which may, in turn, adversely affect the Company's operations and the value of the Shares.

Permit grant and maintenance risks

The Company's oil and gas exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations.

The maintaining of permits, obtaining renewals, or getting permits granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents that it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection with their grant.

Commercial Risk

The oil and gas exploration industry is competitive and there is no assurance that, even if commercial quantities of those resources is discovered by the Company on its current projects or future projects it may acquire an interest in, a profitable market will exist for sales of such resources. There can be no assurance that the quality of any such resources will be such that they can be extracted economically.

Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to oil and gas production, the revenue it will derive through the sale of resources it may discover exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for oil and gas, technological advancements, forward selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Furthermore, international prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. If the price of commodities declines this could have an adverse effect on the Company's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable.

Insurance Risks

Exploration for and development of oil and gas involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company insures 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 oil and gas exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

Environmental Risks
Oil and gas exploration, development and production generates potential environmental risks and is therefore subject to environmental regulation pursuant to a variety of laws and regulations. In particular, there are regulations in place with respect to potential spills, contamination, releases and emission of substances related, or incidental to, the production of oil and gas. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. In certain circumstances, these laws and regulations also create obligations to remediate current and former facilities and locations where operations are or were conducted.
Compliance with these regulations can require significant expenditure and a breach may result in substantial financial liability on the Company. These risks will be minimised by the Company conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

Competition
Oil and gas exploration is highly competitive in the United States. The Company competes with numerous other oil and gas companies in the search for oil and gas reserves and resources. Competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of the Company. The Company is protected from competition on permits in which it holds exclusive exploration rights, however the Company may face competition for drilling equipment and skilled labour. The Company may also face competition from competitors on permits in which it currently holds exploration rights, in the event that, as a condition of any permit held, it is required to partially relinquish certain parts of the permit. If the Company elects to re-apply for these exploration rights, there is no guarantee that the Company will be successful in its application against other competing offers.

Lease expiry
Successful drilling is fundamental to the appraisal and development of the leases in which the Company holds an interest. In circumstances where commercial production has not been established within the specified time frame or leases have been extended, the Company's leases may expire. It is common for oil and gas leases in the USA to contain provisions such that, if commercial production is not established on the properties within a specified period, the leases will expire and the holder of the leasehold interest loses its right to continue to explore for oil and gas on the relevant land.

Commercialisation
The Company's potential future earnings, profitability, and growth are likely to be dependent upon the Company being able to successfully implement some or all of its commercialisation plans. The Company's ability to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. The Company may not be successful in securing identified customers or market opportunities.
The Company's ability to sell and market its production will be negatively impacted in the event it is unable to secure adequate transportation and processing. Access will depend on the proximity and capacity of pipelines and processing facilities. Furthermore, the Company may be required to develop its own pipeline infrastructure or secure access to third-party pipeline infrastructure in order to deliver oil and gas to key markets or customers, or to directly deliver gas to key markets or customers. The development of its own pipeline infrastructure will be subject to the Company obtaining relevant approvals including pipeline licences.

Seasonality and weather
Operations on a number of the Company's exploration permits are affected by seasonal weather conditions. Such operations can occur during the less optimal seasons however the risk of reduced access, significant weather downtime and substantial cost overruns is increased during these times.

GENERAL INVESTMENT RISKS

General Economic Conditions
General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and possible production activities, as well as on its ability to fund those activities.

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

(i) general economic outlook;
(ii) the introduction of tax reform or other new legislation (such as royalties);
(iii) interest rates and inflation rates;
(iv) currency fluctuations;
(v) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the oil and gas exploration or production sectors within that industry);
(vi) the demand for, and supply of, capital; and
(vii) terrorism or other hostilities.

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, which influences are beyond the Company's control and which are unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company or the Shares and subsequently any return on an investment in the Company. Shareholders who sell their Shares may not receive the entire amount of their original investment.

Volatility in Global Credit and Investment Markets
Global credit, commodity and investment markets may experience uncertainty and volatility. The factors which may lead to this situation are outside the control of the Company and may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

Government and Legal Risk
The introduction of new legislation or amendments to existing legislation by governments (including introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and ultimately the financial performance of the Company, or the Shares. The same adverse impact is possible by the introduction of new government policy or amendments to existing government policy, including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties.

Unforeseen Expenditure Risk
Expenditure may need to be incurred that has not been considered in this report. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

Regulatory Approvals
The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, production and rehabilitation activities.

Obtaining the necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining the necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in the suspension of the Company's activities or forfeiture of one or more of the Company's leases or permits.

DIRECTORS' REPORT

Remuneration Report

The audited remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Additional information

A Principles used to determine the nature and amount of remuneration

The performance of the Company depends upon the quality of its Directors, Executives and staff. To achieve its financial and operating activities, the Company must attract, motivate and retain highly skilled Directors and Executives. The Company embodies the following principles in its remuneration framework:

- Provide competitive awards to attract high calibre Executives;
- Structure remuneration at a level and mix commensurate with their position and responsibilities within the Company so as to reward Executives for the Company and individual performance; and
- Align executive incentive rewards with the creation of value for Shareholders.

Executive remuneration policy

The policy is for Executives to be remunerated on terms that are competitive with those offered by entities of a similar size within the same industry. Packages are reviewed annually by the remuneration committee with any recommendation of this committee reviewed and approved by the Board.

Remuneration consultants are not used by the Company

As predominately an exploration entity, performance outcomes are uncertain, notwithstanding endeavour. As such, remuneration packages are not linked to profit performance. The present policy is to reward successful performance via incentive options that are priced on market conditions at the time of issue. The number of options granted is at the full discretion of the Board.

The Options are not issued in relation to past performance, but are considered to promote continuity of employment and provide additional incentive to Executive Officers to increase Shareholder wealth.

The Company's security trading policy provides acceptable transactions in dealing with the Company's securities, including shares and options. The full policy can be read on the Company's website.

The Executive Directors receive a superannuation guarantee contribution required by the government, which is 10.5%.
All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using the Black-Scholes model.

Non-Executive remuneration policy

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. The maximum aggregate amount of fees (inclusive of the 10% superannuation guarantee contribution required by government) that can be paid to Directors is currently AU$400,000.

Executive Officers

The Board's policy for determining the nature and amount of compensation of Executive Officers for the Group is as follows:

The compensation structure for Executive Officers is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and Executive Officers are on a fixed term basis.

Upon retirement, Executive Officers are paid employee benefit entitlements accrued to the date of retirement. The remuneration committee recommends the proportion of fixed and variable compensation (if applicable) for each Executive Officer which is approved by the Board.

DIRECTORS' REPORT

B Details of Executive Remuneration

The Executive Officers included the Directors who had the responsibility for planning, directing and controlling the activities of the entity during the financial year.

Mr Alexander Parks - Managing Director and CEO

Mr Parks has an Executive Services Agreement ("the agreement") which specifies the duties and obligations to fulfilled in his role. Mr Parks' remuneration is both salary and performance based, designed to minimise cash cost to the Company, and to align objectives that should benefit the shareholders. The near-term incentives are based on achieving key development milestones of the Bowsprit project. Mr Parks receives a fixed remuneration component of $252,000 (plus superannuation) per annum.

At 30 June 2023 the reconciled value is assessed as $29,448 to Mr Parks for annual share based remuneration.

