BIG STAR ENERGY

2019 ANNUAL REPORT

BIG STAR ENERGY LIMITED AND CONTROLLED ENTITIES

ABN 75 009 230 835

ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2019

BIG STAR ENERGY LIMITED AND CONTROLLED ENTITIES

ABN 75 009 230 835

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COMPANY DIRECTORY

DIRECTORS:

Ross Warner
Joanne Kendrick
Trent Spry

COMPANY SECRETARY

Andrew Whitten

REGISTERED OFFICE:

Level 5, 126 Phillip Street
Sydney, NSW, 2000
Telephone: + 61 (02) 9698 5414

SOLICITORS:

Automic Pty Ltd

Level 5
126 Phillip Street
Sydney, NSW, 2000
Telephone: + 61 (02) 8072 1400

Email: info@bigstarenergy.com.au
Website: www.bigstarenergy.com.au

ASX CODE:

BNL

AUDITORS:

Stantons International Audit & Consulting Pty Ltd
6 Middlemiss Street
LAVENDER BAY, NSW,2060

BANKERS:

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94 Church Street
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SHARE REGISTRY:

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AUSTRALIAN COMPANY NUMBER:

ACN 009 230 835

AUSTRALIAN BUSINESS NUMBER:

ABN 75 009 230 835

DIRECTORS' REPORT

The Directors of Big Star Energy Limited ("the Company") present the Directors' report and the financial report of Big Star Energy and the entities it controlled ("Consolidated Entity "or "Group") at the end of, or during the year ended 31 December 2019.

DIRECTORS AND COMPANY SECRETARY

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.

Name	Particulars
Ross Warner	Executive Director & Chairman – Appointed 23 March 2018
Joanne Kendrick	Managing Director – Appointed 23 March 2018
Michael Pollak	Non-Executive Director – Appointed 23 March 2018 (Resigned 25 March 2020)
Trent Spry	Executive Director – Appointed 29 April 2019
Andrew Whitten	Company Secretary – Appointed 23 March 2018

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Ross Warner

Executive Director & Chairman (Appointed 23 March 2018)

Ross is an experienced natural resources executive. He has held executive and non-executive director roles in several public companies listed on AIM and ASX and a number of private companies. He has been involved in operated and non-operated oil and gas assets in the US, UK and Indonesia. He practiced as a corporate finance lawyer with Mallesons Stephen Jaques in Perth and Melbourne and Clifford Chance in London. He has the following qualifications: B. Juris and LLB (UWA); and LLM (Melb).

Other Current Directorships
Advance Energy plc (formerly Andalas Energy and Power plc) (LON: ADV)

Former Directorships in the Last Three Years
Zarmadan Gold Ltd

Special Responsibilities
Chairman

Interests in Shares and Options
15,000,000 ordinary fully paid shares
16,875,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2020

Joanne Kendrick

Managing Director (Appointed 23 March 2018)

Joanne has over 20 years upstream oil and gas experience in executive, operational and technical roles with Woodside Petroleum, Newfield Exploration, Gulf Canada and Nido Petroleum. She holds a Bachelor of Chemical Engineering from the University of Adelaide and specialises in Petroleum/Reservoir Engineering. Joanne has successfully led projects in all phases of the upstream lifecycle including exploration drilling programs, field developments, production operations as well as acquisitions and divestitures.

Other Current Directorships
None

DIRECTORS' REPORT (CONT.)

Former Directorships in the Last Three Years
None

Special Responsibilities
Managing Director

Interests in Shares and Options
15,000,000 ordinary fully paid shares
16,875,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2020

Michael Pollak
Non-Executive Director (Appointed 23 March 2018 and resigned 25 March 2020)

Michael Pollak holds a Bachelor of Commerce is a chartered accountant and has an MBA in strategy from the Australian Graduate School of Management. Michael commenced his career at PriceWaterhouseCoopers over 20 years ago. Michael has gained valuable experience in both Sydney and London in general management, audit, insolvency, corporate advisory and strategy across a wide range of industries including financial services, professional services, retail, mining, technology and manufacturing.

Michael is currently a director of MOQ Limited and was previously a director of various ASX listed entities including UCW Limited, Prospect Resources Limited, Metalicity Limited, Rhipe Limited, and Janison Education Group Limited, being companies that he previously recapitalised. Michael was also involved in the recapitalisation of various other companies listed on the ASX (via a DOCA and Creditors Trust).

Other Current Directorships
MOQ Limited (ASX: MOQ) (Non-executive director)

Former Directorships in the Last Three Years
Janison Education Group Limited (ASX: JAN) (Non-executive director)
UCW Limited (ASX: UCW) (Non-executive director)

Special Responsibilities
None

Interests in Shares and Options
26,000,000 ordinary fully paid shares
12,500,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2020

Trent Spry
Executive Director (Appointed 29 April 2019)

Trent brings to the Board significant ASX corporate experience, expertise in geoscience, exploration and project development as well as significant recent experience in the USA. Trent has over twenty years of experience in the upstream oil and gas industry in exploration, appraisal and development. He holds a Bachelor of Science (Hons) (National Centre for Petroleum Geology & Geophysics, University of Adelaide) and is a graduate of the Australian Institute of Company Directors. He has originated numerous projects from concept or acquisition through to discovery, appraisal, successful development and exit in Australia, SE Asia, the Gulf of Mexico and the US onshore. Trent specializes in new ventures and project execution and has expertise in hydrocarbon and helium systems analysis.

Other Current Directorships
None

Former Directorships in the Last Three Years
None

Special Responsibilities
Executive Director

Interests in Shares and Options
3,000,000 ordinary fully paid shares
16,875,000 unlisted options exercisable at $0.01 per option, expires on 30 June 2020

COMPANY SECRETARY
Andrew Whitten (Appointed 23 March 2018)

Andrew is a Solicitor Director of Automic Legal, a division of the Automic Group, where he specialises in corporate finance and securities law. Andrew has been involved in a comprehensive range of corporate and investment transactions including numerous initial public offerings on the ASX and NSX, corporate reconstructions, reserve mergers and takeovers. At present, Andrew is company secretary of a number of public listed companies.

The above-named directors and company secretary held office during and since the financial year, except as otherwise indicated.

DIRECTORS' REPORT (CONT.)

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year ended 31 December 2019 were helium exploration and oil exploration and production. The Company is headquartered in Australia and its strategy is to provide its shareholders with exposure to multiple high-value helium projects in North America.

OPERATING REVIEW

Helium Strategy – Las Animas, Colorado, USA

Big Star's helium strategy is to identify, acquire and develop helium opportunities in the USA. In the first half of 2019, the Company developed a proprietary regional geological model to identify prospective structures by evaluating and integrating historical and new data. This geological model identified 30 prospects and leads including Enterprise, Voyager, Millennium, Falcon and others.

In the June quarter (before the Company acquired any leases), the Company sought to refine its geological model by undertaking new, proprietary regional work in Las Animas including reprocessing of aero-magnetics and gravity as well as a geochemical program targeting helium anomalies at surface. Both programs subsequently concluded during the September quarter and the results were integrated with the regional geologic and prospect specific studies. The Company mapped potential helium sources, reservoirs and seals as well as prospective structures in order to refine the prospect ranking and focus its leasing program.

Elevated helium readings from soil gas samples collected from 18 locations (subsequently leased by the Company as at the report date) confirm an active helium system in the area and at these locations. The elevated readings of helium (10-100% over normal atmospheric concentrations) at these locations are consistent with soil gas results at Harley Dome in Utah which has reportedly produced gas at 7% helium concentrations.

The Company's first helium lease in Las Animas was secured on 22 August 2019 over part of the Enterprise prospect. The Company leased aggressively through to the end of the year, by which time, a total of 92,443 gross (50,692 net) acres were leased from private mineral owners and the State of Colorado over 11 prospects and several leads. Big Star now holds a dominant land position in Las Animas County, Colorado over 11 prospects and several leads including some leases at Enterprise and Voyager within 6 miles of the historical Model Dome helium field.

The Model Dome helium field was discovered in the 1920s and produced for a short period before being strategically acquired by the US Government. It produced gas containing 8% helium and is included in the top 4 highest concentration helium fields produced in the USA. Model Dome's shallow, vertical wells initially produced between 500 and 1,000 mcf/day of raw gas per well. Geological modelling indicates helium prospectivity analogous to Model Dome in similar nearby structures identified by Big Star including at Enterprise, Voyager and Big Star's other prospects.

Subsequent to year end, the Company announced on 25 February 2020 that it had leased a further 17,612 gross (12,912 net) acres, and on 30 March 2020, that it had leased a further 11,981 net acres and completed due diligence in relation to certain prior leases resulting in a lease holding as at 30 March 2020 of 121,086 gross (64,924 net) acres.

Big Star will continue to add to both its gross and net position over preferred prospects in Las Animas County whilst we complete the technical and well location selection work necessary to prepare for a drilling program.

New Ventures – Helium

The Company continues to actively pursue upstream helium opportunities in accordance with its stated strategy.

Percy Creek Oil Exploration Project – Wyoming, USA

On 29 April 2019, Big Star entered into a farmin and drilling option agreement ("Agreement") to acquire interests in the Percy Creek oil exploration project. Under the Agreement terms, significant expenditure was to be applied to the acquisition of 2D and 3D seismic to earn 20% working interest and an overriding royalty interest in the leases. Subject to the seismic results confirming the structure and drilling location, and further funding, Big Star had a drilling option to secure 100% working interest by drilling a well in 2020.

