RNS Number : 6189Q
Star Phoenix Group Ltd
21 February 2023

Star Phoenix Group Ltd
("Star Phoenix" or the "Company")

21 February 2023

AUDITED ANNUAL REPORT FOR THE 12 MONTHS ENDED 30 JUNE 2022

Star Phoenix (AIM: STA), an international company with an oilfield services business in Trinidad and an oil and gas interest in Indonesia, today releases its audited Annual Report for the 12 months ended 30 June 2022. A copy of the full Annual Report is available on the Company's website by clicking the link https://www.starphoenixgroup.com/investors/reports-presentations/.

As a result of the publication of the Company's Annual Results, the trading in the Company's shares will be restored from 7.30am on 22 February 2023.

This announcement has been approved by Chairman Lubing Liu on behalf of the Company.

Contact Details

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The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

The following has been directly extracted from the Audited Annual Report

Star Phoenix Group Ltd
and Controlled Entities

Annual Report 2022
for the year ended
30 June 2022

ABN: 88 002 522 009

An electronic version of this report is available on the Company's website **www.starphoenixgroup.com**

Contents

Directors' Report

The Directors of Star Phoenix Group Ltd ("SPG" or "the Company") and the entities it controls (together, the "Group") present the financial report for the year ended 30 June 2022.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. The directors were in office during the entire period unless otherwise stated.

Name	Position
Mr Lubing Liu	Executive Chairman (Appointed on 1 June 2022), Chief Operating Officer
Dr Mu (Robin) Luo	Executive Director (Ceased to be Non-Executive Director on 1 June 2022)
[illegible]	Non-Executive Director (Ceased to be Executive

Mr Zhiwei Gu	Non Executive Director (Ceased to be Executive Chairman on 31 May 2022)

Mr Lubing Liu: Executive Chairman and Chief Operating Officer	
Qualifications:	BSc
Interest in shares and options:	1,726,077 ordinary shares
Directorships held in other listed entities during the past three years	None

Mr Lubing Liu has 25 years of global experience in petroleum exploration, development, production, joint venture operations and new ventures. Prior to joining the Company, Mr Liu held various subsurface leader roles, including Chief Reservoir Engineer with Melbana Energy Limited, Vice President of Exploration and Petroleum Technology with Sinopec East Puffin Pty Ltd, and principal petroleum engineering leader roles with other international exploration and production and energy service companies including ConocoPhillips, CNOOC, Woodside, RPS and LR. Mr Liu is experienced in petroleum engineering and has extensive IOR/EOR (waterflood inclusive) and gas cycling experience having worked at the Xijiang24-3/30-2/24-1 oilfields, Liuhua 11-1 oilfield and Penglai oilfield in China, the Chinguetti oilfield in Mauritania, Block 95 in Peru, Goodwyn gas field, Thylacine & Geographe gas field and Longtom gas field in Australia. Mr Liu holds a BSc in Petroleum Engineering from the Southwest Petroleum University, China. He is a Member of the Society of Petroleum Engineers.

Dr Mu (Robin) Luo: Executive Director	
Qualifications:	BSc, MSc, PhD
Interest in shares and options:	None
Directorships held in other listed entities during the past three years	None

Dr Luo is a senior oil and gas professional with over 35 years' experience working for leading international E&P and oilfield services companies. He has worked on various giant conventional and unconventional projects across all levels from research to operations. He most recently worked as a principal development geophysicist to Inpex Corporation, leading a multi-billion Ichthys LNG project in Australia. Prior to that, he was a post-doc in Waseda University, Tokyo, and held principal roles with Sinopec Oil and Gas, PGS, Japan Petroleum Exploration Company Limited, and Japan Oil, Gas and Metals National Corporation. Dr Luo holds a PhD in Exploration Geophysics from the Curtin University, Australia; MSc in Geophysics from the University of Queensland, Australia; and BSc in Geophysics from the Petroleum University of China. He is a member of the Australian Society of Exploration Geophysicists, the European Association of Geoscientists and Engineers, and the Society of Exploration Geophysicists.

Mr Zhiwei Gu: Non - Executive Chairman	
Qualifications:	LL.B, LL.M., MSc
Interest in shares and options:	5,489,793 ordinary shares
Directorships held in other listed entities during the past three years	None

Mr Gu is an experienced corporate lawyer, who has worked with numerous companies seeking listings on various international stock markets, including the Toronto Stock Exchange and the Hong Kong Stock Exchange. He is currently a partner of Dentons, one of the largest global law firms. Mr Gu has participated in several venture capital and private equity investment cases by various funds such as London Asia Fund, Warburg Pincus, Korea Development Bank, China Venture Investment Co., and China Cinda AMC. During his time with China National Gold Group Corp., Mr Gu was in charge of mineral resources merger and acquisition activities. Mr Gu holds an LLB from Jilin University in China, an LLM from Northeast University in China, and Master of Applied Finance from Macquarie University in Australia. Mr Gu is a qualified lawyer and securities practitioner in China.

Company Secretary

The following persons held the position of company secretary during the financial year:

- Ms Evgenia Bezruchko (Resigned on 27 August 2021)
- Mr Lubing Liu (Resigned on 1 June 2022)
- Dr Mu (Robin) Luo (Appointed on 1 June 2022)

Ms Evgenia Bezruchko: Joint Company Secretary	
Qualifications:	BSc, MSc, MBA
Directorships held in other listed entities during the past three years	None

Ms Evgenia Bezruchko has 10 years experience in corporate development and capital markets in natural resources sector. Prior to joining SPG in 2012, Evgenia worked in corporate broking and equity sales for an independent merchant bank Brandon Hill Capital (formerly Fox-Davies Capital Limited), covering a wide range of listed and private oil & gas and mining companies. Evgenia holds a BSc in Pharmacology from the University of Bristol, an MSc in Finance from the University of Westminster and an MBA from the American InterContinental University.

Results of operations

The Company's loss for the year to 30 June 2022 was US$1,525,546 (FY2021: loss of US$6,268,902). Loss for the year from continuing operations was US$1,299,369 (FY2021: US$1,863,582 loss) and Loss for the year from discontinued operations was (US$226,177) (FY2021: loss of US$4,405,320).

Dividends

No dividend was paid or declared by the Company during the year and up to the date of this report.

Corporate structure

Star Phoenix Group Ltd is a company limited by shares, which is incorporated and domiciled in Australia.

Nature of operations and principal activities

The principal activity of the Group during the financial year was oilfield services.

The Company's key focus remains on securing new opportunities to provide future growth and value for the Company and its shareholders. Over the last year, the Company has considered, reviewed and evaluated numerous projects and investment opportunities with a view of securing attractive targets.

The Company is pleased to report that it is currently in advanced discussions on a selected number of investment and joint venture opportunities and is focusing its efforts to progress to the next stage. The Board believes these new opportunities would offer shareholders exposure to significant plays in the energy sector and looks forward to sharing the details of these potentially value enhancing opportunities should they progress to binding deals.

Operational Review

LandOcean Energy Services Co Limited litigation

On 14 July 2021, the Company advised that its legal advisers Dentons UK and Middle East LLP have now filed an arbitration request in the London Court of International Arbitration (the "**Request**"), which officially marks commencement of arbitration proceedings against LandOcean Energy Services Co Limited.

Pursuant to the Request, the Group is claiming various sums from LandOcean Energy Services Co Limited currently estimated in excess of US$8.4 million. There are additional claims of US$1.8 million that fall outside of the Request, and the Company is exploring options of bringing these claims separately in the courts of Trinidad and Tobago. These sums are owed to the Group by LandOcean Energy Services Co Limited pursuant to the sale and purchase agreement of Range Resources Trinidad Limited.

Oilfield services

Following the sale, in the prior year, of the upstream business (RRTL) which was by far the largest client of RRDSL, and given the continued challenging industry conditions, the Company completed an organizational restructure of RRDSL in order to substantially reduce overheads and the ongoing costs of the Group.

The Company has also been actively marketing the rigs and equipment. As a result, the Company sold four production rigs for a total sum of US$0.06 million. The Company continues the sale process of the remaining two production workover and five drilling rigs.

The Company is also considering its options with regards to its interests in Indonesia.

Management changes

On 27 August 2021, the company announced that the Directors made a decision to implement changes to the management team. As a result, a mutual agreement was reached for Mr Theo Eleftheriades, the Chief Financial Officer and Ms Evgenia Bezruchko, the Group Corporate Development Manager and Joint Company Secretary to cease their employment in their current roles. The Board of Directors have approved the non-Board appointment of Mr Harry Liu as Chief Financial Officer. All of the management changes came into effect on 1 September 2021.

On 31 August 2021, the company announced that Mr Lubing Liu will continue his role as company secretary.

On 31 May 2022, the board elected and appointed Mr Lubing Liu as Executive Chairman from 1 June 2022. The board appointed Dr Mu (Robin) Luo as Company Secretary and Executive Director from 1 June 2022. The Board approved Mr Zhiwei (Kerry) Gu's appointment as Executive Chairman will cease on 31 May 2022. Mr Gu will remain as a Non-Executive Director effective from 1 June 2022.

Director's Salaries and payments

On 07 September 2021, the company announced that the Board of Directors has approved delaying all directors' salaries and payments from 1 September 2021 subject to further review at the beginning of 2022 in accordance with the cash position of the Company at that particular time.

This has been taken as a cash conservation measure to preserve the Company's cash reserves whilst it seeks the collection of the monies owed to it by LandOcean Energy Services Co Limited, as updated in the Company's announcement of 14 July 2021.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year, other than as set out in this report.

