

HIGHLIGHTS

SEPTEMBER
QUARTERLY
REPORT

2022

CAMBAY FIELD, ONSHORE GUJARAT, INDIA

- » During the Quarter the Company completed the re-frac on the C-77H well.
- » Production continued on the Company's Cambay gas field, together with gas sales, from the C-73 and C-77H wells.
- » During the Quarter the Company commenced plans to initiate a formal farm out process for up to 50% of the c. 1 TCF Cambay gas and condensate field.

UNITED KINGDOM CONTINENTAL SHELF CCS

- » During the Quarter the Company announced it had submitted two applications under the North Sea Transition Authority's ("**NSTA**") 1st Carbon Storage licensing round.

CORPORATE

- » This Report is for the period 1 July 2022 to 30 September 2022 (the "**Quarter**").
- » Cash resources as at 30 September 2022 were A\$2.2 million (£1.3 million).
- » Borrowings as at 30 September 2022 were US\$429k (A\$660k).
- » During the Quarter the Company changed its company name from "Oilex Ltd" to "Synergia Energy Ltd".
- » During the Quarter the Company appointed Jack Rosagro as the new Company Secretary.
- » During the Quarter the Company issued 174,831,394 new fully paid ordinary shares which was for the second tranche of the equity capital raising arranged by the Company during the previous quarter ended 30 June 2022 ("**May Placement**"). The shares were approved, under Listing Rule 7.1, by Synergia Energy shareholders at the Company's General Meeting on 13 July 2022.
- » During the Quarter the Company also issued 30,000,000 unquoted options ("**Fee Options**"), exercisable at £0.0020 each on or before 30 April 2024, to Novum Securities Limited. The options were approved under Listing Rule 7.1 at the same General Meeting on 13 July 2022.
- » During the Quarter, the Company also issued 324,675,324 options as long term incentives to the Company's Executive Directors. The options were approved at the General Meeting on 13 July 2022 and vest with each holder over a period of three (3) years, commencing on 1 July 2021. The options are exercisable at £0.0022 and expire on 12 August 2027.

CHIEF EXECUTIVE OFFICER'S REPORT TO SHAREHOLDERS FOR THE QUARTER

OVERVIEW

The Company continued to execute its revised strategy that was adopted in July 2021, namely to focus on the development of the Cambay gas and gas condensate field in India and to develop a carbon capture and storage ("CCS") business in the UK.

The Government of India ("GOI") continues to provide practical assistance and encouragement for the development of indigenous hydrocarbon production. In October 2022 the GOI announced an increase in domestic gas sales price from c. \$6.1 / MCF to c. \$8.57/MCF. High gas demand, strengthening prices and GOI encouragement make the Company's c. 1 TCF Cambay gas and gas condensate field an increasingly valuable asset.

Having re-established production from the Company's Cambay gas and condensate field in India, the Company elected to undertake a re-frac operation on the C-77H well to prove up a fracing methodology for implementation on future new wells. The re-frac was successfully executed during July 2022 and the well was placed on production, initially through surface test facilities and later through the C-73 wellsite production facilities to flow back the frac fluid and clean up the well. Initial flow rates from the two re-frac zones were up to 0.5 mmscfd but the well clean-up was hindered by liquid loading in the wellbore. This was confirmed by an echometer survey conducted prior to the re-installation of the production tubing on 16 September 2022. After the re-installation of the production tubing, the well was able to lift some of the fluids and establish a steady gas flow rate of c. 150,000 scfd. A subsequent pressure gradient survey revealed a c. 1450m column of gas condensate in the wellbore. On 15 October 2022 the gas production rate had steadily increased to c. 0.25 mmscfd with increased flowing wellhead pressure indicating the well is continuing to clean up. The Company is developing plans to install a pump in the wellbore to lift condensate fluids and further increase gas flow rates.

The establishment of a steady (plateau) gas production from the two re-fraced zones on the C-77H gives the Company encouragement to launch a farm out process for up to 50% of the Cambay PSC. A recognised advisory firm has been engaged to manage the farm out process and the Company expects results over the next 3 to 6 months. The aim of the farm out process is to identify a suitable joint venture partner to assist in a full field development of the Cambay field commencing in 2023 with the drilling of new horizontal wells.