EMOLUMENTS OF DIRECTORS AND OTHER KPMG

2023	Short-term employee benefits				Post-employment benefits	Share base payments		
Name	Cash salary Consulting fees and Directors' fees	Non-monetary Benefits-Shares/ Options	Other (Annual leave provision)	Bonus	Superannuation	Performance Rights	Total	Performance Related %
	$	$	$	$	$	$	$	
Executive Director								
Mr A Parks	252,000	-	12,880	-	18,403	29,448	312,731	9%
Sub-Total	**252,000**	**-**	**12,880**	**-**	**18,403**	**29,448**	**312,731**	
Mr T Hayden	37,000	-	-	-	3,885	11,055	51,940	21.3%
Mr I McCubbing(1)	36,439	-	-	-	3,826	-	40,265	0%
Dr J Poll(2)	34,601	-	-	-	3,633	-	38,234	0%
Sub-Total	**108,040**	**-**	**-**	**-**	**11,344**	**11,055**	**130,439**	**21.3%**
Total	**360,040**	**-**	**12,880**	**-**	**29,747**	**40,503**	**443,170**	**9%**

(1) Appointed 9 December 2022

(2) Resigned 9 December 2022

2022	Short-term employee benefits				Post-employment benefits	Share base payments		
Name	Cash salary Consulting fees and Directors' fees	Non-monetary Benefits-Shares/ Options(2)	Other (Annual leave provision)	Accrued Fees	Superannuation	Performance Rights(1)	Total	Performance Related %
	$	$	$	$	$	$	$	
Executive Director								
Mr A Parks(1)	246,000	-	21,156	50,000	29,600	27,986(1)	374,742	20.22%
Sub-Total	**246,000**	**-**	**21,156**	**50,000**	**29,600**	**27,986**	**374,742**	**20.22%**
Non-Executive Directors								
Mr P Glovac	1,500	-	-	-	150	-	1,650	-
Mr I McCubbing(2)	43,750	-	-	-	4,375	-	48,125	-
Mr T Hayden	34,500	-	-	-	3,450	5,518	43,468	12.7%
Dr J Poll	6,439	-	-	-	644	-	7,083	-
Sub-Total	**86,189**	**-**	**-**	**-**	**8,619**	**5,518**	**100,326**	**12.7%**
Total	**332,189**	**-**	**21,156**	**50,000**	**38,219**	**33,504**	**475,068**	**17%**

(1) Upon reassessment of Tranche C probability, it was determined that the performance condition would not be met by expiry. Accordingly, a reversal of the vesting expense has been made in the current year, totalling $45,000. Refer to Note 15 for more information.

(2) Resigned 11 May 2022

DIRECTORS' REPORT

Remuneration consists of the following key elements:

a) Fixed remuneration: being base salary, superannuation and other benefits (including non-monetary); and
b) Share based incentives as determined.

Fixed remuneration

Fixed remuneration is reviewed annually by the remuneration committee. The process consists of a review of group and individual performance, relevant comparative remuneration information for a variety of sources including industry associations, and where considered appropriate, external advice on policies and practices.

C Service Agreements

Mr Ian McCubbing
Term of agreement: Retires as determined by Director Rotation
Chairman fees: $65,000 per annum plus Superannuation
Incentives: Share based incentives as determined
Mr Ian McCubbing was appointed as Non-Executive Director and Chairman on 9 December 2022.

Mr Alexander Parks
Term of agreement: 2 years to 1 April 2024
Salary: $252,000 per annum plus superannuation
Director fees: Included in salary
Incentives: Share based incentives as determined
Mr Parks was appointed Managing Director and CEO on 2 November 2017.

Mr Troy Hayden
Term of agreement: Retires as determined by Director Rotation
Director fees: $42,000 per annum plus Superannuation
Incentives: Share based incentives as determined
Mr Troy Hayden was appointed as Non-Executive Director on 16 July 2021.

Dr Jaap Poll
Term of agreement: Retires as determined by Director Rotation
Director fees: $50,000 per annum plus Superannuation
Incentives: Share based incentives as determined
Dr Jaap Poll resigned as Non-Executive Director and Chairman on 9 December 2022.

D Share-based compensation

2023

The Company established a securities incentive plan pursuant to which the Company can issue Securities to eligible Directors, employees and consultants in order to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to all Shareholders.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unissued Securities issuable pursuant thereto every three years.

The Plan Performance Rights are granted in two classes (Class A and Class B) with the vesting conditions and expiry dates set out in the table below. Refer to Note 15.

Tranche	Vesting Condition	Expiry Date
Class A	10-day VWAP of Shares is equal to or greater than $0.1	3.08 years from date of grant
Class B	10-day VWAP of Shares is equal to or greater than $0.16	3.08 years from date of grant

2022

Tranche	Vesting condition	Expiry date
Class A	10-day VWAP of Shares is equal to or greater than $0.5	3 years from date of grant
Class B	10-day VWAP of Shares is equal to or greater than $0.7	3 years from date of grant

E Additional information

Share-based compensation

31 million Performance Rights were granted to Directors during the June 2023 financial year. These, as well as existing performance rights, were consolidated on a 20:1 basis during the 2023 financial year. Refer also Note 15.

Ordinary shares

Name	Balance at start of the year or appointment	Declared as at Appointment	Balance after 20:1 Consolidation	Balance at the end of the year or on retirement/ resignation	Nominally held
2023					
Directors					
Mr I McCubbing	-	38,062,514	1,903,126	1,903,126	750,000
Dr J Poll	1,300,000	-	65,000	65,000	-
Mr A Parks	12,500,000	-	625,000	625,000	-
Mr T Hayden	2,500,000	-	125,000	125,000	-

Option holdings

The number of **listed options** over ordinary shares in the Company held during the 2022 financial year by each Director of the Company and other Executive Officers of the Group, including their personally related parties, are set out below:

Name	Balance at the start of the year	Acquisition	Exercised	Expired	Balance at the end of the year or on retirement/ resignation*	Vested and exercisable	Un-vested
2023							
Directors							
Mr I McCubbing	-	-	-	-	-	-	-
Dr J Poll	-	-	-	-	-	-	-
Mr A Parks	13,354,167	-	-	-	667,708	667,708	-
Mr T Hayden	10,833,333	-	-	-	541,667	541,667	-

* Balance after 20:1 Consolidation

Performance Rights

The number of **Performance Rights** in the Company held during the 2023 financial year by each Director of the Company and other Executive Officers of the Group, including their personally related parties, are set out below:

Name	Balance at the start of the year	Issued	Exercised	Lapsed	Balance after 20:1 Consolidation	Vested and exercisable	Un-vested
2023							
Directors							
Mr I McCubbing	-	-	-	-	-	-	-
Dr J Poll	-	-	-	-	-	-	-
Mr A Parks	9,500,000	22,500,000	-	(1,500,000)	1,525,000	-	1,525,000
Mr T Hayden	3,000,000	8,500,000	-	-	575,000	-	575,000

Loans from Directors and Executives

See Note 10c for details on loans to the company by Directors.

Company Performance

An analysis of the Company's performance over the past five years is as follows:

	2023 $	2022 $	2021 $	2020 $	2019 $
Profit/(Loss) attribute to Shareholders of the parent entity	(979,688)	(10,715,128)	1,205,632	(1,081,462)	(1,100,065)
Dividends paid	-	-	-	-	-
Contributed equity	139,510,834	139,510,834	124,076,671	120,483,368	119,786,868
Return on contributed equity	(7.69%)	(7.69%)	0.97%	(0.90%)	(0.92%)

The Company has adjusted any oil and gas assets where there has been an impairment of the asset with the resulting write downs reflected in the loss attributable to Shareholders.

This is the end of the audited remuneration report.

DIRECTORS' REPORT

Indemnification of Officers

Insurance and indemnity arrangements established in the previous year concerning Officers of the Company were retained during the year ended 30 June 2023. The Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts, for current and former Directors and Officers, including Executive Officers, Directors and secretaries of the Company. The terms of the insurance policy contract do not allow disclosure of the premium. The insurance premiums relate to:

i. costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
ii. other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

Meetings of the Company's Directors

The number of meetings of the Company's Board of Directors and each Board committee held during the year ended 30 June 2023 and the numbers of meetings attended by each Director were:

	Full meetings of Directors		Meetings of committees Audit & Risk		Remuneration	
	A	B	A	B	A	B
Dr Jaap Poll	3	3	1	1	-	-
Mr Alexander Parks	7	7	2	2	-	-
Mr Troy Hayden	7	7	2	2	-	-
Mr I McCubbing	4	4	1	1	-	-

A. Number of meetings attended
B. Number of meetings held during the time the Director held office or was a member of the committee during the year.

Any items with respect to the Audit and Risk and Remuneration Committee were addressed in Board meetings.

Retirement, election and continuation in office of Directors

The Directors retire by rotation in terms of the Constitution of the Company.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of Court under section 237 of the Corporations Act.

Non-audit services

During the year ended 30 June 2023 and 30 June 2022, no non-audit fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

DIRECTORS' REPORT

Auditor's independence declaration

The auditor's independence declaration as required under section 307c of the Corporations Act 2001 on page 21 forms part of the Directors' Report for the financial year ended 30 June 2023.

Board of Directors' declaration for year ended 30 June 2023

The Board of Directors' Declaration for year ended 30 June 2023 on page 51 forms part of the above Directors' Report. This relates to the integrity of the financial statements, risk management and internal compliance and control systems of the Company for the financial year as set out in this Annual Financial Report.

For and on behalf of the Board in accordance with a resolution of Directors.