A special general meeting

A special general Meeting was held on 10 December 2021 after the Company received a request from Beijing Sibo Investment Management LP, which holds approximately 17.3% of the votes that may be cast at a general meeting of the Company. The general meeting was held to consider the following resolutions:

1. Election of Director - Mr. Qu Guangsheng;
2. Election of Director - Mr. Deng Lian Jun;
3. Election of Director - Mr. Yang Chon Yi;

The Company called, arranged and held the Meeting to consider all the resolutions proposed pursuant to these requests and in accordance with the provisions of section 249D of the Corporations Act. Following the Extraordinary General Meeting, none of the resolutions was duly passed.

Likely developments and expected results of operations

The Company continues its search of new attractive acquisition opportunities to provide future growth and value for the Company and its shareholders. The Company is also seeking to complete the sale of its rigs and equipment in Trinidad to provide additional cashflow and strengthen the Company's financial position.

Update on RRDSL Claim

RRDSL, through its attorney (Robin B. Ramoutar & Co), has submitted a claim at an amount of approximately TT$1.1 million (£132,000) against 360 Oil and Gas Limited (the "Defendant") in the Supreme Court of Trinidad and Tobago (the "Claim") in respect of unpaid service fees from the Defendant. A Court date will be scheduled in due course.

Events after the reporting date

RRDSL Claim

On 28 July 2022, the company announced that RRDSL has won a claim at an amount of approximately TT$1.1 million (US$163,000) against 360 Oil and Gas Limited in the Supreme Court of Trinidad and Tobago in respect of unpaid service fees.

Arbitration commences against LandOcean Energy Services Co Limited

On 14 July 2021, the Company announced that its legal advisers Dentons UK and Middle East LLP have now filed an arbitration request in the London Court of International Arbitration, which officially marks commencement of arbitration proceedings against LandOcean Energy Services Co Limited.

Pursuant to the Request, the Group is claiming various sums from LandOcean Energy Services Co Limited currently estimated in excess of US$8.4 million. There are additional claims of US$1.8 million that fall outside of the Request, and the Company is exploring options of bringing these claims separately in the courts of Trinidad and Tobago. These sums are owed to the Group by LandOcean Energy Services Co Limited pursuant to the sale and purchase agreement of Range Resources Trinidad Limited. In accordance with the Australian Accounting Standards these amounts have not been recognised in the financial statements as contingent assets.

Claim Against Range Resources Trinidad Limited

On 4 August 2022, the company provided following update in relation to its wholly owned subsidiary in Trinidad, Resources Drilling Services Limited ("RRDSL").

RRDSL, through its attorney (Robin B. Ramoutar & Co), has submitted three claims at a total amount of approximately TT$14.9 million (US$2.21 million) against Range Resources Trinidad Limited ("RRTL" or the "Defendant") in the Supreme Court of Trinidad and Tobago in respect of breach of loan, service and equipment rental contracts from the Defendant (the "Claims"). A Court date will be scheduled in due course.

Arbitration proceedings Against LandOcean Energy Services Co Limited

On 22 August 2022, the company announced that the London Court of International Arbitration ("LCIA") issued a consent award on 12 August 2022 in relation to two of the four Stage 1 Claims. Under the consent award, LandOcean Energy Services Co Limited is required to make payment of US$301,265 to Star Phoenix by 16 September 2022, being 35 days from the date of the consent award.

The issuing of the consent award makes a successful conclusion of two of the four Stage 1 Claims. The Company will provide further updates on the remaining Stage 1 Claims in due course.

Environmental regulations and performance

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

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. The directors have assessed that there is no current reporting requirements, but may be required to do so in the future.

Share options

As at 30 June 2022, the Company had no unissued ordinary shares of Star Phoenix under option. During the year ended 30 June 2022 no ordinary shares of the Company were issued on the exercise of options (2021: nil).

Indemnifying directors and officers

In accordance with the constitution, except where prohibited by the Corporations Act 2001, every director, principal executive officer and secretary of the Company shall be indemnified out of the property of the Company against any liability incurred by him/her in his/her capacity as director, principal executive officer or secretary of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings whether civil or criminal.

During the financial year, the Company has paid premiums of US$12,431 to insure the Directors and Officers against certain liabilities arising out of the conduct of acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against and the premium paid cannot be disclosed.

Meetings of Directors

During the financial year, eight meetings of the board of directors were held. Attendances by each director during the year were as follows:

Director	Board Meetings	
	Eligible to attend	**Attended**
Zhiwei Gu	7	7
Lubing Liu	7	7
Mu Luo	7	7

Proceedings on behalf of the company

No person has applied for leave of Court 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 any part of those proceedings.
The Company was not a party to any such proceedings during the year.

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Board has adhered to the principles of sound corporate governance. The Board of the Company and its subsidiaries are committed to achieving and demonstrating robust corporate governance practices which are appropriate for the Group's size and stage of development, and which facilitate the long-term performance and sustainability of the Company as well as protecting and enhancing the interests of its shareholders and other stakeholders.

During the year, the Directors adopted the UK's QCA Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code"), in replacement of the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition, as the basis for its corporate governance. The Corporate Governance Statement and Corporate Governance Plan are available on the Company's website www.starphoenixgroup.com.

Non-audit services

The total value of non-audit services provided by a related practice of BDO Audit (WA) Pty Ltd in respect to the Company's tax compliance is US$34,345 (2021: US$36,338).

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

1. all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
2. none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Remuneration Report (Audited)

Remuneration policy

The remuneration policy of Star Phoenix Group has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Star Phoenix Group Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create alignment of goals between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board.

Non-executive directors, executive directors and senior executives receive a base salary (which is based on factors such as length of service and experience), which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles, as well as employer contributions to superannuation funds where applicable.

Executive and non-executive directors can be employed by the Company on a consultancy basis on Board approval, with remuneration and terms stipulated in individual consultancy agreements.

The Company does not currently have a Remuneration Committee. In its absence, the full Board is responsible for the determination of the remuneration of Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Where considered necessary, the Board may engage a remuneration consultant to assist with setting and reviewing the Company's executive and non-executive remuneration policies to ensure the Company attracts and retains executives and Directors who will create value for shareholders. As the Company grows in size, it is planned that the Company will establish a separate remuneration committee with its own remuneration committee charter. No remuneration consultant has been used during the year.

The Board is also responsible for evaluating the performance of Directors and the senior executives. It is envisaged that once the Company is of a sufficient size to establish a Nomination Committee, that committee will be responsible for arranging the performance evaluation of the Board, its committees, and individual Directors on behalf of the Board. This evaluation will be based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel. A formal performance evaluation was not undertaken during the financial year; however, the Company intends to undertake such review during the following financial year.

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. Unlisted options are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies taking into consideration time, commitment, and level of responsibility. Fees for non-executive directors are not linked to the performance of the Group. The directors are not required to hold any shares in the Company under the Constitution of the Company; however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Under the Company's share trading policy, all employees and directors of the Company and its related companies are prohibited from trading in the Company's shares or other securities if they are in possession of inside information.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

Company performance, shareholder wealth and directors and executive's remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

Key Management Personnel

Name	Position	Appointed/Resigned
Mr Lubing Liu	Executive Chairman	Appointed as an Executive Director on 1 March 2018 and as Joint Company Secretary 01 April 2020. Appointed as Executive Chairman from 1 June 2022.
Dr Mu (Robin) Luo	Executive Director	Appointed as Non-Executive Director on 11 January 2019 and as Company Secretary and Executive Director on 1 June 2022
Mr Zhiwei Gu	Non-Executive Director	Appointed as Executive Chaireman on 10 December 2018. Ceased to be Executive Chaireman on 31 May 2022 and remain as a Non-Excutive Director from 1 June 2022.

Details of remuneration

The remuneration for the Key Management Personnel of the Group during the year was as follows:

2022	Short Term Benefits			Post-employment benefits	Other Fees (iv)	Total
	Cash salary & fees	One-off payment	Termination benefits	Superannuation / pensions		
Currency	US$	US$	US$	US$	US$	US$
Directors & Officers						
Mr Gu (i)	159,399	-	-	-	-	159,399
Mr L Liu (ii)	94,867	-	-	3,525	-	98,392
Dr Luo	20,041	-	-	-	-	20,041
Total	**274,307**	**-**	**-**	**3,525**	**-**	**277,832**

(i) Fees of US$159,399 paid to Mr Gu in his capacity as Executive Chairman. During the year, no incentives were in place for Mr Gu.

(ii) Fees paid to Mr L Liu comprised US$3,525 superannuation contributions and salary of US$29,989 and consulting fee of $64,878 in his capacity as Chief Operating Officer and Trinidad General Manager. During the year, no incentives were in place for Mr Liu.

2021	Short Term Benefits			Post-employment benefits	Share based payments	Total
	Cash salary & fees	One-off payment	Termination benefits	Superannuation / pensions	Options	
Currency	US$	US$	US$	US$	US$	US$
Directors & Officers						
Mr Gu (i)	254,251	-	-	-	125,000	379,251

Mr L Liu (ii)	199,463	-	-	29,397	39,452	228,860
Dr Luo	55,222	-	-	-	-	55,222
Dr Meng (iii)	-	-	-	-	-	-
Total	**508,936**	**-**	**-**	**29,397**	**164,452**	**702,785**

(i) Fees paid to Mr Gu comprised US$254,251 received in his capacity as Executive Chairman, and 5,468,959 ordinary shares, for a subscription value of US$125,000, were issued to him for additional consulting work. During the year, no incentives were in place for Mr Gu.