During the December quarter, in order to concentrate its resources on the helium strategy, the Company withdrew from its Farmin and Option Agreement by mutual agreement with the vendor.

Big Star Project – Texas, USA

Production continued from the non-operated Simmons well. As at the report date, this asset is held for sale. The Stuart, Cline and Esmond wells have not produced in this period and remain shut-in.

New Ventures

The Company continues to actively pursue upstream oil, gas and helium opportunities in accordance with its stated strategy.

DIRECTORS' REPORT (CONT.)

Corporate

On 29 April 2019, Mr Trent Spry was appointed to the Board as an Executive Director. Mr Spry brings to the Board substantial ASX corporate experience, expertise in geoscience and exploration as well as significant recent experience in the USA. The Company granted Mr Spry 16,875,000 options to subscribe for ordinary shares in the Company at an exercise price of 1 cent. The options expire on 30 June 2020.

During the year, the Company raised $2,031,452 million (after brokerage costs) from the issue of 402,747,238 shares. Big Star's broker, Pamplona Capital Pty Ltd was granted 10,000,000 options to subscribe for ordinary shares in the Company at an exercise price of 1 cent. The options expire on 30 June 2020.

Big Star's cash at the end of the 2019 year was approximately $1.14 million.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to year end, on 25 March 2020, Mr Michael Pollak resigned from the Company's Board for personal reasons.

Subsequent to year end, the Company announced on 25 February 2020 that it had leased a further 17,612 gross (12,912 net) acres, and on 30 March 2020, that it had leased a further 11,981 net acres and completed due diligence in relation to certain prior leases resulting in a lease holding as at 30 March 2020 of 121,086 gross (64,924 net) acres.

Subsequent to year end, the Coronavirus (COVID-19) has had a significant impact on global economies and many industries. To date the restrictions arising from the global coronavirus pandemic have not materially affected the Company's operations with staff and consultants in Australia and the USA adapting to more isolated working conditions. The Company does not believe that its operations including permitting and planning for field activity later in the year will be materially impacted since, based on discussions with the Company's permitting group, in the US oil and gas related operations are considered essential services and are excluded from many of the imposed COVID-19 restrictions. The Company will actively monitor the situation as it develops including assessing any impact it may have on the Company's operations.

SIGNIFICANT CHANGES TO STATE OF AFFAIRS

There have been no further significant changes to the Company's state of affairs, other than those disclosed in the Operations Review and Significant Events After Balance Date.

FINANCIAL RESULTS

Big Star Energy Limited has reported a total comprehensive loss for the year ended 31 December 2019 of $914,315 (2018: profit of $46,762,314). The profit for the year ended 31 December 2018 was generated due to the transfer of the convertible notes and other creditors of the Company caught under the DOCA to the creditors' trust of $48,158,553 as a result of the effectuation of the DOCA on 23 March 2018.

DIVIDEND

No dividends have been paid or declared since the end of the previous financial period, or to the date of this report.

LIKELY DEVELOPMENTS AND RESULTS

The Company continues to actively pursue upstream helium opportunities in accordance with its stated strategy.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity is a party to various exploration and development licences or permits in the country in which it operates. In most cases, these contracts and licences specify the environmental regulations applicable to oil and gas operations in the respective jurisdictions. There have been no significant known breaches of the environmental obligations of the Consolidated Entity's licences.

DIRECTOR'S MEETINGS

During the financial year, the meeting of directors held were:

	Directors Meetings	
Name of directors	**Meetings Held**	**In attendance**
Ross Warner	12	12
Joanne Kendrick	12	12
Michael Pollak	12	12
Trent Spry	8	8

All other business was conducted via circular resolution.

DIRECTORS' REPORT (CONT.)

INCOMPLETE RECORDS

The management and affairs of the Company and all its controlled entities were not under the control of the Directors of the Group between 28 April 2016, when it entered into voluntary administration, and 23 March 2018, when the DOCA was effectuated.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to their appointment and the effectuation of the DOCA on 23 March 2018.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 because of the possible effect of the incomplete records for the comparative period 31 December 2018.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The independence declaration as required under section 307C of the Corporations Act 2001 received from the auditor of Big Star Energy Limited is set out on page 10 and forms part of this Directors' report for the year ended 31 December 2019.
Total fees paid or payable to the Company's auditors Stantons International Audit & Consulting Pty Ltd for non-audit services provided to the Company during the year ended 31 December 2019 are $Nil (2018: $9,000).

INDEMNIFICATION OF DIRECTORS & COMPANY SECRETARY

The Company has agreed to indemnify the current directors and company secretary of the Group against all liabilities that may arise from their position as directors or officers of the Group to the maximum extent permitted by law.

INDEMNIFYING OFFICERS

During the year, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors and the company secretary. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group or other otherwise excluded by the policy.

OPTIONS

At the date of this report, the unissued ordinary shares of Big Star Energy Limited under option are as follows:

- 75,000,000 unlisted options approved by shareholders on 23 January 2018 and issued on 9 April 2018, exercisable at $0.01 per option, expiring on 30 June 2020.
- 16,875,000 unlisted options issued on 29 April 2019 and ratified by shareholders on 29 July 2019, exercisable at $0.01 per option, expiring on 30 June 2020.
- 10,000,000 unlisted options approved by shareholders on 28 November 2019 and issued on 24 December 2019, exercisable at $0.01 per option, expiring on 30 June 2020.

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity. For details of options issued to the directors, refer to the remuneration report.

PROCEEDINGS ON BEHALF OF COMPANY

On 27 November 2017, ASIC lodged proceedings in the Federal Court of Australia against the Company and one of its directors, Mr James Cruickshank. On 4 December 2017, the Court granted leave to ASIC to commence and maintain the proceedings against the Company and Mr Cruickshank. The matter is currently listed as Part Heard.

The proceedings were initiated when the Company was in administration and the Administrators consented to the grant of leave being granted to ASIC to commence and maintain the proceedings against the Company on and Mr Cruickshank on conditions that:

1. ASIC continues to seek only declaratory relief, but not pecuniary penalties, damages or an account of profits from the Company;
2. ASIC is not entitled to seek to enforce any judgment or order against the Company, without further leave of the Court;
3. ASIC will not require the Administrators or the Company to take any active step in the proceedings (including, but not limited to, the filing of a defence); and
4. ASIC has agreed to cover the reasonable costs incurred by the Company in the proceedings as a result of steps requested or required by ASIC itself in the proceeding (for example, in relation to providing discovery).

The Company is engaged in a legal dispute with a US counterparty in relation to an alleged breach by the Company of a confidentiality agreement. The board believes the dispute is unlikely to result in a material adverse outcome for the Company or its business.

DIRECTORS' REPORT (CONT.)

REMUNERATION REPORT (AUDITED)

The remuneration report below reflects the remuneration policies that were adopted by the directors of the Company who were in office at the date of this report. These policies have applied since 23 March 2018.

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration;
2. Key management personnel remuneration;
3. Service agreements; and
4. Shareholding and option holding of directors and other key management personnel.

The information provided under headings 1 to 4 below in the Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

1. Principles used to determine the nature and amount of remuneration (audited)

The Company's Constitution specifies that subject to the initial fixed annual aggregate sum of $500,000, the aggregate remuneration of non-executive directors shall not exceed the sum determined by the shareholders of the Company in general meeting.
The company may pay a performance-based bonus based on key performance indicators of the Director and Company, set by the Company from time to time, and any matter that it deems appropriate.

Fees and payments to directors:

1. are to reflect the demands which are made on, and the responsibilities of, the directors; and
2. are reviewed annually by the board to ensure that directors' fees and payments are appropriate and in line with the market.

Retirement allowances and benefits for directors
There are no retirement allowances or other benefits paid to directors.

Directors' fees
The amount of remuneration of the directors of the Company (as defined in AASB 124 Related Party Disclosures) are outlined in the table below under the heading Key management personnel remuneration.

Key management personnel

Ross Warner	Executive Director & Chairman – Appointed 23 March 2018
Joanne Kendrick	Managing Director – Appointed 23 March 2018
Michael Pollak	Non-Executive Director – Appointed 23 March 2018 (Resigned 25 March 2020)
Trent Spry	Executive Director – Appointed 29 April 2019

2. Key management personnel remuneration

The following table sets out the remuneration of directors and executives of the Consolidated Entity during the reporting period.

	Short-Term				Long-Term	Post Employ-ment	Total	Total Perform-ance Related
Year to 31 Dec 2019	**Salary & Fees**	**Bonus**	**Non Monetary Benefits**	**Share Based Payment (i)**	**Long-Service Leave**	**Super-annuation**		
	$	$	$	$	$	$	$	$
Directors								
Ross Warner	54,795	22,831	-	-	-	7,374	85,000	25,000
Joanne Kendrick	60,000	25,000	-	-	-	-	85,000	25,000
Michael Pollak	54,795	-	-	-	-	5,205	60,000	-
Trent Spry(i)	45,000	25,000	-	12,790		-	82,790	25,000
Total	214,590	72,831	-	12,790	-	12,579	312,790	75,000

(i) 16,875,000 unlisted options exercisable at $0.01 per option, expiring on 30 June 2020 were issued upon Mr Spry's appointment as director on 29 April 2019 and ratified by shareholders on 29 July 2019

DIRECTOR'S REPORT (CONT.)