In the UK, significant effort was expended in the preparation of two applications under the NSTA 1st carbon storage licensing round. The applications were submitted in advance of the 13 September 2022 submission deadline and the results are expected in early 2023.

Health, Safety, Security and Environment

All work was undertaken safely, without environmental incident.

CAMBAY FIELD, GUJARAT, INDIA

(Synergia Energy / Oilex: Operator and 100% Participating Interest)

The Cambay field development is centred on the successful exploitation of the gas resources held in the Eocene EP-IV reservoir which extends across the field and has been penetrated by over 30 wells. The EP-IV reservoir comprises low permeability ("tight") siltstones and requires frac stimulation to provide economic gas production rates.

Cambay Well 77H Re-Frac

In order to establish a robust fracing methodology for the future full field development of the Cambay field, the Company contracted Bedrock Drilling and Manan Oilfield Services to engineer and manage a revised fracing "pilot" program for two new zones on the C-77H horizontal well. The revised program addressed the deficiencies experienced during the fracing of the existing four zones, which were isolated by a bridge plug.

Fraccing operations were undertaken in July 2022 with Schlumberger as the primary contractor. The Company announced on 29 July 2022 that the two new zones had been successfully fraced and that the well was flowing at a gas rate of circa 0.5 mmscfd through a 16/64" choke with frac fluid being removed via surface testing equipment. On 8 August 2022, the well had been tied back to the C-73 wellsite production facility so that the gas could be sold to the grid rather than being flared.

During August and September 2022 it was observed that liquid loading was inhibiting gas production and this was confirmed via an echometer survey which detected a fluid column at a depth of 450m. The production tubing was re-installed into the well on 27 September 2022 and the wellbore fluids were able to be more efficiently lifted due to the higher velocities in the 2 3/8" production tubing compared to the 4.5" casing. Significant volumes of frac fluid and kill fluid were removed from the wellbore and an initial plateau gas production rate established at c. 150,000 scfd.

The C-77H well continues to clean up with careful production management including fluid removal and by 15 October 2022 the production rate had increased steadily to 0.25 mmscfd with increased flowing wellhead pressure. This is despite the existence of a c. 1450m gas condensate column in the wellbore as confirmed by a pressure gradient survey undertaken in early October 2022.

In order to optimise gas and condensate production, the Company plans to engineer an artificial lift solution and install a pump into the production string to eliminate fluid loading. Such a solution may lead to a resumption of production from the original 4 fraced zones in the C-77H well which have historically exhibited serious fluid loading.

It is important to note that the establishment of continuous plateau gas production from the two newly fraced zones on the C-77H well gives the Company sufficient encouragement to initiate a farm out process leading to a full field development.

UNITED KINGDOM

Carbon Capture and Storage (CCS)

During the Quarter, the Company announced it had submitted applications under the North Sea Transition Authority's ("NSTA") 1st Carbon Storage licensing round. Synergia has made two separate license applications covering depleted gas fields in the UKCS, which if successful will provide c.100 MT of carbon dioxide ("CO₂") storage capacity to complement the Company's Medway Hub CCS project. Development of the project would be subject to the Company securing the necessary funding.

Originally, the Company's Medway Hub CCS project had specified CO₂ storage in the Esmond and Forbes depleted gas fields in the Southern North Sea. However, due to concerns regarding potential overlap between CCS and windfarm activity, the NSTA elected to omit Esmond and Forbes from inclusion in the 1st Carbon Storage licensing round. Fortunately, the Medway Hub CCS scheme is flexible as to where CO₂ is stored, being a marine solution not requiring pipelines and fixed platforms. Consequently, alternative depleted fields that were part of the licensing round were identified and form the basis of the two applications, albeit at a cost of significant sub-surface engineering effort.

It is anticipated that the Company will know the results of its applications in early 2023.