(ii) Fees paid to Mr L Liu comprised US$29,397 superannuation contributions (part of the contributions was for prior year) and salary of US$199,463 in his capacity as Chief Operating Officer and Trinidad General Manager. Mr Liu was issued 1,726,077 shares, for a subscription value of US$39,452, for his consulting work. During the year, no incentives were in place for Mr Liu.

(iii) Dr Meng did not receive any remuneration in the year. Dr Meng ceased to be a director on 11 December 2020.

(iv) Other fees were directors' fees settled with the issue of shares. Please see notes above.

Equity instrument disclosures relating to Key Management Personnel

Share-based payments (year ended 30 June 2022)

No options were issued to key management personnel. All existing options expired in the financial year and there has not been an expense reversal.

Fully paid share holdings

The numbers of shares in the Company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties, are set out below.

2022	Balance at the start of the year	Granted as Compensation	Other Changes	Balance at the end of the year	Balance held indirectly
Mr Gu	5,489,793	-	-	5,489,793	-
Mr L Liu	1,726,077	-	-	1,726,077	-
Dr Luo	-	-	-	-	-
Total:	**7,215,870**	**-**	**-**	**7,215,870**	**-**

Options held by Key Management Personnel

There were no options in the company held during the financial year or at time of resignation by Key Management Personnel of the Company, including their personally related parties.

Loans to Key Management Personnel

There were no loans made to directors of SPG and other Key Management Personnel of the Group, including their personally related parties during the 2021 or 2022 financial years.

Employment contracts of Directors and other Key Management Personnel

On appointment, Executive Directors and Other Key Management Personnel enter into an employment contract with the Company (or another company within the Group). This contract sets out their duties, remuneration and other terms of employment. These contracts may be terminated by either the Company or the employee as detailed below.

All non-executive directors are eligible to receive consulting fees for services provided to the Company over and above the services expected from a non-executive director.

Mr Lubing Liu as Chief Operating Officer, Trinidad General Manager, Executive Director and Joint Company Secretary (appointed as Joint Company Secretary on 1 April 2020)	
Chief Operating Officer and Trinidad General Manager contract	
Contract start date:	24 December 2019 to 31 May 2022
Base Payment:	US$236,712 per annum
Superannuation:	US$22,488 per annum
Notice period:	6 months
Termination benefits:	Payment in lieu of notice at Company option for termination without cause

Mr Lubing Liu as Executive Chairman	
Executive Chairman contract (commenced 1 June 2022)	
Contract date:	1 June 2022
Base Payment:	US$260,000 per annum
Superannuation:	10% of base
Notice period:	3 months
Termination benefits:	3 months' salary plus superannuation

Mr Zhiwei Gu as Executive Chairman	
Executive Chairman contract (commenced 1 March 2020)	
Contract start date:	1 March 2020 to 31 May 2022
Base Payment:	US$55,000 per annum
Superannuation:	No superannuation entitlement
Notice period:	6 months
Termination benefits:	Payment in lieu of notice at Company option for termination without cause
Consulting services:	Mr Gu provided additional executive and consulting services over, and above services rendered to the Company at a rate of US$26,667 per month
Mr Zhiwei Gu as Non-Executive Director (appointed 1 June 2022)	
Contract start date:	1 June 2022
Base Payment:	US$55,000 per annum
Superannuation:	No superannuation entitlement
Notice period:	3 months
Termination benefits:	3 months' fees

Dr Mu Luo as Non-Executive Director (appointed 11 January 2019)	
Non-Executive Director contract	
Contract start date:	11January 2019 to 31 May 2022
Base Payment:	US$25,000 per annum (US$50,000 from 1 August 2019)
Superannuation:	No superannuation entitlement
Termination benefits:	None

Dr Mu Luo as Company Secretary and Executive Director (appointed 1 June 2022)	
Secretary and Executive Director contract (commenced 1 June 2022)	
Contract start date:	1 June 2022
Base Payment:	US$180,000 per annum
Superannuation:	10% of base
Termination benefits:	3 months' salary plus superannuation

Additional information

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022	2021	2020	2019	2018
	$'000	$'000	$'000	$'000	$'000
Revenue	3	99	8,539	12,357	13,059
EBITDA	(1,470)	(1,443)	(19,073)	(39,044)	(6,000)
EBIT	(1,195)	(6,413)	(20,542)	(43,002)	(10,951)
(Loss)/profit after income tax	(1,337)	(6,695)	47,952	(49,461)	(17,530)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
	$'000	$'000	$'000	$'000	$'000
Share price at financial year end (US$)	0.0115	0.0187	0.02	0.0004	0.002
Basic earnings per share (US$)	(0.001)	(0.046)	0.397	(0.552)	(0.231)

Voting and comments made at the company's 2021 Annual General Meeting
Star Phoenix Group Ltd received 99.7% of "yes" votes on its remuneration report for the 2021 financial year. The Board believes that this reflects the conservative remuneration practices of the company.

This is the end of the audited remuneration report.

Auditor's Independence Declaration
The auditor's independence declaration, as required under Section 307C of the Corporations Act 2001, for the year ended 30 June 2022 has been received and can be found on the following page.

This report is signed in accordance with a resolution of the Board of Directors.

Lubing Liu: Chairman

31 October 2022

Auditor's Independence Declaration

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Star Phoenix Group Ltd and Controlled Entities. As the lead audit partner for the audit of the financial report of Star Phoenix Group Ltd and Controlled Entities for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Name of Firm Mitchell Wilson & Partners

Name of Partner Douglas Mitchell

Date

Address	883 Toorak Road Camberwell VIC 3124, Australia

Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2022

The below consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Note	Consolidated	
		2022 (US$)	2021 (US$) (Restated)*
Revenue from continuing operations	3	**-**	**-**
Operating expenses		-	-
Depreciation, depletion and amortisation		-	-
Cost of sales		**-**	**-**
Gross loss		**-**	**-**
Other income and expenses from continuing operations			
Other income	3	-	87,899
Finance Income/(costs)	4b	2,792	4,603
Foreign exchange gain	3	(30,756)	6,226
General and administration expenses	4c	(1,112,049)	(1,809,084)
Impairment of assets	4d	(55,326)	(153,225)
Loss before income tax expense from continuing operations		**(1,195,339)**	**(1,863,582)**
Income tax credit/(expense)		-	-
Loss after income tax expense from continuing operations		(1,195,339)	(1,863,582)
Gain/(loss) from discontinued operations, net of tax	6	(141,349)	(4,405,320)
(Loss)/profit for the year attributable to equity holders of Star Phoenix Group Limited		**(1,336,247)**	**(6,268,902)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	19c	59,920	11,322
Other comprehensive (loss)/income for year, net of tax		**59,920**	**11,322**
Total comprehensive (loss)/profit attributable to equity holders of Star Phoenix Group Limited		**(1,276,767)**	**(6,257,580)**
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted (loss) per share (cents per share)	9a	(0.008)	(0.013)
Earnings/(Loss) per share from attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings/(loss) per share (cents per share)	9a	(0.001)	(0.044)

*Refer to note 2a for detailed information on restatement of comparatives

Consolidated Statement of Financial Position as at 30 June 2022

The below consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Note	Consolidated 2022 (US$)	2021 (Restated US$)*	2020 (Restated US$)*
Assets				
Current Assets				
Cash and cash equivalents	10	758,346	1,911,072	3,164,752
Trade and other receivables	11	229,292	103,866	2,248,359
Assets of disposal group classified as held for sale	7a	4,043,011	4,249,038	7,922,861
Total current assets		**5,030,649**	**6,263,976**	**13,335,972**
Non-Current Assets				
Right of use asset	12	-	63,333	183,333
Property, plant and equipment	14	-	83,624	100,349
Total non-current assets		**-**	**146,957**	**283,682**
Total assets		**5,030,649**	**6,410,933**	**13,619,654**
Current liabilities				
Trade and other payables	15	4,505,946	4,849,906	4,791,791
Liabilities directly associated with assets classified as held for sale	7b	691,097	450,653	1,154,300
Provisions	17	5,796,048	5,796,048	5,991,944
Total current liabilities		**10,993,091**	**11,096,607**	**11,938,035**
Non-current liabilities				
Trade and other payables	15	-	-	296,245
Total non-current liabilities		**-**	**-**	**296,245**
Total liabilities		**10,993,091**	**11,096,607**	**11,234,280**
Net assets/(liabilities)		**(5,962,442)**	**(4,685,676)**	**1,385,374**
Equity				
Contributed equity	18	388,570,504	388,570,504	388,383,974
Reserves	19	23,460,290	23,400,370	23,389,048
Accumulated losses		(417,993,236)	(416,656,550)	(410,387,648)
Total equity/deficit		**(5,962,442)**	**(4,685,676)**	**1,385,374**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

*Refer to not 2a for detailed information on restatement of comparatives

Consolidated Statement of Changes in Equity for the year ended 30 June 2022

The below consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	Contributed equity	Accumulated losses	Foreign currency translation reserve	Share-based payment reserve	Option premium reserve	Non-controlling interests	Total equity
		(US$)	(US$)	(US$)	(US$)	(US$)		(US$)