REMUNERATION REPORT (AUDITED) (CONT.)

	Short-Term				Long-Term	Post Employ-ment	Total	Total Perform-ance Related
Year to 31 Dec 2018	**Salary & Fees** $	**Cash Bonus** $	**Non Monetary Benefits** $	**Share Based Payments** $	**Long-Service Leave** $	**Super-annuation** $	$	$
Directors*								
Ross Warner	42,422	-	-	-	-	4,030	46,452	-
Joanne Kendrick	46,452	-	-	-	-	-	46,452	-
Michael Pollak	42,422	-	-	-	-	4,030	46,452	-
Total	131,296	-	-	-	-	8,060	139,356	-

* Directors listed were formally appointed on 23 March 2018, being the date the DOCA effectuated. Remuneration was received for the period 23 March 2018 to 31 December 2018.

3. Service agreements (audited)

The directors serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the Corporations Act 2001, or are not re-elected to office. The directors are remunerated on a monthly basis with three months termination payments payable. As at the date of this report there are no management personnel engaged by the Company other than the directors.

The directors entered into service agreements on the following terms:

- Base salary (including director's fees of $60,000 per annum (including superannuation or similar contributions).
- The Company may also, in its absolute discretion, provide a bonus, the value of which, the conditions attached to and the frequency of such a bonus, remains matters over which the Company exercises sole discretion.

4. Shareholding and option holding of directors and other key management personnel (audited)

Share holdings of Key Management Personnel

	Balance at 1 January	On exercise of performance rights	Other changes during the year (ii)	On market purchase	Balance at 31 December
2019					
Ross Warner	15,000,000	-	-	-	15,000,000
Joanne Kendrick	15,000,000	-	-	-	15,000,000
Michael Pollak	26,000,000	-	-	-	26,000,000
Trent Spry	-	-	3,000,000	-	3,000,000
Total	**56,000,000**	**-**	**3,000,000**	**-**	**59,000,000**

(ii) Shares acquired by director on 31 July 2019.

	Balance at 1 January	On exercise of performance rights	Other changes during the year (iii)	On market purchase	Balance at 31 December
2018					
Ross Warner	-	-	15,000,000	-	15,000,000
Joanne Kendrick	-	-	15,000,000	-	15,000,000
Michael Pollak	-	-	26,000,000	-	26,000,000
Total	**-**	**-**	**56,000,000**	**-**	**56,000,000**

(iii) Shares acquired by directors on 9 April 2018 and 23 May 2018.

* The Company was under external administration from 28 April 2016 until 23 March 2018, consequently the Company does not have sufficient information to allow for the level of disclosure required in relation to the shareholdings for directors prior to 23 March 2018.

DIRECTORS' REPORT (CONT.)

REMUNERATION REPORT (AUDITED)

Details of options over the ordinary shares in the Company provided to each director and key management personnel of the Group is set out below. When exercisable, each option is convertible into one ordinary share of the Company.

Options held by Key Management Personnel

	Balance at 1 January	On exercise of performance rights	Other changes during the year (iv)	On market purchase	Balance at 31 December
2019					
Ross Warner	16,875,000	-	-	-	16,875,000
Joanne Kendrick	16,875,000	-	-	-	16,875,000
Michael Pollak	12,500,000	-	-	-	12,500,000
Trent Spry	-	-	16,875,000	-	16,875,000
Total	**46,250,000**	**-**	**16,875,000**	**-**	**63,125,000**

(iv) Options acquired by director on appointment on 29 April 2019 and ratified by shareholders on 29 July 2019. Each option gives the option holder the right to subscribe to one share for every option they own. Options will expire on 30 June 2020, exercisable at $0.01cents per option. The options are fully vested and were calculated at grant date using the Black Scholes model with a share price at grant date of $0.006 cents per option. The fair value of the options was $0.0008 per option at grant date.

	Balance at 1 January	On exercise of performance rights	Other changes during the year (v)	On market purchase	Balance at 31 December
2018					
Ross Warner	-	-	16,875,000	-	16,875,000
Joanne Kendrick	-	-	16,875,000	-	16,875,000
Michael Pollak	-	-	12,500,000	-	12,500,000
Total	**-**	**-**	**46,250,000**	**-**	**46,250,000**

(v) First placement options acquired by directors on 9 April 2018.
Each first placement option gives the option holder the right to subscribe to one share for every first placement option they own. The first placement options will expire on 30 June 2020, exercisable at $0.01 per option.

* The Company was under external administration from 28 April 2016 until 23 March 2018, consequently the Company does not have sufficient information to allow for the level of disclosure required in relation to the option holdings for directors prior to 23 March 2018.

End of Remuneration Report

Signed in accordance with a resolution of the Directors.

Ross Warner
Chairman
31 March 2020

CORPORATE GOVERNANCE STATEMENT

Statement of Corporate Governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance. Big Star Energy Limited and its subsidiaries have adopted the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council.

The Company's corporate governance statement reflects the corporate governance policies that were adopted by the directors of the Company who were in office at the date of this report. These policies have applied since 23 March 2018.

The Company's current Corporate Governance Statement is available on Big Star Energy Limited's website at: www.bigstarenergy.com.au.

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31 March 2020

Board of Directors
Big Star Energy Limited
Level 5,126 Philip Street
Sydney NSW 2000

Dear Directors

RE: BIG STAR ENRGY LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Big Star Energy Limited.

As Audit Director for the audit of the financial statements of Big Star Energy Limited for the year ended 31 December 2019 I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Statement of Profit or Loss & Other Comprehensive Income
Big Star Energy Limited and its Controlled Entities
For the Year Ended 31 December 2019

	Notes	Consolidated 31 December 2019 $	31 December 2018 $
Continuing operations			
Revenue	3	10,793	50,249
Cost of sales	4(a)	(45,568)	(422,851)
Gross loss		(34,775)	(372,602)
Other income	3	51,922	3,203
Other Expenses excluding finance costs	4(b)	(396,512)	(517,927)
Impairment of oil & gas assets	(10)	(35,124)	(249,762)
Impairment of exploration and evaluation assets	(12)	(149,498)	
Rehabilitation provisions		-	(66,854)
Employment expenses	4(c)	(226,387)	(139,356)
Share based payment expense	4(c),27	(12,790)	-
Business development expenses	4(b)	(98,044)	(52,043)
Legal expenses	4(b)	(5,747)	(65,918)
Loss before income tax		(906,955)	(1,461,259)
Income tax benefit	5	-	-
Loss from continuing operations		**(906,955)**	**(1,461,259)**
Discontinued operations			
Profit from discontinued operations	26	**-**	**48,158,553**
Net (loss)/profit attributable to members of the company		**(906,955)**	**46,697,294**
Other comprehensive income			
Exchange differences on translation of foreign entities		(7,360)	65,020
Other comprehensive (loss)/profit for the year net of tax		**(7,360)**	**65,020**
Total comprehensive/(loss) profit for the year		**(914,315)**	**46,762,314**
(Loss)/Earnings per share (cents per share)			
Loss from continuing operations:			
Basic loss per share for the year	6	**(0.21)**	**(0.61)**
Diluted loss per share for the year	6	**(0.21)**	**(0.61)**
Loss/Earnings from all operations:			
Basic (loss)/ profit per share for the year	6	-	19.45
Diluted (loss)/profit per share for the year	6	-	17.01

The above statement of profit or loss & other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

Big Star Energy Limited and its Controlled Entities

As at 31 December 2019

	Notes	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,138,089	510,308
Trade and other receivables	8	31,269	18,326
Other assets	9	55,684	17,873
Held for sale asset -Oil & gas properties	14	17,128	-
Total current assets		**1,242,170**	**546,507**
NON-CURRENT ASSETS			
Other assets	9	35,684	35,421
Property, Plant & Equipment	11	1,456	3,078
Exploration and evaluation assets	12	778,559	-
Oil & gas properties	10	-	51,006
Total non-current assets		**815,699**	**89,505**
TOTAL ASSETS		**2,057,869**	**636,012**
CURRENT LIABILITIES			
Trade and other payables	13	516,872	238,645
Total current liabilities		**516,872**	**238,645**
NON-CURRENT LIABILITIES			
Provisions	15	214,102	283,367
Liabilities associated with held for sale	14	71,368	-
Total non-current liabilities		**285,470**	**283,367**
TOTAL LIABILITIES		**802,342**	**522,012**
NET ASSETS		**1,255,527**	**114,000**
EQUITY			
Contributed equity	16	3,913,870	1,882,418
Reserves	17	83,925	66,895
Accumulated Losses		(2,742,268)	(1,835,313)
TOTAL SHAREHOLDERS FUNDS		**1,255,527**	**114,000**