Mr Ian McCubbing
Chairman
Perth, Western Australia
28 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Prominence Energy Ltd for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**B G McVeigh**
28 September 2023	**Partner**

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FINANCIAL REPORT 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 2023 $	2022 $
Other income	3a	24,561	220,499
Administration and other expense		(423,470)	(112,029)
Employee benefits expense		(387,578)	(441,708)
Finance expense	3c	(11)	(161,933)
Occupancy expense	3d	(20,285)	(19,694)
Fair value gain on derivative	3e / 10a	-	150,000
Share based payment expense	12	(14,927)	(402,403)
Exploration & evaluation impairment	7	-	(8,771,621)
Doubtful Debt Expense	3b	-	(1,176,239)
Exploration costs expensed		(157,978)	-
Profit/(Loss) before income tax expense		**(979,688)**	**(10,715,128)**
Income tax expense	4	-	-
Profit/(Loss) for the year after income tax		**(979,688)**	**(10,715,128)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation reserve movement	13	(7,259)	(35,920)
Other comprehensive income/(loss) for the year, net income tax		**(7,259)**	**(35,920)**
Total Profit/(loss) and other comprehensive loss for the year attributable to owners of Prominence Energy Ltd		**(986,947)**	**(10,751,048)**
Profit/(Loss) per share attributable to the members of Prominence Energy Ltd			
Basic profit/(loss) per share (cents)	23	(0.81)	(14.62)
Diluted profit/(loss) per share (cents)	23	(0.81)	(14.62)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Current assets			
Cash and cash equivalents	5	747,434	2,813,064
Other receivables		3,444	222,546
Other current assets	6	7,149	28,598
Total current assets		**758,027**	**3,064,208**
Non-current assets			
Exploration and evaluation expenditure	7	6,606,411	6,168,138
Financial assets	8	100,000	100,000
Other non-current assets	6	665,308	-
Total non-current assets		**7,371,719**	**6,268,138**
Total assets		**8,129,746**	**9,332,346**
Current liabilities			
Trade and other payables	9	453,512	681,802
Borrowings	10	-	-
Provisions		159,426	161,716
Total current liabilities		**612,938**	**843,518**
Total liabilities		**612,938**	**843,518**
Net assets		**7,516,808**	**8,488,828**
Equity			
Contributed equity	11	139,510,834	139,510,834
Share-based payment reserve	12	14,125,563	14,110,636
Foreign exchange translation reserve	13	17,921,915	17,929,174
Accumulated losses		(164,041,504)	(163,061,816)
Total equity		**7,516,808**	**8,488,828**

The above Consolidated Statement of Financial Position should be read in conjunction with the notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Attributable to equity holders of the Company				
	Contributed equity	**Accumulated losses**	**Share-based payments reserve**	**Foreign exchange translation reserve**	**Total equity**
2023	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2022	**139,510,834**	**(163,061,816)**	**14,110,636**	**17,929,174**	**8,488,828**
Total comprehensive loss for the year					
Loss for the year	-	(979,688)	-	-	(979,688)
Other comprehensive loss:	-	-	-	-	-
Exchange differences on translation of Foreign Entities	-	-	-	(7,259)	(7,259)
Total other comprehensive loss	**-**	**-**	**-**	**(7,259)**	**(7,259)**
Total comprehensive loss for year	**-**	**(979,688)**	**-**	**(7,259)**	**(986,947)**
Transactions with owners, in their capacity as owners:					
Share-based payment transactions	-	-	14,927	-	14,927
Contributions by and distributions to owners:	-	-	-	-	-
Contributions of equity	-	-	-	-	-
Equity transaction costs	-	-	-	-	-
Total transactions with owners	**-**	**-**	**14,927**	**-**	**14,927**
Balance at 30 June 2023	**139,510,834**	**(164,041,504)**	**14,125,563**	**17,921,915**	**7,516,808**

	Attributable to equity holders of the Company				
	Contributed equity	**Accumulated losses**	**Share-based payments reserve**	**Foreign exchange translation reserve**	**Total equity**
2022	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2021	**124,076,671**	**(152,346,688)**	**13,180,169**	**17,965,094**	**2,875,246**
Total comprehensive loss for the year					
Loss for the year	-	(10,715,128)	-	-	(10,715,128)
Other comprehensive loss:					
Exchange differences on translation of Foreign Entities	-	-	-	(35,920)	(35,920)
Total other comprehensive loss	**-**	**-**	**-**	**(35,920)**	**(35,920)**
Total comprehensive loss for year	**-**	**(10,715,128)**	**-**	**(35,920)**	**(10,751,048)**
Transactions with owners, in their capacity as owners:					
Share-based payment transactions	-	-	483,000	-	483,000
Contributions by and distributions to owners:					
Contributions of equity	17,009,052	-	-	-	17,009,052
Equity transaction costs	(1,574,889)	-	447,467	-	(1,127,422)
Total transactions with owners	**15,434,163**	**-**	**930,467**	**-**	**16,364,630**
Balance at 30 June 2022	**139,510,834**	**(163,061,816)**	**14,110,636**	**17,929,174**	**8,488,828**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated	
		2023 $ Inflows (Outflows)	**2022 $ Inflows (Outflows)**
Cash flows from operating activities			
Payments to suppliers and employees		(963,559)	(894,869)
Interest received		14,767	239
Interest paid		(3,451)	-
Net cash flow (used in) operating activities	5a	**(952,243)**	**(894,630)**
Cash flows from investing activities			
Payments for exploration costs		(1,332,980)	(11,344,672)
Payment for recoverable exploration cost		-	(1,176,239)
Payment for Investments		-	(100,000)
Receipt of settlement funds		203,980	-
Net cash flow (used in) investing activities		**(1,129,000)**	**(12,620,911)**
Cash flows from financing activities			
Proceeds from issue of shares		-	13,205,000
Share issue costs		-	(628,000)
Proceeds from Borrowings	10	-	750,000
Net cash flow provided by financing activities		**-**	**13,327,000**
Net increase/ (decrease) in cash and cash equivalents held		**(2,081,243)**	**(188,541)**
Cash and cash equivalents at the beginning of the financial year		2,813,064	2,671,488
Effects of exchange rate changes on cash and cash equivalents		15,613	330,117
Cash and cash equivalents at the end of the financial year	5	**747,434**	**2,813,064**

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes to the Consolidated Financial Statements.

1. Summary of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover the consolidated entity (the Group) of Prominence Energy Ltd and its controlled subsidiaries. Prominence Energy is a listed public Company, incorporated and domiciled in Australia (ASX Code: PRM) and is a for- profit entity for the purpose of preparing the financial statements. These financial statements have been approved for issue by the Board of Directors on 28 September 2023.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the annual report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Application of new and revised Accounting Standards

Standards and Interpretations applicable 30 June 2023
In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore, no material change is necessary to Group accounting policies.

Standards and interpretations in issue not yet effective
The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the period 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group.

Statement of Compliance

The annual report complies with Australian Accounting Standards, and complies with International Financial Reporting Standards (IFRS).

Reporting Basis and Conventions

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

Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the annual reporting period are:

a) Recoverability of exploration and evaluation assets
The recoverability of exploration and evaluation assets is determined by the future discovery of economic oil and gas reserves of sufficient quantity and quality in the relevant area of interest to offset costs to date.

As at 30 June 2023, the carrying value of exploration and evaluation assets is $6,606,411 (2022: $6,168,138).

b) Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model. For equity instruments with market based vesting conditions, a Barrier 1 Valuation model is used.
The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity’s estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Going Concern

The Group recorded a net loss after tax of $979,688 (2022: loss of $10,715,128) and recorded operating cash outflows of $952,243 (2022: $894,630) for the year ended 30 June 2023. As at 30 June 2023 the Group has net assets of $7,516,808 (2022: net assets of $8,488,828) that includes a cash balance of $747,434.

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors have reviewed the business outlook, cash flow forecasts and immediate capital requirements and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due. The Directors continue to monitor the ongoing funding requirements of the Company and as stated and have the ability to raise monies via a share placement in the near term as work programs progress. Prominence has a track record of securing capital funding from the initiatives it has taken over the year and in periods.

Over the course of the next 12 months, the Directors consider that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable and that the going concern basis of preparation remains appropriate when preparing the full year financial report. The Company has a track record of raising capital which is recently highlighted by the funding initiatives completed in September 2023.

However, should the Company not be able to raise in share placement or any other means, there exists a material uncertainty, that may cast significant doubt on the Groups ability to continue as a going concern.

A Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Prominence Energy Ltd (‘company’ or ‘parent entity’) as at 30 June 2023 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries 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 the 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.

