

Annual Report for the year ended 30 June 2026

Forte Energy Limited (ASX:FEL)

ACN 137 387 350

ANNUAL REPORT 26



FORTE
ENERGY

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CORPORATE DIRECTORY

DIRECTORS

Dougal Ferguson
Non-Executive Chairman

Brett Lawrence
Non-Executive Director

Iain Smith
Non-Executive Director

COMPANY SECRETARY

Carla Healy

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+ 61 3 9415 4000 (international)

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CORPORATE GOVERNANCE STATEMENT

<https://forteenergy.com.au/corporate-governance/>

ABN 52 137 387 350

www.forteenergy.com.au

LETTER FROM THE CHAIRMAN

Dear fellow Shareholders,

Since my last Chairman's letter, Forte Energy Limited ("Forte" or the "Company") has continued to maintain a disciplined approach to its activities, screening numerous new venture opportunities, whilst also maintaining a focus on its existing assets, all of which are 100% owned and operated by Forte.

The Company has made significant progress identifying new venture opportunities, advancing discussions with potential partners for its existing assets, whilst maintaining financial discipline and a tight capital structure.

With current oil prices and worldwide energy security concerns increasing, Forte's existing assets have several strong attributes, including that they are:

- 100% owned and operated (providing flexibility to bring in partners);
- Located in OECD countries (providing lower political risk); and are
- Highly prospective for oil.

Late last year, we applied for an extension of the WA-424-P asset located in the Browse Basin, the backbone of the Company since its inception in 2009. The extension was recently granted by the regulator, and we will re-commence our efforts to commercialise that asset in the extension period.

Also in late 2025, we secured a package of highly prospective oil and gas leases located in the NPR-A in Alaska. We were fortunate to acquire this lease position for no cash cost and indeed were able to negotiate a deferral of the annual lease payments for another 12 months through to March 2027.

These assets, together with our focus on new venture activities, warranted the appointment of a highly experienced new venture/exploration advisor who is currently working through several potentially high value opportunities. These range from existing project screening through to ground floor license/lease applications.

Of all the new venture opportunities reviewed throughout the year, a few stood out and these have been pursued vigorously. High vendor expectations remain one of the key challenges to securing entry into existing projects; therefore, a measured approach is being taken including participation in open (and direct negotiation) bid rounds.

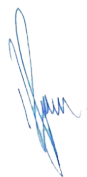
On the 1 August 2025, Mr Iain Smith was appointed as Non-Executive Director of the Company. Mr. Smith brings significant expertise as a highly respected Petroleum Geoscientist, with a proven track record in commercial and senior management positions across the ASX-listed oil and gas sector. Iain has the notable distinction of taking Norwest Energy NL from a \$7 million explorer in 2019 to being acquired in 2023 for consideration of over \$500 million.

The Company did not undertake any new capital raisings during the financial year and our cash remains strong. The Board's focus has been on maintaining a conservative approach to expenditure until further project commitments are confirmed.

The Company ended the financial year with no debt and a sufficient cash balance to fund near-term obligations and position the Company for future project execution.

On behalf of the Board, I thank our shareholders for their continued trust and support as we work to progress our asset base and position the Company for the next phase of activity.

Sincerely,



Dougal Ferguson
Non-Executive Chairman

OPERATIONS REPORT

Alaska (Forte 100%)

In December 2025, the Company executed a Binding Terms Sheet to acquire Peritas LLC, an Alaskan-registered company that owned 143,368 acres of highly prospective oil and gas leases within the National Petroleum Reserve of Alaska (NPR-A). The acquisition was completed in March 2026 following the Bureau of Land Management (BLM) confirmation that the leases will remain in suspension for the remainder of 2026, resulting in the waiver of annual lease fees of approximately US\$3 per acre (totalling ~US\$430,000).

The leases comprise 11 exploration leases and two unitised leases covering the previously discovered Umiat oil field. The key exploration leases lie approximately 35 km south of ConocoPhillips' 700-million-barrel Willow Project and are on trend with several major regional discoveries.

The lease position includes the Harrier Prospect, interpreted as a narrow, elongated feature analogous to the on-trend Pikka Field (operated by Santos), located approximately 70 km to the northeast. Historical drilling in the region, including the Merlin-1 well, has indicated the presence of hydrocarbons, with results indicating improved reservoir quality to the north. The Harrier Prospect has previously been independently assessed as having potential for over 1 billion barrels of prospective recoverable resources, and the Company is progressing technical work aimed at confirming the previous resource estimates and maturing the prospect towards drill-ready status.