	Note	Contributed equity (US$)	Accumulated losses (US$)	Foreign currency translation reserve (US$)	Share-based payment reserve (US$)	Option premium reserve (US$)	Non-controlling interests	Total equity (US$)
Balance at 1 July 2020(Originally reported)		**388,383,974**	**(409,284,204)**	**3,015,222**	**8,316,464**	**12,057,362**		**2,488,818**
Adjustment due to prior period error (Note 2a)			(1,103,444)					(1,103,444)
Balance at 1 July 2020		**388,383,974**	**(410,387,648)**	**3,015,222**	**8,316,464**	**12,057,362**	**-**	**1,385,374**
Exchange difference on translation of foreign operations		-	-	11,322	-	-	-	11,322
Loss attributable to members of the company		-	(1,863,582)	-	-	-	-	(1,863,582)
Gain/(Loss) from discontinued operations		-	(4,405,320)	-	-	-	-	(4,405,320)
Total comprehensive loss for the year		**-**	**(6,268,902)**	**11,322**	**-**	**-**	-	**(6,257,580)**
Transactions with owners in their capacity as owners:								
Issue of share capital	18	186,530	-	-	-	-	-	186,530
Realisation of FCTR on disposal of foreign operation	19	-	-	(4,993,916)	-	-	-	(4,993,916)
Non-controlling interests		-	-	-	-	-	-	-
Balance at 30 June 2021		**388,570,504**	**(416,656,550)**	**3,026,544**	**8,316,464**	**12,057,362**	**-**	**(4,685,676)**

Balance at 1 July 2021		**388,570,504**	**(416,656,550)**	**3,026,544**	**8,316,464**	**12,057,362**	**-**	**(4,685,676)**
Exchange difference on translation of foreign operations		-	-	59,920	-	-	-	59,920
Loss from continuing operations of the company		-	(1,195,339)	-	-	-	-	(1,195,339)
Profit/(loss) from discontinued operations		-	(141,349)	-	-	-	-	(141,349)
Transfer reserv es to accumulated loss			20,373,826		(8,316,464)	(12,057,362)		-
Total comprehensive loss for the year		-	**19,037,138**	**59,920**	**(8,316,464)**	**(12,057,362)**	-	**(1,276,767)**
Transactions with owners in their capacity as owners:								
Issue of share capital	18	-	-	-	-	-	-	-
Balance at 30 June 2022		**388,570,504**	**(397,619,412)**	**3,086,464**	**-**	**-**	**-**	**(5,962,442)**

Consolidated Statement of Cash Flows for the year ended 30 June 2022

The below consolidated statement of cashflows should be read in conjunction with the accompanying notes.

	Note	Consolidated	
		2022 (US$)	**2021 (US$)**
Cash flows from operating activities			
Receipts from customers		150,000	218,088
Other Receipts		(906)	72,763
Payments to suppliers and employees		(1,590,220)	(1,841,025)
Income taxes (paid)/received		(12.970)	(90,795)
Payment for exploration expenditure		-	(175,448)
Net cash outflow from operating activities	22	**(1,454,096)**	**(1,816,417)**

Cash flows from investing activities			
Payment for property, plant & equipment		-	-
Proceeds from disposal of property, plant and equipment		278,902	330,065
Net cash inflow/(outflow) on disposal of subsidiary		-	-
Net cash inflow from investing activities		**278,902**	**330,065**

Cash flows from financing activities			
Receipts from share issue		-	-
Interest and other finance income		2,231	191

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Provision of short-term loan		-	
Payments for principal element of leases			
Proceeds received from related company		-	277,328
Net cash inflow from financing activities		**2,231**	**277,519**

Net (decrease)/increase in cash and cash equivalents		(1,172,964)	(1,208,834)
Net foreign exchange differences		20,238	(44,846)
Cash and cash equivalents at beginning of financial year		**1,911,072**	**3,164,752**
Cash and cash equivalents at end of financial year	10	**758,346**	**1,911,072**

Notes to Consolidated Financial Statements

Note 1: Significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Star Phoenix Group Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements cover the Group consisting of Star Phoenix Group Ltd and its controlled entities. Financial information for Star Phoenix Group Ltd as an individual entity is disclosed in Note 25. Star Phoenix Group Ltd is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated. The financial report was authorised for issue by the Directors on 17 February2023.

Basis of preparation

Historical cost convention

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

Compliance with IFRS

The financial statements of Star Phoenix Group Ltd also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements were approved by the Board of Directors on 17 February 2023.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The consolidated financial statements are presented in United States Dollars (USD), which is Star Phoenix Group Ltd.'s functional and presentation currency.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2022 the Group recorded a loss of US$1,362,820 (2021: a loss of US$6,257,580), had net cash outflows of US$1,172,964 (2021: cash outflows of US$1,208,834) and had a cash balance of US$758,346 (2021: cash balance of US$1,911,072).

As at the reporting date (17 February 2023), the company had a cash balance of approximately US$457,000. Management believe there are sufficient funds to meet the Group's working capital requirements for the next 6 months. The ability of the Group to continue as a going concern beyond that timeframe is dependent on securing additional funding through the issue of shares and/or debt to fund its activities. The Company is currently seeking other opportunities to further expand its operations in other geographic locations.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company is currently seeking other opportunities to expand its operations in other geographic locations and a successful investment in a new project may be used to raise additional capital and subsequently generate positive cash flows. The Company is also focusing on managing its existing cash reserves.

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Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Star Phoenix Group Ltd ("Parent Entity" or "Company") as at 30 June 2022 and the results of all subsidiaries for the year then ended. Star Phoenix Group Ltd and its subsidiaries together are referred to as the "Group".

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased. A list of controlled entities is contained in Note 13 to the financial statements. All controlled entities have a 30 June financial year-end.

All inter-company balances and transactions between entities 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 Group.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20-50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

(b) Income tax

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

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 in profit or loss 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Property, plant and equipment

Owned assets

Plant and equipment are measured on the historical cost basis less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed Asset	**Depreciation Rate**
Plant & equipment	11.25% - 33%
Production equipment	10 - 20%
Motor vehicles, furniture & fixtures	25 - 33%

Leasehold improvements	10 - 12.50%

The residual values of the assets and their useful lives are reviewed and adjusted if appropriate at each reporting date.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the employment of the assets and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The carrying amount of the asset is written down to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(d) Exploration and evaluation expenditure and the recognition of assets

Acquisition costs for exploration and evaluation projects are accumulated in respect of each identifiable area of interest. 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 that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

The carrying values of expenditures carried forward are reviewed for impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired.

Accumulated expenditures are written off to profit or loss to the extent to which they are considered to be impaired.

The group applies AASB 6 Exploration and Evaluation of Mineral Resources which is equivalent to IFRS 6. The carrying value of exploration and evaluation expenditure is historical cost less impairment.

(e) Financial instruments

The Group's financial instruments include cash and cash equivalents and trade and other receivables.

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

Simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. Impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

(f) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the Group is determined using the currency of the primary economic environment in which that entity operates.

Transaction and balances

Foreign currency transactions are translated into the 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 profit or loss

Exchange differences arising on the translation of monetary items are recognised in profit or loss

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

(h) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(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 or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

(k) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Revenue from the sale of oil and gas and related products was recognised when the Group had transferred to the buyer control of the product. In the case of oil, this usually occurs at the time of lifting. Other revenue is recognised when control has passed.

(l) Goods and Services Tax (GST)

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

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

(m) Comparative figures

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

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) 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 fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

makes assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash follows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Investments in associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

The Group's share of the associate post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in the associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition unless alternative terms are agreed.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(r) Contributed equity

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

(s) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity 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.

Diluted earnings per share

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.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

(u) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(v) Share-based payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

(w) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service benefit

The liability for long service benefit is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(x) Leases

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

(y) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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.

(z) Inventories

Inventories include consumable supplies and maintenance spares and are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes direct costs and an appropriate portion of fixed and variable production overheads where applicable. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

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. Areas involving a higher degree of judgement or complexity, or areas where estimations and assumptions are significant to the financial statements are disclosed here.

(aa) Non-current assets classified as held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the consolidated statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical are of operations; and
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

(bb) Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 2: Significant estimates and judgements

Impairment of rigs and related equipment

The Company sold four production rigs for a total gain of US$83,543. The Company continues the sale process of the remaining four production and four drilling rigs.

Impairment was calculated on an individual rig basis base on best information available. The recoverable amount of these assets was estimated based on an indicative conditional offer received minus any significant costs involved in selling of the assets.

For the rest of workover/swabbing rigs, based on rigs sold to date the evidence suggests that a lower impairment percentage should apply. However, Management is of the opinion that given that negotiations for those are still at a premature stage, the same impairment percentage should apply.

Classification of assets held for sale

In accordance with AASB 5 *Assets held for sale and discontinued operations*, an entity shall classify a non-current assets as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition and that the sale must be highly probable. AASB 5 notes that the sale should be expected to qualify as a completed sale within 12 months from the date of classification.

Management note that the sales process has extended beyond the 12 months as a result of the impact of COVID-19 and the travel restrictions imposed by various governments meaning that potential vendors have not been able to physically inspect the relevant assets and that as a result the sales process has lasted longer than 12 months.

Management have judged that the impact of COVID-19 meets the criteria noted in AASB 5 regarding delays caused by events or circumstances beyond management's control and that they remain committed to completing the sales process as soon as practicable.