JPDA 06-103, TIMOR SEA

(Synergia Energy: PSC Terminated 15 July 2015 – Operator and 10% Participating Interest)

In August 2020, on behalf of its joint venture participants, Synergia Energy announced a Deed of Settlement and Release (the "Deed") with the Autoridade Nacional Do Petroleo E Minerais ("ANPM").

Under the terms of the Deed, Synergia Energy committed to a settlement of US\$800k payable up to the financial year 2024. To date, a total of US\$800k has been drawn down on the US\$800k loan facility provided by two of the joint venture partners to fund the settlement. The joint venture partners providing the loan facility were Japan Energy E&P JPDA Pty Ltd ("JX") and Pan Pacific Petroleum (JPDA 06 103) Pty Ltd ("PPP").

The drawdowns from the loan facility, and settlement payments made to ANPM to date included the following:

- US\$50k drawn down (US\$25k from JX and US\$25k from PPP) and paid to ANPM in August 2020;
- US\$250k drawn down from JX and paid to ANPM in December 2021;
- US\$250k drawn down from JX and paid to ANPM in March 2022; and
- US\$250k drawn down from JX and paid to ANPM in September 2022.

The movement in the settlement payable to ANPM during the Quarter was as follows:

<u>Settlement Payable to ANPM</u>	<u>Amount (US\$)</u>
Balance as at 1 July 2022	250,000
Final settlement on 7 September 2022	(250,000)
Balance as at 30 September 2022	-

As shown in the table above, following the final instalment paid to ANPM on 7 September 2022, the termination penalty payable to ANPM has been fully extinguished, thereby ending the Company's obligations to ANPM.

The loan facility from JX and PPP was restricted for the purposes of the settlement of the Company's liability with ANPM. The portion borrowed from PPP was fully repaid in December 2021. The movement in the remaining loan payable to JX during the current Quarter was as follows:

<u>Loan with JX</u>	<u>Date</u>	<u>Amount (US\$)</u>	<u>Running Balance (US\$)</u>
Balance of loan from JX as at 1 July 2022			310,938
Interest accrued up to repayment date	17 August 2022	4,476	315,414
Partial repayment of loan facility	17 August 2022	(140,414)	175,000
Draw down for final settlement	7 September 2022	250,000	425,000
Remaining interest accrued during the Quarter	30 September 2022	4,114	429,114
Balance of loan from JX as at 30 September 2022			429,114

Following final drawdown made on 7 September 2022, no further loan facility is available to be drawn from JX. The interest rate of the remaining loan is 11% and the balance of the loan from JX at the end of the Quarter, plus interest, is to be repaid in two instalments (in February 2023 and in August 2023), prior to the loan's maturity on 17 August 2023.

CORPORATE AND FINANCIAL

2022 Annual Report to Shareholders

During the Quarter the Company released its 2022 Annual Report to Shareholders, Corporate Governance Statement and Appendix 4G. The Annual Report can be accessed via the Company website <https://www.synergiaenergy.com/investors/financial-reports>.

2022 Annual General Meeting of Shareholders

In accordance with ASX Listing Rule 3.13.1, the Company advised that the Annual General Meeting ("AGM") of the Company will be held on Wednesday 23 November 2022. A Notice of Meeting for the AGM is being prepared by the Company and will be announced to ASX and provided to shareholders in the coming weeks.

Change of Company Name

Following shareholder approval obtained at the Company's General Meeting held on 13 July 2022, the Company changed its name from "Oilex Ltd" to "Synergia Energy Ltd".

Company Secretary Appointment

During the Quarter, the Company announced the resignation of Lisa Wynne and the appointment of Jack Rosagro as Company Secretary. Mr Rosagro is a Chartered Company Secretary, a Fellow of Governance Institute of Australia, and holds a Bachelor of Commerce majoring in Finance. He has 16 years' experience in capital markets, share registry, and governance. He is currently the company secretary for several ASX listed companies, predominantly in the mining, energy, and technology sectors. Mr Rosagro has previous experience with AIM-listed companies.