All inter-company balances and transactions between subsidiaries in the Group, including any unrealised profits or losses have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity. Where controlled subsidiaries have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

B Revenue Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from USA producing operations is recognised when received from the Operator and is two months in arrears due to lag between sales and when received. Dividend revenue is recognised when the right to receive a dividend has been established.
All revenue is stated net of the amount of goods and services tax (GST).

C Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where that amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

D Income Tax

The charge for current income tax expense is based on the profit or loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the year end date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is credited to the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic subsidiary will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Prominence Energy and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Prominence Energy is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidation group. The tax consolidated group has not entered into a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group. The parent will therefore have liability for all tax as the other companies in the group will not be liable. All contributions and distributions have been accounted for.

E Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the Group's subsidiaries is measured using the currency of the primary economic environment in which that subsidiary operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The functional currency of the subsidiaries in the United States is US Dollar.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and other Comprehensive Income.

Group Companies

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

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- contributed equity and accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

All resultant exchange differences have been recognised in the Statement of Profit or Loss and other Comprehensive Income.

F Oil and Gas Properties

i) Exploration Costs Carried Forward

Exploration, evaluation and relevant acquisition expenditure incurred is accumulated in respect of each identifiable area of interest. Areas of interest are recognised at the field level. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Economically recoverable reserves are defined as the estimated quantity of product in an area of interest, which can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions.

Exploration and evaluation expenditure, which does not satisfy these criteria, is written-off in full against profit in the year in which a decision to abandon the area is made.

Bi-annual reviews are undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

ii) Development Costs
Once an area of interest is identified as having commercial potential, exploration costs are transferred to development and further well development costs are capitalised.

iii) Producing Projects
When production commences on an area of interest an exploration and evaluating cost relating to the area of interest is transferred to producing projects within the oil and gas properties.

Transferred development, exploration and evaluation costs are amortised on the relevant UOP basis for each area of interest. The reserves used in these calculations are updated at least annually. Economic and technical developments are reviewed periodically in determining any rates.

G Trade and other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at fair value and subsequently at amortised cost.

H Financial Instruments

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

I Cash and Cash Equivalents

Cash and cash equivalents include cash on-hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months of less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

J Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and other Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Depreciation Rate	
Plant and equipment	25% - 40%
Furniture and fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the year end.

K Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible asset's finite life to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

L Provisions and Contingent Liabilities

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Contingent liabilities are only disclosed when the probability for payment is not remote.

M Earnings per Share

i) Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing the entity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

N Segment Reporting

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis using a "Management Approach". Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, plant and equipment and other assets, net of related provisions. Segment liabilities consist primarily of other creditors and provisions.

O Share-based Payments

In order to apply the requirements of AASB 2 "Share-based Payments" estimates were made to determine the "fair value" of equity instruments issued to Directors and incorporated into a Black-Scholes Valuation Model for options.

The fair value at grant date is determined using the 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 the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is recognised as an employee benefit expense with a corresponding increase in equity over any applicable vesting period or where options are issued as consideration for an acquisition directly to the asset acquired.

The fair value of performance options is only recognised where it is probable that the relevant milestone will be attained. The fair value of all shares issued as consideration for an acquisition is valued at the market value of Prominence Energy Ltd shares at the date of allotment.

P Contributed Equity

Ordinary shares are classified as equity.
Incremental costs directly attributed to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Q Employee Benefits

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

The Group contributes to its employees' superannuation plans in accordance with the requirements of the Superannuation Guarantee (Administration) Act. Contributions by the Group represent a defined percentage of each employee's salary. Employee contributions are voluntary.

R Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

At inception, the fair value of the host liability portion of convertible notes is determined as being the difference between the proceeds and the fair value of any identifiable derivative liabilities contained within the note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes. Refer to Note 12 for details surrounding the valuation of embedded derivative liabilities contained in convertible notes issued during the year.

Derivative liabilities are carried at fair value through profit or loss ("FVTPL"). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.
Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2. Segment Information

a Description of segments

The business is analysed in two geographical segments namely, Australia and the United States of America (USA). The principal activity in these locations is the exploration, development and production of oil and gas projects.

b Segment information provided to the Board

The following tables present, revenue, expenditure and certain asset information regarding geographical segments for the year ended 30 June 2023.

30 June 2023	Australia $	USA $	Unallocated $	Consolidated $
Revenue - oil and gas sales	-	-	-	-
Loan/creditor extinguishment	-	-	-	-
Other income	14,767	9,794	-	24,561
Total segment revenue	**14,767**	**9,794**	**-**	**24,561**
Segment result after income tax	(989,482)	9,794	-	(979,688)
Total segment assets	**8,129,332**	**414**	**-**	**8,129,746**
Total assets includes net additions:				
Exploration and evaluation	-	*6,606,411*	-	6,606,411
Segment liabilities	**194,184**	**418,754**	**-**	**612,938**
Segment amortisation and depreciation	-	-	-	-

30 June 2022	Australia $	USA $	Unallocated $	Consolidated $
Revenue - oil and gas sales	-	-	-	-
Loan/creditor extinguishment	-	-	-	-
Other income	3,323	217,176	-	220,499
Total segment revenue	**3,323**	**217,176**	**-**	**220,499**
Segment result after income tax	(10,932,304)	217,176	-	(10,715,128)
Total segment assets	**9,115,170**	**217,176**	**-**	**9,332,346**
Total assets includes net additions:				
Exploration and evaluation	*4,693,938*	-	-	4,693,938
Segment liabilities	**440,508**	**403,010**	**-**	**843,518**
Segment amortisation and depreciation	-	-	-	-

c. Other segment information

The economic entity is domiciled in Australia with segment revenue from external customers based on the country in which the customer is located.

3. Revenues and Expenses

	Consolidated	
	2023 $	**2022 $**
a Other Income		
Rental and other income	14,767	217,176
Government assistance	-	-
Loan/creditor extinguishment	-	-
Interest income from non-related parties	9,794	3,323
	24,561	**220,499**
b Doubtful Debt Expense		
Doubtful Debt Expense on Loan Receivable [(i)]	-	(1,176,239)
	-	**(1,176,239)**
c Finance Expense		
Interest expense	(11)	(11,933)
Finance Costs of Convertible Notes	-	(150,000)
	(11)	**(161,933)**
d Miscellaneous Expenses		
Rental expense - operating lease	(20,285)	(19,694)
	(20,285)	**(19,694)**

e Investment		
Fair value movement of investment	-	150,000
	-	**150,000**

Note (i): The treatment of the loan receivable from Western Gas is doubtful, following the assessment of recoverability. This loan is capital contributions made by Prominence with respect to the recoverable capital contributions made by PRM to Western Gas.

4. Income Tax

	Consolidated	
	2023 **$**	**2022** **$**
a Income Tax Expense		
Current tax	-	-
Deferred tax	-	-
b Reconciliation of income tax expense to prima facie tax payable:		
Profit/(loss) before income tax	(979,688)	(10,715,128)
Prima facie income tax at 30% (2022: 30%)		
- Group	(293,906)	(3,214,538)
Tax rate differential	-	(19,546)
Tax effect of amounts not deductible in calculating taxable income:		
Other permanent differences	50,008	239,331
Deferred tax asset on current year losses not recognised	-	2,670,979
Deferred Tax asset temporary differences not brought to account	413,949	369,381
Recoupment of prior -year tax losses not previously brought to account	(118,544)	(45,607)
Impact from change in tax rate on unrecognised DTAs	(51,506)	
Income tax expense/(benefit)	-	-

The Group made an election in order that the Australian companies will form a tax-consolidated group from 1 July 2003. As a consequence, transactions between member equities will be ignored.

No deferred tax assets have been recognised as it is not probable that future tax profits will be available to offset these balances.

c Deferred Tax Liabilities		
Exploration and evaluation expenditure - Australia	-	-
Exploration and evaluation expenditure - USA	-	-
Temporary differences – Australia	-	-
Temporary differences – USA	-	-
Tax effect of other	-	-
Difference in overseas tax rates	-	-
Off-set of deferred tax assets	-	-
Net deferred tax liabilities recognised	-	-
d Unrecognised deferred tax assets arising on timing differences		
Tax losses – Australia	7,118,350	6,562,805
Tax losses – USA	19,934,778	19,709,118
Temporary differences – Australia	422,175	362,201
Temporary differences – USA	-	-
	27,475,303	**26,634,124**
Difference in overseas tax rate		
Off-set of deferred tax liabilities	-	-
Net deferred tax assets not brought to account	**27,475,303**	**26,634,124**

5. Cash and Cash Equivalents

	Consolidated	
	2023 **$**	**2022** **$**
Cash at bank and on-hand	747,434	2,813,064
Term Deposits	-	-
	747,434	**2,813,064**

Cash at bank bears floating interest rates around 1.44% (2022: 0.75%).

