Star Phoenix Group Ltd
and Controlled Entities

(Formerly Range Resources Limited)

Annual Report 2020

for the period ended

30 June 2020

ABN: 88 002 522 009

An electronic version of this report is available on the Company's website

www.starphoenixgroup.com

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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 2020.

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 Zhiwei Gu	Executive Chairman
Mr Lubing Liu	Executive Director, Chief Operating Officer
Dr Mu Luo	Non-Executive Director
Dr YuFeng Meng	Non-Executive Director *(appointed 14 April 2020)*
Ms Juan Wang	Non-Executive Director *(resigned 22 July 2019)*

Mr Zhiwei Gu: Executive Chairman	
Qualifications:	LL.B, LL.M., MSc
Interest in shares and options:	20,834 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.

Mr Lubing Liu: Executive Director, Chief Operating Officer and Joint Company Secretary	
Qualifications:	BSc
Interest in shares and options:	None
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 Luo: Non-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 is currently a principal development geophysicist to Inpex Corporation, leading a multi-billion Ichthys LNG project in Australia. Prior to that, he 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.

Dr YuFeng Meng: Non-Executive Director (appointed 14 April 2020)	
Qualifications:	BA, MBA, PhD
Interest in shares and options:	None
Directorships held in other listed entities during the past three years	None

Dr Meng's career spans over 30 years across the USA, Australia, Hong Kong and China, where she held various leadership, management and consulting roles in different sectors including education, aircraft tyre logistics, waste management, real estate, equity investment, banking and Free Trade Zone management and marketing. Dr Meng has experience in the public sector, project management, and finance (particularly in the Build-Operate-Transfer or Build-Own-Operate-Transfer project financing). More recently, she organised numerous government trade delegations to promote bilateral business co-operation between China and Australia. Dr Meng holds a PhD in Business Administration from InterAmerican University and an MBA in Business Administration from Southern California University. Dr Meng is a nominee of a shareholder, Beijing Sibo Investment Management LP.

Ms Juan Wang: Non-Executive Director (resigned 22 July 2019)	
Qualifications:	BA, MBA
Interest in shares and options:	20,834 ordinary shares
Directorships held in other listed entities during the past three years	None

Ms Wang was previously the President of Energy Prospecting Technology USA, Inc. and LandOcean Energy Canada Ltd. where she was responsible for overall management work for the subsidiary companies of LandOcean in Houston and Calgary. Previously, she was also an investment manager and director at Anterra Energy Inc. responsible for Chinese investor liaisons and a manager of corporate mergers and acquisitions at LandOcean. Ms Wang has a commercial banking background having previously worked for Deutsche Bank and Bank of East Asia.

Company Secretary

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

- Ms Evgenia Bezruchko
- Mr Lubing Liu (appointed 1 April 2020)
- Ms Sara Kelly (resigned 31 March 2020)

Ms Evgenia Bezruchko: Joint Company Secretary	
Qualifications:	BSc, MSc, MBA
Interest in shares and options:	14,286 ordinary shares
Directorships held in other listed entities during the past three years	None

Ms Evgenia Bezruchko has over 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.

Ms Sara Kelly: Joint Company Secretary	
Qualifications:	B.Com, LLB
Interest in shares and options:	1 ordinary share
Directorships held in other listed entities during the past three years	Homestay Care Limited (from 13 November 2018) Ragnar Metals Limited (from June 2017 to September 2019)

Ms Sara Kelly is an experienced Company Secretary and Corporate Lawyer with over 15 years' experience. Sara has comprehensive knowledge of and experience in administering regulatory frameworks and processes in a listed company environment and practised as a corporate lawyer specialising in acquisitions, takeovers, capital raisings and listing of companies on ASX and AIM. Sara has acted as the company secretary of a number of ASX listed companies. Sara is a partner at Edwards Mac Scovell, a boutique Western Australian legal practice based in Perth.

Results of operations

The Company's net profit after taxation attributable to the members of Star Phoenix Group Ltd for the year to 30 June 2020 was US$47,941,852 (FY2019: US$49,460,755 loss). Loss for the year from continuing operations was US$23,324,385 (FY2019: US$24,373,432 loss) and profit for the year from discontinued operations was US$71,266,237 (FY2019: US$25,087,323 loss).

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 oil and gas production and oilfield services in Trinidad.

Operational Review

Completion of RRTL sale and debt restructuring

During the year, the Company signed a Sale and Purchase Agreement with LandOcean Energy Services Co., Ltd ("LandOcean") for the sale of Range Resources Trinidad Limited ("RRTL") in exchange for (i) offsetting all outstanding debt and payables due from Star Phoenix and its subsidiaries to LandOcean and its subsidiaries, and (ii) a cash consideration of US$2,500,000 (the "Transaction").

The Transaction completed on 31 March 2020. Following completion, all of the Company's debt and payables (US$94,509,742 as at 31 March 2020) to LandOcean was offset and repaid, and all debt agreements with LandOcean were terminated.

LandOcean paid the Company a cash consideration of US$2,050,574 (out of total US$2,500,000 as per the agreement) as at 30 June 2020. The total outstanding receivable from LandOcean as at 30 June 2020 was US$1,843,506 which comprised the outstanding cash consideration of US$449,426, services provided by Range Resources Drilling Services Limited ("RRDSL") to RRTL, repayment of the bond for the Beach Marcelle licence and a loan to RRTL to cover working capital. The Company continues its discussions with LandOcean to expedite the payment of the outstanding amount.

Following the disposal of RRTL, which held all of the Company's oil and gas interests in Trinidad, the Company's residual business comprises the oilfield services company in Trinidad (RRDSL), as well as an interest in the oil and gas project in Indonesia.

Oilfield services (RRDSL)

During the year, the Company had to take the necessary steps to further cut the ongoing costs of RRDSL in light of the COVID-19 pandemic. As part of the cost reduction programme, the Company completed a comprehensive organization restructuring of RRDSL along with other cost cutting measures. The Company also signed an agreement with a third-party operator to dry lease some of the equipment including mud tanks and a generator to derive additional revenue.

In addition, agreements were signed to sell four smaller production rigs for a total sum of US$153,580. The Company continues to evaluate sale opportunities of the remaining eight drilling and production rigs.

£0.75 million fundraise

The Company completed a subscription in September 2019 with a new investor Sramek BioDynamics Holdings Limited ("Sramek") for ordinary shares to raise £750,000. As part of the subscription, Sramek can nominate up to two non-executive directors to the Board of the Company and shall retain this ability for so long as it holds 10% or more of the Company's shares in issue. Sramek BioDynamics have not yet elected to appoint any non-executive directors.

£0.56 million fundraise

The Company completed a subscription in January 2020 with a new investor Thesolia Ltd ("Thesolia") for ordinary shares to raise approximately £560,000 comprising subscription proceeds plus late fee payment. As part of the subscription, Thesolia can nominate up to two non-executive directors to the Board of the Company and shall retain this ability for so long as it holds 10% or more of the Company's shares in issue. Thesolia Ltd have not yet elected to appoint any non-executive directors.

Voluntary delisting from the Australian Stock Exchange ("ASX")

The Company's shares were removed from trading on ASX with effect from 25 November 2019. No change occurred to the quotation and trading of the Company's shares on the AIM market operated by the London Stock Exchange plc.

Change of company name

The Company changed its name to Star Phoenix Group Ltd with effect from 1 December 2019.

Capital consolidation

The Company's share capital was consolidated on a 100:1 basis with effect from 5 December 2019. At the date of this report, the Company's issued capital comprises 141,367,955 ordinary fully paid shares.

Director and management changes

Ms Juan Wang tendered her resignation as Non-Executive Director of the Company, effective 22 July 2019.

Mr Lubing Liu (the Company's Executive Director and Chief Operating Officer) was appointed as Joint Company Secretary, replacing Ms Sara Kelly with effect from 1 April 2020.

Dr YuFeng Meng was appointed as a Non-Independent Non-Executive Director, effective 14 April 2020. Dr Meng's appointment was made pursuant to Beijing Sibo Investment Management LP ("Sibo") contractual right to appoint up to three Non-Executive Directors to the Board of the Company above 10% shareholding. Resolution 1 of EGM relating to the removal of Dr YuFeng Meng as a Director was duly passed on 25 September 2020.

Appointment of Nomad and Broker

WH Ireland Limited was appointed as the Company's Nominated Adviser ("Nomad") and sole broker with effect from 29 June 2020.

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.

Significant events after the reporting date

Extraordinary General Meeting of Shareholders

Subsequent to the year end, the Company received two separate requests from two separate Shareholders, each of which holds at least 5% of the votes that may be cast at a general meeting of the Company, for a general meeting to be held to consider the following resolutions:

1. Removal of Director - Dr. YuFeng Meng;
2. Election of Director - Dr. Yang Chong Yi;
3. Election of Director - Mr. Paul Norris;
4. Election of Director - Mr. Omar C.S. Stanford IV;
5. Election of Director - Mr. Li Jun;
6. Removal of Director - Mr. Zhiwei (Kerry) Gu; and
7. Removal of Director - Mr. Lubing Liu.

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(5) of the Corporations Act. The Meeting was held on 25 September 2020, where only resolution 1 relating to the removal of Dr YuFeng Meng as a Director was duly passed. All other resolutions relating to the Board changes were lost.

Outstanding payable from LandOcean

Subsequently to the year end, the Group received two payments from LandOcean of a total sum of US$300,000 towards the outstanding balance. The Company continues its discussions with LandOcean to expedite the payment of the outstanding amount of US$1,543,506.

Covid-19 impact

The impact of the Coronavirus (COVID-19) pandemic is ongoing, and it has been financially negative for the Group up to 30 June 2020 as it has negatively affected the oil price. It is not practicable to estimate the potential impact after the reporting date positive or negative. The situation is continuously developing and is dependent on measures imposed by the Government of Trinidad and Tobago and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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.

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 are no current reporting requirements but may be required to do so in the future.

Share options

As at 30 June 2020, the Company had no unissued ordinary shares under option. During the year ended 30 June 2020, no ordinary shares of the Company were issued on the exercise of options (2019: 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, six 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	6	6
Lubing Liu	6	6
Mu Luo	6	6
YuFeng Meng (appointed 14 April 2020)	3	3
Juan Wang (resigned 22 July 2019)	0	0

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.

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$29,910 (2019: US$15,500).

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.

Corporate Governance Statement

Introduction

The Chairman and Directors support and take responsibility for high standards of corporate governance. AIM rules require AIM companies to comply or explain against a recognised corporate governance code. The Group has decided to adhere to the Quoted Companies Alliance's (QCA) Corporate Governance Code. The QCA Code is constructed around ten broad principles, details of which, along with the approach taken in respect of each principle by the Group, are below. The Board is aware of certain departure from the principles of the QCA Code, which is explained below.

The Chairman's role is to lead the Board, set its agenda, ensure it receives accurate, timely and clear information and oversee the adoption, delivery and communication of the Company's Corporate Governance recommendations. Furthermore, the Chairman ensures effective communication within the Board, and senior management and takes a leading role in determining the composition and structure of the Board.

The Board meets frequently to consider all aspects of the Group's activities. The Board consists of the Chairman, Executive Director and two Non-Executive Directors. All Directors have access to the advice and services of the Company Secretary and the Group's professional advisors.

The Corporate Governance Statement and Corporate Governance Plan are available on the Company's website www.starphoenixgroup.com.

Zhiwei Gu
Chairman

26 October 2020

QCA code

PRINCIPLE	APPLICATION
1. Establish a strategy and business model which promote long-term value for shareholders	See pages 7 to 10 of the Annual Report.
2. Seek to understand and meet shareholder needs and expectations	The Company keeps shareholders and other interested parties informed of performance and major developments via communications through regulatory announcements and its website. Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website. The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. This Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan. Shareholders have the ability to communicate with Directors through various means including: • having the opportunity to ask questions of Directors at all general meetings; • the presence of the Auditor at AGMs (in person or by teleconference, as practicable and appropriate) to take shareholder questions on any issue relevant to their capacity as Auditor; and • the Company making Directors and selected executives available to answer shareholder questions submitted by telephone, email and other means (where appropriate). Traditionally, the key forum for two-way communication between the Company and its shareholders is its AGM. The Board encourages shareholder participation at the Company's AGM and other general meetings of shareholders, and the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate. Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company and/or to the Auditor (in the case of the AGM). The Shareholder Communication Strategy provides that shareholders can register with the Company to receive email notifications when a regulatory announcement is made by the Company, including the release of the Annual Report and half yearly reports. Shareholder queries should be referred to the Corporate Development Manager and/or Company Secretary in the first instance. Whilst most contact with the Company's investors is with the Corporate Development Manager and Joint Company Secretary, Evgenia Bezruchko, the other Board members receive reports of views expressed by shareholders.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Board takes very seriously the need to maintain good relationships with stakeholders, including its employees and workforce, the local communities within which it operates and the governments in whose jurisdiction it operates. The Company continuously aims to understand their needs, interests and expectations. The Board recognises that this is particularly important for companies operating in the extractive industries.