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

Statement of Changes in Equity

Big Star Energy Limited and its Controlled Entities

For the Year Ended 31 December 2019

CONSOLIDATED	Ordinary Share Capital $	Accumulated Losses $	Foreign Currency Reserve $	Convertible Note Premium Reserve $	Share Option Reserve $	Total $
Balance at 1 January 2019	**1,882,418**	**(1,835,313)**	**65,020**	**-**	**1,875**	**114,000**
Loss for the year		(906,955)				(906,955)
Other comprehensive income					-	
Exchange differences on translation of foreign operations	-	-	(7,360)	-	-	(7,360)
Total comprehensive loss for the year	**-**	**(906,955)**	**(7,360)**	**-**	**-**	**(914,315)**
Transactions with owners in their capacity as owners:						
Issue of Capital and options	2,160,486	-	-	-	24,390	2,184,876
Costs of capital	(129,034)	-	-	-	-	(129,034)
Balance at 31 December 2019	**3,913,870**	**(2,742,268)**	**57,660**	**-**	**26,265**	**1,255,527**

CONSOLIDATED	Ordinary Share Capital $	Accumulated Losses $	Foreign Currency Reserve $	Convertible Note Premium Reserve $	Share Option Reserve $	Total $
Balance at 1 January 2018	**84,436,358**	**(165,118,653)**	**22,671,063**	**3,921,020**	**5,883,438**	**(48,206,774)**
Profit for the year	-	46,697,294	-	-	-	46,697,294
Exchange differences on translation of foreign operations	-	-	65,020	-	-	65,020
Total comprehensive profit for the year	**-**	**46,697,294**	**65,020**	**-**	**-**	**46,762,314**
Transactions with owners in their capacity as owners:						
Issue of Capital and options	2,025,000	-	-	-	1,875	2,026,875
Costs of capital	(142,582)	-				(142,582)
Write back of accumulated losses	(84,436,358)	116,586,046	(22,671,063)	(3,921,020)	(5,883,438)	(325,833)
Balance at 31 December 2018	**1,882,418**	**(1,835,313)**	**65,020**	**-**	**1,875**	**114,000**

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

Statement of Cash Flows
Big Star Energy Limited and its Controlled Entities
For the Year Ended 31 December 2019

	Note	Consolidated 31 December 2019 $	31 December 2018 $
Cash flows from operating activities			
Receipts from customers		62,315	46,301
Payments to suppliers and employees		(918,351)	(1,150,312)
Interest received		682	3,203
DOCA settlement		-	(510,729)
Net cash (outflows) from operating activities	7	**(855,354)**	**(1,611,537)**
Cash flows from investing activities			
Payment for property, plant and equipment		(2,495)	(6,032)
Payment to acquire tenements		(512,769)	-
Payment for other non-current assets		(37,043)	-
Net cash (outflows) from investing activities		**(552,307)**	**(6,032)**
Cash flows from financing activities			
Net Proceeds from share issue		2,160,486	1,841,654
Costs related to issue of shares		(126,027)	(142,582)
Overpaid monies to be refunded		1,000	-
Proceeds from syndicate loan		-	498,021
Repayment of syndicate loan		-	(322,800)
Net cash inflows from financing activities		**2,035,459**	**1,874,293**
Net increase in cash and cash equivalents held		**627,798**	**256,724**
Cash and cash equivalents at the beginning of the year		510,308	254,183
Effects of exchange rate changes on cash		(17)	(599)
Cash and cash equivalents at the end of the year	7	**1,138,089**	**510,308**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 31 December 2019

NOTE 1 BASIS OF PREPARATION

Big Star Energy Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange and is a for profit entity. The address of the registered office is Level 5, 126 Phillip Street, Sydney, NSW, 2000 and the principal place of business is Unit 6, 245 Churchill Avenue, Subiaco, WA, 6008.

The principal activities of the Consolidated Entity during the year ended 31 December 2019 were helium exploration and oil exploration and production. The Company is headquartered in Australia.

(a) Basis of preparation

Subject to note 1(b) below, the financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared in accordance with the historical cost convention.

Going Concern

The directors have prepared the financial report of the consolidated entity on a going concern basis.

For the year ended 31 December 2019 the consolidated entity produced a total comprehensive loss of $914,315 (31 December 2018: total comprehensive profit of $46,762,314) and had working capital of $725,298 (31 December 2018: working capital of $307,862). The Directors considered the subsequent events, reviewed the cash flow forecasts and working capital requirements of the group in view of the Group's existing cash resources of $1,138,089 (31 December 2018: $510,308) and capital monies raised. On this basis, and subject to the impact of COVID-19 pandemic on the economy and the Group, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the year ended 31 December 2019 financial report.

The Directors are aware, having prepared a cashflow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months.

In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Standards (IFRS) as issued by the International Accounting Standard Board except for the incomplete records noted below.

(b) Incomplete records

The management and affairs of the Company and all its controlled entities were not under the control of the Directors of the Group between 28 April 2016, when it entered into voluntary administration, and 23 March 2018, when the DOCA was effectuated.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using data extracted from the Group's accounting systems and the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment. However, it has not been possible for the Directors to obtain all the books and records of the Group for the period prior to their appointment and the effectuation of the DOCA on 23 March 2018.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 because of the possible effect of the incomplete records for the comparative period ended 31 December 2018.

(c) New and amended accounting standards and interpretations

Apart from the adoption of new or revised accounting standards, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

New and amended Standards and Interpretations did not result in any significant changes to the Group's accounting policies.

The Group has not elected to early adopt any new standards or amendments that have been issued that are not yet effective.

New accounting standards include AASB 16 Leases which has become mandatory for the Company's financial statements. This standard results in operating leases being accounted for in the balance sheet and the reclassification of operating lease expense into depreciation and finance expenses, and the reclassification of certain cash flows. This standard does not impact the Company.

NOTE 1 BASIS OF PREPARATION (CONT.)

(d) Principles of consolidation

The consolidated financial statements comprise the financial statements of Big Star Energy Limited and its subsidiaries during the year ended 31 December 2019 ("the Consolidated Entity").

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Oil and Gas Properties
Oil and gas properties include construction, installation or completion of infrastructure facilities such as pipelines and platforms, capitalised borrowing costs, transferred exploration and evaluation costs, and the cost of development wells.

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 Consolidated Entity and the cost of the item can be measured reliably. All other costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation
Property, plant and equipment, other than freehold land, is depreciated to their residual values at rates based on the expected useful lives of the assets concerned.

The remaining assets use the straight-line approach. The major categories of assets are depreciated as follows:

Category	Method
Plant and equipment	Straight line at 50%

Impairment
The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For property, plant and equipment, impairment losses are recognised in profit or loss.

Disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(f) Exploration and evaluation

Expenditure on exploration and evaluation is accounted for in accordance with the "area of interest" method.

Exploration licence acquisition costs are capitalised and subject to half-yearly impairment testing.

All exploration and evaluation costs, including general permit activity, geological and geophysical costs and new venture activity costs are expensed as incurred except where:

- The expenditure relates to an exploration discovery where, at balance date, an assessment of the existence or otherwise of economically recoverable reserves is not yet complete and significant operations in, or in relation to, the area of interest are continuing; or
- An assessment has been made and it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons. Areas of interest may be recognised at either the field or the well level, depending on the nature of the project. Subsequent to the recognition of an area of interest, all further costs relating to the area of interest are capitalised.

NOTE 1 BASIS OF PREPARATION (CONT.)

(f) Exploration and evaluation(cont)

Each potential or recognised area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support the continued carry forward of capitalised costs.

Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil, gas and helium properties.

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

(g) Impairment

Non-financial assets

At each reporting date, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. If any such indication of impairment exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes a formal estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).
Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit).

(h) Provision for restoration

The Consolidated Entity 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.

Typically, the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related oil and gas properties.

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

(i) Trade and other receivables

Trade receivables, which generally have 30-90-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when there is objective evidence that the Consolidated Entity will not be able to collect the full debt. Bad debts are written off when identified. Financial difficulties of the debtor and default payments are likely to be considered objective evidence of impairment.

(j) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

(k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

NOTE 1 BASIS OF PREPARATION (CONT.)

(m) Employee benefits

Short term benefits

Liabilities for wages and salaries, and other short-term benefits expected to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(n) Revenue recognition

Revenue is recognised when the Group transfers control of goods to a customer at the amount to which the group expects to be entitled. Where the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled to at the time the revenue is recognised. The following specific recognition criteria must also be met before revenue is recognised:

Sales Revenue – Oil sales
The Performance obligation for sales is satisfied when the physical possession of the oil is taken. Payment is generally received 80 to 100 days from delivery. Oil revenue is initially recognised in the revenue clearing account until the payment is received.

Interest
Revenue is recognised as the interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends
Revenue is recognised from dividends when the Company's right to receive the dividend payment is established.

(o) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences; except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised; except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, in which case the deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date.

Income taxes relating to terms recognised directly in equity are recognised in equity and not in profit or loss.

NOTE 1 BASIS OF PREPARATION (CONT.)

(p) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(q) Issued and paid up capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

(r) Earnings per share ("EPS")

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net profit attributed to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with the dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue and expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Foreign currency translation

Both the functional and presentation currency of Big Star Energy Limited and its Australian subsidiaries is in Australian dollars ($). Entities within the Consolidated Entity that are based and operate outside of Australia use the functional currency of the country in which they operate, provided the local economy is not subject to hyperinflation. Each entity in the Consolidated Entity uses its specific functional currency to measure the items included in the financial statements of that entity.