Non-cash financing and investing activities

2023

All Convertible Note facilities agreements were settled in the previous financial year and converted to shares. No new facilities were entered into during the 2023 financial year.

2022

During the financial year the Winform loan was repaid partially in options and the remainder was forgiven. All Convertible Note facilities agreements were settled and converted to shares.

	Consolidated	
	2023 **$**	**2022** **$**
a Reconciliation of (loss) after income tax with Cash Flow from Operations		
Profit/(Loss) after income tax		
Non-cash flows in profit/(loss)	(979,688)	(10,715,128)
- Fair Value Movement of Investment	-	(150,000)
- Exploration impairment	-	8,771,621
- Share Based Payments	14,927	402,403
- Other including foreign currency	(13,738)	(420,484)
- Doubtful Debts	-	1,176,239
-US creditor extinguishment		-
-Net finance costs	11	161,933
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables	23,374	(222,546)
- Increase/(decrease) in trade and other payables	2,871	101,332
-Cash flow used in operations	**(952,243)**	**(894,630)**

6. Other Current and Non-Current Assets

	Consolidated	
	2023 **$**	**2022** **$**
Current Assets		
Prepayments	**-**	28,598
Unwind prepayment during financial year	(21,449)	-
Net carrying value	**7,149**	**28,598**
Non-Current Assets		
Prepayments(1)	665,308	-
Net carrying value	**672,457**	-

(1) $665,308 recognised as prepayment for lease costs, incurred under the Big Apple project awarded subsequent to 2023 financial year.

7. Exploration and Evaluation Expenditure

	Consolidated	
	2023 $	2022 $
Carried forward	**6,168,138**	1,474,200
Net expenses incurred in the year and capitalized	438,273	11,529,793
Asset Acquisition Sasanof Prospect [d]	-	1,710,000
Pinnacle Energy International (USA) LLC [c]	-	225,766
Expenditure impairment [b]	-	(8,771,621)
Net carrying value	**6,606,411**	**6,168,138**

a) Carrying value of capitalised expenditure

The carrying value of the Group's project was reviewed, and impairment recognised where the facts and circumstances identified the carrying amount to be greater than the recoverable amount. Exploration expenditure is carried forward in accordance with the accounting policy and comprises expenditure incurred on the acquisition and exploration of tenement interests for oil and gas.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of oil and gas or alternatively sale of the respective area of interest.

b) Impairment

2023

During the 2023 financial year, there was no impairment of exploration and evaluation expenditure. During the 2022 financial year, $8,771,621 was impaired due to a lack of geological results produced by the WA-519-P (PRM 12.5%) project. The Directors assessed the carrying value of the remaining projects and deemed that no impairment indicators were present and further impairment was not necessary.

c) Asset Acquisition - Pinnacle

2022

The Company secured a further 50%, totalling 100% working Interest in the Bowsprit Project via the acquisition of Pinnacle Energy International (USA) I LLC ("Pinnacle") executed on 20 August 2021 effective 1 August 2021. The Company issued 20.5 million PRM shares to Pinnacle to complete the buy-out. Pinnacle is not considered a business under AASB 3 Business combination; the acquisition is accounted for as an acquisition of exploration assets. Pinnacle Energy is a single purpose company with no other assets or liabilities. The value of this acquisition has been included in Exploration and Evaluation capitalised expenditure. Pinnacle is entitled to a Royalty of 5% (five percent) of gross production revenue (net revenue received after Tariffs and direct sale costs as per the calculation of State Royalty) ("Royalty"). PRM is entitled to collect the first US$12 million in gross revenue before any Royalty payment is made to Pinnacle. The 5% Royalty remains payable on the first US$12million of revenue and is accrued and payable, only when the Leases producing at least US$12 million in gross production revenue. Therefore, if the Leases do not produce $12million in gross revenue, no royalty is payable to Pinnacle. No provision has been made for this contingent liability as it cannot be estimated reliably. Consideration Paid 20,524,144 PRM shares valued at $225,766.

d) Asset Acquisition – Sasanof Prospect (WG-519)

2022

PRM and Western Gas Corporation Pty Ltd had executed the formal agreements for PRM to acquire a 12.5% interest in the Multi-TCF potential Sasanof Gas Prospect located in exploration Permit WA-519-P on the Northwest Shelf, Australia via a 12.5% shareholding in Western Gas (519 P) Pty Ltd, the company which is the permit holder of WA-519-P containing the Sasanof Prospect. PRM had been issued the shares in Western Gas (519P) Pty Ltd and as approved by shareholders at PRM's EGM on 19 January 2022, Western Gas had been issued 90 million PRM shares and 30 million PRMOB options as part of the consideration. In the prior period, expenditure capitalised in relation to this project was impaired in full.

8. Financial Assets

	Consolidated	
	2023 $	2022 $
Carrying value - opening	100,000	-
Acquisition of shares in ECOSSAUS Ltd (ECOSSAUS)	-	100,000
Net carrying value - closing	**100,000**	**100,000**

Prominence Energy invested in alternative energy and carbon friendly projects, PRM has acquired a 10.9% stake in ECOSSAUS Ltd (ECOSSAUS) via participation in a seed capital raising by the company. PRM's initial investment of A$100,000 was part of a $415,000 capital raise to fund ECOSSAUS in the grant of tenements and initial data gathering and technical studies on the tenements. A level 3 valuation has been represented.

9. Trade and Other Payables – Current

	Consolidated	
	2023 $	2022 $
Trade and Other Payables (i)	178,417	417,050
Richland Bankruptcy (ii)	275,095	264,752
Total Trade and Other Payables	**453,512**	**681,802**

Trade and other payables are normally settled within 30 days from receipt of invoice unless otherwise agreed.

A portion of the total trade and other payables balance of $403,010 is held in the US subsidiaries of Prominence Energy Ltd. Sun Delta Inc, in particular holds $275,095 of the total trade payables as disclosed in Note 9 (ii)

The following are also recorded as other payables at 30 June 2023:

(i) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition unless agreed otherwise.

(ii) Richland Bankruptcy – Sun Delta Inc

Sun Delta Inc, a wholly owned subsidiary Company of Prominence Energy NL, was previously involved in a dispute with the operator of the Beeler Oil Project, Richland Resources Corp. In 2013, Sun Delta Inc announced that Richland Resources Corp, a company operating in the United States of America was removed as operator by the non-operating working interest owners in the Beeler Oil Project. Richland Resources Corp. had failed to pay certain vendors and these vendors then filed liens against the entire Beeler Oil Project, including Sun Delta Inc's 16.67% non-operating working interest. Richland Resources Corp. subsequently filed for Bankruptcy. The Trustee obtained judgement against Sun Delta and Sun Delta Inc.'s liability to the Bankruptcy Trustee is US$172,000 with no specified due date of payment. The Trustee has not taken action to recover the amount due. The Group has recognised a US$172,000 (2022: US$172,000) liability as part of trade and other payables. It should be noted that the Group is a potential beneficiary of the Richland bankruptcy settlement, which may offset or exceed this liability. US$136,574 (net lawyer fees deducted) was received during the 2023 financial year for partial settlement of the Richland Bankruptcy proceedings.

Sun Delta Inc. has no operating assets, cash or leases and has no capacity to make any payment. Any potential liability to the Prominence Group is limited to the subsidiary Sun Delta Inc.