	As outlined under Principle 2, the Board maintains good lines of communication with its shareholders. The Directors also meet with other stakeholders, including employee and workforce representatives, community leaders and government officials where appropriate. The Company recognises that diversity drives the Company's ability to attract, retain, motivate and develop talent, create an engaged workforce, and continue to grow the business. In view of this, the Board has adopted a Diversity Policy, available on the Company's website. However, recognising that the Company has a small team of Directors and employees, the Board has determined that it will not set benchmarks for gender diversity, and will not report against its progress to achieve any measurable objective. The Company remains committed however, to ensuring that the best candidates both at a Board and employee level are appointed as opportunities arise regardless of gender, beliefs or racial background. The Company has also developed a Code of Conduct which has been fully endorsed by the Board and applies to all Directors and employees. The Code of Conduct is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity. The purpose of the Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The Code of Conduct can be found in the corporate governance section of the Company's website. The Company expects all employees, suppliers, contractors and consultants to conduct their day to day business activities in a fair, honest and ethical manner as stipulated by the Company's Anti-Corruption and Bribery policy. Management at all levels are responsible for ensuring that those reporting to them, internally and externally are made aware of and understand this policy.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee. Given the Company's current small size and lack of complexity, the Company does not currently have an Audit and Risk Committee. The Board considers that together with its executive team and relevant advisers, it has sufficient resources in place for effective risk management. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. A comprehensive risk review was not undertaken during FY2020, however the Company intends to undertake such review during FY2021. Please refer note 31 for information on the financial risk management.
5. Maintain the board as a well-functioning, balanced team led by the Chair	***Board*** The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, establishment of Board

	committees (once the Board is of a sufficient size and structure), Board meetings, access to advice, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website. All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests. The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable, and when requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors. All Directors may consult management and employees as required to enable them to discharge their duties as Directors. The Board, Committees or individual Directors may seek independent external professional advice as considered necessary, at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board. The Chairman's role is to lead the Board, set its agenda, ensure it receives accurate, timely and clear information and oversee the adoption, delivery and communication of the Company's Corporate Governance recommendations. Furthermore, the Chairman ensures effective communication within the Board, and senior management and takes a leading role in determining the composition and structure of the Board. The Board is satisfied that each Director commits the time necessary to fulfil his role. ***Independence*** The Board is currently comprised of one independent non-executive Director (Dr Mu Luo), one non-independent non-executive director (Dr YuFeng Meng, and two executive Directors (Mr Zhiwei Gu and Mr Lubing Liu). The QCA Code requires that a board should have an appropriate balance between executive and non-executive Directors and should have at least two independent non-executive Directors. Accordingly, the Board does not comply with the requirements of the QCA Code. The Board's charter provides that where practical, the majority of the Board is comprised of non-executive Directors and that, where practical, at least 50% of the Board will be independent. The Board will continue to assess the Company's needs as it grows in size and if appropriate, appoint additional non-executive and independent Directors. Mr Gu and Mr Liu are not considered to be independent. The Board has considered and reviewed the independence and effectiveness of Dr Luo, taking into account the guidance in the QCA Code, and is of the view that he continues to be independent in character and judgement and free from relationships or circumstances that could affect his judgement. A profile of each Director is set out in this Annual Report and on its website.

	Chairman The Company does not currently have an independent non-executive Chairman. The Executive Chairman, Mr Zhiwei Gu, assumes the role of Chairman at the Company's Board and shareholder meetings. The Board will continue to assess the Company's needs as it grows in size and if appropriate, appoint an additional Director to act as independent Chairman of the Company. ***Audit/Risk Committee*** As explained under Principle 4 above, the Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair. The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment given the Company's current small size and lack of complexity. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter. In addition, the Board does not have sufficient independent Directors to satisfy the composition of the audit and risk committee. ***Remuneration/Nomination Committee*** The Company does not have a Remuneration and Nomination Committee as the Board considers the Company will not currently benefit from its establishment given the Company's current small size and lack of complexity. In addition, the Board does not have sufficient independent Directors to satisfy the composition requirements of the Committee. The Company's Corporate Governance Plan contains a Remuneration and Nomination Committee Charter that provides for the creation of a Remuneration and Nomination Committee (if it is considered it will benefit the Company). It is envisaged that once the Company is of a sufficient size, it will establish the Committee which will be responsible for arranging the performance evaluation of the Board and individual Directors on behalf of the Board. In the absence of a Remuneration and Nomination Committee, 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. The Company's policies and practices regarding the remuneration of executive and non-executive Directors and other senior executives are disclosed in this Annual Report. The Board also carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:

	• devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and • all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act. The Board ensures appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. When considering the appointment of a new Director, the Board may engage the services of an external executive search firm to identify suitable candidates for consideration and to carry out appropriate reference and background checks.
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The Board considers the present composition, size and balance in respect of qualifications and experience of the Board to be appropriate and effective for the control and direction of the Group's business at the current stage of its development. Each Director is expected to bring to the Company their experience and skills in the respective fields, in particular their considerable industry experience, to add value to the performance of the Company. The Board consider their combined skills, experience and expertise to be as follows: • ***Management and Leadership*** – Business Leadership, Public Listed Company Experience, International Sustainability, Stakeholder Management, Community Relations, Corporate Governance, Human Resources; • ***Business and Finance*** – Finance Strategy, Competitive Business Analysis, Corporate Financing, Financial Literacy, Mergers and Acquisitions, Risk Management, Tax, Remuneration; and • ***Oil and Gas Experience*** – Technical Knowledge, Relevant Industry Experience, HSE, Reserves and Resources Assessment. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in this Annual Report. The Company has a process to educate new Directors about the nature of the business, current issues, corporate strategy and the Company's expectations of Directors. All Directors are made aware of their rights to access employees, information and resources. Directors are encouraged to visit the Group's locations and meet with management to gain a better understanding of the Group's operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge base. The Board does not consider that it is dominated by one person or group of people. The Board recognises that, as the Company evolves, the mix of skills and experience required on the Board will change, and Board composition will need to evolve to reflect this change. It is recognized that the composition of the Board is not diverse, including in terms of gender balance, although this is limited as a result of the small size of the Board. Whilst the Company notes the QCA Code recommendations, it recognises that the Company has a small team of

	Directors and employees, and as such the Board has determined that it will not currently set benchmarks for gender diversity, and will not report against its progress to achieve any measurable objective. However, the Company remains committed to ensuring that the best candidates both at a Board and employee level are appointed as opportunities arise regardless of gender, beliefs or racial background. The Company recognises that diversity drives the Company's ability to attract, retain, motivate and develop talent, create an engaged workforce, and continue to grow the business. In view of the above, the Board has adopted a Diversity Policy, available on the Company's website. As the Company and the Board grow in size appropriate consideration will be given to the diversity and gender balance of the Board.
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The Company's Remuneration and Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website. As explained in relation to Principle 5, the Company does not currently have a Nomination Committee, so it is the Board who take responsibility for this matter. 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. In particular, the review will assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively. The review will include: • comparing the performance of the Board with the requirements of the Board Charter; • examination of the Board's interaction with management; • assessing the nature of information provided to the Board by management; and • evaluating management's performance in assisting the Board to meet its objectives. A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made. The Remuneration and Nomination Committee (or, in its absence, the Board) will oversee the performance evaluation of the executive team. This evaluation is 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 of each individual Director was not undertaken during FY2020, however the Company intends to undertake such review during FY2021. The Board Charter provides that the composition of the Board is to be reviewed regularly against the Company's board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. In addition, the Remuneration and Nomination Committee (or, in its absence, the Board) shall conduct an annual performance review of the Board that compares the performance of the Board with the requirements of the Board Charter,

	critically reviews the mix of the Board and suggests any amendments to the Board Charter as are deemed necessary or appropriate. The Board acknowledges the importance and the value of succession planning in order to ensure that the Company has the benefit of an appropriate mix of skills and experience as the Board and senior management team evolve. The discussions around the Company's strategy, objectives and forward plans, as well as an assessment of the Directors' current mix of skills, experiences and personal qualities, all form the succession plans for the Board.
8. Promote a corporate culture that is based on ethical values and behaviours	The Company has developed a Code of Conduct which has been fully endorsed by the Board and applies to all Directors and employees. The Code of Conduct is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity. The purpose of the Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The Code of Conduct can be found in the corporate governance section of the Company's website. The Board promotes a sound corporate culture and encourages open and respectful dialogue which results in the Group working together as a cohesive unit. Management decisions reflect the Group's values, culture, policies and procedures wherever appropriate.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	It is noted that the QCA Code requires that a company should maintain governance structures and processes in line with its corporate culture and appropriate to its size and complexity, and its capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with a company's objectives, strategy and business model to reflect the development of the company. The Board considers that the Company's current governance structures and processes are appropriate for the current size and stage of development of the Company. The Board currently consists of an executive Chairman, an executive Director, a non-independent non-executive director and one independent non-executive Director. The Company also has two joint Company Secretaries. The qualifications and experience of each member of the Board are stated in the Company's latest Annual Report. As the Company develops, consideration will be given to the appointment of additional Directors, including additional independent non-executive Directors, as are appropriate to the size and stage of development of the Company. As explained in relation to Principle 5, the Board does not currently have any committees given its current size and the size and stage of development of the Company. It is intended that such committees will be established once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, that such committees would be of benefit to the effective operation of the Board. The Company has adopted a Board Charter that includes a description of those matters expressly reserved to the Board.
10. Communicate how the company is governed and is performing by maintaining a dialogue with	As explained under Principle 2, the Company keeps shareholders and other interested parties informed of performance and major developments via communications through regulatory announcements and its website. Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.

shareholders and other relevant stakeholders	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. This Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan. Shareholders have the ability to communication with Directors through various means such as at general meetings, by telephone, email and other appropriate means, as detailed under Principle 2 above. The Shareholder Communication Strategy provides that shareholders can register with the Company to receive email notifications when an announcement is made by the Company, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all regulatory announcements and disclosures are promptly posted. Shareholders queries should be referred to the Company Secretary in the first instance. The results of voting on resolutions put to shareholders are announced by the Company promptly when they are available. If there has been a significant proportion of votes cast against a resolution at a general meeting, where relevant an explanation will be provided. The Company's historical annual reports and other governance-related material, including notices of general meetings over the past five years, are available on its website.

Remuneration Report (Audited)

Remuneration policy

The remuneration policy of Star Phoenix Group Ltd 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 SPG 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 and Nomination 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 Remuneration and 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.

Options may be issued to directors and executives as part of their remuneration. All previously issued options expired during the year ended 30 June 2020 and there are currently no options issued to directors or executives. 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 Zhiwei Gu	Executive Chairman	Appointed as an Executive Chairman on 10 December 2018

Name	Position	Appointed/Resigned
Mr Lubing Liu	Executive Director, Chief Operating Officer and Joint Company Secretary	Appointed as an Executive Director on 1 March 2018 and as a Joint Company Secretary on 1 April 2020
Dr Mu Luo	Non-Executive Director	Appointed 11 January 2019
Dr YuFeng Meng	Non-Executive Director	Appointed 14 April 2020
Ms Juan Wang	Non-Executive Director	Appointed 30 November 2014, resigned 22 July 2019

Details of remuneration

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

2020	Short Term Benefits			Post-employment benefits	Share based payments	Total
	Cash salary & fees	One-off payment	Termination benefits	Super - annuation / pensions	Options	
Currency	US$	US$	US$	US$	US$	US$
Directors & Officers						
Mr Gu (i)	385,416	531,250	-	-	-	916,666
Mr L Liu (ii)	207,229	222,255	-	29,054	-	458,538
Dr Luo	52,500	-	-	-	-	52,500
Ms Wang (iv)	1,546	-	-	-	-	1,546
Dr Meng (iii)	-	-	-	-	-	-
Total	**646,691**	**753,505**	**-**	**29,054**	**-**	**1,429,250**

(i) Fees paid to Mr Gu comprised US$30,000 received in his capacity as Executive Chairman, US$25,000 in his role as Executive Director and US$330,416 for additional consulting work, as well as one-off payments of US$531,250. Consulting fees were paid to Kegrace Consulting Limited, a company owned by Mr Gu.