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange ruling at the date of the transaction or the average for the period when translating a large number of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historic cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rate as at the date when fair value was determined.

The functional currency of the Consolidated Entity's material foreign operation, Antares Energy Company, is United States dollars (USD).

As at the reporting date the assets and liabilities of this subsidiary were translated into the presentation currency of Big Star Energy Limited at the rate of exchange ruling at the balance date and their profit or loss is translated at the average exchange for the period.

The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of profit or loss and other comprehensive income.

(t) Share-based payment transactions

The Consolidated Entity provides benefits to directors and employees of the Consolidated Entity in the form of equity, whereby directors and employees render services in exchange for shares, options to acquire shares or rights over shares.

NOTE 1 BASIS OF PREPARATION (CONT.)

(t) Share-based payment transactions(cont.)

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate model. In valuing equity-settled transactions, account is taken of performance conditions where the conditions are linked to the price of the shares of Big Star Energy Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) for non-market-based hurdles, the extent to which the hurdle has been satisfied.

Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for changes in the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of the fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The dilutive effect, if any, of outstanding securities is reflected as additional share dilution in the computation of earnings per share.

(u) Critical accounting estimates, assumptions and judgements

Estimates and assumptions are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Equally, the Consolidated Entity continually employs judgement in the application of its accounting policies.

(i) Critical Accounting Estimates and Assumptions

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of oil and gas properties

The Consolidated Entity's accounting policy for impairment is set out at Note 1(g).

Unless otherwise identified, the following discussion of impairment testing is applicable to the assessment of the recoverable amount of all of the Consolidated Entity's Oil and Gas Property assets.

As at 31 December 2019 the Group impaired the value in use of its oil and gas properties, writing their carrying values to $17,128 (2018: $ $51,006).

The company has valued these assets at the fair value or market price for these assets.

Restoration obligations

Where a restoration obligation exists, the Consolidated Entity estimates the future removal costs of production facilities, wells and pipelines at the time of installation of the assets. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal techniques in determining the removal cost and asset. For more detail regarding this policy in respect of the provision for restoration refer to Note 1(h).

NOTE 2 SEGMENT REPORTING

For management purposes, the Company is organised into one main operating segment, which, during the period, involved helium exploration and oil exploration and production in the USA. All the Company's activities are interrelated, and discrete financial information is reported to the Chairman and the management team as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group derives its revenue from the sale of oil and gas produced in the USA. During the years ended 31 December 2019 and 31 December 2018 external sales of oil and gas were made to customers solely located in the USA.

	Consolidated	
	31 December 2019	**31 December 2018**
	$	**$**
Analysis of revenue – Continued operations:		
Oil	10,793	49,187
Gas	-	1,062
Other*	51,922	3,203
	62,715	**53,452**

*monies received by Antares Energy Company from previously divested properties

NOTE 2 SEGMENT REPORTING (CONT.)

	Consolidated 31 December 2019	Consolidated 31 December 2018
Geographical split of non-current assets:		
USA	814,243	86,427
Australia	1,456	3,078
	815,699	**89,505**

NOTE 3 REVENUE & INCOME

	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Revenue		
Sale of product	10,793	50,249
Other Income	51,922	3,203
	62,715	**53,452**

NOTE 4 EXPENSES AND LOSSES

Expenses

	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
(a) Cost of sales:		
Other production costs	45,568	422,851
Total cost of goods sold	45,568	422,851
(b) Other expenses:		
General expenses	392,394	514,973
Depreciation	4,118	2,954
Legal expenses	5,747	65,918
Business development expenses	98,044	52,043
	500,303	635,888
(c) Employment expenses:		
Wages and salaries*	213,808	131,296
Superannuation	12,579	8,060
Share based payment	12,790	-
Total employment expenses	239,177	139,356

*The company capitalised salary and wages totalling $73,612 (Refer Note 12).

NOTE 5 INCOME TAX

The major components of income tax expense are	ConsolidatedConsolidated Consolidated 31 December 2019 $	31 December 2018 $
Income Statement		
Current Income Tax		
Current income tax benefit	-	-
Prior year adjustment	-	-
Deferred Income Tax		
Relating to origination and reversal of timing differences	-	-
	-	-
Income tax benefit is attributable to:		
Loss from continuing operations	-	-
Profit from discontinued operations	-	-
	-	-

NOTE 5 INCOME TAX (CONT.)

A reconciliation between tax expense and the product of accounting (loss)/profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Accounting (loss)/profit before income tax	(906,955)	46,697,294
At Group's statutory income tax rate of 27.5% (2018: 27.5%)	(249,413)	12,841,756
Adjustments in respect of current year income tax:		
- Non-deductible expense / assessable income	-	(13,243,602)
- Other	-	-
- Deferred tax asset not brought to account	249,413	401,846
- Prior year adjustments	-	-
Income tax benefit	-	-

Unrecognised deferred tax assets	**31 December 2019 $**	**31 December 2018 $**
The following deferred tax assets have not been brought to account as follows:		
Tax losses - revenue (Australian)	651,259	401,846
Temporary difference – oil and gas assets	-	-
Temporary differences – financial assets	-	-
Temporary differences – provisions	-	-
	651,259	401,846

The deferred tax assets will only be obtained if:
i) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
ii) The conditions for deductibility imposed by tax legislation continue to be complied with; and
iii) No changes in tax legislation adversely affect the consolidated entity in realising the benefit.

Big Star Energy Limited does not have any franking credits at 31 December 2019 (2018: NIL).

NOTE 6 (LOSS)/PROFIT PER SHARE

Basic profit/(loss) per share amounts are calculated by dividing net profit or loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted (loss)/profit per share amounts are calculated by dividing the net profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares

	Consolidated	
The following reflects the income and share data used in the basic and diluted earnings per share computations:	**31 December 2019 $**	**31 December 2018 $**
Net (loss)/profit attributable to ordinary equity holders of the parent (used in calculating basic and diluted (loss)/profit per share)	(906,955)	46,697,294
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	428,052,856	240,035,632

NOTE 7 CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2019 $	31 December 2018 $
Cash at bank and on hand	1,138,089	510,308

Cash at bank earns interest at floating rates based on daily bank deposit rates.

	Consolidated	
	31 December 2019 $	31 December 2018 $
Reconciliation of net profit/(loss) after tax to net operating cash flows		
Net (loss)/profit for the year	(906,955)	46,697,294
Non-cash Items and other adjustments:		
Profit from discontinued operations	-	(48,158,553)
Impairment of oil & gas properties	35,124	316,616
Depreciation	4,118	-
Share based payment	24,390	-
DOCA settlement	-	(510,729)
Change in operating assets and liabilities:		
(Increase)/Decrease in receivables and prepayments	(12,943)	(18,326)
Increase/(Decrease) in creditors and payables	912	(60,950)
Increase/(Decrease) in provisions	-	123,111
Net cash (outflows) from operating activities	(855,354)	(1,611,537)

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Non-cash financing and investing activities: during the year the Company issued options with a value $11,600 for the provision of services.

NOTE 8 TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2019 $	31 December 2018 $
Current		
Other receivables (i)	31,269	18,326
	31,269	18,326

(i) Other receivables include BAS refunds.
None of the receivables are past due and/or impaired.

NOTE 9 OTHER ASSETS

	Consolidated	
	31 December 2019 $	31 December 2018 $
Current		
Prepayment	20,000	17,873
Deposit	35,684	-
	55,684	17,873
Non-Current		
Bonds (i)	35,684	35,421
	91,368	53,294

(i) Refundable deposits on completion of well abandonment at operated oil and gas properties.

NOTE 10 OIL AND GAS PROPERTIES

	Consolidated 31 December 2019 $	31 December 2018 $
Oil and gas properties		
- at cost	411,183	411,183
- accumulated amortisation & impairment	(370,999)	(335,875)
- exchange difference translation	(23,056)	(24,302)
- transfer to held for sale asset (see Note 14)	(17,128)	-
	-	51,006
Oil and gas properties are denominated in $US dollars		
Reconciliation of carrying amounts of oil and gas properties:		
Balance at start of year	51,006	295,916
Impairment	(35,124)	(249,762)
Foreign exchange translation	1,246	4,852
Transfer to held for sale asset (see Note 14)	(17,128)	-
Balance at end of year	-	51,006

Oil and gas properties consist of the Big Star project. The value of the Group's interest in oil and gas properties is dependent upon the continuance of the Group's rights to tenure of the areas of interest, the results of future exploration and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The directors have impaired the value of the oil and gas assets to $17,128 (US$12,000) as at December 2019 (2018: $51,006 (US$36,000) due to loss of leased acreage in Dawson County, Texas during the period.