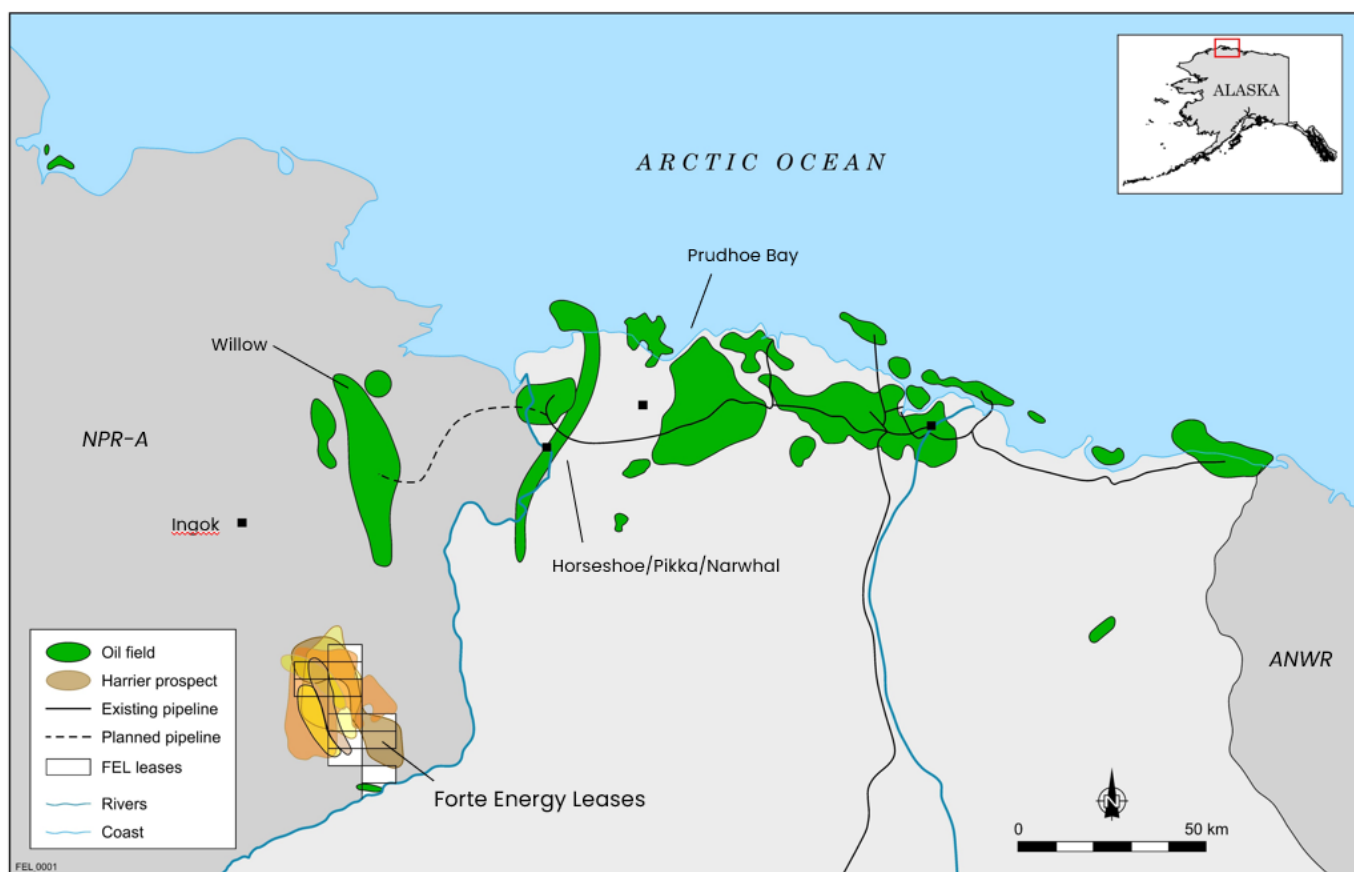


Figure 1: Forte Energy's Leases in Alaska relative to billion barrel oil fields on the North Slope

Following the acquisition of Peritas, the Company initiated a detailed review of the Umiat Oil Field, a historical discovery that has been the subject of several prior development studies. The Company considers that, under the current oil price environment and increasing focus on domestic energy supply in the United States, Umiat represents a potential development opportunity.

On 23 March 2026 the Company announced that it had been announced as the highest bidder on two additional oil and gas leases in the 2026 NPR-A lease sale, covering approximately 13,220 acres adjacent to its existing Umiat acreage.

The leases were interpreted to contain a westerly extension of the Umiat oil accumulation, together with a downdip structural prospect exhibiting strong Amplitude versus Offset (AVO) anomalies across an estimated 22 km² area, indicating potential for significant prospective resources.

The Umiat leases benefit from existing 3D seismic data coverage, which allowed the Company to rapidly complete the technical evaluation of this prospect, but after detailed geological and geophysical analysis, the Board determined not to proceed with the acquisition of these leases which would have involved significant lease acquisition costs.

