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Empire Energy Group Ltd

Update Report

Debt funding in place – full speed (drilling) ahead

Energy

5 December 2024

Empire Energy Group Limited (ASX:EEG) is a gas development company, with onshore Northern Territory (NT) gas exploration and development assets. EEG has the largest tenement position in the highly prospective Greater McArthur Basin, which includes the Beetaloo Sub-basin. More ticks in more boxes as binding commitment letters for a $65m finance package, in three separate facilities, have been executed. This is the critical piece of the capital funding requirement to support the Carpentaria Pilot Project to first gas as we see it. Importantly we suggest the securing of the package can be interpreted as a third-party vote of confidence in the commercial potential of the Beetaloo gas play. We note that drawdown of the Midstream Infrastructure Finance Facility is subject to completion of the remaining regulatory approvals – the 'Beneficial Use of Test Gas' agreement, with the traditional owners, which formally approves commercial gas sales. We understand that Carpentaria-5H (C-5H) is in the build section of the well and progressing in line with the schedule and on track to complete by end-2024. We remind that drilling an extended, 3,000m horizontal well is demonstrably achievable but caution that all subsurface operations hold some intrinsic risk. With the securing of the debt package and on-track progress in drilling operations, our confidence in the timing to first gas production continues to rise.

Business model

Empire Energy Group Limited (EEG), is an gas exploration and development company, well-funded for in-ground works. After receiving a GST (Goods and Services Tax) refund of $1.3m**,** cash at bank has increased to ~$34.8m as at 27-November. With the securing of binding commitment letters with Macquarie Bank on a $65m debt package and on-track progress on the Carpentaria-5H development well[1], the path to first gas remains clear. Final execution of the financing and FID remains dependent on securing remaining regulatory approvals ('Beneficial Use of Test Gas') with the traditional owners and we highlight their engagement through the drilling operations. We consider the securing of the financing package as a critical positive, reducing potential dilution at the equity level and providing third-party confidence with respect to the commercial potential, particularly given the competitive nature of the debt financing process. The path to growth begins with the first PJ. First gas can unlock the organic opportunities within the Territory and access to eastern coast markets. The company looks adequately funded through to first gas on the success case and beneficially holds its licences at 100%.

More ticks in more boxes – drilling on-track and debt secured

It is early in the campaign but progress is on-track with C-5H drilling. We understand the well is at ~1,700m in the build section of the hole for the horizontal completion (to 3,000m with 60 frack stages). The key aspect of the financing package is the $30m Midstream Infrastructure Facility for the refurbishment, installation and connection of the Carpentaria Processing Plant, subject to the securing of the remining regulatory approvals. It is worth re-highlighting that the (Rosalind Park) gas processing plant was purchased for $2.5m as a ready-to-go facility with nameplate upside to contract rates. At a total plant cost to first gas of say, $35-40m this is the keystone to delivering a low capex outcome, in our view.

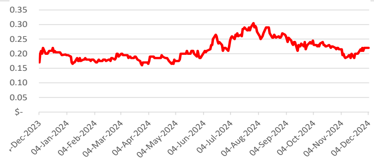
We adjust our NAV for financing terms and cash

Our NAV estimate is $0.80-1.23 **with a mid-point (base case) of $0.91/share** (previously $0.81-1.24 with mid-point at $0.92/share). On critical positive outcomes associated with drilling and securing of the remaining regulatory approvals we'd anticipate the share price to better reflect the lower risk and higher value nature of gas reserves, as first production approaches. We note that the Midstream Infrastructure Facility terms include the issue of 50m options on financial close, with an ex-price of 28cps, a 33% premium to the pre-announcement share price. Assuming a success case and option exercise, our NAV on a fully diluted basis would reduce to $0.78-1.19 with a mid-point (base case) of $0.88/share – equity dilution is marginal.