(ii) Fees paid to Mr L Liu comprised US$29,054 superannuation contributions, US$222,255 one-off payments and salary of US$207,229 in his capacity as Chief Operating Officer and Trinidad General Manager.

(iii) Dr Meng was appointed 14 April 2020. Dr Meng did not receive any remuneration in the year.

(iv) Ms Wang resigned 22 July 2019.

2019	Short Term Benefits			Post-employment benefits	Share based payments	Total
	Cash salary & fees	One-off payment	Termination benefits	Super annuation / pensions	Options	
Currency	US$	US$	US$	US$	US$	US$
Directors & Officers						
Mr Gu (i)	250,000	58,333	-	-	(12,386)	295,947
Mr Y Liu (iii)	81,459	-	-	10,666	(31,044)	61,081
Ms Wang	25,000	-	-	-	(6,440)	18,560
Mr L Liu (ii)	154,164	-	-	13,619	-	167,783
Dr Zeng (iv)	10,417	-	-	-	-	10,417

Mr Beattie (v)	177,165	28,823	-	13,103	(22,758)	196,333
Dr Luo (vi)	11,828	-	-	-	-	11,828
Total	**710,033**	**87,156**	**-**	**37,388**	**(72,628)**	**761,949**

(i) Fees paid to Mr Gu comprised US$30,000 received in his capacity as a non-executive director, US$25,000 in his role as Chairman and US$253,333 for additional consulting work. Mr Gu was appointed on 10 December 2018.

(ii) Fees paid to Mr L Liu comprised US$7,700 received for additional consulting work, US$6,350 benefits in kind and salary of US$153,733 in his capacity as Chief Operating Officer.

(iii) Mr Y Liu resigned 10 December 2018
(iv) Dr Zeng resigned 27 November 2018
(v) Mr Beattie resigned 31 March 2019
(vi) Dr Luo appointed 11 January 2019

During the year, the following short-term incentives were in place for Mr Gu and Mr Liu.

Fundraising

- minimum cumulative value of US$500,000: one month's salary paid in cash (met)
- minimum cumulative value of US$1,000,000: two months' salary paid in cash (met)
- minimum cumulative value of US$2,000,000: three months' salary paid in cash (not met)
- minimum cumulative value of US$5,000,000: six months' salary paid in cash (not met)

Mr Gu payment (US$62,500), Mr Liu payment (US$40,930).

Tax refunds in Trinidad

- minimum cumulative value of US$300,000: one month's salary paid in cash (met)
- minimum cumulative value of US$600,000: two months' salary paid in cash (met)
- minimum cumulative value of US$1,000,000: three months' salary paid in cash (met)
- minimum cumulative value of US$1,500,000: six months' salary paid in cash (met)

Mr Gu payment (US$187,500), Mr Liu payment (US$103,615).

Debt restructuring

- signing of binding agreements: three months' salary paid in cash (Mr Gu), 1.5 months' salary paid in cash (Mr Liu) (met)
- completion of debt restructuring through debt conversion, offset or any other way: three months' salary paid in cash (Mr Gu), 1.5 months' salary paid in cash (Mr Liu) (met)

Mr Gu payment (US$187,500), Mr Liu payment (US$51,800).

Rigs sale

- signing of binding agreements to sell all or part of rigs: three months' salary paid in cash (Mr Gu), 1.5 months' salary paid in cash (Mr Liu) (met)
- completion of transaction of rigs sale: three months' salary paid in cash (Mr Gu), 1.5 months' salary paid in cash (Mr Liu) (not met)

Mr Gu payment (US$93,750), Mr Liu payment (US$25,910).

Equity instrument disclosures relating to Key Management Personnel

Share-based payments (year ended 30 June 2020)

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 shareholdings

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.

2020	**Balance at the start of the year**	**Granted as Compensation**	**Other Changes***	**Balance at the end of the year**	**Balance held indirectly**
Mr Gu	2,083,333	-	(2,062,499)	20,834	-
Ms Wang	2,083,333	-	(2,062,499)	20,834	-
Mr L Liu	-	-	-	-	-
Dr Zeng	-	-	-	-	-
Dr Luo	-	-	-	-	-
Dr Meng	-	-	-	-	-
Total:	**4,166,666**	**-**	**4,124,998**	**41,668**	**-**

**After capital consolidation of 100:1 basis effective 5 December 2019.*

Options held by Key Management Personnel

The numbers of 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, are set out below:

2020	**Balance at the start of the year**	**Granted as Compensation**	**Expired**	**Balance at the end of the year**	**Vested and exercisable**
Mr Gu	30,000,000	-	(30,000,000)	-	-
Ms Wang	7,500,000	-	(7,500,000)	-	-
Mr L Liu	-	-	-	-	-
Dr Zeng	-	-	-	-	-
Dr Luo	-	-	-	-	-
Dr Meng	-	-	-	-	-
Total:	**37,500,000**	**-**	**(37,500,000)**	**-**	**-**

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 2019 or 2020 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 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 Zhiwei Gu as Executive Chairman	
Executive Chairman contract (commenced 10 December 2018)	
Contract date:	10 December 2018 to 29 February 2020
Base Payment:	US$55,000 per annum
Superannuation:	No superannuation entitlement
Notice period:	3 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$16,250 per month
Mr Zhiwei Gu as Executive Chairman	
Executive Chairman contract	
Contract start date:	1 March 2020
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

Ms Juan Wang as Non-Executive Director, resigned on 22 July 2019	
Non-Executive Director contract	
Contract start date:	1 April 2018
Base Payment:	US$25,000 per annum
Superannuation:	No superannuation entitlement
Termination benefits:	None

Mr Lubing Liu as Chief Operating Officer, Trinidad General Manager and Executive Director	
Chief Operating Officer and Trinidad General Manger contract	
Contract date:	1 March 2018 to 23 December 2019
Base Payment:	US$140,110 per annum
Superannuation:	10% of base
Notice period:	3 months
Termination benefits:	3 months' salary

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 Manger contract	
Contract start date:	24 December 2019
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

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

Dr YuFeng Meng as Non-Executive Director (appointed 14 April 2020)	
Non-Executive Director, no remuneration	
Contract start date:	N/A
Base Payment:	N/A
Superannuation:	N/A
Termination benefits:	N/A

Additional information

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020	**2019**	**2018**	**2017**	**2016**
	$'000	$'000	$'000	$'000	$'000
Revenue	8,539	12,357	13,059	8,435	7,062
EBITDA	(19,703)	(39,044)	(6,000)	(7,900)	(5,658)
EBIT	(20,542)	(43,002)	(10,951)	(14,189)	(11,149)
Profit/(loss) after income tax	47,952	(49,461)	(17,530)	(54,363)	(43,875)

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

	2020	**2019***	**2018***	**2017***	**2016***
	$'000	$'000	$'000	$'000	$'000
Share price at financial year end (US$)	0.02	0.0004	0.002	0.004	0.005
Basic earnings/(loss) per share (US$)	0.397	(0.552)	(0.231)	(0.699)	(0.604)

*The Company's share capital was consolidated on a 100:1 basis with effect from 5 December 2019

Voting and comments made at the company's 2019 Annual General Meeting

Star Phoenix Group Ltd received 99.7% of "yes" votes on its remuneration report for the 2019 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 2020 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.

Zhiwei Gu: Chairman

26 October 2020

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF STAR PHOENIX GROUP LIMITED

As lead auditor of Star Phoenix Group Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Star Phoenix Group Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 26 October 2020

Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2020

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

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Revenue from continuing operations	3	**1,320,785**	**759,974**
Operating expenses		(2,209,161)	(794,867)
Depreciation, depletion and amortisation		(368,069)	(2,464,926)
Cost of sales	4a	**(2,577,230)**	**(3,259,793)**
Gross loss		**(1,256,445)**	**(2,499,819)**
Other income and expenses from continuing operations			
Other income	3	1,158,624	2,936
Finance costs	4b	(4,758,109)	(5,803,077)
General and administration expenses	4c	(4,287,628)	(2,103,250)
Exploration expenditure and land fees	4d	-	(1,302,346)
Impairment of non-current assets	5/15	(15,685,850)	(8,362,271)
Loss before income tax expense from continuing operations		**(24,829,408)**	**(20,067,827)**
Income tax credit/(expense)	6	1,505,023	(4,305,605)
Loss after income tax expense from continuing operations		(23,324,385)	(24,373,432)
Profit/(loss) from discontinued operations, net of tax	7c	71,266,237	(25,087,323)
Profit for the year attributable to equity holders of Star Phoenix Group Ltd		**47,941,852**	**(49,460,755)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	24c	576,677	3,091,241
Other comprehensive income/(loss) for year, net of tax		**576,677**	**3,091,241**
Total comprehensive income/(loss) attributable to equity holders of Star Phoenix Group Ltd		**48,518,529**	**(46,369,514)**
Total comprehensive income for the period attributable to owners of Star Phoenix Group Ltd arises from:			
Continuing operations		(22,747,708)	(24,284,105)
Discontinued operations	7c	71,266,237	(22,085,409)
		48,518,529	**(46,369,514)**
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted (loss) per share	9a	(0.193)	(0.272)
Earnings/(loss) per share attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings/(loss) per share	9a	0.397	(0.552)

Consolidated Statement of Financial Position as at 30 June 2020

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

	Note	Consolidated 2020 (US$)	Consolidated 2019 (US$)
Assets			
Current Assets			
Cash and cash equivalents	10	3,164,752	880,681
Trade and other receivables	11	2,248,359	157,827
Inventory		-	959,304
Other current assets		-	34,208
Assets of disposal group classified as held for sale	7a	7,922,861	83,609,947
Total current assets		**13,335,972**	**85,641,967**
Non-Current Assets			
Right of use asset	12	183,333	-
Property, plant and equipment	15	100,349	23,009,704
Total non-current assets		**283,682**	**23,009,704**
Total assets		**13,619,654**	**108,651,671**
Current liabilities			
Trade and other payables	18a	3,688,347	782,502
Current tax liabilities	18a	-	17,472
Borrowings	19	-	1,600,000
Liabilities directly associated with assets classified as held for sale	7b	1,154,300	59,071,174
Total current liabilities		**4,842,647**	**61,471,149**
Non-current liabilities			
Trade and other payables	18b	296,245	44,997,793
Borrowings	19	-	44,551,690
Provisions	22	5,991,944	324,742
Total non-current liabilities		**6,288,189**	**89,874,225**
Total liabilities		**11,130,836**	**151,345,373**
Net assets/(liabilities)		**2,488,818**	**(42,693,702)**
Equity			
Contributed equity	23	388,383,974	386,726,067
Reserves	24	23,389,048	27,806,287
Accumulated losses		(409,284,204)	(457,226,056)
Total equity/(deficit)		**2,488,818**	**(42,693,702)**

Consolidated Statement of Changes in Equity for the year ended 30 June 2020

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$)		(US$)
Balance at 1 July 2018		**383,918,397**	**(407,765,301)**	**4,341,220**	**8,424,371**	**12,057,362**	**3,517,873**	**4,493,922**
Loss from continuing operations		-	(24,373,432)	-	-	-	-	(24,373,432)
Loss from discontinued operations	7c	-	(25,087,323)	-	-	-	-	(25,087,323)
Other comprehensive income		-	-	3,091,241	-	-	-	3,091,241
Total comprehensive income/(loss) for the year		-	**(49,460,755)**	**3,091,241**	**-**	**-**	-	**(46,369,514)**
Transactions with owners in their capacity as owners:								
Issue of share capital	23	2,807,670	-	-	-	-	-	2,807,670
Cost of share-based payments	4	-	-	-	(107,907)	-	-	(107,907)
Non-controlling interests		-	-	-	-	-	(3,517,873)	(3,517,873)
Balance at 30 June 2019		**386,726,067**	**(457,226,056)**	**7,432,461**	**8,316,464**	**12,057,362**	**-**	**(42,693,702)**
Balance at 1 July 2019		**386,726,067**	**(457,226,056)**	**7,432,461**	**8,316,464**	**12,057,362**	**-**	**(42,693,702)**
Loss from continuing operations		-	(23,324,385)	-	-	-	-	(23,324,385)
Profit from discontinued operations	7c	-	71,266,237	-	-	-	-	71,266,237
Other comprehensive income		-	-	576,677	-	-	-	576,677
Total comprehensive income for the year		**-**	**47,941,852**	**576,677**	**-**	**-**	-	**48,518,529**
Transactions with owners in their capacity as owners:								
Issue of share capital	23	1,657,907	-	-	-	-	-	1,657,907
Realisation of FCTR on disposal of foreign operation	7c	-	-	(4,993,916)	-	-	-	(4,993,916)
Cost of share-based payments		-	-	-	-	-	-	-
Balance at 30 June 2020		**388,383,974**	**(409,284,204)**	**3,015,222**	**8,316,464**	**12,057,362**	**-**	**2,488,818**

Consolidated Statement of Cash Flows for the year ended 30 June 2020

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

	Note	Consolidated	
		2020 (US$)	2019 (US$)
Cash flows from operating activities			
Receipts from customers		8,425,563	8,184,780
Payments to suppliers and employees		(9,485,806)	(9,832,657)
Income taxes (paid)/received		(248,673)	(1,019,231)
Interest (paid)/received		(3,892)	(8,780)
Net cash outflow from operating activities	27	**(1,312,808)**	**(2,675,888)**

Cash flows from investing activities			
Payment for property, plant & equipment		(146,862)	(328,868)
Payments for exploration and evaluation expenditure		-	(617,173)
Proceeds from disposal of property, plant and equipment		40,507	121,976
Net cash inflow/(outflow) on disposal of subsidiary		1,666,481	-
Net cash inflow/(outflow) from investing activities		**1,560,126**	**(824,065)**

Cash flows from financing activities			
Receipts from share issue		1,657,907	1,294,181
Interest and other finance income		-	154,115
Provision of short-term loan		(334,985)	-
Payments for principal element of leases		(280,000)	-
Net cash inflow/(outflow) from financing activities		**1,042,922**	**1,448,296**

Net increase/(decrease) in cash and cash equivalents		1,290,240	(2,051,658)
Net foreign exchange differences		26,691	(46,204)
Cash and cash equivalents at beginning of financial year		**1,847,821**	**3,945,683**
Cash and cash equivalents at end of financial year	10	**3,164,752**	**880,681**
Classified as held for sale	7a	**-**	**967,140**

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 30. 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 26 October 2020.