NOTE 11 PROPERTY, PLANT & EQUIPMENT

	Consolidated 31 December 2019 $	31 December 2018 $
EQUIPMENT		
IT Equipment	8,528	6,032
Accumulated Depreciation	(7,072)	(2,954)
	1,456	3,078

NOTE 12 EXPLORATION AND EVALUATION ASSETS

	Consolidated 31 December 2019 $	31 December 2018 $
Current		
Capitalised expenditure		-
- at cost	928,057	-
- accumulated amortisation and impairment	(149,498)	-
- exchange difference translation	-	-
	778,559	-
Reconciliation of Carrying amounts of exploration and evaluation assets:		
Balance at start of the year	-	-
Additions	928,057	-
Impairment	(149,498)	-
Foreign exchange difference translation	-	-
Balance at end of the year	778,559	-

Capitalised Expenditure

Big Star Energy Limited has secured leases in Las Animas County, Colorado, USA over a number of prospects and leads to develop and deliver its helium strategy. This leased acreage is intended to support a drilling programme in the subsequent year. Currently Big Star Energy Limited has expended certain funds in connection with acquiring and exploring the lands for helium. As at 31 December 2019 there was a total of $778,559 of expenditure directly connected with this asset which has been capitalised from 1 October 2019 in accordance with AASB 6 Exploration and Evaluation of Mineral Resources.

Big Star Energy Limited's wholly owned subsidiary BNL (Percy Creek) entered into a Farmin and option agreement with Percy Creek Partners LLC. On 4 November 2019, the Company announced that the agreement was terminated by mutual agreement. As at 31 December 2019 a total of $149,498 of expenditure directly connected with this Farmin which was previously capitalised from 26 April 2019 (the date of execution date of the Farm-in agreement) has been written off in accordance with AASB 6 Exploration and Evaluation of Mineral Resources.

		Consolidated	
		31 December 2019 $	31 December 2018 $
NOTE 13	**TRADE AND OTHER PAYABLES (CURRENT)**		
	Trade creditors and accruals	516,872	238,645
		516,872	238,645

Trade creditors are non-interest bearing and generally payable within 30 – 60 days.

NOTE 14 HELD FOR SALES ASSETS & LIABILITIES ASSOCIATED WITH HELD FOR SALE ASSETS

	Consolidated	
	31 December 2019 $	31 December 2018 $
Held For Sale Assets at fair value		
Oil and Gas Properties – AEC	17,128	-
Restoration Provisions	(71,368)	-
Balance 31 December	(54,240)	-

Held for sale assets

Held for sale financial assets comprise the one well bore Simmons and associated acreage in project in Dawson County, Texas which is currently operated by Callon Petroleum. This asset has been written down to $17,128 with the current negotiations in relation to its divestment.

Costs associated with the Simmons well bore such as the restoration/ plug costs of AUD $71,368 have been included.

NOTE 15 PROVISIONS

	Consolidated	
	31 December 2019 $	31 December 2018 $
Non-Current		
Restoration	214,102	283,367
	214,102	283,367

The Restoration provisions are denominated in $US dollars (US$150,000) (31 December 2018 (US $200,000)

Reconciliation of the movements in the restoration provision		
Balance at start of year	283,367	160,256
Additions during the year	-	106,263
Transfer to Held for sale assets	(71,368)	-
Foreign exchange movements	2,103	16,848
Balance at end of year	214,102	283,367

The restoration obligations are expected to be incurred over a period from 1 to 15 years.

The Company has recognised a provision for restoration related to the estimated cost of restoration work required at the end of the useful life of the wellbores it owns in Dawson County, Texas, including removal of facilities and equipment required or intended to be removed.

These provisions have been created based on the Company's estimate. These estimates are reviewed regularly to consider any material changes to the assumptions. However actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. These estimates of restoration are subject to significant estimates and assumptions which are outlined in Note 1(u).

NOTE 16	**CONTRIBUTED EQUITY**	31 December 2019 $	31 December 2018 $
	Issued and paid up capital:		
	Fully paid ordinary shares	3,913,870	1,882,418

NOTE 16 CONTRIBUTED EQUITY (CONT.)

	12 months to 31 December 2019		12 months to 31 December 2018	
	No. of shares	**$**	**No. of shares**	**$**
Movement in ordinary shares on issue:				
At 1 January 2019	**331,000,017**	**1,882,418**	**240,000,000**	**84,436,358**
Consolidation (1:15)	-	-	(223,999,983)	-
Issue of shares (Tranche 1) (i)	65,875,000	329,375	150,000,000	375,000
Issue of shares (Tranche 2) (ii)	72,723,228	363,616	165,000,000	1,650,000
Issue of shares (iii)	117,399,560	586,998		
Issue of shares (iv)	146,749,450	880,497		
Less: Capital raising costs	-	(129,034)	-	(142,582)
Write back of accumulated losses*	-	-	-	(84,436,358)
At 31 December 2019	**733,747,255**	**3,913,870**	**331,000,017**	**1,882,418**

(i) 65,875,000 new ordinary shares were issued via a capital raise to shareholders on the 13 June 2019 at an issue price of 0.5 cents ($0.005) per placement share. The shares were issued using the Company's existing authorities under the ASX Listing Rules 7.1 (32,775,000 shares) and 7.1A (33,100,000 shares).

(ii) 72,723,228 Ordinary Shares were issued on 31 July 2019 at an issue price of 0.5 cents ($0.005) per share.

(iii) 117,399,560 Ordinary shares were issued pursuant to the placement to investors on 10 October 2019 at an issue price of 0.5 cents ($0.005) per share.
(iv) 146,749,450 Ordinary shares were issued pursuant to the placement to investors on 24 December 2019 at an issue price of 0.6 cents ($0.006) per share.

* The directors of the Company elected to apply relief under section 258F of the Corporations Act 2001, as the Paid-Up Share Capital is considered cost or is not represented by available assets.

Capital management

When managing capital, the Board's objective is to ensure the Consolidated Entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management monitor capital by reviewing the level of cash on hand, cash flow forecasts and working capital requirements of the group in view of the Group's existing cash resources of $1,138,089 (31 December 2018: $510,308) and ability of the Company to raise capital as needed.

	Consolidated	
	31 December 2019 $	**31 December 2018 $**
Total borrowings	-	-
Less cash and cash equivalents	(1,138,089)	(510,308)
Net debt	(1,138,089)	(510,308)
Total shareholders' funds	1,255,527	114,000
Total capital and debt	117,438	(396,308)

NOTE 17 RESERVES

	Consolidated	
	31 December 2019 $	31 December 2018 $
Option reserve	26,265	1,875
FX Translation reserve	57,660	65,020
	83,925	66,895

16,875,000 unlisted options were issued to the executive director Trent Spry on 29 April 2019 and ratified by shareholders on 29 July 2019 exercisable at $0.01 per option, expiring on 30 June 2020 at a value of $12,790.

10,000,000 unlisted options were issued to Pamplona Capital Pty Ltd on 24 December 2019 at an issue price of $0.01 cents per option, expiring on 30 June 2020 at a value of $11,600.

Nature and purpose of reserves:

Option reserve

The option reserve is used to record the value of share-based payments and other options purchased by/provided to Key Management Personnel, and other parties as part of their remuneration, or for the provision of services. There were 26,875,000 options issued for the year ended 31 December 2019 (2018: 75,000,000).

Foreign currency translation reserve

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

	Consolidated			
	Number	31 December 2019 $	Number	31 December 2018 $
Movement in Option reserve				
Beginning of the year	75,000,000	1,875	-	5,883,438
Issue of options	16,875,000	12,790	75,000,000	1,875
Issue of options	10,000,000	11,600	-	-
Write back of accumulated losses	-	-	-	(5,883,438)
End of the year	101,875,000	26,265	75,000,000	1,875

	31 December 2019 $	31 December 2018 $
Movement in FX Translation reserve		
Beginning of the year	65,020	22,671,063
Translation of foreign currency	(7,360)	65,020
Write back of accumulated losses	-	(22,671,063)
End of the year	57,660	65,020

NOTE 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk note below reflects the financial risk management and policies that were adopted by the directors of the Company who were in office at the date of this report. These policies have applied since 23 March 2018.

Overview

The Company and the Consolidated Entity have exposure to the following risks from their use of financial instruments:

a) market risk;
b) liquidity risk; and
c) credit risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

The Consolidate Entity's principal financial instruments comprise cash at bank.

The main purpose of these financial instruments is to provide working capital for the Consolidated Entity's operations.

The Consolidated Entity's has various other financial instruments such as trade creditors, which arise directly from its operations.

Throughout the period under review, the Consolidated Entity's policy is that no trading in financial instruments shall be undertaken.

The main risks arising from the Consolidated Entity's financial instruments are market risk (which includes equity price risk, interest rate risk, foreign currency risk and commodity risk), liquidity risk and credit risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below:

(a) Market risk

Equity price risk

As at 31 December 2019 there is no material equity risk for the Company.

Interest rate risk

At balance date the Consolidated Entity's exposure to market risk for changes in interest rates relates primarily to the Company's cash at bank. As at 31 December 2019 there is no material interest rate risk for the Company.

Foreign currency risk

As a result of the Company's operations in the USA being denominated in USD, the Consolidated Entity's Statement of Financial Position can be affected significantly by movements in the USD/AUD exchange rates. The Company does not hedge this translational risk exposure.

The Consolidated Entity manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained in United States Dollars, to meet current operational commitments.

At 31 December 2019 the Consolidated Entity had no forward foreign exchange contracts in place.

Commodity price risk

The Consolidated Entity is exposed to commodity price fluctuations through the sale of petroleum products denominated in US dollars – specifically the helium, natural gas, condensate and oil prices in the USA.

(b) Liquidity risk

The Consolidated Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash and funding alternatives.