Share Details

ASX code	EEG
Share price (4-Dec)	$0.22
Market capitalisation	$224M
Shares on issue (fully diluted)	1,017M
Cash (27-Nov)	~$35M
Free float	~49.5%

Share Performance (12 months)



Upside Case

- Above expectation results from the C-5H well with operational results through 1Q25
- **Completing pilot project financing post the signing of the GSA via debt and/or a farm-in partner**
- Securing remaining regulatory approvals - this absolutely defines the production case

Downside Case

- Under expectation results from C-5H and look-through results from other development drilling on the play
- Delays to securing the remaining regulatory approvals could push back the timing of first gas
- Higher capex requirements driving expectation of further and potentially material equity capital requirements

Board of Directors

Alex Underwood	Managing Director / CEO
Peter Cleary	Chair
Dr John Warburton	Non-Executive Director
Louis Rozman	Non-Executive Director
Karen Green	Non-Executive Director

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Debt facilities In Place - It's Good When A Plan Comes Together

The debt financing package for the Carpentaria Pilot Project has been progressed with the execution of binding commitment letters with Macquarie Bank Limited. That Macquarie is the lender should not come as a material surprise given it has been the financier to date through the exploration and evaluation phases; and across the US production assets (now divested) [2], having a long-standing working relationship with the company.

The scope and terms of the facilities should provide investors with confidence on a number of levels –

- …the due diligence required to be comfortable from a lender's perspective, on the commercial potential of the Carpentaria Pilot Project;
- …the due diligence undertaken over the potential quantum of R&D rebates available under the Federal Government Research and Development (R&D) Incentive Scheme; and for EEG;
- …confirmation of the low capital requirement to deliver first gas as we have previously highlighted[A], particularly regarding the processing plant.

We see this as a positive achievement in absolute terms with regard to the aggregate size of the facilities and the interest rates as applicable.

On a success case basis (delivery as expected on operational and budgetary outcomes), we suggest the current funding (cash and debt) **should** be sufficient to get to first gas. However, the mere process of drilling long horizontal wells does come with inherent risks, so critically we await the completion and testing of the C-5H operations.

We believe the well is progressing in line with the schedule at ~1,700m, in the build section of the hole, making the turn for the horizontal completion.

We also highlight that having received a BAS refund of $1.3m, the cash balance is currently sitting at $34.8m.

Total debt financing of $65m across three facilities

Aggregate financing totals $65m across three facilities, the most critical in our view being the infrastructure financing as without an operating plant, there is no gas to sell.

It should be noted that the facilities are all secured with a first ranking security over the company's assets.

A. Midstream Infrastructure facility

Facility size	$30m
Use of funds	Refurbishment, construction and connection of the Carpentaria Gas Plant and associated infrastructure
Tolling fee	Repayments based on $0.70/gj (+CPI) x 25 TJd
	Payable from the earlier of first production or 01-01-2026
Maturity date	31-12-2032
Conditions precedent	All regulatory and indigenous approvals to support the sale of gas under the "Beneficial Use of Test Gas' provisions of the NT Petroleum Act.
	C-5H to be completed to a lateral length of at least 2,700m with at least 50 frack stages
	Evidence of available financing should Carpentaria Gas Plant costs exceed the facility size
	Issue of options to Macquarie –
	On financial close Empire will issue to Macquarie 50 million options exercisable at $0.28/share with an expiry of 31-12-2029
Early Prepayment Option	The company can prepay the facility at any time by making a payment equivalent to a 15% IRR on the cashflows (as per the tolling fee noted above) including tolls paid up to the date of the prepayment.

We view the issue of options to Macquarie positively from the perspective of third-party confidence in the project, the sharing of risk in the commercial phase and the lowering of risk for existing shareholders with respect to short-term equity capital raising.

The pricing of the options ($0.28) at a 33% premium to the reference share price (close of trading – 26-November) sets a bench-mark for longer-dated financing on success and represents <5% dilution to the current issued capital (~1,017m ordinary shares).