Issue of Shares and Securities

During the Quarter, following shareholder approval received at the 13 July 2022 General Meeting, 174,831,394 fully paid ordinary shares ("**Tranche 2 Placement Shares**") were issued at £0.0020 (A\$0.0035) per share. The Tranche 2 Placement Shares, being the final instalment of the May Placement, was arranged and announced during the previous quarter on 4 May 2022. 69,932,558 shares were issued on 21 July 2022 and 104,898,836 were issued on 3 August 2022.

In addition, following shareholder approval received at the 13 July 2022 General Meeting, 30,000,000 unquoted Fee Options were issued on 13 September 2022. The Fee Options are exercisable at £0.0020 each on or before 30 April 2024. The Fee Options were issued to Novum Securities Limited as Lead Manager pursuant to the capital raising advisory agreement relating to the May Placement.

Issue of Options to Executive Directors

Following shareholder approval received at the 13 July 2022 General Meeting, 324,675,324 options were issued as long-term incentives to the Company's Executive Directors, as follows:

	Options Issued
Mr J Salomon	88,311,688
Mr R Wessel	136,363,636
Mr C Judd	100,000,000
	<u>324,675,324</u>

The options vest with each holder over a period of three years, commencing on 1 July 2021. The options are exercisable at £0.0022 and expire on 12 August 2027, with one third vesting on 30 June 2022, one third vesting on 30 June 2023 and one third vesting on 30 June 2024.

Payments Made to Related Parties and Their Associates

The attached Appendix 5B includes an amount of A\$250k in items 6.1 and 6.2 (total) which constitutes payments to directors for salaries, director fees and superannuation.

FINANCIAL

As at 30 September 2022, Synergia Energy retained cash resources of A\$2.2 million (£1.3 million).

The Company also had a remaining loan balance of US\$429k (A\$660k) as at 30 September 2022, which was previously drawn upon for the purposes of the settlement of the Company's liability with ANPM. No further loan facility is available to be drawn from JX following the final drawdown made on 7 September 2022. The interest rate of the remaining loan is 11%. For further details of the loan refer to the "JPDA 06-103, TIMOR SEA" section above.

Capital Structure

The shares and options on issue as at 30 September 2022 were as follows:

Ordinary Shares	8,417,790,704
Unlisted Options (Exercise Price, Expiry):	
£0.00238, 31/05/2024	25,210,084
£0.0028, 31/12/2022	711,295,152
£0.0020, 30/04/2024	30,000,000
£0.0022, 12/08/2027	324,675,324

Qualified Petroleum Reserves and Resources Evaluator Statement

Pursuant to the requirements of Chapter 5 of the ASX Listing Rules, the information in this report relating to petroleum reserves and resources is based on and fairly represents information and supporting documentation prepared by or under the supervision of Mr Jonathan Salomon, Executive Chairman employed by Synergia Energy Ltd. Mr Salomon has over 36 years' experience in petroleum geology and is a member of the American Association of Petroleum Geologists, and the Society of Petroleum Engineers. Mr Salomon meets the requirements of a qualified petroleum reserve and resource evaluator under Chapter 5 of the ASX Listing Rules and consents to the inclusion of this information in this report in the form and context in which it appears. Mr Salomon also meets the requirements of a qualified person under the AIM Note for Mining, Oil and Gas Companies, and consents to the inclusion of this information in this report in the form and context in which it appears.

Board of Directors

Joe Salomon	Executive Chairman
Roland Wessel	Chief Executive Officer and Executive Director
Colin Judd	Chief Financial Officer and Executive Director
Mark Bolton	Non-Executive Director
Paul Haywood	Independent Non-Executive Director
Peter Schwarz	Independent Non-Executive Director

Company Secretary

Jack Rosagro	Company Secretary
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Stock Exchange Listing

Australian Securities Exchange	Code: SYN
AIM London Stock Exchange	Code: SYN

AIM Nominated Adviser

Strand Hanson Limited

AIM Broker

Novum Securities Limited

Share Registry – Australia

Link Market Services Limited
Level 12, 250 St Georges Terrace
Perth, Western Australia 6000
Australia
Telephone: +61 1300 554 474
Website: <https://investorcentre.linkgroup.com/>