10. Borrowings

Changes in Liabilities arising from financing liabilities

2023	1 July 2022	Cash Flows Drawdown	Cash Flows Repayment	Non-cash changes Interest Accrual	Non-cash changes Fair Value Changes	Non-cash changes Conversion to shares	30 June 2023
Director Loans	-	-	-	-	-	-	-
Convertible Notes	-	-	-	-	-	-	-
Derivative Liability	-	-	-	-	-	-	-
Total Liabilities from financing Activities	-	-	-	-	-	-	-

2022	1 July 2021	Cash Flows Drawdown	Cash Flows Repayment	Non-cash changes Interest Accrual	Non-cash changes Fair Value Changes	Non-cash changes Conversion to shares	30 June 2022
Director Loans	-	-	-	-	-	-	-
Convertible Notes	-	750,000	-	11,378	-	(761,378)	-
Derivative Liability	-	-	-	-	-	-	-
Total Liabilities from financing Activities	-	750,000	-	11,378	-	(761,378)	-

	Consolidated	
Short-term borrowings	**2023 $**	**2022 $**
Convertible Notes a)	-	-
Derivative liability b)	-	-
Loans from related Parties c)	-	-
Short-term loan facility	-	-
Current liability	-	-

a) Convertible Notes

Reconciliation of movement in convertible notes	Consolidated	
	2023	2022
Movement in convertible notes on issue	$	$
Balance at the beginning of the year	-	-
Issued during the year	-	750,000
Capitalised borrowing costs	-	-
Effective interest	-	150,000
Fair value movement through profit or loss derivative	-	(150,000)
Forgiven Amount	-	-
Converted amount (8 October and 17 November 2021)	-	(761,378)
Converted amount – other settlement (cash and options)	-	-
Interest on convertible notes	-	11,378
Closing Balance Convertible Notes	-	-

Convertible Notes

Patric Glovac a previous Director via GTT Global Opportunities Pty Ltd loaned the Company $100,000 via a convertible Note facility agreement. The agreement was settled in October 2021 via the issue of 9,530,057 at a deemed price of $0.01063 for a total value of $101,324. This included the interest component of $1,324 which was repaid in shares.

b) Derivative Liability

At 30 June 2023, the Group recognised a derivative liability of nil (2022: nil) in respect to its convertible notes:

	Consolidated	
	2023	2022
	$	$
Opening Balance	-	-
Embedded derivative at inception of notes issued during the year	-	150,000
Fair value through profit or loss	-	(150,000)
Effect of foreign currency translation at period end		
Closing balance	**-**	**-**

The Group classifies its derivative liabilities at fair value through profit or loss (FVTPL) on initial recognition. The derivatives are re-measured to fair value at each balance date and any movement in that fair value is taken directly to the income statement.

c) Director Loans

During the period the no related party transaction occurred.

11. Issued Capital

	Consolidated	
	2023	2022
Contributed Capital	$	$
121,230,441 fully paid ordinary shares (2022: 121,230,441) (i)	147,893,491	147,893,491
Cumulative issue costs of share capital	(8,382,657)	(8,382,657)
	139,510,834	**139,510,834**

(i) Issued capital was consolidated on a 1 for 20 basis in June 2023. The 2022 issued capital number has been adjusted accordingly and on the same basis for comparison purposes.

Movements in shares on issue	Date	Number of Shares	Capital $
2023			
Ordinary shares			
Opening balance	1 July 2022	2,424,608,819	139,510,834
20:1 security consolidation	2 June 2023	121,230,441	139,510,834
Issue costs of share capital		-	-
Closing balance		**121,230,441**	**139,510,834**

Movements in shares on issue	Date	Number of Shares	Capital $
2022			
Ordinary shares			
Opening balance	1 July 2021	2,424,608,819	139,510,834
Tranche 2 Placement	7 July 2021	172,485,553	1,724,856
Pinnacle settlement	26 August 2021	20,524,144	225,766
Convertible Note conversion (i)	8 October 2021	47,603,331	506,119
Convertible Note conversion (i)	18 November 2021	39,673,558	255,259
Tranche 1 Placement	15 December 2021	250,000,000	2,500,000
Conversion Performance Rights (ii)	15 December 2021	750,000	-
Directors' Placement	18-Feb-22	5,000,000	50,000
Consideration Facilitation Services	16-Mar-22	30,000,000	360,000
Brokers managing the Placement	16-Mar-22	30,000,000	360,000
Tranche 2 - Placement	16-Mar-22	950,000,000	9,500,052
Lead Manager Securities	16-Mar-22	21,500,000	258,000
Western Gas Vendor Shares	30-Mar-22	90,000,000	1,080,000
Shares for contract services	11-Apr-22	13,500,000	189,000
Issue costs of share capital		-	-
Closing balance		**2,424,608,819**	**139,510,834**

(i) Conversion of Con Note Refer Note 10a

(ii) Conversion of Performance rights, refer Note 15.

Movements in options Listed (PRMOB) 2023	Issue Date	Exercise Price	Number of Options
Opening balance	1 July 2022	0.02	911,895,579
20:1 security consolidation	2 June 2023	0.4	45,594,779
Closing balance			**45,594,779**

12. Share Based Payments Reserve

	Consolidated	
	2023 $	2022 $
Opening Balance	14,110,636	13,180,169
Placement options reserve	-	914,967
Performance Rights Issue	14,927	15,500
Closing balance	14,125,563	**14,110,636**

Share-based payments
The share-based payments reserve is used to recognise (refer Note 15):

- the grant date fair value of options issued to employees and others but not exercised.
- the grant date fair value of shares issued to employees and others.
- the grant date fair value of performance rights issued to Directors and employees.

13. Foreign Exchange Translation Reserve

	Consolidated	
	2023 $	2022 $
Opening Balance	17,929,174	17,965,094
Foreign currency translation	(7,259)	(35,920)
Closing balance	**17,921,915**	**17,929,174**

Foreign currency translation
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 1E and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investments is disposed of.

14. Capital and Leasing Commitments

Exploration expenditure commitments

The Company has statutory expenditure commitments on its areas of interest as at 30 June 2023 with respect to the Annual lease.

	Consolidated	
	2023 $	**2022 $**
Within one year (ii)	-	-
Later than one year, but not later than five years	-	-
	-	**-**

Oil Projects Lease Renewal
The Company held the following net lease acres at the 30 June 2023:

	Net Acres 30 June 2023	Net Acres 30 June 2022
100% Bowsprit Oil Project SL21754 & SL21787 (i)	635	635

(i) Refer to Note 7.
(ii) There is no commitments on the Bowsprit Leases due to the current Drilling Program.

15. Share-based Payments

The below performance rights were consolidated on a 1 for 20 basis in June 2023. The 2021 and 2022 number have been adjusted accordingly and on the same basis for comparison purposes.

(a) Performance rights issued during 2020/21

The Company issued a total of 850,000 Performance Rights to the Directors of the company, Mr Ian McCubbing, Mr Alexander Parks and Patric Glovac and the Company Secretary Anna MacKintosh:

Recipient	Position	Total Plan Performance Rights	Issue Date
Alexander Parks (or Nominee)	Managing Director Since 2017	400,000 Plan Performance Rights comprising: • 200,000 Class A Plan Performance Rights • 200,000 Class B Plan Performance Rights	30 April 2021
Ian McCubbing (or nominee)	Chairman (resigned 16 May 2022, reappointed 9 December 2022)	250,000 Plan Performance Rights comprising: • 125,000 Class A Plan Performance Rights • 125,000Class B Plan Performance Rights	30 April 2021
Anna MacKintosh (or nominee)	Former Corporate Secretary (resigned 29 July 2022)	50,000 Plan Performance Rights comprising: • 25,000 Class A Plan Performance Rights • 25,000 Class B Plan Performance Rights	30 April 2021
Patric Glovac (or nominee)	Former Non-Executive Director (resigned 16 July 2021)	150,000 Plan Performance Rights comprising: • 75,000 Class A Plan Performance Rights • 75,000 Class B Plan Performance Rights	30 April 2021

The company has recognised a reversal expense totalling $26,138 in relation to employees no longer being eligible due to resignations.

(b) Performance rights issued during 2021/22

The Company issued a total of 3 million Performance rights to Director Troy Hayden:

Recipient	Position	Total Plan Performance Rights	Issue Date
Troy Hayden (or Nominee)	Non-executive Board Member since July 2021	150,000 Plan Performance Rights comprising: • 75,000 Class A Plan Performance Rights • 75,000 Class B Plan Performance Rights	26 November 2021

Vesting Conditions

The Plan Performance Rights are all granted in two classes (Class A and Class B) with the vesting conditions and expiry dates set out in the table below. Each Plan Performance Right that vests will convert into one fully paid ordinary Share. Any of the Plan Performance Rights that have not vested three years after date of issue will lapse.

Tranche	Vesting Condition	Expiry Date
Class A	10-day VWAP of Shares is equal to or greater than $0.5	3 years from date of grant
Class B	10-day VWAP of Shares is equal to or greater than $0.7	3 years from date of grant

Inputs to determine the valuation of performance rights issued in the 2022 financial year are as follows:

Item	Class A	Class B
Valuation date	26/11/2021	26/11/2021
Spot price	$0.24	$0.24
Exercise price	Nil	Nil
Barrier Price	$0.50	$0.70
Expiry date	26/11/2024	26/11/2024
Expected future volatility	100%	100%
Risk free rate	0.08%	0.08%
Dividend yield	Nil	Nil
Fair Value	$55,550	$50,050

The company has recognised share-based payments in relation to these performance rights of $34,686 during the year.