B. R&D facility

Facility size	$30m
Use of funds	Exploration, appraisal and development activities including C-5H and construction of infield infrastructure.
Facility fees	Utilisation fee – 1.5% of each drawdown
	Commitment fee – 40% of Margin (40% * 5.5% = 2.2%)
Maturity date	31-12-2026
Interest rate	'Margin' plus BBSW (Bank Bill Swap rate)
	Margin = 5.5%
Covenants	Current ratio of a minimum of 1.00
	Cash balance of a minimum of $10m
Repayments	Upon receipt of R&D incentive payments

The R&D facility is essentially a short-term working capital option allowing the company to drawdown advances against R&D rebate claims.

The facility **is a material upgrade**, lifting the size to $30m versus $2.25m previously and directly pointing to the potential magnitude of the rebates available under the incentive scheme.

The facility is sized at 80% of the estimated rebates available and as noted *"…can be applied to* (NT) *exploration, appraisal and development activities including C-5H and construction of infield infrastructure".*

C. Performance Bond facility

Facility size	$5m
Use of funds	Bank guarantees related to NT environmental bond requirements.
Facility fees	Utilisation fee – 1.5%
	Commitment fee – 40% of Letter of Credit Fee
Maturity date	31-12-2026
Letter of Credit fee	10% pa on issued guarantees
	Margin = 5.5%
Covenants	Current ratio of a minimum of 1.00
	Cash balance of a minimum of $10m
Repayments	At maturity

The material change to this facility is the reduction in the pricing to a flat 10% pa, previously 10%+BBSW.

Another week, another reason that gas is a ‘critical need’ product

Articles published in the Australian Financial Review [3], [4], comment on the recent *“…narrow escape from blackouts in NSW”* related to a pre-summer heatwave coinciding with maintenance works on base load coal-fired generation plants. AEMO (Australian Energy Market Operator) has been reported as calling on industry to cancel remaining planned maintenance works.

Whilst some 2,000MW of coal-fired generation is expected to return to operation imminently, the short-term threat of rolling blackouts must remain at the front of mind as the eastern seaboard has yet to be affected by extended heatwave periods this year…but it is only early summer.

The generation issues highlight and commentary underscores the anecdotal need for gas supply, at least for power generation to support the growing roll-out of renewables and the transition away from what is described as the increasing *“…unreliability of ageing coal power units* [nearing] *the end of their operational lives and are* [being] *ramped up and down more often”.*

The instability and critical supply nature of generation is likely exacerbated by the delays in the start-up of the Snowy Hydro, 660-megawatt Kurri Kurri peaking plant which has been reported as *“…unlikely to be able to dependably generate power until autumn.”*

The speculated potential for future rolling outages and brownouts has been overhanging the energy transition for at least the last two years, on accelerated closures of coal-fired generation, although over that period milder summers resulted in less stress on the system.

The outlook for eastern Australia over the current summer period is for it to be ‘wetter and warmer’[5] with most of Australia predicted to have *“…triple the chance of being ‘unusually warm’, which means in the top 20% of all records”.* There is likely, by extension, to be more stress on the generation system.

Outages are forecast to become increasingly likely and frequent with more instability, as the medium- to long-term future of coal power remains somewhat clouded from a governmental perspective, making decisions on capital investment for instance, more difficult for operators. The pursuit of early closures must add a layer of uncertainty to the operation of the generation system.

We Adjust Our Valuation At The Margin On Cash and Options

On an updated cash balance and debt financing terms and conditions, we have made a minor adjustment to our valuation and added an estimate based on the ‘success case’ (financial close) on the option issue to Macquarie associated with the Midstream infrastructure Facility.