Share Registry – United Kingdom

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS13 8AE
United Kingdom
Telephone: +44 (0) 370 702 0003
Website: www.computershare.com

PETROLEUM PERMIT SCHEDULE – 30 SEPTEMBER 2022					
ASSET	LOCATION	ENTITY	CHANGE IN INTEREST %	EQUITY %	OPERATOR
Cambay Field PSC	Gujarat, India	Synergia Energy Ltd	-	85.0	Synergia Energy Ltd
		Oilex N.L. Holdings (India) Limited	-	15.0	
JPDA 06-103 PSC ⁽¹⁾	Joint Petroleum Development Area Timor Leste and Australia	Oilex (JPDA 06-103) Ltd	-	10.0	Oilex (JPDA 06-103) Ltd

⁽¹⁾ PSC terminated on 15 July 2015. The Joint Venture remains operational governed by a Joint Operating Agreement.

LIST OF ABBREVIATIONS AND DEFINITIONS

Associated Gas	Natural gas found in contact with or dissolved in crude oil in the reservoir. It can be further categorised as Gas-Cap Gas or Solution Gas.
Barrels/Bbls	Barrels of oil or condensate – standard unit of measurement for all oil and condensate production. One barrel is equal to 159 litres or 35 imperial gallons.
BBO	Billion standard barrels of oil or condensate.
BCF	Billion cubic feet of gas at standard temperature and pressure conditions.
BCFE	Billion cubic feet equivalent of gas at standard temperature and pressure conditions.
BOE	Barrels of Oil Equivalent. Converting gas volumes to the oil equivalent is customarily done on the basis of the nominal heating content or calorific value of the fuel. Common industry gas conversion factors usually range between 1 barrel of oil equivalent (“ BOE ”) = 5,600 standard cubic feet (“ scf ”) of gas to 1 BOE = 6,000 scf. (Many operators use 1 BOE = 5,620 scf derived from the metric unit equivalent 1 m ³ crude oil = 1,000 m ³ natural gas).
BOEPD	Barrels of oil equivalent per day.
BOPD	Barrels of oil per day.
CCGT	Combined cycle gas turbines.
CCS	“Carbon Capture and Sequestration” or “Carbon Capture and Storage”.
CO ₂	Carbon dioxide.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.
Discovered in place volume	Is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production.
FISO	Floating injection, storage and offloading.
FEED	Front End Engineering Design.
GOI	The Government of India.
GOR	Gas to oil ratio in an oil field, calculated using measured natural gas and crude oil volumes at stated conditions. The gas/oil ratio may be the solution gas/oil, symbol Rs; produced gas/oil ratio, symbol Rp; or another suitably defined ratio of gas production to oil production. Volumes measured in scf/bbl.
LNG	Liquefied natural gas.
MMBO	Million standard barrels of oil or condensate.
mD	Millidarcy – unit of permeability.
MD	Measured Depth.
MMbbls	Million barrels of oil or condensate.
MMscfd	Million standard cubic feet (of gas) per day.
MSCFD	Thousand standard cubic feet (of gas) per day.
NSTA	North Sea Transition Authority
PI	Participating Interest.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
PSC	Production Sharing Contract.

LIST OF ABBREVIATIONS AND DEFINITIONS (CONTINUED)

Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
	Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations.
	Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.
	Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves. Reserves are designated as 1P (Proved), 2P (Proved plus Probable) and 3P (Proved plus Probable plus Possible).
	<p>Probabilistic methods:</p> <ul style="list-style-type: none"> • P90 refers to the quantity for which it is estimated there is at least a 90% probability the actual quantity recovered will equal or exceed. • P50 refers to the quantity for which it is estimated there is at least a 50% probability the actual quantity recovered will equal or exceed. • P10 refers to the quantity for which it is estimated there is at least a 10% probability the actual quantity recovered will equal or exceed.
SCF/BBL	Standard cubic feet (of gas) per barrel (of oil).
SCFD	Standard cubic feet (of gas) per day.
TCF	Trillion cubic feet of gas at standard temperature and pressure conditions.
Tight Gas Reservoir	The reservoir cannot be produced at economic flow rates or recover economic volumes of natural gas unless the well is stimulated by a large hydraulic fracture treatment, a horizontal wellbore, or by using multilateral wellbores.
UKCS	The United Kingdom Continental Shelf.
Undiscovered in place volume	Is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SYNERGIA ENERGY LTD