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.

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 26 October 2020.

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 2020 the Group recorded a gain of US$47,941,852 (2019: a loss of US$49,460,755) and had net cash inflows of US$1,290,240 (2019: cash outflows of US$2,051,658).

The ability of the Group to continue as a going concern is dependent on securing additional funding through the issue of shares and/or debt to fund its activities.

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 can be used to raise additional capital and subsequently generate positive cash flows. The Company is also focusing on managing its existing cash reserves.

Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

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.

New and amended standards adopted by the Group

The Group has applied AASB 16 'Leases' standard for the first time for the reporting period commencing 1 July 2019. There has been no material impact resulting from the adoption of AASB 16. No lease libility has ben recognised as the full amont of the lease had been prepaid, resulting in only a right-of-use asset being recognised.

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance 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.

The Group has applied IFRIC 23: Uncertainty over income tax treatments for the first time for the reporting period commencing 1 July 2019. IFRIC 23 clarifies how the recognition and measurement requirements of AASB 12 *Income taxes* are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by the Group where there is any uncertainty whether that treatment will be accepted by the relevant tax authority.

(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 2020 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.

Ongoing exploration costs incurred in respect of the Group's Trinidadian and Indonesian interests are expensed as incurred. Initial acquisition costs to obtain the right to explore are capitalised.

(e) Producing assets

Upon the commencement of commercial production from each identifiable area of interest, the exploration and evaluation expenditure incurred up to that point is impairment tested and then reclassified to producing assets.

When production commences, the accumulated costs for the relevant area of interest are amortised on a "units of production" method which is based on the ratio of actual production to remaining proved and probable reserves (1P) as estimated by independent petroleum engineers over the life of the area according to the rate of depletion of the economically recoverable reserves.

Subsequent costs such as workovers, are included in the carrying amount of the asset 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 reliably measured. All other costs are charged to profit or loss during the financial period in which they are incurred.

The carrying amount of producing assets is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows of an asset are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. For producing assets, the estimated future cash flows for the value-in-use calculation are based on estimates, the most significant of which are 2P hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves which the group is committed. Under a fair value less costs to sell calculation, future cash flows are based on estimates of 2P hydrocarbon reserves.

Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analysts' forecasts, current spot prices and forward curves. Future commodity prices are reviewed at least annually.

The carrying amount of an 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.

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas. A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation/development assets.

Over time, the liability is increased for the change in the present value based on a post-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset.

Costs incurred that relate to an existing condition caused by past operation and do not have a future economic benefit are expensed.

(f) 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 trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

(g) 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 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.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each reporting period end date presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(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 and other 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 from contracts with customers

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 is recognised when the control of the product has transferred to the buyer. 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) and Value-Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except where the amount of GST and VAT incurred is not recoverable from the taxation authorities. In these circumstances the GST and VAT 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 and VAT.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST and VAT 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 or 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.

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 Executive Chairman.

(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) Intangible assets (goodwill)

Goodwill is measured at cost less any impairment write-downs. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 26).

(w) 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.

(x) 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 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.

(y) Leases

The Group has applied the definition of a lease and related guidance set out in AASB 16 to all lease contracts in place or entered into or modified on or after 1 July 2019. The Directors have determined that the new definition in AASB 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

(z) 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.

(aa) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

Convertible notes that can be converted to share capital at the option of the holder and where the number of shares is variable, contain an embedded derivative liability. The embedded derivative liability is calculated (at fair value) first and the residual value is assigned to the debt host contract. The embedded derivative is subsequently measured at fair value and movements are reflected in profit or loss.

Certain convertible notes issued by the Group which include embedded derivatives (option to convert to variable number of shares in the Group) are recognised as financial liabilities at fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised in profit or loss as finance costs.

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(bb) 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.

(cc) Non-current assets classified as held for sale

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.

Note 2: Critical accounting estimates and judgements

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

2019: Range Resources Trinidad Limited

Towards the end of the financial year ended 30 June 2019, the Group undertook a review of the oil and gas business culminating in the decision to sell Range Resources Trinidad Limited to LandOcean. The Board of Directors have judged that as a result of this review, the assets and associated liabilities of Range Resources Trinidad Limited should be classified as held for sale as at 30 June 2019 and all operations of Range Resources Trinidad Limited to be classified as discontinued. In reaching this judgement, the Board of Directors have considered that the requirements of AASB 5: Non-current assets held for sale and discontinued operations have been met. As at 31 March 2020 and with completion of this transaction, the assets and liabilities of Range Resources Trinidad Limited were disposed of and sold to LandOcean. The net assets of the disposed entity were US$65,915,896.

2020: Rigs and related inventory

The Group has been marketing the rigs and equipment in the financial year, therefore all rigs and related equipment were classified as held for sale assets as it is highly probable that these assets will be sold within 12 months.

Impairment of rigs and related inventory

As a result of impairment indicators identified management were required to undertake an impairment assessment as per AASB 136. The most significant indicators of impairment being the inactivity of the rigs and the decline in oil price. The recoverable amount of these assets was estimated based on an indicative conditional offer received for one of the rigs which was 70% below the carrying value.

As a result, a 70% impairment across all rigs was deemed appropriate resulting in total impairment being recognised for the year of US$15,453,686.

The Company sold four production rigs for a total sum of approximately US$153,580. The rigs had a carrying value of approximately US$116,245. The Company continues the sale process of the remaining three production and five drilling rigs.

Accounting for the disposal of RRTL

On 31 March 2020, the sale of RRTL was completed resulting in SPG transferring its entire shareholding in RRTL to LandOCean and at the same time losing control and therefore deconsolidating the entity at this point. From the date that control has been lost (31 March 2020), 100% of assets and liabilities were de-recognised from the consolidated financial position of SPG resulting in the net assets of RRTL of US$65,915,896 being deconsolidated and set off against the proceeds of the disposal.

SPG disposed of its investment in RRTL and recognised a gain on disposal of US$36,087,762 million (pre-tax) being the difference of total consideration (US$97,009,742 which is the debt written off of US$94,509,742 plus a cash consideration of US$2,500,000) and net assets of RRTL (US$65,915,896) and the realisation of the foreign currency translation reserve of US$4,993,916 as at 31 March 2020.

Refer to Note 7 for details.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of services offered, customers, supply chain, staffing and geographic regions in which the Group operates. The impact of the Coronavirus (COVID-19) pandemic is ongoing, and it has been financially negative for the Group up to 30 June 2020 as it has negatively affected the oil price. It is not practicable to estimate the potential impact after the reporting date positive or negative. The situation is rapidly developing and is dependent on measures imposed by the Government of Trinidad and Tobago and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Deferred tax liability

The carrying value of the deferred tax liability is US$1,154,300 at 30 June 2020. In the event that the manner by which the carrying value of these assets is recovered differs from that which is assumed for the purpose of this estimation, the associated tax charges may be significantly less than this amount.

Accounting for Strait Oil & Gas Limited

SPG owns 65% of the issued share capital of Strait Oil & Gas Limited ("SOG"). This is achieved by interest through a 45% shareholding held by SPG itself plus a 20% shareholding through its full ownership of Georgian Oil Pty Ltd. Despite owning a majority of the issued share capital, management do not view this as control and the principal rationale for that view is as follows:

1. SPG has no appointed directors of SOG so exercises no effective control over the company. The sole director of SOG is a different corporate entity;
2. All shareholders must agree to any termination of the management agreement which governs the role of the appointed director;
3. The Articles of Association of SOG are silent on the ability of shareholders to appoint directors. To appoint a director, management believe that the articles would need to be amended. To amend the articles requires a special resolution which needs 75% votes (SPG only controls 65%) and management do not believe they would get support from the other shareholders to do this;
   In practice all decision making and corporate activities require consent of all the shareholders resulting in SPG having no demonstrable control over SOG.

The Directors therefore conclude that SOG is not a controlled entity. All previous costs incurred by SPG in relation to SOG have been impaired and the Company will continue to expense any ongoing expenses which are incurred.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 11, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher than the Nil recorded.

IFRIC 23 Uncertain tax position and tax-related contingency

The group has estimated that following the disposal of Range Resources Trinidad Limited and the settlement of liabilities in multiple jurisdictions which formed part of the consideration for the disposal, may give rise to the possible payment of withholding tax. The group considers it possible that a withholding tax liability of US$742,713 may be payable in Australia and withholding tax liability of US$2,364,933 payable in Trinidad. As at 30 June 2020, both amounts have been provided for in full, resulting in an increase in expenses and withholding tax payable of US$3,107,646.

The group is intending to apply for private rulings in both Australia and Trinidad to confirm its interpretation. If both rulings are favourable, this would decrease the group's current withholding tax payable and expense by US$3,107,646 respectively. The group expects to get a response, and therefore certainty about the tax position, before the next interim reporting date.

Note 3: Revenue

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
From continuing operations			
Revenue from services to third parties recognised over time		1,320,785	759,974
Total revenue from continuing operations		**1,320,785**	**759,974**
Other income			
Interest income		-	2,936
Other income		1,158,624	-
Total other income		**1,158,624**	**2,936**
Other income from discontinued operations			
Other income		-	7,108
Total other income from discontinued operations		**-**	**7,108**

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

As per the signed agreement with LandOcean, until SPG receives the final tranche payment, it is entitled to receive a fee equating to the value of VAT refunds which related to the period up to 31 March 2020 as well as proceeds from sale of oil by RRTL to Heritage Petroleum Company Limited. These amounts are reflected in Other Income.

Note 4: Expenses

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
a: Cost of sales – continuing operations			
Costs of operations		2,209,161	794,867
Depreciation and amortisation		368,069	2,464,926
Total cost of sales from continuing operations		**2,577,230**	**3,259,793**

b: Finance costs – continuing operations			
Fair value movement of derivative liability		-	(383,894)
Fair value movement of option liability		-	(33,345)
Foreign exchange loss		111,065	118,502
Interest expense (i)		3,406,210	3,316,336
Interest on convertible note (i)		1,240,834	2,785,478
Total finance costs from continuing operations		**4,758,109**	**5,803,077**

(i) Interest expense and interest on convertible note relate to LandOcean balances which have been subsequently offset. Refer to Note 7.

c: General and administration expenses – continuing operations			
Directors' and officers' fees and benefits		1,429,250	837,874
Share based payments – employee, director and consultant options		-	(107,907)
Legal fees		571,828	526,216
Business developent, financial and other consulting fees		1,336,145	195,302
Listing fees		246,028	227,484
Other		704,377	424,281
Total general and administration expenses from continuing operations		**4,287,628**	**2,103,250**

d: Exploration expenditure – continuing operations			
Indonesia (i)		-	617,173
Trinidad (ii)		-	685,173
Total exploration expenditure from continuing operations		**-**	**1,302,346**

(i) Amounts expensed in the prior year in Indonesia relate to exploration activities in the Perlak field for which the company policy is to expense.

(ii) Amounts expensed in the prior year in Trinidad relate to land fees in relation to St Mary's for which the company policy is to expense.