Exhibit 1: The NAV range continues to represent a material premium to the market price

		Risked range (A$m)			
		Low	Mid	High	
Northern Territory					
EP-187					
Contingent Resources		$743	$795	$996	EP-187 contains 2C volumes certified to 1,739PJ of which 1,364 PJ are attributed to the Carpentaria area.
Prospective Resources		$43	$107	$229	2U volumes are largely associated with ex EP 187 and ex-Pangaea tenements and represent longer-dated gas potential. The geological confidence level is relatively high on the look-through, but realisation will require extensive drilling campaigns.
		$786	**$902**	**$1,225**	
Net cash/(debt)			$40		Reported as at 27-Nov
Corporate			($6)		
TOTAL		**$815**	**$930**	**$1,253**	
Shares issued (m)	1,017	$0.80	$0.91	$1.23	
Shares issued (m) – fully diluted	1,067	$0.78	$0.88	$1.19	Macquarie ($0.28) options yet to be issued

Source: RaaS analysis; Risked ranges based on discretionary RaaS risk adjustments

The impact of changes in both cases is marginal and our NAV remains at a significant premium to the reference share price. We expect market pricing to better reflect the derisking of the proposed pilot project as operational outcomes are delivered (well performance and plant commissioning) over the next six-nine months.

Our NAV was previously set at $0.81 Low, $0.92 Mid and $1.24 High on 1,017m shares issued.

Our valuation is set against a risk-weighted gas production success case, assigning a unit NPV based on long-term price assumptions over a 2P equivalent reserve base and applying a conversion ratio on 'C' gas to 2P. We apply our methodology over only that gas attributed to EP-187, being the critical development asset.

The assumptions applied are discretionary and represent our consideration of the risk factors associated with commodity prices, the timing of commercialisation of long-dated gas and future capital costs. The assumptions and weightings are subject to potentially material change depending on future operational results and actual received gas prices.

A look through to what Carpentaria could deliver

With debt structures in place and drilling activity well advanced, we feel sufficiently confident in outlining what a success case may deliver from the Carpentaria Pilot project – we highlight these are RaaS assumptions overlying the publicly available financial data and forecasts may vary significantly from actuals.

Exhibit 2: A quick-look at the pilot project – a pointer to much bigger things

Assumptions			Calculations			
Contract rate	25	TJ d	Contract term	10	years	
EOR	8	PJ				As per Dynamics Inc estimates
Project life	10	years	Implied 2P	90	PJ	
			Contract rate	9.125	PJ pa	
Well cost	$35.0	m	Remaining well capex	$300	m	…including field connections
			Gas price	$11.00	/gj	Averaged over the contract term and escalated at 2% pa
			Unit capex (DD&A)	$4.67	/gj	…towards the upside case
Fixed op cost	$8.4	m pa	Fixed	$0.92	/gj	
Variable op cost	$1.25	/gj	Variable	$1.25	/gj	
			Total op cost	$2.17	/gj	
			Net well margin	$4.16	/gj	
			Gas sales	$100.4		
			Total Sales	**$100.4**	m pa	
			Gas op cost	$19.8		
			Adj Revenue for Royalties	$80.6		
Royalties	17.5%		Royalties	$14.1		Government and private royalties as per publicly available data with an additional impost expected on final land-owners agreements
G&A	$0	m	G&A	$ -.-		…take up G&A on a consolidated (corporate) basis
Amortisation rate	$0.70	/TJ d	Debt Servicing (Tolls)	$7.0		Quasi project financing
			EBITDAX	**$59.5**	m pa	Proxy for Net Operating cash

Source: RaaS analysis; assumptions overlay publicly available information

We snapshot the pilot project on a post commissioning basis after ramping of production to contract rates, noting that building to 25TJd will occur gradually with the network perhaps, throughput constrained in the initial period as we understand.

There remains a material amount of operational definition to deliver, particularly with respect to type curves and ultimate recoveries per well. Initial, independent analyses[B] indicated EURs of between ~7PJ on a P_{50} case up to ~9PJ on a P_{10} case based on a well with a 3,000m lateral and 60 frack stages.

However, given the C-5H will be completed with one frack style (slick-water) and in a wider diameter bore[A], EURs and production type curves may be different from the theoretical model. We have assumed a mid-point on per well recoveries.

Well cost assumptions include an uplift for in-field connections and some discounting for batch drilling and the development of a logistics base.