(c) Performance rights issued during 2022/23

The Company issued a total of 1.7 million Performance rights to the Directors of the company, Alexander Parks and Troy Hayden and the Company Secretary Sonu Cheema:

Recipient	Position	Total Plan Performance Rights	Issue Date
Alexander Parks (or Nominee)	Managing Director Since 2017	1.125 million Plan Performance Rights comprising: • 562,500 Class A Plan Performance Rights • 562,500 Class B Plan Performance Rights	14 November 2022
Troy Hayden (or Nominee)	Non-executive Board Member since July 2021	425,000 Plan Performance Rights comprising: • 212,500 Class A Plan Performance Rights • 212,500 Class B Plan Performance Rights	14 November 2022
Sonu Cheema (or nominee)	Corporate Secretary	150,000 Plan Performance Rights comprising: • 75,000 Class A Plan Performance Rights • 75,000 Class B Plan Performance Rights	14 November 2022

Vesting Conditions

The Plan Performance Rights are all granted in two classes (Class A and Class B) with the vesting conditions and expiry dates set out in the table below. Each Plan Performance Right that vests will convert into one fully paid ordinary Share. Any of the Plan Performance Rights that have not vested three years after date of issue will lapse.

Tranche	Vesting Condition	Expiry Date
Class A	10-day VWAP of Shares is equal to or greater than $0.1	3.08 years from date of grant
Class B	10-day VWAP of Shares is equal to or greater than $0.16	3.08 years from date of grant

Inputs to determine the valuation of performance rights issued in 2022 are as follows:

Item	Class A	Class B
Valuation date	14/11/2022	14/11/2022
Spot price	$0.02	$0.02
Exercise price	Nil	Nil
Barrier Price	$0.152	$0.244
Expiry date	12/12/2025	12/12/2025
Expected future volatility	187%	187%
Risk free rate	3.21%	3.21%
Dividend yield	Nil	Nil
Fair Value	$15,980	$15,470

The company has recognised share based payments in relation to these performance rights of $6,379 during the period:

Class A	$ 3,241
Class B	$ 3,138
Total	$ 6,379

16. Related Party Transactions

a Parent entity

Transaction between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

b Subsidiaries

Interests in subsidiaries are set out in Note 22.

	Consolidated	
c Director and other key Management personnel compensation	**2023 $**	**2022 $**
Short-term employee benefits - paid	360,040	382,189
Short-term employee benefits – accrued and unpaid	12,880	21,156
Post-employment benefits	29,747	38,219
Share-based payments	40,503	33,504
	443,170	**475,068**

Loans from subsidiaries and loans from Directors and Executives

During the period the no related party transaction occurred.

17. Financing Arrangements

The Group and parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated	
	2023 $	**2022 $**
Amounts unused:		
Credit card facilities	43,600	43,600
Amounts used:		
Credit card facilities	328	1,186

18. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the performance of the Group. The Group does not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures; preferring instead to hold money in bank accounts in the country and currency where significant expenditure is expected to be incurred. Projected capital expenditure on exploration and production will be funded by cash and capital raising (if required).

Risk management is carried out by the Executives of the Group and approved by the board of Directors.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, leases and shares.

The Group holds the following financial instruments:

	Consolidated	
Financial Assets	**2023 $**	**2022 $**
Cash and cash equivalents	747,434	2,813,064
Financial assets	100,000	100,000
	847,434	**2,913,064**
Financial Liabilities		
Payables	453,512	681,802
Borrowings	-	-
Total Payables	**453,512**	**681,802**

a Market risk

Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management have established a policy requiring Group companies to manage their foreign exchange risk against their functional currency and hold money in bank accounts in the country and currency where significant expenditure is expected to be incurred.

Cash flow and fair value interest rate risk

Group

To ensure that the Group has adequate liquidity, detailed cash flow analysis is completed on a monthly basis. The risk is immaterial because cash and borrowings subject to variable interest rates are immaterial.

b Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently related parties with a minimum rating of "A" are accepted. Customers are reviewed taking into account their financial position, past experience and other factors for compliance with credit limits. Historically, the Group has not had any issues with credit quality and late payment.

c Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturities of financial assets and liabilities
2023 Consolidated

	Note	Floating interest rate (i) 0-6 Months	Fixed interest rate 0-6 months	Fixed interest rate more than 12 months	Non-interest bearing 0-6 months	Non-interest bearing 7-12 months	Total	Carrying amount as at 30 June 2023	Average interest rate Floating (i)	Average interest rate Fixed
		$	$	$	$	$	$	$	%	%
Financial assets										
Cash assets	5	747,434	-	-	-	-	747,434	747,434	1.44%	-
		747,434	-	-	-	-	747,434	747,434	-	-
Financial liabilities										
Payables	9	-	-	-	453,512	-	453,512	453,512	-	-
Borrowings	10	-	-	-	-	-	-	-	-	-
		-	-	-	453,512	-	453,512	453,512	-	-
Net financial assets/ (liabilities)		747,434	-	-	(453,512)	-	293,922	293,922	-	-

2022 Consolidated

	Note	Floating interest rate (i) 0-6 Months	Fixed interest rate 0-6 months	Fixed interest rate more than 12 months	Non-interest bearing 0-6 months	Non-interest bearing 7-12 months	Total	Carrying amount as at 30 June 2022	Average interest rate Floating (i)	Average interest rate Fixed
		$	$	$	$	$	$	$	%	%
Financial assets										
Cash assets	5	2,813,064	-	-	-	-	2,813,064	2,813,064	0.75%	-
		2,813,064	**-**	**-**	**-**	**-**	**2,813,064**	**2,813,064**	**-**	**-**
Financial liabilities										
Payables	9	-	-	-	681,802	-	681,802	681,802	-	-
Borrowings	10	-	-	-	-	-	-	-	-	-
		-	**-**	**-**	**681,802**	**-**	**681,802**	**681,802**	-	-
Net financial assets/ (liabilities)		**2,813,064**	**-**	**-**	**(681,802)**	**-**	**2,131,262**	**2,131,262**	**-**	**-**

d Fair value measurement of financial instruments

i Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision for trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The carrying value of the borrowings is equal to the fair value cash flows at the reporting date.

ii Fair value hierarchy

During the year ended 30 June 2023, there were no transfers between levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers into or out of level 3 during the year.

- Level 1: the fair value of financial instruments traded in active markets is based on quoted market prices at the end of the market period.
- Level 2: the fair value of financial instruments not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.
- Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company has made a modest investment in Ecostorage Solutions Pty Ltd (ECOSSAUS) (10.9%). ECOSSAUS landholding comprises tenements granted and applications pending for approximately 11,800km2 located in Northern Territory, South Australia and Queensland. The initial investment of A$100,000 was part of a $415,000 capital raise to fund ECOSSAUS in the grant of tenements and initial data gathering and technical studies. PRM has an option to maintain it's current holding level by participating in future raises. A Level 3 valuation has been represented.

Iii Recognised fair value measurements

The following financial instruments are subject to recurring value measurements:

	Consolidated	
	2023 $	**2022 $**
Investment in Ecostorage Solutions (Level 3)	100,000	100,000

19. Contingencies

There are no other contingent liabilities or assets as at 30 June 2023.

20. Parent Entity Information

The following details information related to the parent entity, Prominence Energy Ltd at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	Parent	
	2023 $	**2022 $**
Current assets	758,027	2,847,032
Non-current assets	6,270,414	4,060,080
Total assets	**7,028,441**	**6,907,112**
Current liabilities	194,185	440,508
Non-current liabilities	-	-
Total liabilities	**194,185**	**440,508**
Contributed equity	139,510,834	139,510,834
Accumulated losses	(146,802,141)	(147,154,867)
Share based payment reserve	14,125,563	14,110,636
Total equity/ (deficiency)	**6,834,256**	**6,466,603**
Profit/(Loss) for the year	(969,894)	(10,932,304)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income for the year	**(969,894)**	**(10,932,304)**

21. Investment in Controlled Subsidiaries

Prominence Energy Ltd and its subsidiaries:		**Country of Incorporation**	**2023 Equity Holding %**	**2022 Equity Holding %**
Prominence Energy Ltd (parent entity)	a	Perth, AU	100	100
Prominence Investments Pty Ltd (previously Sun Resources)	b	Perth, AU	100	100
Sun Shale Ventures Inc.	c	Texas, USA	100	100
Sun Delta Inc.		Colorado, USA	100	100
Sun Beta LLC		Colorado, USA	100	100
Sun Woodbine Inc.		Texas, USA	100	100
Sun Eagle Ford LLC		Texas, USA	100	100
Sun Operating LLC		Texas, USA	100	100
Sun Southern Woodbine LLC		Texas, USA	100	100
Sun Louisiana LLC	d	Louisiana, USA	100	100
Pinnacle Energy International I LLC		Texas, USA Louisiana, USA	100	100
PRM Energy Texas LLC		Texas, USA	100	-

a) The ultimate parent entity is Prominence Energy Ltd.
b) Prominence Investments Pty Ltd (previously Sun Resources) carries out general investment activities.
c) Sun Shale Ventures Inc. is the US parent entity.
d) Sun Louisiana LLC holds rights to leases for Bowsprit Oil Project.