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

As a result of impairment indicators identified management were required to undertake an impairment assessment as per AASB 136. The most significant indicators of impairment were the inactivity of the rigs and the decline in oil price.

As a result, the total impairment being recognised for the year of US$15,685,850 bringing the net book value of the rigs, other property, plant and equipment and related inventory to US$7,992,861. Refer to Note 7(a).

Note 6: Income tax expense

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
a: Income tax expense/(benefit)			
Current tax		-	-
Deferred tax		13,183,838	(26,602,649)
Adjustments for current tax of prior periods		565,336	3,661,806
		13,749,174	**(22,940,843)**
Income tax expense/(benefit) is attributable to:			
Loss from continuing operations		(1,505,023)	4,305,605
Profit/(loss) from discontinued operations		15,254,197	(27,246,448)
Aggregate income tax expense/(credit)		**13,749,174**	**(22,940,843)**
b: The prime facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Loss from continuing operations before income tax		(24,829,408)	(20,067,827)
Profit/(Loss) from discontinuing operations before income tax		86,520,434	(52,333,771)
		61,691,026	**(72,401,598)**
Prime facie tax payable/(benefit) on profit/(loss) from ordinary activities before income tax at 30% (2019: 30%) Group		18,507,308	(21,720,479)
		18,507,308	**(21,720,479)**
Add tax effect of:			
Other taxes		(593,104)	2,863,914
Expenses not deductible for tax		8,576,613	6,615,840
Tax losses not brought to account		245,597	10,305,814
Income not assessable for tax		(39,984,744)	(3,781,594)
Benefit of tax tax losses not previously recognised		-	(2,822,802)
Expenses deductible for tax purposes		-	-
Deferred tax assets not brought to account		879,384	1,534,226
Differences in tax rates		(1,380,228)	(15,935,762)
		(13,749,174)	**(22,940,843)**
Unrecognised deferred tax asset			
Capital losses		498,254	498,254
Revenue losses		11,485,508	10,905,153

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Other		5,242,215	4,381,634
Offset of deferred tax liabilites		-	(8,292,796)
Net Deferred Tax Assets not brought to account		17,225,977	7,492,245
c: Recognised deferred tax assets			
Temporary differences		111,947	15,439,010
		111,947	**15,439,010**
Recognised deferred tax liabilities			
Accelerated depreciation		(1,154,300)	(39,184,861)
DTL arising on business combination		-	(905,471)
Net deferred tax liabilities		**(1,154,300)**	**(40,090,332)**

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur.

(b) Significant estimates – uncertain tax position and tax-related contingency

The group has estimated that following the disposal of Range Resources Trinidad Limited and the settlement of liabilities in multiple jurisdictions which formed part of the consideration for the disposal, may give rise to the possible payment of withholding tax. The group considers it possible that a withholding tax liability of US$742,713 may be payable in Australia and withholding tax liability of US$2,364,933 payable in Trinidad. As at 30 June 2020, both amounts have been provided for in full, resulting in an increase in current tax expense and current tax payable of US$3,107,646.

The group is intending to apply for private rulings in both Australia and Trinidad to confirm its interpretation. If both rulings are favourable, this would decrease the group's current tax payable and current tax expense by US$3,107,646 respectively. The group expects to get a response, and therefore certainty about the tax position, before the next interim reporting date.

Note 7: Discontinued operations

On 2 September 2019, the Company and LandOcean signed a binding conditional Sale and Purchase Agreement for the sale of Range Resources Trinidad Limited to LandOcean in exchange for offsetting all outstanding debt and payables (including the convertible note) due from SPG and its subsidiaries to LandOcean and its subsidiaries, and a cash consideration of US$2,500,000. The subsidiary was sold on 31 March 2020 and total debt and payables which were offset, as at 31 March 2020, are detailed below and do not form part of the assets held for sale and associated liabilities.

	Debtor	Creditor	Amount (US$)
Agreement Regarding Amounts Outstanding between the Purchaser and RRDSL dated 30 November 2017	RRDSL	LandOcean Energy Services*	1,878,458
Agreement Regarding Amounts Outstanding between EPT and RRDSL dated 30 November 2017	RRDSL	EPT*	1,324,141

Agreement Regarding Amounts Outstanding between GPN and RRDSL dated 30 November 2017	RRDSL	GPN*	493,928
Agreement Regarding Amounts Outstanding between LOPCL and RRDSL dated 30 November 2017	RRDSL	LOPCL*	22,461,848
Agreement Regarding Amounts Outstanding between CWUPET and RRDSL dated 30 November 2017	RRDSL	CWUPET*	620,709
Purchase Order No. 9 in respect of the IMSC dated 31 January 2018	SPG	Hong Kong Fu Tong International Petroleum Technology Ltd*	553,012
Letter Agreement to the IMSC and Purchase Orders entered into by the Purchaser, RRDSL, CWUPET, and PST Service Corp. (together as the Contractor) and the Seller, Range Resources GY Shallow Limited and the Company dated 6 April 2017	SPG	LandOcean Energy Services*	45,074,942
Sale and Purchase Agreement between SOCA and LOPCL dated 27 April 2017	SOCA	LOPCL*	502,704
Convertible note deed between the Seller and the Purchaser date 31 December 2019	SPG	LandOcean Energy Services*	21,600,000
Grand total			**94,509,742**

**Subsidiaries of LandOcean*

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

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Current assets			
Cash and cash equivalents		-	967,140
Trade and other receivables		-	4,320,067
Other current assets		-	2,064,575
Total current assets		**-**	**7,351,782**
Non-current assets			
Rigs and related inventory		7,211,928	-
Deferred tax asset		-	15,439,010
Property, plant and equipment		710,933	1,159,235
Producing assets		-	58,986,034
Exploration assets		-	673,886
Total non-current assets		**7,992,861**	**76,258,165**
Total held for sale assets		**7,992,861**	**83,609,947**

Disposal of rigs and related inventory held by RRDSL

The Company has been actively marketing the rigs and equipment. As a result, the Company sold four production rigs for a total sum of US$153,580. The Company continues the sale process of the remaining three production and five drilling rigs.

The recoverable amount of these assets was estimated based on an indicative conditional offer received for one of the rigs which was 70% below the carrying value.

As a result, a 70% impairment across all rigs was deemed appropriate resulting in total impairment being recognised for the year of US$15,685,850.

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

	Note	Consolidated	
		2020 (US$)	2019 (US$)
Current and non-current liabilities			
Trade and other payables		-	18,694,044
Deferred tax liabilities		1,154,300	40,090,332
Accrued expenditure		-	286,798
Total current and non-current liabilities		**1,154,300**	**59,071,174**
Total held for sale liabilities		**1,154,300**	**59,071,174**

Note 7c: Discontinued operations

The financial performance and cash flows of RRTL is shown below.

	Note	Consolidated	
		2020 (US$)	2019 (US$)
Financial Performance and cash flow information			
Revenue from sale of oil		7,217,906	11,597,161
Other income		-	7,108
Royalties		(2,629,896)	(4,400,775)
Staff costs		(302,941)	(720,722)
Repairs and maintenance		(140,537)	(883,148)
Utilities		(314,962)	(413,712)
Other operating expenses		(656,528)	(2,944,684)
Oil and gas properties depreciation, depletion and amortisation		-	(1,493,021)
Administrative expenses		(580,794)	(1,106,200)
Impairment reversal/(expense)		51,320,529	(51,320,529)
Finance income/(expense)		360,115	(655,249)
Loss on disposal of assets		(206,927)	-
Land fees		(525,647)	-
Withholding tax charge		(3,107,646)	-
Gain on disposal of subsidiary (RRTL)		36,087,762	-
Taxation (charge)/benefit		(15,254,197)	27,246,448
Total gain/(loss) after tax		**71,266,237**	**(25,087,323)**

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Net cash inflow from operating activities		**2,219,789**	**146,962**
Net cash inflow/(outflow) from investing activities		**1,666,481**	**(206,893)**
Net cash inflow from financing activities		**-**	**115,086**
Net cash increase/(decrease) in cash generated by the subsidiary		**3,886,270**	**55,155**

As at 31 March 2020, the carrying value of the consideration was US$97,009,742 as shown in the note below. The carrying amounts of assets and liabilities of RRTL disposed of as at 31 March 2020 were:

	Note	2020 (US$)
Cash and cash equivalents		354,211
Trade and other receivables		3,033,132
Other current assets		1,796,864
Property, plant and equipment		1,093,351
Producing assets		107,523,521
Total assets		**113,801,079**
Trade and other payables		9,895,375
Provision forr rehabilitiation		856,152
Deferred tax liability		33,719,298
Other payables long-term		3,414,358
Total liabilities		**47,885,183**

	Note	2020 (US$)
Consideration received		
Cash received		2,050,574
Amount receivable		449,426
Carrying value of liabilities settled		94,509,742
Total disposal consideration		**97,009,742**
Carrying amount of net assets sold		(65,915,896)
Gain on sale after income tax and before reclassification of foreign currency translation reserve		**31,093,846**
Reclasification of foreign currency translation reserve		4,993,916
Gain on sale after income tax		**36,087,762**

Note 8: Auditor's remuneration

	Note	Consolidated 2020 (US$)	Consolidated 2019 (US$)
Remuneration of the auditor of the Parent Entity for:			
Auditing or reviewing the financial report by BDO Audit (WA) Pty Ltd		74,000	68,000
Non-audit services provided by a related entity of BDO Audit (WA) Pty Ltd in respect to Parent Entity's tax compliance		29,910	15,500
Total remuneration for the Parent Entity		**103,910**	**83,500**
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 UK		-	4,670
Auditing or reviewing the financial report by BDO Barbados		7,500	7,500
Auditing or reviewing the financial report by BDO Trinidad		32,985	34,150
Total remuneration for the subsidiaries		**49,557**	**46,320**

Note 9: Earnings/(loss) per share

	Note	Consolidated 2020 (US$)	Consolidated 2019 (US$)
a: Basic gain/(loss) per share			
Gain/(loss) per share from continuing operations attributable to the ordinary equity holders of the company		(0.193)	(0.272)
Gain/(loss) per share attributable to the ordinary equity holders of the company		0.397	(0.552)
Gain/(loss) per share from discontinued operations attributable to the ordinary equity holders of the company		0.590	(0.280)
b: Reconciliation of gain/(loss) used in calculating earnings per share			
Basic/ Diluted gain/(loss) per share			
Gain/(loss) from continuing operations attributable to the ordinary equity holders of the company		(23,324,385)	(24,373,432)
Gain/(loss) attributable to the ordinary equity holders of the company		47,941,852	(49,460,755)
Gain/(loss) from discontinued operations attributable to the ordinary equity holders of the company		71,266,237	(25,087,323)
c: Weighted average number of shares used as the denominator			
Weighted average number of ordinary shares used as the denominator in calculating basic EPS		120,700,101	89,668,489

The Company's share capital was consolidated on a 100:1 basis with effect from 5 December 2019. As a result, the Company's share capital decreased by 11,662,791,778 shares. At the date of this report, the Company's issued capital comprises 141,367,955 ordinary fully paid shares (2019: 10,243,998,615). As a result, the prior year comparative Earnings Per Share figures have been restated as though the share capital consolidation had always been in effect.

Note 10: Cash and cash equivalents

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Cash at bank and on hand		**3,164,752**	**880,681**

There are no restrictions on cash balances held as at 30 June 2020.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 31.

Note 11: Trade and other receivables

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Current			
Trade receivables (i)		1,124,429	157,827
Taxes receivable		70,049	-
Other receivables (ii)		784,572	-
Prepayments		20,864	-
Other taxes receivable		111,945	-
Other assets (iii)		136,500	-
Total trade and other receivables		**2,248,359**	**157,827**

(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 include the final tranche of cash consideration receivable from LandOcean (US$0.4 million) and US$0.3 million for loans provided to Range Resources Trinidad Limited between 1 April 2020 and 30 June 2020.

(iii) Relates to the Beach Marcelle performance bond which was left in place after 31 March 2020.

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment, due to the Coronavirus (COVID-19) pandemic. Management have no reasons to believe that an allowance for credit losses is appropriate as at 30 June 2020.

Fair value approximates the carrying value of trade and other receivables at 30 June 2020 and 30 June 2019.

Risk exposure

Information about the Group's exposure to credit risk, foreign exchange risk and price risk is provided in Note 31.

Allowance for expected credit losses

The consolidated entity has not recognised a loss in profit or loss in respect of the expected credit losses for the year ended 30 June 2020 as described above.