The Consolidated Entity manages liquidity risk by maintaining adequate funds through the monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of the settlement of financial assets and liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of any netting agreements.

	Consolidated	
	31 December 2019 $	**31 December 2018 $**
0 – 6 months	(516,872)	(238,645)
6 – 12 months	-	-
1 – 5 years	-	-
	(516,872)	(238,645)

NOTE 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

(b) Liquidity risk (cont.)

The following table discloses the contractual maturity analysis of financial assets and liabilities as at the end of the financial year:

Consolidated as at 31 December 2019	≤ 6 months $	6 – 12 months $	1 – 5 years $	> 5 years $	Total $
Financial Assets					
Cash and cash equivalents	1,138,089	-	-	-	1,138,089
Trade and other receivables	31,269	-	-	-	31,269
Deposits	71,368	-			71,368
	1,240,726	-	-	-	1,240,726
Financial Liabilities					
Payables	(516,872)	-	-	-	(516,872)
	(516,872)	-	-	-	(516,872)
Net inflow/(outflow)	723,854	-	-	-	723,854

Consolidated as at 31 December 2018	≤ 6 months $	6 – 12 months $	1 – 5 years $	> 5 years $	Total $
Financial Assets					
Cash and cash equivalents	510,308	-	-	-	510,308
Trade and other receivables	18,326	-	-	-	18,326
	528,634	-	-	-	528,634
Financial Liabilities					
Payables	(238,645)	-	-	-	(238,645)
Convertible notes*	-	-		-	-
	(238,645)	-	-	-	(238,645)
Net inflow/(outflow)	289,989	-	-	-	289,989

* As a result of the Company entering external administration on 28 April 2016, the Convertible Notes are immediately due and payable. At the date of effectuation of the DOCA on the 23 March 2018, Convertible Notes were compromised by the DOCA and extinguished against the Company (and transferred across to the Antares Creditors Trust).

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity.

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents, trade and other receivables. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Consolidated Entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained. Exposure at balance date is addressed in each applicable note.

The Consolidated Entity does not hold any credit derivatives to offset its credit exposure.

The Consolidated Entity trades only with recognised, creditworthy third parties and has adopted a policy of dealing with creditworthy counterparts and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Specific concentration of credit risk exists primarily within cash and cash equivalents and trade receivables in respect of receivables due from joint venture operators for the Consolidated Entity's share of proceeds from the sale of oil and gas by the operator, as well as cash held by joint venture operations in advance of operations being performed.

As at 31 December 2019 the only trade receivables and other receivable are for GST receivable and refundable deposits.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment losses, represents the consolidated entity's maximum exposure to credit risk.

(d) Fair Value

All assets and liabilities for which fair value is disclosed in the financial statements are categorised within the fair value hierarchy, described below as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

NOTE 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

(d) Fair Value(cont.)

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Directors consider that the carrying amount of the financial assets and liabilities recorded in the financial statements approximate their fair values.

NOTE 19 COMMITMENTS FOR EXPENDITURE AND CONTINGENCIES

The Company is engaged in a legal dispute with a US counterparty in relation to an alleged breach by the Company of a confidentiality agreement. The board believes the dispute is unlikely to result in a material adverse outcome for the Company or its business. Aside from the foregoing, there are no commitments or contingent liabilities pertaining to the Consolidated Entity as at 31 December 2019.

NOTE 20 INTEREST IN JOINT OPERATIONS

(i) At 31 December 2019 the Consolidated Entity held the following interests in oil and gas production and exploration joint operations:

Joint Operations	**Working Interest**	
	31 Dec 2019	**31 Dec 2018**
Big Star – Simmons Prospect – Texas	72.0%	72.0%

(ii) Principal activities of joint operations

Petroleum exploration and production is the principal activity of all of the joint ventures that the Consolidated Entity is a participant in at 31 December 2019. All joint operations are located onshore Texas, USA.

NOTE 21 RELATED PARTY DISCLOSURES

(i) ULTIMATE PARENT
Big Star Energy Limited is the ultimate parent company.

(ii) CONSOLIDATED ENTITY
At year end the Consolidated Entity consisted of the subsidiaries listed in the following table:

	Country of Incorporation	Class of Share	Equity interest 31 December 2019	31 December 2018
Controlled entities of Big Star Energy Limited:				
Santa Energy Pty Ltd	Australia	Ord Shares	100%	100%
Controlled entities of Santa Energy Pty Ltd:				
Antares Energy Company	USA	Common Stock	100%	100%
BNL (Percy Creek)	USA	Ord Shares	100%	-

There are no restrictions on access to assets and liabilities of the subsidiaries

NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to year end, on 25 March 2020, Mr Michael Pollak resigned from the Company's Board for personal reasons.

Subsequent to year end, the Company announced on 25 February 2020 that it had leased a further 17,612 gross (12,912 net) acres, and on 30 March 2020, that it had leased a further 11,981 net acres and completed due diligence in relation to certain prior leases resulting in a lease holding as at 30 March 2020 of 121,086 gross (64,924 net) acres.

Subsequent to year end, the Coronavirus (COVID-19) has had a significant impact on global economies and many industries. To date the restrictions arising from the global coronavirus pandemic have not materially affected the Company's operations with staff and consultants in Australia and the USA adapting to more isolated working conditions. The Company does not believe that its operations including permitting and planning for field activity later in the year will be materially impacted since, based on discussions with the Company's permitting group, in the US oil and gas related operations are considered essential services and are excluded from many of the imposed COVID-19 restrictions. The Company will actively monitor the situation as it develops including assessing any impact it may have on the Company's operations.

NOTE 23 AUDITOR'S REMUNERATION

The auditor of Big Star Energy Limited is Stantons International.

	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Amounts received or due and receivable in relation to the entity or any other entity in the Consolidated Entity:		
- an audit or review of the financial report	29,000	18,000
- tax and compliance services	-	-
	29,000	18,000

NOTE 24 DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

Name	
Ross Warner	Executive Director & Chairman – Appointed 23 March 2018
Joanne Kendrick	Managing Director – Appointed 23 March 2018
Michael Pollak	Non-Executive Director – Appointed 23 March 2018 (Resigned 25 March 2020)
Trent Spry	Executive Director – 29 April 2019

(b) Remuneration of Key Management Personnel

(i) Compensation by Category: Key Management Personnel

	Consolidated 2019 $	Consolidated 2018 $
Short-Term (including bonus)	287,421	131,296
Post-Employment	12,579	8,060
Long-Term	-	-
Share-based Payments	12,790	-
	312,790	139,356

(ii) Loans to Key Management Personnel

During the year ended 31 December 2019 and the year ended 31 December 2018 there were no loans provided to Key Management Personnel.

(iii) Other transactions and balances with Key Management Personnel

There were no transactions with Key Management Personnel other than those described above. At 31 December 2019 and 31 December 2018 there were no balances outstanding in relation to Key Management Personnel other than those described above and in the Remuneration Report.

NOTE 25 PARENT ENTITY INFORMATION

The following information relates to the parent entity, Big Star Energy Limited at 31 December 2019. The information presented here has been prepared using accounting policies consistent with those presented in note 1.

	31 December 2019 $	31 December 2018 $
Current assets	1,096,108	447,278
Non-current assets	777,227	3,078
Total assets	1,873,335	450,356
Current liabilities	488,842	99,230
Non-current liabilities	-	-
Total liabilities	488,842	99,230
Net assets	**1,384,493**	**351,126**
Contributed equity	3,913,870	1,882,418
Reserves	26,265	1,875
Accumulated losses	(2,555,642)	(1,533,167)
Total equity	**1,384,493**	**351,126**
(Loss) for the year	(1,033,687)	(958,647)
Write back of accumulated losses	-	-
Total comprehensive (loss) for the year	**(1,033,687)**	**(141,968,177)**

Guarantees entered into by the parent entity in relation to debts of its subsidiaries
There are no commitments or contingencies other than those disclosed in this report.
There are no guarantees.

NOTE 26 DISCONTINUED OPERATIONS

(a) Details of operations disposed

On 28 April 2016 the Company was placed into voluntary administration and the Company operations were suspended under the Administrators. The Administrators sought expressions of interest from third parties in either acquiring the assets of the Company or reconstructing and recapitalising the Company.

The Company's creditors subsequently agreed with a proposal presented by a syndicate headed by Pager Partners for the restructure and recapitalisation of the Company at a creditors meeting on 2 December 2016. This proposal was approved by Shareholders of the Company on 23 January 2018 and the DOCA was successfully effectuated on 23 March 2018.

The syndicate headed by Pager Partners loaned $500,000 to the Deed Administrator (on behalf of the Company) for distribution under the DOCA to the Creditors Trust in return for secured and unsecured creditors releasing all claims against the Company and any charges over the Company. Certain unencumbered assets were retained by the Company including the Company's wholly owned subsidiary Antares Energy Company (which owns the Big Star Project in the Permian Basin in Dawson Country, Texas, USA).

The syndicate loaned the Company the requisite funds to pay for the costs of settling the DOCA, drafting of the DOCA, Creditors Trust Deed, Shareholder's Meetings and Shareholder Notices, Prospectus, Independent Experts Report and preparing historical audited accounts.

The termination of the DOCA is treated as the discontinuation of operations.