COVID-19 pandemic

The impact of the COVID-19 pandemic is ongoing. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Note 2a: Restatement of comparatives

During the half year ended 31 December 2021, an error was discovered in the recognition of withholding tax payable relating to prior years. Detailed calculation were carried out in this period and this resulted in an increase of $1,103,444 in the withholding tax liability for the year ended 30 June 2020, an increase of $182,803 in the withholding tax liability for the year ended 30 June 2021. The impact of the restatement is noted below

	30 June 2021 (US$) Reported	**Correction of prior period error**	**30 June 21 (US$) Restated**
Trade and other payable -(line item affected Other taxes payable)-Refer Note 10	3,563,659	1,286,247	4,849,906
Gain/(loss) from discontinued operations-net of tax	(4,222,517)	(182,803)	(4,405,320)

	30 June 2020 (US$) Reported	**Correction of prior period error**	**30 June 20 (US$) Restated**
Trade and other payable -(line item affected Other taxes payable)	3,688,347	1,103,444	4,791,791
Gain/(loss) from discontinued operations-net of tax	53,191,671	(1,103,444)	52,088,227

Earnings per Share	**30 June 2021 (US$) Reported**	**30 June 2021 (US$) Adjusted**
Basic earnings/(loss) per share	(0.012)	(0.013)
Diluted earnings/(loss) per share	(0.04)	(0.044)

Note 3: Revenue

	Note	**Consolidated**	
		2022 (US$)	**2021 (US$)**
From discontinued operations			
Revenue from services to third parties recognised over time		180,736	129,928

	Note	Consolidated 2022 (US$)	Consolidated 2021 (US$)
recognised over time			
Total revenue from discontinued operations		**180,736**	**129,928**
Other income from continuing operations			
Foreign exchange gain		(30,756)	6,226
Government grant		-	72,763
Other income		-	15,136
Total other income		**-**	**87,899**
Other income from discontinued operations			
Other income		8,894	450,089
Total other income from discontinued operations		**8,894**	**450,089**

Revenue from third party services and sale of oil is solely generated in the Republic of Trinidad and Tobago.

Government grant relates to "cash flow boost" which is a support from the Australian government to eligible entities during the period associated with COVID-19. Other income from continuing operations relates to gain on settlement of employee liabilities.

Other income from discontinued operations relates to gain from disposal of assets and oil field services.

Note 4: Expenses

	Note	Consolidated 2022 (US$)	Consolidated 2021 (US$)
a: Cost of sales - continuing operations			
Costs of operations		-	-
Depreciation and amortisation		-	-
Total cost of sales from continuing operations		**-**	**-**
a: Cost of sales - discontinued operations			
Costs of production		4,443	45,794
Staff Costs		202,871	254,598
Depreciation and amortisation		-	-
Impairment of Receivables		-	1,615,572
Impairment of Rigs and related equipment	5	-	3,437,053
Total cost of sales from discontinued operations		**207,314**	**5,353,017**

b: Finance costs - continuing operations			
Foreign exchange loss /(Gain)		-	-
Interest (income)/expense		(2,792)	(4,603)
Interest on convertible note		-	-
Total finance costs from continuing operations		**(2,792)**	**(4,603)**
b: Finance (income)/costs - discontinued operations			
Interest expense		-	-
Foreign exchange (gain)/loss		37,241	275,309
Total finance (income)/costs from discontinued operations		**37,241**	**275,309**

c: General and administration expenses - continuing operations			
Directors' and officers' fees and benefits		277,832	702,785
Legal fees		219,153	102,872
Business development, financial and other consulting fees		188,046	361,066
Listing fees		105,354	146,216
Other expenses		321,664	496,145
Total general and administration expenses from continuing operations		**1,112,049**	**1,809,084**
d: Asset values written down- continuing operations			
Impairment of assets	**11**	55,326	153,225
Total Assets written down		**55,326**	**153,225**

Note 5: Impairment of non-current assets held for sale

Management is required to make judgements concerning the cause ,timing and amount of impairments.Management considers the impact of competitive conditions ,cost of capital ,funding ,obsolescence and discontinuance of services in its identification of impairment indicators.Key assumptions on which management use in the determination is fair value less costs to sell including binding sales agreements,projected revenues ,capital expenditures and cutomer base . No impairment assessment were undertaken for the year as at 30 June 2022. As a result, no impairment was recorded in relation to the rigs and related equipment. Refer to Impairment of rigs and related equipment in Note 4 and note 7a.

Note 6: Discontinued operations

In the prior year financial statements, the company has classified its business in Trinidad as discontinued. Therefore, the table presents the financial information for the group's operations in Trinidad.

The financial performance and cash flows of the Trinidad operations are shown below.

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Revenue from third party services	3	180,736	129,928
Other income		8,894	450,089
Operating expenses	4a	(4,443)	(45,794)
Depreciation, depletion and amortisation		-	-
Staff costs	4a	(202,871)	(254,598)
Administrative expenses		(57,921)	(86,052)
Insurance expense		(65,886)	(57,990)
Impairment of Rigs and related equipment	7a	-	(3,437,053)
Impairment of Receivables		-	(1,615,572)
Finance income/(expense)		(37,241)	92,506
Legal fees		(22,740)	(272,884)
Gain from disposal of assets		60,123	83,543
Taxation benefit		-	608,557
Loss from dicontinued operations		**(141,349)**	**(4,405,320)**
Net cash (outflow)/inflow from operating activities		**(281,699)**	**(746,051)**
Net cash Inflow/(outflow) from investing activities		**278,902**	**154,617**
Net cash inflow from financing activities		**-**	**277,328**
Net cash (decrease)/increase in cash generated by the subsidiary		**(2,797)**	**(314,106)**

Current period discontinued operations relate to Range Resources Drilling Service Ltd.

Gain/(loss) from discontinued operations, net of tax			
Gain/(loss) from RRDSL		(307,932)	(4,405,320)
Total Gain/(loss) from discontinued operations, net of tax		**(307,932)**	**(4,405,320)**

Note 7a: Assets of disposal group classified as held for sale

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Current assets			
Rigs and related inventory		3,175,977	3,635,878
Property, plant and equipment		361,410	613,160
Total current assets		**3,537,387**	**4,249,038**
Total held for sale assets		**3,537,387**	**4,249,038**

Disposal of rigs and related inventory held by Range Resources Drilling Services

The Company has also been actively marketing the rigs and equipment. As a result, the Company sold production rigs for a total gain of US$10,816. The Company continues the sale process of the remaining three production and four drilling rigs.

During the period, no impairment charge was recognised by management in the year ended 30 June 2022 (2021: US$3,437,053).

Note 7b: Liabilities directly associated with assets classified as held for sale

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Current liabilities			
Trade and other payables		-	-
Deferred tax liabilities		691,097	450,653
Accrued expenditure		-	-
Total current liabilities		**691,097**	**450,653**
Total held for sale liabilities		**691,097**	**450,653**

Note 8: Auditor's remuneration

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Remuneration of the auditor of the Parent Entity for:			
Auditing or reviewing the financial report by BDO Audit (WA) Pty Ltd		52,203	80,750
Non-audit services provided by a related entity of BDO Audit (WA) Pty Ltd in respect to Parent Entity's tax compliance		34,345	36,338
Total remuneration for the Parent Entity		**86,548**	**117,088**
Remuneration of the auditors of the subsidiaries			
Auditing or reviewing the financial report by MHA Macintyre Hudson		-	9,072
Auditing or reviewing the financial report by BDO Barbados		-	7,500
Auditing or reviewing the financial report by BDO Trinidad		-	11,142
Auditing or reviewing the financial report by Felicia Hosein & Company Trinidad		**5,925**	**-**
Total remuneration for the subsidiaries		**5,925**	**27,714**

Note 9: Earnings/(Loss) per share

	Note	Consolidated	
		2022 (US$)	2021 (US$)
a: Basic loss per share			
Loss per share from continuing operations attributable to the ordinary equity holders of the company		(0.008)	(0.013)
Loss per share attributable to the ordinary equity holders of the company		(0.009)	(0.044)
Loss per share from discontinued operations attributable to the ordinary equity holders of the company		(0.001)	(0.031)
b: Diluted loss per share			
Loss per share from continuing operations attributable to the ordinary equity holders of the company		n/a	n/a
Loss per share attributable to the ordinary equity holders of the company		n/a	n/a
Loss per share from discontinued operations attributable to the ordinary equity holders of the company		n/a	n/a
c: Reconciliation of gain/(loss) used in calculating earnings per share			
Basic/ Diluted loss per share			
Loss from continuing operations attributable to the ordinary equity holders of the company		(1,195,339)	(1,863,582)
Gain/(loss) attributable to the ordinary equity holders of the company		(1,407,967)	(6,694,656)
Loss from discontinued operations attributable to the ordinary equity holders of the company		(212,628)	(4,831,074)
d: Weighted average number of shares used as the denominator			
Weighted average number of ordinary shares used as the denominator in calculating basic EPS		150,876,970	146,267,513

Note 10: Cash and cash equivalents

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Cash at bank and on hand		**758,346**	**1,911,072**

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 26.

Note 11: Trade and other receivables

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Current			
Trade receivables (i)		20	-
Taxes receivable		40,228	39,342

	Note	Consolidated 2022 (US$)	2021 (US$)
Taxes receivable		40,228	39,342
Other receivables (ii)		138,763	13,182
Prepayments		19,833	20,849
Other taxes receivable		30,448	30,493
Total trade and other receivables		**229,292**	**103,866**

(i) Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(ii) Other receivables comprise tribunal fees of GBP 90,000 paid on behalf LandOcean Energy Services Co Limited. This amount will deduct reimbursement from Dentons.

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment, due to the COVID-19 pandemic. An impairment of US$55,326 (30 June 2021: $153,225) has been recognised relating to continuing operations and no impairment has been recognised relating to non-continuing operations in the year to 30 June 2022 (30 June 2021: $1,598,847).

Fair value approximates the carrying value of trade and other receivables at 30 June 2022 and 30 June 2021.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 26.