Note 12: Right-of-use asset

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Non-current			
Right-of-use asset		183,333	-
Total right-of-use asset		**183,333**	**-**

The amount relates to the office lease in Beijing, People's Republic of China, expiring on 31 August 2021. Amortisation of US$96,667 was recognised in the Income Statement with regards to the asset. Commencement date of the lease was 26 August 2019, for a 24-month term. The total lease payments of US$280,000 were paid on commencement of the lease.

The Group is only party to one lease, and this has been fully prepaid, and so the Group does not have any remaining lease liabilities reflected in the statement of financial position.

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 2020	**30 June 2019**
Subsidiaries of Star Phoenix Group Ltd:			
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 Aceh Timur Kawai Energi (i)	Indonesia	42.1	42.1
Georgian Oil Pty Ltd	Australia	65	65
Shanghai AusQuality International Trading Co. Ltd	China	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.

Note 14: Intangible Assets

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Cost		-	3,241,472
Impairment write down		-	(3,241,472)
Net book amount		**-**	**-**

Impairment tests

In the prior financial year, the Group recorded an impairment with respect to the total value goodwill of US$3,241,472. Goodwill had been allocated for impairment testing purposes to one cash-generating unit (CGU), identified according to operating segments, being Trinidad – oil and gas production. The goodwill represented the costs savings achieved within the group as a result of the RRDSL acquisition.

Note 15: Property, Plant & Equipment

Consolidated	**Production equipment and access roads (US$)**	**Gathering station and field office (US$)**	**Leasehold improvement (US$)**	**Motor vehicle, furniture, fixtures & fittings (US$)**	**Total (US$)**
Year ended 30 June 2019					
Opening net book amount	24,091,391	76,001	181,490	1,140,732	25,489,614
Foreign currency movement	(1,213,335)	349,820	(16,215)	(2,956)	(882,686)
Additions	162,814	-	-	-	162,814
Disposals	(60,954)	-	-	(40,019)	(100,973)
Depreciation charge	(263,537)	-	-	(236,293)	(499,830)
Classified as held for sale	(418,738)	(425,821)	(165,275)	(149,401)	(1,159,235)
Closing net book amount	**22,297,641**	**-**	**-**	**712,063**	**23,009,704**
At 30 June 2019					
Cost	24,016,629	-	-	949,452	24,966,081
Accumulated depreciation	(1,718,988)	-	-	(237,389)	(1,956,377)
Net book amount	**22,297,641**	**-**	**-**	**712,063**	**23,009,704**

Consolidated	Production equipment and access roads (US$)	Gathering station and field office (US$)	Leasehold improvement (US$)	Motor vehicle, furniture, fixtures & fittings (US$)	Total (US$)
Year ended 30 June 2020					
Opening net book amount	22,297,641	-	-	712,063	23,009,704
Foreign currency movement	32,178	-	-	(1,130)	31,048
Additions	-	-	-	114,685	114,685
Disposals	(344,590)	-	-	-	(344,590)
Impairment	(15,453,686)			-	(15,453,686)
Depreciation charge	(353,734)	-	-	(14,335)	(368,069)
Classified as held for sale	(6,177,809)	-	-	(710,934)	(6,888,743)
Closing net book amount	**-**	**-**	**-**	**100,349**	**100,349**
At 30 June 2020					
Cost		-	-	323,402	2,396,124
Accumulated depreciation		-	-	223,053	(2,295,775)
Net book amount	**-**	**-**	**-**	**100,349**	**100,349**

Note 16: Exploration assets

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Opening balance (ii)			6,744,977
Acquisition (i)		-	-
Impairment (ii)		-	(6,077,873)
Foreign exchange		-	6,782
Classified as held for sale (note 7a)		-	(673,886)
Disposed of – RRTL sale			
Closing net book amount		**-**	**-**

The Company made a decision in the prior financial year to write off the value of its investment in Indonesia due to poor resuts, resulting in an impairment of US$6,077,873.

Note 17: Producing assets

	Note	Consolidated 2020 (US$)	Consolidated 2019 (US$)
Cost		-	46,006,207
Accumulated amortisation		-	(46,006,207)
Net book value		**-**	**-**

Opening net book amount		-	109,091,650
Foreign currency movement		-	1,053,641
Additions		-	1,407,974
Impairment charge		-	(51,320,529)
Amortisation charge		-	(1,246,702)
Classified as held for sale (note 7a)		-	(58,986,034)
Closing net book amount		**-**	**-**

Note 18: Trade and other payables

	Note	Consolidated 2020 (US$)	Consolidated 2019 (US$)
a: Current			
Trade payables		222,789	648,693
Sundry payables and accrued expenses (i)		313,784	151,281
Other payables (ii)		3,151,774	
Total		**3,688,347**	**799,974**
b: Non-Current			
Interest bearing trade payables		-	44,395,944
Other payables – interest bearing		-	482,886
Other payables – non-interest bearing (i)		296,245	118,963
Total		**3,984,592**	**44,997,793**

(i) Amount mainly relates to accrued expenditure from operations in Trinidad.
(ii) Amount relates to withholding taxes payable as a result of debt eliminations.

Risk exposure

Trade payables are non-interest bearing (2019: US$44,395,944 interest bearing). Interest bearing trade payables were amounts due to LandOcean and formed part of the SPA signed in September 2019. Contractually, they were not payable until April 2020 and interest was charged at 6%. Other interest-bearing payables related to the consideration due to LandOcean Petroleum Corp which also forms part of the SPA, as disclosed in note 7 all debt with LandOcean was settled on completion of the SPA on 31 March 2020.

Note 19: Borrowings

	Note	Consolidated	
		2020 (US$)	2019 (US$)
Current borrowings			
Interest on convertible note	19c	-	1,600,000
Total current borrowings		**-**	**1,600,000**
Non-current borrowings			
Borrowings at amortised cost	19a	-	25,791,724
Convertible note	19c	-	18,759,966
Total non-current borrowings		**-**	**44,551,690**

	Note	Consolidated	
		2020 (US$)	2019 (US$)
a: Borrowings			
Principal		-	15,640,024
Interest due on outstanding balance		-	10,151,700
Closing net book amount		**-**	**25,791,724**

Refer to Note 7 for amounts settled as part of the SPA with LandOcean.

No options were exercised during the year (2019: Nil).

No fair value movement recognised in the Statement of Profit or Loss (2019: US$33,345 gain).

	Note	Consolidated	
		2020 (US$)	2019 (US$)
c: Convertible note			
Convertible note liability element		-	16,507,750
Convertible note derivative element		-	113
Interest due on outstanding balance – non-current		-	652,103
Interest due on outstanding balance-current		-	1,600,000
Closing net book amount		**-**	**18,759,966**

The terms of the convertible note were as follows:

Issuer	Star Phoenix Group Ltd
Noteholder	LandOcean Energy Services Co. Limited
Amount	US$20,000,000
Tenor	Three years, maturity date 28 November 2019 (i)
Repayment	Bullet at maturity date
Interest	8% per annum, payable annually in arrears (ii)
Security	None
Conversion price	0.88p per share
Lender Conversion Right	At any time, in a minimum amount of US$10,000,000

The proceeds from this convertible note were utilised solely to replace a portion of the outstanding payable balance due to LandOcean under the terms of the Integrated Master Services Agreement ("IMSA").

(i) As per SPA dated 2 September 2019, maturity date was the earlier of 30 June 2020 and the date on which completion occurred. Under SPA, LandOcean undertook not to issue a conversion notice. Given the transaction completed on 31 March 2020, this date was deemed to be the maturity date and the liability was settled.

(ii) On 5 March 2019, the Group issued 1,739,076,923 new ordinary fully paid shares at A$0.0013 in lieu of annual interest payment of US$1,600,000 due in November 2018.

All borrowings formed part of the consideration for the sale of RRTL, as per note 7.

Note 20: Provision for rehabilitation

The Group recorded the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes removal of facilities, abandonment of wells and restoration of affected areas.

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Provision for rehabilitation		-	811,737
Movement in the provision for rehabilitation during the financial year are set out below:			
Carrying amount at the start of the year		-	811,737
Additional provision recognised		-	24,618
Included in held for sale (note 7b)		-	(836,355)
Carrying amount at the end of the year		**-**	**-**

Up to 31 March 2020, the group recognised a provision of US$856,152, which was subsequently derecognised following disposal of RRTL (as disclosed in note 7c).

Note 21: Deferred taxes

	Other (US$)	Accrued interest (US$)	Total (US$)
Deferred tax asset			
Movements: Year ended 30 June 2020			
Opening balance	-	15,439,010	15,439,010
Charged/(credited) - to profit or loss	55,706	(15,382,769)	(15,327,063)
Closing net book amount (i)	**55,706**	**56,241**	**111,947**

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

	Fair value uplift on business combination (US$)	Accelerated depreciation (US$)	Total (US$)
Deferred tax liability			
Movements: Year ended 30 June 2019			
Opening balance	28,429,185	36,332,757	64,761,942
Foreign currency movement	-	(645,359)	(645,359)
Charged/(credited) - to profit or loss	1,617,020	(25,643,271)	(24,026,251)
Closing net book amount	**30,046,205**	**10,044,127**	**40,090,332**
Movements: Year ended 30 June 2020			
Opening balance	30,046,205	10,044,127	40,090,332
Foreign currency movement	-	58,610	58,610
Transferred on disposal of subsidiary	(29,582,812)	(4,136,714)	(33,719,526)
Charged/(credited) - to profit or loss	(463,393)	(4,811,723)	(5,275,116)
Closing net book amount (i)	**-**	**1,154,300**	**1,154,300**

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

Note 22: Provisions

	Note	Consolidated	
		2020 (US$)	2019 (US$)
Employee service benefits		195,896	324,742
Provision (i)		5,796,048	-
Total		**5,991,944**	**324,742**

(i)Provision relates to an estimate of the potential land taxes that may be payable by the Company on expired exploration licences in Trinidad.

Note 23: Contributed equity

	Note	Consolidated	
		2020 (US$)	2019 (US$)
141,367,955 (2019: 10,243,998,615) fully paid ordinary shares		409,428,374	407,770,469
Share issue costs		(21,044,400)	(21,044,402)
Total contributed equity		**388,383,974**	**386,726,067**

	Consolidated			
	2020 No.	2020 (US$)	2019 No.	2019 (US$)
a: Fully paid ordinary shares				
At the beginning of reporting period	10,243,998,615	407,770,469	7,595,830,782	404,910,284
Shares issued during year	1,536,599,792	999,176	2,648,167,833	2,860,185
Consolidation	(11,662,791,778)	-	-	-
Shares issued during year	23,561,326	658,729		
Total contributed equity	**141,367,955**	**409,428,374**	**10,243,998,615**	**407,770,469**

The Company's share capital was consolidated on a 100:1 basis with effect from 5 December 2019. At the date of this report, the Company's issued capital comprises 141,367,955 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 9 September 2019, the Group announced a subscription for new ordinary shares to raise £750,000. Pursuant to the Subscription, the Group issued 1,536,599,792 new ordinary shares at a price of 0.049 pence per new ordinary share.

On 20 January 2020, the Group announced a subscription for new ordinary shares to raise £560,000. Pursuant to the Subscription, the Group issued 23,561,326 new ordinary shares at a price of 2.21 pence per new ordinary share.

	Consolidated	
	2020 No.	2019 No.
b: Options		
At the beginning of reporting period	404,643,137	781,844,977
Options expired	(404,643,137)	(377,201,840)
Options exercised during year	-	-
Total options	**-**	**404,643,137**

The holders of these options did not have any rights under the options to participate in any share issues of the company.

During the year ended 30 June 2020, no ordinary shares of Star Phoenix Group Ltd were issued on the exercise of options (2019: nil).

Note 24: Reserves

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
a: Share-based payment reserve			
Balance 1 July 2019		8,316,464	8,424,371
Share based payment expenses (Note 29)		-	(107,907)
Balance 30 June 2020		**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.

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
b: Option premium reserve			
Balance 1 July 2019		12,057,362	12,057,362
Fair value movement of exercised options that were originally classified as a derivative liability		-	-
Balance 30 June 2020		**12,057,362**	**12,057,362**

The option premium reserve is used to recognise the grant date fair value of options issued previously under financing arrangements.