The gas price used is an average over the term of the contract commencing at c.$10/gj and escalated at CPI = 2%.

We have included an additional royalty impost on the assumption that this will be negotiated in the landowner agreements although the nature and size of the impost is still to be determined. We assume that all royalties will be paid on the same basis noting that as part of the equity and asset sales raising completed in April 2024[C], the sale of a 4.5% private, over-riding royalty was agreed on the same terms as calculated for the NT Government* (revenue less certain operating costs) covering EP187 only.

* *Royalties on petroleum are charged on the gross value at the wellhead of petroleum production from a project area. However, as petroleum is not usually sold at the wellhead, a netback methodology is used to recognise the costs incurred after the wellhead to the point of sale. Only those expenditures essential to produce the petroleum are allowable as deduction.* (Source-NT Petroleum Royalty | Department of Treasury and Finance)

Exhibit 2 shows indicatively what cash margins could be delivered through the Pilot phase, with an $11/gj realised price generating EBITDAX margins in the order of say, 60%. We note the sensitivity to gas prices is relatively low given the relatively high proportion of variable costs as modelled.

Operationally, we are confident that the pilot project will generate strong net cash margins, noting that net operating cash will need to fund the remaining well capex and corporate costs.

We view the start-up phase as the pointer towards the economic potential of the gas play on scale-up – gas reserves are not likely to be the limiting factor to transformational growth.

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References, Data Sources and Glossary

Note Reference	Document Ref	RaaS Reports	Date Published	Title
	[A]	EEG Empire Energy Group RaaS Update Report	21-11-2024	*…and we're off! Carpentaria-5H spudded*
	[B]	EEG Empire Energy Group RaaS Update Report	03-04-2023	*Gas bells are ringing*
	[C]	EEG Empire Energy Group RaaS Update Report	23-04-2024	*Working through the timeline to first gas*
		Data referenced in this Report		
[1]		Empire Energy ASX release	27-11-2024	Empire executes binding commitment letters for a A$65 million Beetaloo financing package
[2]		Empire Energy ASX release	12-04-2024	Sale of USA assets
[3]		The Australian Financial Review	25-11-2024	*'NSW power squeeze puts market operator on high alert'*
[4]		The Australian Financial Review	28-11-2024	*'Generators scramble after NSWs near miss on blackouts'*
[5]		ABC news	28-11-2024	*www.abc.net.au/news/2024-11-28/bom-summer-forecast-2024-2025*

All financial data in Australian currency unless otherwise specifically stated

FEED	Front End Engineering and Design
FID	Final Investment Decision
GSA	Gas Sales Agreement
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
EP	Exploration Permit
LNG	Liquified Natural Gas

kb (d)	thousand barrels (per day)
Mb	million barrels
Bb	billion barrels
mcf (d)	thousand cubic feet (per day)
mmcf (d)	million cubic feet (per day)
Bcf	million cubic feet
Tcf	trillion cubic feet
gj	gigajoules (mcf equivalent)
TJ	terajoules (mmcf equivalent)
PJ	petajoules (Bcf equivalent)
boe	barrel of oil equivalent
mmBtu	million British thermal units (TJ equivalent)

Conversion factors – note conversion factors may vary from company to company and project to project

Gas	cubic feet to joules	=	1.06	1 Bcf	=	1.06 PJ
	joules to boe	=	0.163	1 PJ	=	0.163 Mboe
	mmBtu to joules	=	0.952	1 mmBtu	=	0.952 TJ
Oil				1 b	=	1 boe
Condensate				1 b	=	0.935 boe

Reserves and resources classification

1,2 3 P	Proven, probable and possible reserves certified as being likely to be in production within five years. 1P = 90% confidence limit; 2P = 50% confidence limit; 3P = 10% confidence limit
1,2,3 C	Contingent resources. As above but nominally higher risk in terms of commerciality; 1= Low, 2 = Best, 3 = High
1,2,3 U	Potential Resources. Largely undefined by drilling and testing. Classification; 1 = Low, 2 = Best, 3 = High