(b) Financial performance of operations disposed

	31 December 2018 $
Carrying value of Net Liabilities	(48,666,553)
Payment to Creditors Trust	500,000
Payment for expenses	8,000
Net gain on disposal of operations	**(48,158,553)**

(c) Assets and liabilities of discontinued operations

	31 December 2018 $
Cash and cash equivalents	69,407
Trade and other payables	(1,235,960)
Other Liabilities	(47,500,000)
Net liabilities attributable to discontinued operations	**(48,666,553)**

(d) Cash flows used in discontinued operations

	31 December 2018 $
Net cash used in operating activities	(69,407)
Net cash from investing activities	-
Net cash used in financing activities	-
Net cash outflows for the year	**(69,407)**

NOTE 27

The assessed fair value of the 16,875,000 options granted during the year was $12,790 as calculated at grant date using the Black-Scholes model – Inputs include:

- Grant date	29 July 2019
- Exercise by	30 June 2020
- Exercise price per share	$0.01cents
- Share price at grant date	$0.006cents
- Expected volatility	75%
- Risk-free interest rate	0.85%

Further details regarding share-based payments to key management personnel can be found in the audited remuneration report set out in the Directors' report.

The assessed fair value of the 10,000,000 options granted during the year was $11,600 as calculated at grant date using the Black-Scholes model – Inputs include:

- Grant date	24 December 2019
- Exercise by	30 June 2020
- Exercise price per share	$0.01cents
- Share price at grant date	$0.007cents
- Expected volatility	100%
- Risk-free interest rate	0.43%

10,000,000 options were issued to Pamplona Capital Pty Ltd on 24 December 2019.

BIG STAR ENERGY LIMITED

ABN 75 009 230 835

DIRECTORS' DECLARATION

In accordance with a resolution of Directors of Big Star Energy Limited, the Directors' declare that:

(a) Subject to the uncertainty over the completeness of source documentation and its impact on prior year comparatives, as disclosed in Note 1, they are of the opinion that the Consolidated financial statements and Notes of Big Star Energy Limited, and the remuneration disclosures contained in the Remuneration Report for the year ended 31 December 2019 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 31 December 2019 and the performance for the year ended on that date of the consolidated entity; and

(ii) complying with Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(a); and

(c) 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.

Signed in accordance with a resolution of the Directors.

Ross Warner
Chairman
31 March 2020

Stantons International Audit and Consulting Pty Ltd
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QUALIFIED INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BIG STAR ENERGY LIMITED

Report on the Audit of the Financial Report

Qualified Auditor's Opinion

We were engaged to audit the financial report of Big Star Energy Limited , the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

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

Basis for qualified Auditor's Opinion for the Comparative period

The company was placed into voluntary administration on 28 April 2016 and the Deed of Company Arrangement was effectuated on 23 March 2018. Consequently the collation of the financial information for the year ended 31 December 2018 was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report for the year ended 31 December 2018.

As stated in Note 1(b), the directors are unable to state that the comparative information in the financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1a) of the financial report, which describes the effects of the financial report being prepared on a going concern basis. As at 31 December 2019, Big Star Energy Limited had working capital of $725,298 and had incurred a loss from continuing operations for the year of $906,955.

The ability of Big Star Energy Limited to continue as a going concern is subject to the successful recapitalisation of Big Star Energy Limited. Due to the recent market uncertainty arising from the spread of the COVID-19 pandemic and its effects on the global business environment, the management is reviewing what impact, if any, this will have on their business. In the event that the Board is not successful in recapitalising the Company and in raising further funds, Big Star Energy Limited may not be able to pay its debts as and when they become due and may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts different to those stated in the financial report. Our conclusion is not modified in respect of this matter

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Key Audit Matters

Except for the matter described in the qualified Auditor's Opinion section and the material uncertainty regarding Going Concern, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The Directors 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Directors for the Financial Report

The directors 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 note 1 (b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that, where possible, the financial statements have been reconstructed to comply with International Financial Reporting Standards, though financial records are incomplete. Accordingly, the directors disclaim any responsibility for the completeness of the Financial Statements, and do not provide any statement to such effect in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements.

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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Remuneration Report

Qualified opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 31 December 2019. Because of the existence of the limitation on scope of our work, as described in the Qualified Auditor's Opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion on the remuneration report of Big Star Energy Limited for the comparative year ended 31 December 2018 and whether it 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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
31 March 2020

SHAREHOLDER INFORMATION
AS AT 27 MARCH 2020

Ordinary Shares

(a) Twenty Largest Shareholder

Position	Holder Name	Holding	% IC
1	UNITED EQUITY PARTNERS PTY LTD <POLYCORP FAMILY A/C>	26,000,000	3.54%
2	MS CHUNYAN NIU	22,334,514	3.04%
3	PAMPLONA OPPORTUNITIES LTD	21,500,000	2.93%
4	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	20,683,333	2.82%
5	OCEANVIEW SUPER FUND PTY LTD <OCEANVIEW SUPER FUND A/C>	20,000,000	2.73%
5	ELLIOT HOLDINGS PTY LTD <CBM FAMILY>	20,000,000	2.73%
5	MR SEBASTIAN MARR	20,000,000	2.73%
6	MR KOK KEEN CHONG & MRS HUE NGHI CHONG	19,359,500	2.64%
7	OPTIM8 PTY LTD <THE GIC SUPER FUND A/C>	19,000,000	2.59%
8	MR ROSS WARNER	15,000,000	2.04%
8	MS JOANNE KENDRICK	15,000,000	2.04%
9	MRS MICHELLE LINLEY HILBRANDS	14,500,000	1.98%
10	MR MARTIN SCIBERRAS	14,260,565	1.94%
11	PAMPLONA CAPITAL PTY LTD	14,000,000	1.91%
11	AEI AUSTRALIA PTY LTD <ROD LADD FAMILY A/C>	14,000,000	1.91%
12	DASH INVESTMENT COMPANY PTY LTD	13,000,000	1.77%
13	MRS RUTH WINIFRED HARRIS	11,000,000	1.50%
14	MR MICHAEL GLADWIN-GROVE & MRS JANE LOUISE GLADWIN-GROVE <GLADGROVE S/F A/C>	10,300,000	1.40%
15	SHELCO HOLDINGS PTY LTD <SHELCO HOLDINGS A/C>	8,377,778	1.14%
16	TRDJS PTY LIMITED <DD FAMILY A/C>	8,000,000	1.09%
17	MISS SHU-YUN CHANG	7,603,807	1.04%
18	MR YU-CHIEH HSU <HSU FAMILY A/C>	7,000,000	0.95%
19	MR JEFFREY ALAN GRAY	6,214,525	0.85%
20	MR ROBERT LESLIE DAHL & MRS MERRIL ANNE DAHL <SWAINSHILL SUPER FUND A/C>	6,000,000	0.82%
	Total	**353,134,022**	**48.13%**
	Total issued capital - selected security class(es)	**733,747,255**	**100.00%**

SHAREHOLDER INFORMATION
AS AT 27 MARCH 2020

(b) Distribution of Shareholdings

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	141	43,538	0.01%
above 1,000 up to and including 5,000	46	102,890	0.01%
above 5,000 up to and including 10,000	7	48,839	0.01%
above 10,000 up to and including 100,000	191	12,750,804	1.74%
above 100,000	446	720,801,184	98.24%
Totals	**831**	**733,747,255**	**100.00%**

(c) Substantial Shareholders Number of Shares % of Issued Shares

There are no substantial Shareholders with greater than 5% of issued shares.

(d) Unmarketable Parcels

There were 411 members holding less than a marketable parcel of shares in the Company with total 15,747,951, amounting to 2.15% of Issued Capital.

(e) Voting Rights

Voting rights of members are governed by the Company's Constitution. In summary, on a show of hands, every member present in person or by proxy shall have one vote and in the event of a poll every such member shall be entitled to one vote for each ordinary fully paid share held.

(f) Exchanges

Big Star Energy Limited is listed on the Australian Securities Exchange. Ordinary shares are listed under the **BNL** code.

LIST OF INTERESTS - AS AT 31 MARCH 2019

Helium Project, Colorado, USA

Counterparty	Location	Operator	Total Net Acres	Working Interest	Net Revenue Interest*
Fee Mineral Owners	Las Animas, CO	Big Star	24,405	100%	87.5%
Colorado State	Las Animas, CO	Big Star	32,953	100%	80%
BLM*	Las Animas, CO	Big Star	7,566	100%	87.5%
*Bureau of Land Management					

Texas, USA

Big Star Project

Well Name	Area	Operator	Working Interest	Net Revenue Interest*
Cline 46-1	Dawson County, TX	Antares	100%	0%
Esmond 20-1	Dawson County, TX	Antares	100%	0%
Simmons 27-2	Dawson County, TX	Callon Petroleum	72%	54%
Stuart 12-1	Dawson County, TX	Antares	100%	0%
*NRI noted as 0% where mineral lease has expired and interest in the wellbore remains.				

Hawkville Overriding Royalty Interests

Well Name	Area	Royalty Interest
Donnell 457 1&2	McMullen, TX	0.125%
Donnell C-1H	McMullen, TX	0.99345%
Donnell C-2H	McMullen, TX	0.99345%
Donnell-Mulholland Unit 1&2	McMullen, TX	0.059553%