Allowance for expected credit losses

The consolidated entity has recognised a loss in profit or loss in respect of the expected credit losses for the year ended 30 June 2022 as described above.

Note 12: Right-of-Use Asset

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Non-current			
Right-of-use asset		-	63,333
Total trade and other receivables		**-**	**63,333**

The amount relates to the office lease in Beijing, People's Republic of China, expiring on 31 August 2021. Amortisation of US$43,333 was recognised in the Income Statement with regards to the asset. The bond has been refunded to the company.

Note 13: Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in Note 1(a).

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	
		30 June 2021	30 June 2020
Subsidiaries of Star Phoenix Group Limited:			
Range Resources (Barbados) Limited	Barbados	100	100
SOCA Petroleum Limited	Barbados	100	100
Range Resources Drilling Services Limited	Trinidad	100	100
West Indies Exploration Company Limited	Trinidad	100	100
Range Resources Trinidad Limited (disposed of)	Trinidad	-	100
Range Resources West Coast Limited	Trinidad	100	100
Range Resources (Barbados) GY Limited	Barbados	100	100
Range Resources GY Shallow Limited	Trinidad	100	100
Range Resources GY Deep Limited	Trinidad	100	100
Star Phoenix Group UK Limited	United Kingdom	100	100
Range Resources HK Limited	Hong Kong	100	100
PT Hengtai Weiye Oil and Gas	Indonesia	60	60
PT Jasmine Oil and Gas Services	Indonesia	60	60
PT Lubuk Kawai Raya (i)	Indonesia	46.8	46.8

PT Lubuk Kawai Raya (i)	Indonesia	[illegible]	[illegible]
PT Aceh Timur Kawai Energi (i)	Indonesia	42.1	42.1
Georgian Oil Pty Ltd	Australia	100	100
Shanghai AusQuality International Trading Co. Ltd	China	100	100
Junior Star Tec Limited	China	100	100

(i) Indirect control of these entities was obtained with the acquisition of 60% of the share capital in PT Hengtai Weiye Oil and Gas

(ii) In the subsidiaries, only Star Phoenix Group UK Limited and the Chinese entities are continuing entities. The rest of the entities are discontinued.

Note 14: Property, Plant & Equipment

Consolidated	Production equipment and access roads	Gathering station and field office	Leasehold improvement	Motor vehicle, furniture, fixtures & fittings	Total
	US$	US$	US$	US$	US$
Year ended 30 June 2021					
Opening net book amount	-	-	-	100,349	100,349
Depreciation charge	-	-	-	(16,725)	(16,725)
Closing net book amount	**-**	**-**	**-**	**83,624**	**83,624**
At 30 June 2021					
Cost	2,072,722	-	-	323,402	2,396,124
Accumulated depreciation	(2,072,722)	-	-	(239,778)	(2,312,500)
Net book amount	**-**	**-**	**-**	**83,624**	**83,624**

Year ended 30 June 2022					
Opening net book amount	-	-	-	83,624	83,624
Depreciation charge	-	-	-	(83,624)	(83,624)
Closing net book amount	**-**	**-**	**-**	**-**	**-**
At 30 June 2022					
Cost	-	-	-	83,624	83,624
Accumulated depreciation	-	-	-	(83,624)	(83,624)
Net book amount	**-**	**-**	**-**	**-**	**-**

Note 15: Trade and other payables

	Note	Consolidated	
		2022 (US$)	**2021 (US$) (Restated)**
a: Current			
Trade payables		244,136	304,455
Sundry payables and accrued expenses (i)		55,212	155,268
Other payables (ii)		4,206,598	4,390,183
Total		**4,505,946**	**4,849,906**
b: Non-Current			
Other payables - interest bearing		-	-
Other payables - non-interest bearing		-	-
Total		**4,505,946**	**4,849,906**

(i) Amount mainly relates to accrued expenditure from operations in Trinidad and Australia.

(ii) Amount mainly relates to withholding taxes payable as a result of debt eliminations.

Note 16: Deferred taxes

	Other	Accrued interest	Total
Deferred tax asset	US$	US$	US$
Movements: Year ended 30 June 2022			
Opening balance	-	30,493	30,493
Charged/(credited) - to profit or loss	-	(45)	(45)
Closing net book amount (i)	**-**	**30,448**	**30,448**

(i) Deferred tax asset is included in the asset held for sale (note 7a)

	Other	Accrued interest	Total

	Fair value uplift on business combination	Accelerated depreciation	Total
Deferred tax liability	US$	US$	US$
Movements: Year ended 30 June 2021			
Opening balance	-	1,154,300	1,154,300
Foreign currency movement	-	-	-
Charged/(credited) - to profit or loss	-	(703,647)	(703,647)
Closing net book amount	**-**	**450,653**	**450,653**
Movements: Year ended 30 June 2022			
Opening balance	-	450,653	450,653
Foreign currency movement	-	-	-
Charged/(credited) - to profit or loss	-	240,444	240,444
Closing net book amount (i)		**691,097**	**691,097**

(i) Deferred tax liability is included in liabilities directly associated with assets held for sale (note 7b)

Note 17: Provisions

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Provision (i)		5,796,048	5,796,048
Total		**5,796,048**	**5,796,048**

(i) Provision relates to an estimate of the potential land taxes that may be payable by the Company on expired exploration licences in Trinidad. The determination of provisions involves management judgements about the probability of outcomes of future events and estimates on timing and amount of expected future cash flows.

The amount and timing of settlement in respect of land taxes are uncertain and dependent on factors that are not within management control as payment dates are uncertain.

Note 18: Contributed equity

	Note	Consolidated	
		2022 (US$)	2021 (US$)
150,876,970 (2021: 150,876,970) fully paid ordinary shares		409,614,906	409,614,906
Share issue costs		(21,044,402)	(21,044,402)
Total contributed equity		**388,570,504**	**388,570,504**

	Consolidated			
	2022 No.	2022 (US$)	2021 No.	2021 (US$)
a: Fully paid ordinary shares				
At the beginning of reporting period	150,876,970	409,614,906	141,367,955	409,428,374
Shares issued to directors during year	-	-	9,509,015	186,530
Total contributed equity	**150,876,970**	**409,614,906**	**150,876,970**	**409,614,906**

At the date of this report, the Company's issued capital comprises 150,876,970 ordinary fully paid shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting of the Company, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

On 4 January 2021, the Group announced to issue 7,195,036 shares to directors. During the year, the Group also issued announced a subscription of 2,313,979 new ordinary shares to management.

Note 19: Reserves

	Note	Consolidated	
		2022 (US$)	2021 (US$)
a: Share-based payment reserve			
Balance 1 July 2021		8,316,464	8,316,464
Share based payment expenses		-	-

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Balance 30 June 2022		**8,316,464**	**8,316,464**

The share-based payment reserve records items recognised as expenses on the fair valuation of shares and options issued as remuneration to employees, directors and consultants. For the year ended 30 June 2022 the amount was nil reflecting the fact that all options vested during the year.

	Note	Consolidated	
		2022 (US$)	2021 (US$)
b: Option premium reserve			
Balance 1 July 2021		12,057,362	12,057,362
Fair value movement of exercised options that were originally classified as a derivative liability		-	-
Balance 30 June 2022		**12,057,362**	**12,057,362**

The option premium reserve is used to recognise the grant date fair value of options.

	Note	Consolidated	
		2022 (US$)	2021 (US$)
c: Foreign currency translation reserve			
Balance 1 July 2021		3,026,544	3,015,222
Currency translation differences arising during the year		59,920	11,322
Currency translation differences arising due to disposal of subsidiary		-	-
Balance 30 June 2022		**3,086,464**	**3,026,544**

The foreign currency translation reserve is used to record exchange differences arising from the translation balances of foreign subsidiaries.

Total reserves at 30 June 2022	**23,460,290**	**23,400,370**

Note 20: Contingent liabilities and contingent assets

The Directors are not aware of any contingent liabilities or contingent assets as at 30 June 2022.

Note 21: Segment reporting

30 June 2022	Trinidad - Oil & Gas Production US$	Trinidad - Oilfield Services US$	Indonesia US$	Unallocated US$	Total US$
Segment revenue					
Total segment revenue	**-**			**2,792**	**2,792**
Intersegment revenue	-				
Revenue from external customers	-				
Other income	-			**2,792**	**2,792**
Segment result					
Depreciation	-	-	-		
Interest Income/(expense)	-		-	(30,756)	(30,756)
Other segment income/(expenses)	-		-	(1,112,049)	(1,112,049
Impairment of Receivables	-		-	(55,326)	(55,326)
Impairment of Rigs and related equipment	-		-		
Gain on disposal	-		-	(212,628)	(212,628)
Profit/(Loss) before income tax	**-**		**-**	**(212,628)**	**(212,628)**
Income tax	-		-	-	-
Profit/(Loss) after income tax	**-**	(212,628)	**-**	**(1,195,339)**	**(1,407,967)**
Segment assets					
Segment assets	-	4,386,451	-	634,401	5,020,851
Total assets	**-**	**4,386,451**	**-**	**634,401**	**5,020,851**
Segment liabilities					
Segment liabilities	-	9,606,408	-	1,488,166	11,054,574
Total liabilities	**-**	**9,606,408**	**-**	**1,488,166**	**11,054,574**

30 June 2021	Trinidad - Oil & Gas Production US$	Trinidad - Oilfield Services US$	Indonesia US$	Unallocated US$	Total US$