ACCC	Australian Competition and Consumer Commission
AEMO	Australian Energy Market Operator
ADGSM	Australian Domestic Gas Security mechanism
CCS	Carbon capture and storage
CH_4	Methane (natural gas)
CO_2	Carbon dioxide
CO_2-e	Carbon dioxide equivalent
EUR	Estimatedd Ultimate Recovery
NOPSEMA	National Offshore Petroleum Safety and Environmental Management Authority

Exhibit 3: Financial Summary

EMPIRE ENERGY GROUP LTD		EEG			
YEAR END		Dec			
NAV	A$mn	$0.91			
SHARE PRICE	A$cps	$0.220	intraday		4-Dec
MARKET CAP	A$mn	224			
ORDINARY SHARES	M	1,017			
OPTIONS	M	79			

nm = not meaningful
na = not applicable

COMMODITY ASSUMPTIONS		2022	2023	2024E	2025E
Realised oil price	US$/b	94.25	77.64	80.88	75.17
Realised gas price	US$/mcf	6.42	2.58	2.07	3.49
Exchange Rate	A$:US$	0.6946	0.6657	0.6549	0.6570

NET PRODUCTION		2022	2023	2024E	2025E
Crude Oil	kb	2	3	1	
Nat Gas	mmcf	1,727	1,372	303	0
TOTAL	**kboe**	**290**	**231**	**220**	**0**
Product Revenue	A$mn	13.7	6.1	1.1	
Cash Costs	A$mn	(6.0)	(5.9)	(6.0)	
Ave Price Realised	A$/boe	47.32	26.30	5.15	
Cash Costs	A$/boe	(20.55)	(25.46)	(27.31)	
Cash Margin		**26.76**	**0.83**	**(22.16)**	

RATIO ANALYSIS		2022	2023	2024E	2025E
Shares Outstanding	M	773	773	1017	1017
EPS (pre sig items)	UScps	(0.86)	(2.86)	(1.45)	(1.55)
EPS	Acps	(0.86)	(2.86)	(1.45)	(1.55)
PER	x	na	na	na	na
OCFPS	Acps	9.50	(4.80)	(5.01)	(19.20)
CFR	x	na	na	na	na
DPS	Acps	na	na	na	na
Dividend Yield	%				
BVPS	Acps	24.9	21.8	21.4	19.1
Price/Book	x	0.9x	1.0x	1.0x	1.2x
ROE	%	na	na	na	na
ROA	%	na	na	na	na
(Trailing) Debt/Cash	x				
Interest Cover	x				
Gross Profit/share	Acps	10.0	0.2	(4.8)	-6.1
EBITDAX	A$M	6.8	(12.5)	(5.1)	0.0
EBITDAX Ratio	%				

RESOURCES and RESERVES	Contingent Resources			Prospective Resources		
	1C	2C	3C	1U	2U	3U
Northern Territory						
EP 187						
Carpentaria				566	1,282	2,284
East Carpentaria				1,020	1,878	3,782
South Carpentaria				204	383	668
TOTAL PJ				**1,790**	**3,543**	**6,734**
Carpentaria						
Velkerri C	113	666	846			
Velkerri B	120	678	844			
Intra Velerri A/B		8	16			
Velkerri A/B		12	24			
TOTAL PJ	**233**	**1,364**	**1,730**			
Carpentaria East						
Velkerri C	35	185	871			
Velkerri B	36	190	906			
Intra Velerri A/B						
Velkerri A/B						
TOTAL PJ	**71**	**375**	**1,777**			
Aggregate PJ	304	1,739	3,507			
US Onshore						
Gas (bcf)	28	38	42			