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
c: Foreign currency translation reserve			
Balance 1 July 2019		7,432,461	4,341,220
Currency translation differences arising during the year		576,677	3,091,241
Currency translation differences arising due to disposal of subsidiary		(4,993,916)	-
Balance 30 June 2020		**3,015,222**	**7,432,461**

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

Total reserves at 30 June 2020	**23,389,048**	**27,806,287**

Note 25: Contingent liabilities and contingent assets

During FY2016, the Company received an invoice from Geeta Maharaj, a Trinidad based attorney seeking payment for legal services in the amount of approximately US$1.9 million. The invoice purports to relate to legal work undertaken during mid-2014 including the preparation of intercompany loan agreements. SPG strongly refutes the amount of this purported invoice and considers it to be vastly excessive and therefore not payable. A claim has been filed by Ms Maharaj seeking the sum of TT$12,019,573 (approximately US$1.9 million) plus interest and costs. The Company filed a notice of application to strike out this claim on 14 July 2017. An initial hearing on this application was held on 29 September 2017 at which the parties were ordered to file and exchange written submissions by 20 October 2017 with replies, if any, to be filed by 30 October 2017. Both parties filed and exchanged written submissions and responses by the requested dates and a further hearing was scheduled for 1 December 2017. This hearing was rescheduled by the court and the Company is awaiting notification of a rescheduled date.

Separately, SPG has received further correspondence from Ms Maharaj on a related matter claiming damages of TT$6,000,000 (approximately US$890,000) on the basis of a conspiracy designed to damage Ms Maharaj's reputation. Again, SPG firmly refutes the allegation and in conjunction with its legal counsel in Trinidad has responded to this demand. A claim has been filed by Ms Maharaj seeking damages of TT$6,000,000 (approximately US$890,000) plus interest and costs. The Company, in conjunction with its legal counsel, has filed a defence in respect of this claim and a preliminary hearing was scheduled for 1 December 2017. This hearing was rescheduled by the court and the Company is awaiting notification of a rescheduled date.

While the Company, having taken legal advice, considers the probability of Ms Maharaj succeeding in either of her claims to be remote, there can be no guarantee that there will be a favourable outcome for the Company. There have been no other updates with regards to this case since 30 June 2018.

The Directors are not aware of any other contingent liabilities or contingent assets as at 30 June 2020.

Note 26: Segment reporting

30 June 2020	Trinidad – Oil & Gas Production (US$)	Trinidad – Oilfield Services (US$)	Indonesia (US$)	Unallocated (US$)	Total (US$)
Segment revenue	**Discontinued**				
Total segment revenue	**7,217,906**	**3,279,275**	**-**	**-**	**10,497,181**
Intersegment revenue	-	(1,958,490)	-	-	(1,958,490)
Revenue from external customers	7,217,906	1,320,785	-	-	8,538,691
Other income	-	1,158,624	-	-	1,158,624
Segment result					
Depreciation		(353,734)	-	(14,336)	(368,070)
Interest income/(expense)	360,115	(1,903,279)	-	(2,854,830)	(4,397,994)
Other segment expenses	(5,358,232)	(18,413,616)	-	(3,769,022)	(27,540,870)
Impairment reversal	51,320,529	-	-	-	51,320,529
Withholding tax	(3,107,646)	-	-	-	(3,107,646)
Gain on disposal	36,087,762	-	-	-	33,271,798
Profit/(loss) before income tax	86,520,434	(18,191,220)	-	(6,638,188)	61,982,708
Income tax	(15,254,197)	1,505,023	-	-	(13,749,174)
Profit/(Loss) after income tax	71,266,237	(16,686,197)	-	(6,638,188)	47,941,852
Segment assets					
Segment assets	-	10,859,099	-	2,760,555	13,619,654
Total assets	**-**	**10,859,099**	**-**	**2,760,555**	**13,619,654**
Segment liabilities					
Segment liabilities	-	10,210,766	-	920,070	11,130,836
Total liabilities	**-**	**10,210,766**	**-**	**920,070**	**11,130,836**

30 June 2019	Trinidad – Oil & Gas Production (US$)	Trinidad – Oilfield Services (US$)	Indonesia (US$)	Unallocated (US$)	Total (US$)
Segment revenue	**Discontinued**				
Total segment revenue	**11,597,161**	**4,218,523**	**-**	**-**	**15,815,684**
Intersegment revenue	-	(3,458,549)	-	-	(3,458,549)
Revenue from external customers	11,597,161	759,974	-	-	12,357,135
Other income	7,108	-	-	2,936	10,045
Segment result					
Depreciation	(1,493,021)	(2,464,926)	-	-	(3,957,947)
Interest income/(expense)	(655,249)	(1,532,938)	-	(4,270,140)	(6,458,327)
Other segment expenses	(61,789,770)	1,177,183	(6,695,045)	(7,044,871)	(74,352,503)
Loss before income tax	(52,333,771)	(2,060,707)	(6,695,045)	(11,312,075)	(72,401,598)
Income tax	27,246,448	(168,633)	-	(4,136,972)	(22,940,843)
Loss after income tax	(25,087,323)	(2,229,340)	(6,695,045)	(15,449,047)	(49,460,755)
Segment assets					
Segment assets	83,609,947	24,244,249	-	797,474	108,651,670
Total assets	**83,609,947**	**24,244,249**	**-**	**797,474**	**108,651,670**
Segment liabilities					
Segment liabilities	59,071,174	23,974,481	-	68,299,717	151,345,372
Total liabilities	**59,071,174**	**23,974,481**	**-**	**68,299,717**	**151,345,372**

(i) Unallocated assets

	30 June 2020 (US$)	30 June 2019 (US$)
Segment assets		
Cash	2,473,884	797,474
Other	286,671	-
Total segment assets	**2,760,555**	**797,474**

	Note	Consolidated	
		2020 (US$)	2019 (US$)
a: Other segment information **Segment other revenue – all other segments**			
Other income		-	2,936
Total unallocated segment revenue		**-**	**2,936**

	Note	Consolidated	
		2020 (US$)	2019 (US$)
Segment result – all other segments			
Directors' and officers' fees and benefits		1,429,250	924,584
Share based payments – employee and consultant shares		-	(107,907)
Finance costs		2,854,830	4,648,884
Other general and administration expenses		2,354,108	1,919,773
Total unallocated segment expenses		**6,638,188**	**7,385,334**

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.

Revenue from discontinued operations was derived from one customer. These related to the sale of oil and were recognised at a point in time as and when control of the product passed to the customer.

Note 27: Cash flow information

	Note	Consolidated 2020 (US$)	2019 (US$)
Reconciliation of cash flow from operations with loss after income tax			
Gain/(loss) after income tax		47,941,852	(49,760,755)
Non-cash flows in profit			
Depreciation, depletion and amortisation		464,736	3,957,947
Share based payment- consultants and employees		-	(107,907)
Impairment of non-current assets		-	6,077,873
Impairment reversal		(51,320,529)	-
Gain on disposal of subsidiary		(30,385,017)	-
Foreign exchange (gain)/loss		26,691	118,502
Impairments recognised on held for sale assets		16,250,238	51,320,529
Fair value movement of derivative		-	(383,894)
Decrease in other current assets		-	(5,338,495)
(Increase)/decrease in trade and other receivables		(1,271,752)	6,969,323
Decrease in deferred tax asset		15,254,197	-
Increase/(decrease) in trade and other payables		4,404,590	(15,030,944)
Increase/(decrease) in income tax payable		-	(229,445)
Decrease in deferred tax liabilities		(4,569,660)	-
Decrease in provisions		(128,846)	(811,737)
Items reclassified as investing activities on gain on disposal of subsidiary		2,020,692	-
(Decrease)/increase in borrowings		-	2,112,084
(Decrease)/Increase in non-current operating payables		-	(430,323)
Held for sale		-	(1,438,646)
Net cash outflow (from)/to operations		**(1,312,808)**	**(2,975,888)**

Financial liability reconciliation

	Borrowings (US$)	Convertible note (US$)	Total (US$)
Balance at 1 July 2018	**24,481,224**	**19,558,382**	**44,039,606**
Net cash from financing activities	-	-	-
Interest accrued	1,310,500	1,681,975	2,992,475
Fair value/other changes	-	(1,983,894)	(1,983,894)
Balance at 30 June 2019	**25,791,724**	**19,256,463**	**45,048,187**
Net cash from financing activities	-	-	-
Interest accrued	987,360	2,343,527	3,330,897
Fair value/other changes	(26,779,084)	(21,600,000)	(48,379,084)
Balance at 30 June 2020	**-**	**-**	**-**

On 31 March 2020, the transaction with LandOcean was completed. As a result, the above liabilities were settled as part of the consideration for the sale of RRTL. Refer to note 7.

Non-cash investing and financing activities	**2020 (US$)**	**2019 (US$)**
Interest accrued	3,330,897	2,992,475
Fair value adjustments (convertible note)	-	(1,983,894)
Settlement of debt as part of consideration for sale of RRTL	(48,379,084)	-
Total	(45,048,187)	1,008,581

Note 28: Share based payments

Employee option plan

Year ended 30 June 2020

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

Year ended 30 June 2019

No options were issued to key management personnel. The expense reversal is due to the change in the probability of meeting the vesting conditions as explained below.

Probability of meeting the 1,500 barrels of oil per day for a continuous 15-day period in Trinidad vesting condition is 0%.

Probability of meeting the 2,500 barrels of oil per day for a continuous 15-day period in Trinidad vesting condition is 0%.

Probability of meeting the 4,000 barrels of oil per day for a continuous 15-day period in Trinidad vesting condition is 0%.

Expenses recognised in the profit or loss

During the year, no share-based payments were recognised in profit or loss to a reversal (2019: reversal of US$107,907).

	2019 No.	Average exercise price (US$)	2019 No.	Average exercise price (US$)
As at 1 July	404,643,137	-	761,844,977	0.023
Granted during year:				
Other	-	-	-	-
Expired	(404,643,137)	-	(357,201,840)	0.017
Forfeited	-	-	-	-
As at 30 June	**-**	**-**	**404,643,137**	**0.018**

Vested and exercisable at 30 June	-	-	9,375,000	0.01
Weighted average remaining contractual life options outstanding at end of period	-		85 days	

Note 29: 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:

	2020 (US$)	2019 (US$)
Consulting fees paid or payable to Kegrace Consulting Limited, a company owned by Mr Gu	330,416	253,333
Consulting fees paid or payable to Ten Faye Limited, a company owned by Mr L Liu	42,255	7,700

There were no balances outstanding at the year-end (2019: Nil).

	Note	Consolidated	
		2020 (US$)	2019 (US$)
d: Key Management Personnel compensation			
Short–term benefits		646,691	797,189
One-off payments		753,505	-
Post-employment benefits		29,054	37,388
Share based payments		-	(72,628)
Total		**1,429,250**	**761,949**

Note 30: Parent entity information

The following details information related to the Parent Entity Star Phoenix Group Ltd at 30 June 2020. The information presented here has been prepared in accordance using consistent accounting policies as presented in Note 1.

	Note	Consolidated	
		2020 (US$)	2019 (US$)
Current assets		2,473,884	3,597,474
Non-current assets		5,668,315	22,008,541
Total assets		**8,142,199**	**25,606,015**
Current liabilities		2,330,478	307,884
Non-current liabilities		3,322,903	67,991,834
Total liabilities		**5,653,381**	**68,299,718**
Contributed equity		388,383,974	387,730,534
Accumulated losses		(409,139,032)	(452,663,645)
Reserves		23,243,876	22,239,408
Total equity		**2,488,818**	**(42,693,703)**
Loss for the year from continuing operations		(5,858,309)	(34,810,725)
Profit for the year for discontinued operations		70,230,658	-
Total comprehensive loss for the year		**64,372,349**	**(34,810,725)**

No contingent liabilities were recognised as disclosed in Note 25.

There are no capital commitments of the parent entity.

Note 31: 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. Although there is only one customer and hence significant concentration to one customer, the credit risk is considered low.

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.

The Group has a credit risk exposure with LandOcean, which as at 30 June 2020 owed the consolidated entity $1.8 million. Albeit the balance was outside the SPA/terms of trade, no impairment was made as at 30 June 2020 as Management believe it is recoverable. LandOcean have made two payments post year-end totalling US$0.3 million and the Group continues its discussions with LandOcean to expedite the payment of the outstanding amount. There are no guarantees against this receivable.

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Cash at bank, restricted deposits and short-term bank deposits (S&P ratings)			
AAA -		1,489,291	398,530
AA-		984,593	398,944
A+		-	-
BBB+		690,868	83,207
BBB-		-	-
Not rated		-	-
Total	10	**3,164,752**	**880,681**

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	
		2020 (US$)	**2019 (US$)**
Trade and other receivables – current (i)	11	2,248,359	157,827
Cash and cash equivalents	10	3,164,752	880,681
Total		**5,413,111**	**1,038,508**

(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

No impairment loss was recognised in relation to other receivables.