30 June 2022	Trinidad - Oil & Gas Production US$	Trinidad - Oilfield Services US$	Indonesia US$	Unallocated US$	Total US$
Total segment revenue					
Intersegment revenue		580,017	-	98,728	678,745
Revenue from external customers		129,928	-	-	129,928
Other income	-	450,089	-	98,728	548,817
Segment result					
Depreciation	-	-	-	(16,725)	(16,725)
Interest income/(expense)	-	226,839	-	(222,236)	4,603
Other segment expenses	-	(805,348)	-	(1,586,849)	(2,392,197)
Impairment of receivables	-	(1,479,072)	-	(136,500)	(1,615,572)
Impairment of Rigs and related equipment	-	(3,437,053)	-	-	(3,437,053)
Gain on disposal	-	83,543	-	-	83,543
Profit/(Loss) before income tax	**-**	**(4,831,074)**	**-**	**(1,863,582)**	**(6,694,656)**
Income tax	-	608,557	-	-	608,557
Profit/(Loss) after income tax	**-**	**(4,222,517)**	**-**	**(1,863,582)**	**47,941,852**
Segment assets					
Segment assets	-	4,586,856	-	1,824,078	6,410,934
Total assets	**-**	**4,586,856**	**-**	**1,824,078**	**6,410,934**
Segment liabilities					
Segment liabilities	-	9,676,636	-	133,724	9,810,360
Total liabilities	**-**	**9,676,636**	**-**	**133,724**	**9,810,360**

(i) Unallocated assets

	30 June 2022 US$	30 June 2021 US$
Segment assets		
Cash	519,900	1,668,255
Other	125,607	155,822
Total segment assets	**642,507**	**1,824,077**

	Note	Consolidated 2022 (US$)	Consolidated 2021 (US$)
Segment result - all other segments			
Directors' and officers' fees and benefits		277,832	702,785
Finance costs		30,756	6,840
Other general and administration expenses		889,543	1,378,474
Total unallocated segment expenses		**1,198,131**	**2,088,099**

Accounting policies

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker is the Executive Chairman and through this role the Board of Directors.

Information regarding these segments is presented above. The accounting policies of the reportable segments are the same as those of the Group. Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, plant and equipment, exploration expenditure capitalised and development assets net of accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment disclosures do not include deferred income taxes.

Note 22 Cash flow information

	Note	Consolidated 2022 (US$)	2021 (US$)
Reconciliation of cash flow from operations with loss after income tax			
Gain/(loss) after income tax		(1,336,247)	(6,086,099)
Non-cash flows in profit			(15,136)
Depreciation, depletion and amortisation		55,326	120,000
Share based payment- consultants and employees			201,654
Impairment of non-current assets		(206,028)	16,725
Impairment reversal			
Gain on disposal of subsidiary			
Foreign exchange (gain)/loss		30,756	(44,846)

Impairments recognised on held for sale assets			3,437,053
Decrease in other current assets		221	7,543
(Increase)/decrease in trade and other receivables		115,629	1,867,165
Decrease in deferred tax asset			
Increase/(decrease) in trade and other payables		(354,197)	(420,933)
Increase/(Decrease) in deferred tax liabilities		240,444	(703,647)
increase/(Decrease) in provisions			(195,896)
Items reclassified as investing activities on gain on disposal of subsidiary			
Net cash outflow (from)/to operations		**(1,454,096)**	**(1,816,417)**

Note 23: Share based payments

Employee option plan

No options were issued to key management personnel. All options expired during the prior year as vesting conditions were not met.

Expenses recognised in the profit or loss

During the year, no share-based payments were recognised in profit/loss statement. (2021: Nil).

Note 24: Related party transactions

(a) Parent entity

The ultimate Parent Entity and ultimate Australian Parent Entity within the Group is Star Phoenix Group Ltd.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 13.

(c) Transactions with Key Management Personnel

The following transactions occurred during the year with Key Management Personnel or their related parties:

	2022 US$	2021 US$
Consulting fees paid or payable to Kaiyuan Guosen Management Consulting Limited, a company owned by Mr Gu	159,399	379,251
Consulting fees paid or payable to Ten Faye Limited, a company owned by Mr L Liu	64,878	35,833

Consolidated

	Note	Consolidated	
		2022 (US$)	2021 (US$)
d: Key Management Personnel compensation			
Short-term benefits		277,832	508,936
Post-employment benefits		-	29,397
Issue Shares to directors		-	164,452
Total		**277,832**	**702,785**

Note 25: Parent entity information

The following details information related to the Parent Entity Star Phoenix Group Limited, at 30 June 2022. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Current assets		504,942	1,648,398
Non-current assets		117,502	146,957
Total assets		**622,444**	**1,795,355**
Current liabilities		1,448,166	133,724
Non-current liabilities		-	-
Total liabilities		**1,448,166**	**133,724**
Contributed equity		388,570,480	388,570,480
Accumulated losses		(416,141,109)	(411,246,995)
Reserves		26,744,907	24,338,146
Total equity		**(825,722)**	**1,661,631**
Loss for the year from continuing operations		(1,195,339)	(1,863,582)
Loss for the year for discontinued operations		(140,908)	(4,405,320)
Total comprehensive loss for the year		**(1,336,247)**	**(6,268,902)**

No contingent liabilities were recognised as disclosed in Note 20.

Note 26: Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all consultants and agents understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash held at financial institutions.

Credit risk is managed on a group basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Cash at bank, restricted deposits and short-term bank deposits (S&P ratings)			
AAA -		504,942	1,648,398
AA-		11,957	19,857
A+		-	-
BBB+		241,446	242,817
BBB-		-	-
Not rated		-	-
Total	10	**758,346**	**1,911,072**

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Trade and other receivables - non-current (i)			-
Trade and other receivables - current (i)	11	229,292	103,866
Cash and cash equivalents	10	758,346	1,911,072
Total		**987,638**	**2,014,938**

(i) Counterparties without an external credit rating.

Loans and receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. No collateral was held in relation to these receivables.

Impairment losses

Following the sale of Range Resources Trinidad Limited (which held interests in the upstream assets in Trinidad) to LandOcean Energy Services Co Limited Energy Services Co Ltd (LandOcean Energy Services Co Limited), certain sums remain due and payable to the Group.

During the 2021 financial year, the Board made the decision to fully impair the receivable from LandOcean Energy Services Co Limited and the performance bond receivable to adhere to accounting standards given the situation and age of the balances, resulting to an impairment of US$1,722,462. No further payments have been received to date.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its activities, which assists in monitoring cash flow requirements and optimising its cash return on investments. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 12 months; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Group 2022

	Carrying amount	Contractual cash flows	Within one year	1-2 years	2-5 years
Financial liabilities at amortised cost					
Trade and other payables	4,505,946	4,505,946	4,505,946	-	-
Total	**4,505,946**	**4,505,946**	**4,505,946**	**-**	**-**

Group 2021

	Carrying amount	Contractual cash flows	Within one year	1-2 years	2-5 years
Financial liabilities at amortised cost					
Trade and other payables (Note 15)	4,849,906	4,849,906	4,849,906	-	-
Total	**4,849,906**	**4,849,906**	**4,849,906**	**-**	**-**

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of available for sale assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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, AU dollar, TT Dollar, British pound and Chinese Renminbi. 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.

The Group's treasury risk management policy is to closely monitor exchange rate fluctuations. To date, the Group has not sought to hedge its exposure to fluctuations in exchange rates, however this policy will be reviewed on an ongoing basis.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	Consolidated			
	2022 AUD	2021 AUD	2022 GBP	2021 GBP
Cash	30,735	45,090	4,837	91,056
Amount payable to other entities	(18,025)	(20,800)	(11,250)	(11,250)
Total	**12,710**	**24,290**	**(6,413)**	**79,806**

	Consolidated			
	2022 TTD	2021 TTD	2022 RMB	2021 RMB
Cash	1,629,759	1,636,585	3,183,084	8,449,697
Amount payable to other entities	(475,902)	(184,564)	-	-
Total	**(1,153,857)**	**1,452,021**	**3,183,084**	**8,449,697**

Sensitivity

Based upon the amounts above, had the US dollar strengthened by 10% with all other variables held constant, there would not have been a material impact on the profit and equity of the Group. A 10% weakening of the US dollar against the above currencies at 30 June would have had an equal but opposite effect, on the basis that all other variables remain constant.

Interest rate risk

There is no material interest rate risk exposure in the Group.

Fair values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	30 June 2022 US$		30 June 2021 US$	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	229,292	229,292	103,866	103,866
Cash and cash equivalents	758,346	758,346	1,911,072	1,911,072
Trade and other payables	(4,505,946)	(4,505,946)	(4,172,216)	(4,172,216)
Total	**(3,518,308)**	**(3,518,308)**	**(2,157,278)**	**(2,157,278)**

The basis for determining fair value is disclosed in Note 1(n).

Other price risks

The Group is not exposed to any other price risks.

Capital management

The entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group is working on identifying new projects in the energy and resources spectrum.

The capital structure of the group consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in Notes 18 and 19 respectively. None of the entities within the group are subject to externally imposed capital requirements.

Gearing ratio

The Board reviews the capital structure on an annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital.