EARNINGS	A$000s	2022	2023	2024E	2025E
Revenue		13,722	6,086	1,131	0
Cost of sales		(5,961)	(5,892)	(6,000)	(6,250)
Gross Profit		**7,762**	**193**	**(4,869)**	**(6,250)**
Other revenue					
Other income		259	576	50	0
Exploration written off					
Finance costs		(2,259)	(3,636)	(1,581)	(1,000)
Impairment		(2,705)	0	0	0
Other expenses		(13,526)	(12,538)	(5,148)	(6,027)
Profit before tax		**(5,765)**	**(21,831)**	**(14,547)**	**(15,625)**
Taxes		(239)	(251)	(167)	(180)
NPAT Reported		**(6,003)**	**(22,082)**	**(14,714)**	**(15,805)**
Underlying Adjustments		0	0	0	0
NPAT Underlying		**(6,003)**	**(22,082)**	**(14,714)**	**(15,805)**

CASHFLOW	A$000s	2022	2023	2024E	2025E
Operational Cash Flow		**(9,305)**	**(23,624)**	**2,415**	**0**
Net Interest		(679)	(1,631)	175	400
Taxes Paid		(239)	(251)	(250)	(250)
Other					
Net Operating Cashflow		**5,100**	**(2,472)**	**(3,335)**	**(12,832)**
Exploration		(37,356)	(7,025)	0	0
PP&E		0	(137)	(2,500)	(500)
Petroleum Assets		0	0	(20,000)	0
Net Asset Sales/other		0	404	16,661	0
Net Investing Cashflow		**(37,586)**	**(6,758)**	**(3,560)**	**(500)**
Dividends Paid					
Net Debt Drawdown		(1,035)	674	(7,061)	
Equity Issues/(Buyback)		29,412	0	37,050	
Other					
Net Financing Cashflow		**28,377**	**674**	**27,349**	**0**
Net Change in Cash		**(4,109)**	**(8,556)**	**20,454**	**(13,332)**

EQUITY VALUATION	Risked Range			Low	Mid	High
A$mn	Low	Mid	High		A$/share	
Northern Territory						
EP-187						
Scenario Weighting	743	795	996	$0.73	$0.78	$0.98
Prospective Resources	43	107	229	$0.04	$0.10	$0.22
US Onshore						
Appalachian	0	0	0	$0.00	$0.00	$0.00
	786	**902**	**1,225**	**$0.77**	**$0.89**	**$1.20**
Net cash/(debt)		35				
Corporate costs		(6)				
TOTAL	**815**	**930**	**1,253**	**$0.80**	**$0.91**	**$1.23**
Shares on issue (mn)	1,017 mn					
Shares on issue (mn)	1,067 mn		(fully diluted)	**$0.78**	**$0.88**	**$1.19**

BALANCE SHEET	A$000s	2022	2,023	2024E	2025E
Cash & Equivalents		21,880	13,627	34,080	20,748
O&G Properties		36,612	38,206	58,206	58,206
PPE + ROU Assets		1,608	1,540	1,500	1,000
Total Assets		**197,650**	**171,503**	**205,951**	**191,624**
Debt		7,823	8,771	7,061	5,389
Total Liabilities		**64,043**	**59,199**	**63,444**	**63,904**
Total Net Assets/Equity		**133,608**	**112,303**	**142,508**	**127,720**
Net Cash/(Debt)		14,057	4,855	27,020	15,359
Gearing dn/(dn+e)					

Source: RaaS Research Group, company data

FINANCIAL SERVICES GUIDE

RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663

Effective Date: 26th March 2024

About Us

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This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as who we are, our services, how we transact with you, how we are paid, and complaint processes

Contact Details, BR and RaaS

BR Head Office: Level 1, 160 Edward Street, Brisbane, QLD, 4000 www.brsecuritiesaustralia.com.au

RaaS:. c/- Rhodes Docherty & Co Pty Ltd, Suite 1, Level 1, 828 Pacific Highway, Gordon, NSW, 2072.

P: +61 414 354712

E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities

The distribution of this FSG by RaaS is authorized by BR.

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Complaints

If you have a complaint about our service, you should contact your representative and tell them about your complaint. The representative will follow BR's internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren't satisfied with an outcome, you may contact AFCA, see below.

BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

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