All of the above subsidiaries are economically dependent on Prominence Energy Ltd.

22. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Parent	
	2023 $	2022 $
a Audit services		
Audit and review of financial reports	**40,119**	**31,578**
Total remuneration for audit services	**40,119**	**31,578**
b Non-audit services		
Compliance services	**-**	**-**
Total remuneration for non-audit services	**-**	**-**

The Group's policy does not employ HLB Mann Judd on assignments additional to their statutory audit duties unless it is where HLB expertise and experience to the Group are important. It is the Group's policy to seek competitive tenders for tax compliance and all major consulting projects.

23. Loss per Share

	Parent	
	2023 $	2022 $
Profit/(Loss) used to calculate basic loss per share	**(979,688)**	**(10,715,128)**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (i)	**121,230,441**	**73,282,834**

(i) Issued capital was consolidated on a 1 for 20 basis in June 2023. The 2022 issued capital number has been adjusted accordingly and on the same basis for comparison purposes.

24. Events after the Reporting Date

On 17 July 2023, the Company announced it was awarded two adjacent exploration blocks in the USA Outer Continental Shelf (OCS). Leases OCS-G-37341 and OCS-G-37342, following a period of extensive due diligence. The leases have an initial five-year exploration term, there is no minimum work program and the blocks can be held by production for 25 years. The Leases commence on 1 July 2023 with an initial 5-year term.

On 12 September 2023, the Company announced that it had issued 30,000,000 fully paid ordinary shares at $0.02 per share, following completion of a $600,000 placement. A total of 2,645,503 shares at $0.0189 per share (10% discount to 10-day VWAP) following shareholder approval on 2 June 2023.

No other matters or circumstances have arisen since the end of the 2023 financial year which significantly affected or could significantly affect the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

DIRECTOR'S DECLARATION

1. In the opinion of the Directors of Prominence Energy Ltd (the "Company"):

   a) the consolidated financial statements and notes that are set out on pages 23 to 52 and the Remuneration report on pages 14 to 19 in the Directors' report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

3. The Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

   Signed in accordance with the resolution of the Directors:

Ian McCubbing
Chairman
Perth, Western Australia
28 September 2023

INDEPENDENT AUDITOR'S REPORT
To the Members of Prominence Energy Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Prominence Energy Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of deferred exploration and evaluation expenditure Note 7	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised deferred exploration and evaluation asset, as this is the most significant asset of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the deferred exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: – We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; – We considered the Directors' assessment of potential indicators of impairment; – We obtained evidence that the Group has current rights to tenure of its areas of interest; – We examined the exploration budget for the year ending 30 June 2024 and discussed with management the nature of planned ongoing activities; – We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and – We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Prominence Energy Ltd for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
28 September 2023

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance disclosure is available on the Company's website at:

www.prominenceenergy.com.au

ADDITIONAL SHAREHOLDER INFORMATION

The issued capital of the Company as at 27 September 2023 is 153,876,388 ordinary fully paid shares.

Distribution of Shareholding

	Fully Paid Ordinary Shares
Number of Shareholders	2,786
Percentage of holdings by twenty largest holders	32.4%
Holders of less than a marketable parcel	1,508
Number of holders in the following distribution categories:	
0 - 1,000	35,347
1,001 - 5,000	2,360,484
5,001 - 10,000	2,579,457
10,001 - 100,000	32,674,734
100,001 and over	116,226,276

On-market buy-back

There is no current on-market buy-back.

Voting Rights

Ordinary Shares

On a show of hands every member present in person or by proxy or attorney or being a corporation by its authorised representative who is present in person or by proxy, shall have one vote for every fully paid ordinary share of which he is a holder.

Unlisted Options

Unlisted options have no voting rights until such options are exercised as fully paid shares.

ADDITIONAL SHAREHOLDER INFORMATION

Twenty Largest Shareholders

The names of the twenty largest Shareholders as at 27 September 2023:		No. of Shares	Percentage
1	MR DAVID NEATE	22,129,697	14.38
2	MURDOCH CAPITAL PTY LTD <GLOVAC SUPERFUND A/C>	4,000,000	2.60
3	ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO 2 A/C>	3,210,364	2.09
4	SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C>	3,000,000	1.95
5	SYRACUSE CAPITAL PTY LTD <THE TENACITY A/C>	2,675,000	1.74
6	MR MICHAEL JOHN ELLIOTT WILSON <ASG FUTURES A/C>	2,645,503	1.72
7	ANDREW DUNCAN MURDOCH	2,563,500	1.67
8	MOUNTS BAY INVESTMENTS PTY LTD <CT SUPER FUND A/C>	2,091,667	1.36
9	MGL CORP PTY LTD	2,000,000	1.30
10	CADCO NOMINEES PTY LTD <CADCO A/C>	1,983,678	1.29
11	MR PHILIP CHARLES HONEYMAN + MS MOLLY IRENE ROHAN <MIAMI FUND A/C>	1,800,000	1.17
12	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	1,750,000	1.14
13	S3 CONSORTIUM PTY LTD	1,664,584	1.08
14	J & J BANDY NOMINEES PTY LTD <BANDY P/F A/C>	1,643,750	1.07
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,537,421	1.00
16	MR IAN JAMES MCCUBBING	1,503,126	0.98
17	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	1,375,000	0.89
18	MISS PREETI SACHDEVA	1,220,642	0.79
19	HIX CORP PTY LTD <HIX CORP A/C>	1,183,750	0.77
20	CM SUPER FUND PTY LTD <CAROL MCCOLL SUPER FUND A/C>	1,150,000	0.75
	Totals: Top 20 Holders Of Ordinary Fully Paid Shares (Total)	**61,127,682**	**39.73**
	Total Remaining Holders Balance	**92,748,706**	**60.27%**

ADDITIONAL SHAREHOLDER INFORMATION

Shareholding

Substantial Shareholders

Names of the substantial Shareholders listed on the Company's register at 27 September 2022 in accordance with the section 671B of the Corporations Act 2001 are:

Name	No. of Shares	Percentage
MR DAVID NEATE	22,129,697	14.38%

Unquoted Securities

The Company has the following Performance Rights on its Register
Class A 1,112,500
Class B 1,150,000

ADDITIONAL SHAREHOLDER INFORMATION

Company Secretary

The name of the Company Secretary is Mr Sonu Cheema.

Registered Office

The address and telephone details of the registered and administrative office:
Level 2, 30 Richardson Street
West Perth, Western Australia, 6005

Telephone: + (61) 8 9321 9886
Facsimile: + (61) 8 9321 8161

Securities Register

The address and telephone number of the office at which a registry of securities is kept:
Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth, Western Australia 6000

Telephone: +61 (8) 9323 2000
Free line: 1300 850 505
Facsimile: +61 (8) 9323 2033

Securities Exchange

The Company's listed equity securities are quoted on the Australian Securities Exchange.

Restricted Securities

The Company has no restricted securities at the current date.

Tenement Schedule (net acres of mineral leases)

Below is a table showing PRM's net acres of oil and gas mineral leases in the project area.

Oil Project Area	Prominence Working Interest (%WI)	Prominence Net Revenue Interest (%NRI)	Project area Gross Acres (1ha = 2.471ac)	Prominence's Net Acres (1ha = 2.471ac)
Bowsprit SL21754	100%	73%	635	635
Brazos Area, South Addition OCS-G37341*	100%	80.25%	5,760	5,760
Brazos Area, South Addition OCS-G373422*	100%	80.25%	5,760	5,760
TOTAL	**-**	**-**	**12,155**	**12,155**

(Total acres are approximate, as at 30 June 2023)

Indirect Interests PRM owns 12.5% of Western Gas 519 Pty Ltd which holds 100% of WA-519-P located offshore Western Australia. The Company has a modest investment in ECOSSAUS Ltd (ECOSSAUS) (10.9%). ECOSSAUS landholding comprises 16 tenement applications/holding for 11,800 km² located in Northern Territory, South Australia and Queensland believed to be prospective for the solution mining of salt and the potential subsequent use of resultant salt caverns for storage purposes.