ABN

50 078 652 632

Quarter ended ("current quarter")

30 SEPTEMBER 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	84	84
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(38)	(38)
	(b) development	-	-
	(c) production costs	(2,142)	(2,142)
	(d) staff costs	(489)	(489)
	(e) administration and corporate costs	(326)	(326)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(22)	(22)
1.6	Income taxes refunded/(paid)	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (settlement with ANPM)	(373)	(373)
1.9	Net cash from / (used in) operating activities	(3,306)	(3,306)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	608	608
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(106)	(106)
3.5	Proceeds from borrowings	373	373
3.6	Repayment of borrowings	(178)	(178)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	697	697

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,837	4,837
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,306)	(3,306)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	697	697
4.5	Effect of movement in exchange rates on cash held	(34)	(34)
4.6	Cash and cash equivalents at end of period	2,194	2,194

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,194	4,837
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,194	4,837

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

250

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Directors and other related parties' salaries, director fees and superannuation.

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	660	660
7.2	Credit standby arrangements	-	
7.3	Other (please specify)	-	-
7.4	Total financing facilities	660	660
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

The financing facility relates to an unsecured loan facility that the Company has with two of its JPDA 06-103 joint venture partners, Japan Energy E&P JPDA Pty Ltd (“**JX**”) and Pan Pacific Petroleum (JPDA 06 103) Pty Ltd (“**PPP**”). The facility was entered into and restricted to fund Synergia Energy’s liability with Autoridade Nacional Do Petroleo E Minerais (“**ANPM**”). The portion borrowed from PPP was fully repaid in December 2021.

The movement in the remaining loan payable to JX during the current quarter was as follows:

<u>Loan with JX</u>	<u>Date</u>	<u>Amount (US\$)</u>	<u>Amount (A\$)</u>
Balance of loan from JX as at 1 July 2022		310,938	451,354
Interest accrued up to repayment date	17 August 2022	4,476	6,568
Partial repayment of loan facility	17 August 2022	(140,414)	(199,906)
Draw down for final settlement	7 September 2022	250,000	372,523
Remaining interest accrued during the quarter	30 September 2022	4,114	6,248
Effect of movements in exchange rates	30 September 2022	-	23,184
Balance of loan from JX as at 30 September 2022		429,114	659,972

Following final drawdown made on 7 September 2022, no further loan facility is available to be drawn from JX.

The interest rate of the remaining loan is 11% and the balance of the loan, plus interest, is to be repaid to JX in two instalments (in February 2023 and in August 2023), prior to the loan’s maturity on 17 August 2023.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(3,306)
8.2	(Payments for exploration & evaluation classified as investing activities) (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(3,306)
8.4	Cash and cash equivalents at quarter-end (Item 4.6)	2,194
8.5	Unused finance facilities available at quarter-end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,194

8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.66
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No.</p> <p>The net operating cash flows during the quarter included approximately \$1.9 million in production costs related to the refracching of well C77H, which is not expected to be repeated in future quarters. In addition, operating cash flows during the quarter included \$373k which was for the final settlement of the ANPM termination penalty; this is also not a recurring payment. Given that these payments are not anticipated for the following quarters, the expected ratio would be adjusted to 2.11.</p>		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: No.</p> <p>The Company does not presently intend to raise money as the current cash levels are sufficient for the Company to be able to continue its operations and to meet its business objectives for the next two quarters.</p>		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<p>Answer: Yes.</p> <p>With the one-off expenditure and payments not continuing (see response at 8.8.1 above for further details), the Company expects to be able to meet its planned expenditures for the next two quarters.</p>		
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2022

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.