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 2020

	Carrying amount (US$)	Contractual cash flows (US$)	Within one year (US$)	1-2 years (US$)	2-5 years (US$)
Financial liabilities at amortised cost					
Trade and other payables	3,984,592	3,984,592	3,688,347	296,245	-
Borrowings	-	-	-	-	-
Total	**3,984,592**	**3,984,592**	**3,688,347**	**296,245**	**-**

Group 2019

	Carrying amount (US$)	Contractual cash flows (US$)	Within one year (US$)	1-2 years (US$)	2-5 years (US$)
Financial liabilities at amortised cost					
Trade and other payables	45,797,767	45,797,767	12,901,659	32,896,108	-
Borrowings	46,151,690	44,551,690	1,600,000	44,551,690	-
Total	**92,274,199**	**90,674,199**	**14,501,659**	**77,272,540**	**-**

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 financial 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			
	2020 AUD	**2019 AUD**	**2020 GBP**	**2019 GBP**
Cash	143,230	249,624	1,030,708	38,965
Amount payable to other entities	(63,702)	(66,216)	(19,970)	(48,631)
Total	**79,528**	**183,408**	**(1,010,738)**	**(9,666)**

	Consolidated			
	2020 TTD	**2019 TTD**	**2020 RMB**	**2019 RMB**
Cash	3,765,720	561,647	984,593	-
Amount payable to other entities	(597,861)	(2,007,383)	-	-
Total	**3,167,859**	**(1,445,736)**	**984,593**	**-**

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 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 as there are no material floating rate borrowings or repayments to be made.

Profile

At the reporting date, the interest rate profile of the Group's financial instruments which exposes the group to cash flow interest rate risks are:

	Weighted Average Effective Interest Rate		**Floating Interest Rate**		**Fixed Interest Maturing**		**Non-interest bearing**		**Total**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
			(US$)	**(US$)**	**(US$)**	**(US$)**	**(US$)**	**(US$)**	**(US$)**	**(US$)**
Financial assets:										
Cash and cash equivalents	0.1%	1.8%	3,164,752	880,681	-	-	-	-	3,164,752	880,681
Trade and other receivables	-	-	-	-	-	-	2,248,359	157,827	2,248,359	157,827
Total financial assets			**3,164,752**	**880,681**	**-**	**-**	**2,248,359**	**157,827**	**5,413,111**	**1,038,508**

Financial Liabilities:										
Trade and other payables	10%	10%	-	-	-	44,878,830	3,984,592	918,937	9,790,640	45,797,767
Borrowings	6%	6%	-	-	-	46,151,690	-	-	-	46,151,690
Total financial liabilities	**-**	**-**	**-**	-	**-**	**91,030,520**	**3,984,592**	**918,937**	**9,790,640**	**91,949,457**

Sensitivity analysis for variable rate instruments

The sensitivity on interest rates for 2020 and 2019 assumes a change of 100 basis points in the interest rates at the reporting date and would have increased / (decreased) profit or loss by the amounts shown. Both analyses for each year assume that all other variables, in particular foreign currency rates, remain constant. The group is not subject to any material variable rate interest instruments at 30 June 2020 and so no sensitivity analysis has been prepared.

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 2020 (US$)		30 June 2019 (US$)	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Trade and other receivables	2,248,359	2,248,359	157,827	157,827
Cash and cash equivalents	3,164,752	3,164,752	880,681	880,681
Trade and other payables	(3,984,592)	(3,984,592)	(45,797,767)	(45,797,767)
Borrowings	-	-	(46,151,690)	(46,151,690)
Total	**1,428,519**	**1,428,519**	**(91,949,457)**	**(91,949,457)**

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

Non-recurring fair value measurements

Property, plant and equipment consisting of rigs and associated inventory classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the rigs was estimated based on an indicative offer received for one of the rigs which was 70% below carrying value as disclosed in note 7a.

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 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 23 and 24 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	
		2020 (US$)	**2019 (US$)**
Financial assets			
Cash and cash equivalents	10	3,164,752	880,681
Financial liabilities			
Trade and other payables	18	(3,984,592)	(46,122,509)
Borrowings	19	-	(46,151,690)
Net debt		**(3,984,592)**	**(92,274,199)**
Equity		2,488,818	(39,516,245)
Net debt to equity ratio		**125.9%**	**N/A**

Categories of financial instruments

	Note	Consolidated	
		2020 (US$)	**2019 (US$)**
Financial assets			
Cash and cash equivalents	10	3,164,752	880,681
Trade and other receivables – current	11	2,248,359	157,827
Total		**5,413,111**	**1,038,508**
Financial liabilities			
Trade and other payables - non-current	18	296,245	44,997,793
Trade and other payables – current		3,688,347	799,974
Borrowings	19	-	46,151,690
Total		**3,984,592**	**91,949,457**

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 following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2020 and 30 June 2019 on a recurring basis.

At 30 June 2020	Level 1 US$	Level 2 US$	Level 3 US$	Total
Assets				
Financial asset measured at Fair Value through profit and loss	-	-	-	-
Equity securities	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
Liabilities				
Option liability at fair value through profit or loss	-	-	-	-
Derivative liability at fair value through profit or loss	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**

At 30 June 2019	Level 1 US$	Level 2 US$	Level 3 US$	Total
Assets				
Financial asset measured at Fair Value through profit and loss	-	-	-	-
Equity securities	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
Liabilities				
Option liability at fair value through profit or loss	-	-	-	-
Derivative liability at fair value through profit or loss	-	113	-	113
Total liabilities	**-**	**113**	**-**	**113**

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 2020.

(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.

(c) Fair values of non-current receivables, payables and borrowings

For non-current receivables, payables and borrowings, the fair values are not materially different to their carrying amounts since the interest on these balances is close to current market rates.

Note 32: Events after the reporting date

Amounts received from LandOcean

The Group received two payments from LandOcean totalling US$0.3 million and continues its discussions with them to expedite the payment of the outstanding amount of US$1.5 million.

Extraordinary General Meeting

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(5) of the Corporations Act. The Meeting was held of 25 September 2020, where only resolution 1 relating to the removal of Dr YuFeng Meng as a Director was duly passed. All other resolutions relating to the Board changes were lost.

Impact of COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Government of Trinidad and Tobago and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Note 33: New accounting Standards and Interpretations

Australian accounting Standards and Interpretations released but not yet effective: 30 June 2020 year end

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new Standards and Interpretations is set out below. In all cases the Group intends to apply these standards from the application date as indicated in the tables below.

Reference:	Conceptual Framework	**Title:**	Conceptual Framework for Financial Reporting
Standard application date:		1 January 2020	
Group application date:		1 July 2020	

Key Requirements
The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework.

Impact
At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements. Management will be continuously assessing this.

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

Note 34: Company details

The registered office of the company is:

c/o Edwards Mac Scovell, Level 7, 140 St Georges Terrace, Perth WA 6000

Telephone: +61 8 6205 3012

The principal place of business is:

c/o Edwards Mac Scovell, Level 7, 140 St Georges Terrace, Perth WA 6000

Telephone: +61 8 6205 3012

Directors' Declaration

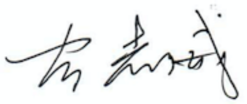
The directors of the company declare that:

- 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 2020 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



26 October 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Star Phoenix Group Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Star Phoenix Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for qualified opinion

As disclosed in note 7a of the financial statements, the Group's current assets as at 30 June 2020 include an amount of $7,922,861 classified as assets held for sale. During the year ended 30 June 2020, there has been a deterioration in the operating and economic performance of the Group, which created an impairment indicator of the assets included in this amount. The Directors have undertaken an impairment assessment as at 30 June 2020 and have estimated the recoverable amount of these assets based on an indicative offer received for one of the rigs. This resulted in an impairment expense of $15,453,686 being recognised in the current 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 2020 is necessary.

Our audit opinion for the year ended 30 June 2019 was also modified with respect to this matter.

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not further modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for qualified opinion and the Material uncertainty related to going concern sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Discontinued operation of Range Resources Trinidad Limited

Key audit matter	How the matter was addressed in our audit
During the prior financial year, a decision was made to divest the Group's oil and gas production business, Range Resources Trinidad Limited ("RRTL"). On 31 March 2020, the Group finalised the sale of RRTL for consideration of $97.5M by way of forgiveness of all debt owed by the Group to the purchaser, LandOcean Energy Services Co., Ltd and a cash consideration of $2.5M. The carrying value of the net assets of RRTL at the date of disposal were $65.9M. A gain of $31.6M was recognised on this transaction. This was a key audit matter as it was a significant transaction for the year and had a considerable impact of the profit and loss statement and the statement of financial position.	Our audit procedures included, but were not limited to the following: • Assessing the key terms of the sale and purchase agreement with LandOcean; • Assessed the calculation of the profit recognised on the sale by agreeing the purchase price and the value of the assets and liabilities de-recognised as a result of the sale. • Considering the application of AASB 5 to the accounting of the assets and associated liabilities as an asset held for sale and the appropriateness of the classification of discontinued operations; • Reviewing the completeness of the de-recognition of assets and liabilities held for sale as at 30 June 2020; and • Assessing the adequacy of the related disclosures in Notes 2 and 7 to the financial report.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, 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 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 26 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Star Phoenix Group Limited, for the year ended 30 June 2020, 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.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 26 October 2020

Additional Information

Top 20 shareholders

The 20 largest shareholders of the Company as at 31 August 2020 are listed below:

Rank	Shareholder	Number of shares	Percentage held (%)
1.	BEIJING SIBO INVESTMENT MANAGEMENT LP	24,476,210	17.31
2.	THESOLIA LTD	23,561,326	16.67
3.	LANDOCEAN ENERGY SERVICES CO LTD	17,390,770	12.30
4	SRAMEK BIODYNAMICS HOLDINGS LIMITED	15,365,998	10.87
5.	ABRAHAM LIMITED	7,123,776	5.04
6.	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	6,431,052	4.55
7.	BARCLAYS DIRECT INVESTING NOMINEES LIMITED <CLIENT1>	5,404,831	3.82
8.	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	3,878,346	2.74
9.	HSDL NOMINEES LIMITED	3,071,546	2.17
10.	HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	2,717,044	1.92
11.	HSBC CLIENT HOLDINGS NOMINEE (UK) LIMITED <731504>	1,918,678	1.36
12.	HSDL NOMINEES LIMITED <MAXI>	1,798,373	1.27
13.	HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	1,714,611	1.21
14.	HARGREAVES LANSDOWN (NOMINEES) LIMITED <VRA>	1,450,352	1.03
15.	PERSHING NOMINEES LIMITED <PERNY>	1,279,969	0.91
16.	SHARE NOMINEES LTD	950,616	0.67
17.	WEALTH NOMINEES LIMITED <WRAP>	890,022	0.63
18.	AURORA NOMINEES LIMITED <2288700>	852,393	0.60
19.	WEALTH NOMINEES LIMITED <NOMINEE>	817,136	0.58
20.	VIDACOS NOMINEES LIMITED <IGUKCLT>	677,740	0.48
Total		**121,770,789**	**86.14**

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 2020) is below:

Rank	Shareholder	Number of shares	Percentage held (%)
1.	BEIJING SIBO INVESTMENT MANAGEMENT LP	24,476,210	17.31
2.	THESOLIA LTD	23,561,326	16.67
3.	LANDOCEAN ENERGY SERVICES CO LTD	17,390,770	12.30
4	SRAMEK BIODYNAMICS HOLDINGS LIMITED	15,365,998	10.87
5.	ABRAHAM LIMITED	7,123,776	5.04

Distribution of equity securities

The number of shareholders by size of holding is set out below:

Size of holding	Number of holders	Number of shares
1 – 1,000	1,989	575,507
1,001 – 5,000	519	1,266,055
5,001 – 10,000	132	1,040,064
10,001 – 100,000	174	4,315,080
100,001 and over	21	134,171,249
Total	**2,835**	**141,367,955**

Tenement schedule

The tenement schedule for the Group as at 30 June 2020 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 Zhiwei Gu	Executive Chairman
	Mr Lubing Liu	Executive Director, COO, Joint Company Secretary
	Dr Mu Luo	Non-Executive Director
	Dr YuFeng Meng	Non-Executive Director

Company Secretary	Ms Evgenia Bezruchko and Mr Lubing Liu
Registered office & principal place of business	c/o Edwards Mac Scovell, Level 7, 140 St Georges Terrace Perth WA 6000, Australia Telephone: +61 8 6205 3012
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	BDO Audit (WA) Pty Ltd, 38 Station Street; Subiaco WA 6008, Australia
Stock Exchange Listing	Star Phoenix Group Ltd shares are listed on Alternative Investment Market of the London Stock Exchange (AIM code: STA)
Country of Incorporation	Australia
Website	www.starphoenixgroup.com