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Financial assets			
Cash and cash equivalents	10	758,346	1,911,072
Financial liabilities			
Trade and other payables	15	(4,505,946)	(3,563,659)
Net debt		**(4,505,946)**	**(3,563,659)**
Equity		(5,962,442)	3,399,429
Net debt to equity ratio		**N/A**	**N/A**

Categories of financial instruments

	Note	Consolidated	
		2022 (US$)	2021 (US$)
Financial assets			

	Note	Consolidated 2022 (US$)	2021 (US$)
Cash and cash equivalents	10	758,346	1,911,072
Trade and other receivables - current	11	229,292	103,864
Total		**987,638**	**2,014,936**
Financial liabilities			
Trade and other payables - non-current		-	-
Trade and other payables - current	15	4,505,946	3,563,659
Total		**4,505,946**	**3,563,659**

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such loans and receivables.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs (level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the year ended 30 June 2021.

(b) Fair values of other financial instruments

The Group has financial instruments which are measured at amortised cost in the consolidated statement of financial position.

Due to their short-term nature, the carrying amounts of the current receivables, current payables, current borrowings, and current other financial liabilities is assumed to approximate their fair value.

Note 27: Events after the reporting date

Update on RRDSL Claim

On 28 July 2022, the Company announced that RRDSL has won a claim at an amount of approximately TT$1.1 million ($163,000) against 360 Oil and Gas Limited in the Supreme Court of Trinidad and Tobago in respect of unpaid service fees.

Lodgement of Claim Against Range Resources Trinidad Limited

On 4 August 2022, the company announced that RRDSL, through its attorney (Robin B. Ramoutar & Co), has submitted three claims at a total amount of approximately TT$14.9 million ($2.21million) against Range Resources Trinidad Limited ("RRTL" or the "Defendant") in the Supreme Court of Trinidad and Tobago in respect of breach of loan, service and equipment rental contracts from the Defendant (the "Claims"). A Court date will be scheduled in due course.

Update on arbitration proceedings against LandOcean Energy Services Co Limited

On 22 August 2022, the company updated that the London court of international Arbitration issued a consent award on 12 August 2022 (of which the Company was notified on 19 August 2022) in relation to two of the four Stage 1 Claims. Under the consent award, LandOcean Energy Services Co Limited is required to make payment of US$301,265 to Star Phoenix by 16 September 2022, being 35 days from the date of the consent award.

The issuing of the consent award makes a successful conclusion of two of the four Stage 1 Claims. The Company will provide further updates on the remaining Stage 1 Claims in due course.

On 21 September 2022, the Company confirms that no payment has yet been received. LandOcean Energy Services Co Limited has indicated that the Chinese State Administration of Foreign Exchange has, as yet, not permitted the payment to be made. The Company is monitoring the situation closely and will provide further updates as appropriate, in addition to the remaining Stage 1 Claims, in due course.

Note 28: New accounting Standards and interpretations

Australian accounting Standards/amendments released but not yet effective: 30 June 2022 year end

There are no other standards that are not yet effective and that would be expected to have a material impact on Star Phoenix Group in the current or future period and on foreseeable future transactions.

New and Amended Accounting Policies Not Yet Adopted by the Entity

AASB 2020-1: Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Entity plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

Note 29: Company details

The registered office of the company is:

c/o Edwards Mac Scovell, Level 1, 8 St Georges Terrace, Perth WA 6000

Telephone: +61 8 6205 3012

The principal place of business is:

c/o Edwards Mac Scovell, Level 1, 8 St Georges Terrace, Perth WA 6000

Telephone: +61 8 6205 3012

Directors'Declaration

THE DIRECTORS OF THE COMPANY DECLARE THAT:

- The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
    - comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    - give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date.
- The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Zhiwei Gu

Chairman

October 2022

Independent Audit Report to the Members of Star Phoenix Group Limited

Opinion

We have audited the financial report of Star Phoenix Group Ltd and Controlled Entities (the company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for disclaimer of opinion

We have been unable to obtain sufficient appropriate audit evidence on the books and records of the consolidated entity. Specifically, we have been unable to satisfy ourselves on the following areas:

i. As disclosed in Note 5 of the financial statements, the Group's current assets as at 30 June 2022 include an amount classified as assets held for sale. During the year ended 30 June 2022, there has been a continued deterioration in the operating and economic performance of the Group, which created an impairment indicator of the assets included in this amount on 30 June 2021. The Directors have undertaken an impairment assessment as at 30 June 2021and 30 June 2022 and have estimated the recoverable amount of these assets based on sales price achieved for four specific rigs. This resulted in an impairment expense being recognised in the prior year.

   The valuation methodology used to arrive at the recoverable amount was not in accordance with the requirements of Australian Accounting Standards, and we were unable to perform alternative procedures to determine whether any adjustments to the carrying value of the property plant and equipment, rigs and related inventory included in assets held for sale as at 30 June 2022 were necessary.

   The previous audit report opinion for the year ended 30 June 2020 and 30 June 2021 was also modified with respect to this matter.

ii. As disclosed in note 15 of the financial statements, the Group's current liabilities as at 30 June 2022 includes an amount in respect of withholding tax liabilities due on overseas interest payments from loans which were settled in the financial year ended 30 June 2020. During the current year, management undertook a review of the withholding tax amounts and as at the date of this report this reassessment is completed but lodgement has not been made to the Australia Taxation Office.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Star Phoenix Group Ltd, for the year ended 30 June 2022, 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.

Auditor's name and signature: Douglas Mitchell

Name of firm: Mitchell Wilson & Partners

Address: 883 Toorak Road

Camberwell VIC 3124 Australia

Dated this day of 2022

Additional Information

Top 20 shareholders

The 20 largest shareholders of the Company as at 31 August 2022 are listed below:

Rank	**Shareholder**	**Number of shares**	**Percentage held (%)**
1.	Beijing Sibo Investment Management	24,476,210	16.22%
2.	Preceding Max Ltd	23,561,326	15.62%
3.	LandOcean Energy Services Co Limited Energy Services Co Limited	17,390,770	11.53%
4	Sramek Biodynamics Holdings	15,365,998	10.18%
5.	Interactive investor services Nominees Limited	8,932,046	5.92%
6.	Abraham Limited	7,123,776	4.72%
7.	Mr Zhiwei Gu	5,489,793	3.64%
8.	Barclays Direct Investing Nominees Limited	5,153,533	3.42%
9.	Interactive Investor Services Nominees Limited	4,912,586	3.26%
10.	Hargreaves Landsdown (Nominees) Limited <15942>	2,689,563	1.78%
11.	HSDL Nominees Limited	2,479,858	1.64%

Rank	Shareholder	Number of shares	Percentage held (%)
11.	HSDL Nominees Limited	2,479,838	
12.	Hargreaves Lansdown (Nominees)Limited<VRA>	1,729,584	1.15%
13.	Mr Lubing Liu	1,726,077	1.14%
14.	Hargreaves Lansdown (Nominees) Limited<VRA>	1,697,395	1.13%
15.	Interactive Investor Services Nominees Limited	1,684,274	1.12%
16.	Pershing Nominees Limited <Perny>	1,570,698	1.04%
17.	HSBC Client Holdings Nominee (UK) Limited	1,533,626	1.02%
18.	HSDL Nominees Limited <MAXI>	1,461,891	0.97%
19.	Lawshare Nominees Limited <SIPP>	1,078,273	0.72%
20.	Interactive Brokers LLC<IBLLCR>	1,000,016	0.66%
Total		**131,057,293**	**86.86%**

Substantial shareholders

An extract of the Company's register of substantial shareholders (being those shareholders who held 5% or more of the issued capital on 31 August 2022) is below:

Rank	Shareholder	Number of shares	Percentage held (%)
1.	Beijing Sibo Investment Management	24,476,210	16.22%
2.	Preceding Max Ltd	23,561,326	15.62%
3.	LandOcean Energy Services Co Limited Energy Services	17,390,770	11.53%
4.	Sramek Biodynamics Holdings	15,365,998	10.18%
5.	Interactive investor services Nominees Limited	8,932,046	5.92%

Distribution of equity securities

The number of shareholders by size of holding is set out below (31 August 2022):

Size of holding	Number of holders	Number of shares
1 - 1,000	1,985	573,035
1,001 - 5,000	515	1,255,928
5,001 - 10,000	130	1,024,036
10,001 - 100,000	166	5,030,240
100,001 and over	22	143,993,731
Total	**2,818**	**150,876,970**

Tenement schedule

The tenement schedule for the Group as at 30 June 2022 is tabulated below:

Tenement Reference	Location	Percentage held (%)	Operator
Perlak[1]	Indonesia	23	PT Aceh Timur Kawai Energi

Notes:

1. The Company's indirect interest in the Perlak field is held through its 60% shareholding in Hengtai, which holds a 78% interest in Lukar which in turn holds a 49% interest in PT Aceh Timur Kawai Energi.

Corporate Directory

Directors	Mr Lubing Liu	Executive Chairman
	Dr Mu Luo	Executive Director, Company Secretary
	Mr Zhiwei Gu	Non-Executive Director

Company Secretary	Mr Lubing Liu
Registered office & principal place of business	c/o Edwards Mac Scovell, Level 1, 8 St Georges Terrace Perth WA 6000, Australia Telephone: +61 8 6245 0222
Share Registry (Australia)	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace, Perth WA 6000 Telephone: +61 3 9415 4000
Share Registry (United Kingdom)	Computershare Investor Services plc PO Box 82, The Pavilions, Bridgwater Road, Bristol, UK BS99 6ZZ Telephone: +44 370 702 0000
Auditor	Mitchell Wilson & Partners 883 Toorak Road Camberwell VIC 3124, Australia
Stock Exchange Listing	Star Phoenix shares are listed on Alternative Investment Market of the London Stock Exchange (AIM code: STA)
Country of Incorporation	Australia
Website	www.starphoenixgroup.com

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