There was strong participation in the 2026 NPR-A lease sale which was widely regarded as the most successful in the history of the NPR-A, with bids totalling US\$250M and including major industry participants such as Repsol/Shell, ConocoPhillips and ExxonMobil, is considered by the Company to be a positive validation of the prospectivity of the region and supports Forte's strategy of building a material exploration position in a high-impact petroleum province.

The Company is currently finalising an independently certified prospective resources report for the Harrier Prospect, leveraging off previous work completed by prior operators which confirmed the presence of an active petroleum system within the leases.

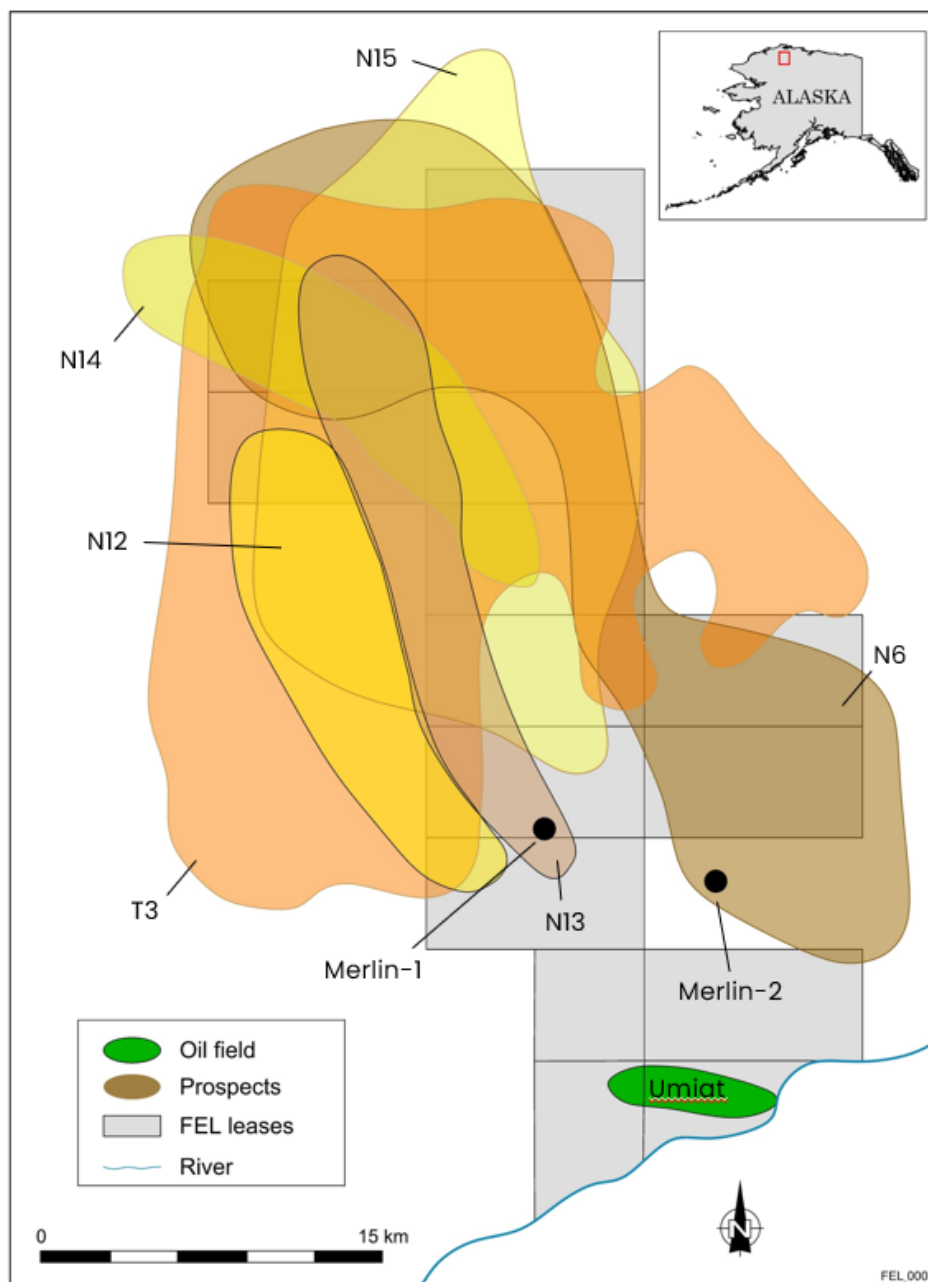


Figure 2: Multiple horizons with the Harrier Prospect

Browse Basin WA-424-P (Forte 100%)

Forte remains committed to commercialisation of the WA-424-P exploration permit, situated within the Browse Basin, offshore Western Australia. The two-year extension granted by NOPTA in April 2025 for submission of a Retention Lease or Production Licence application over the Gwydion discovery (now expiring April 2027) continues to provide flexibility to the Company.

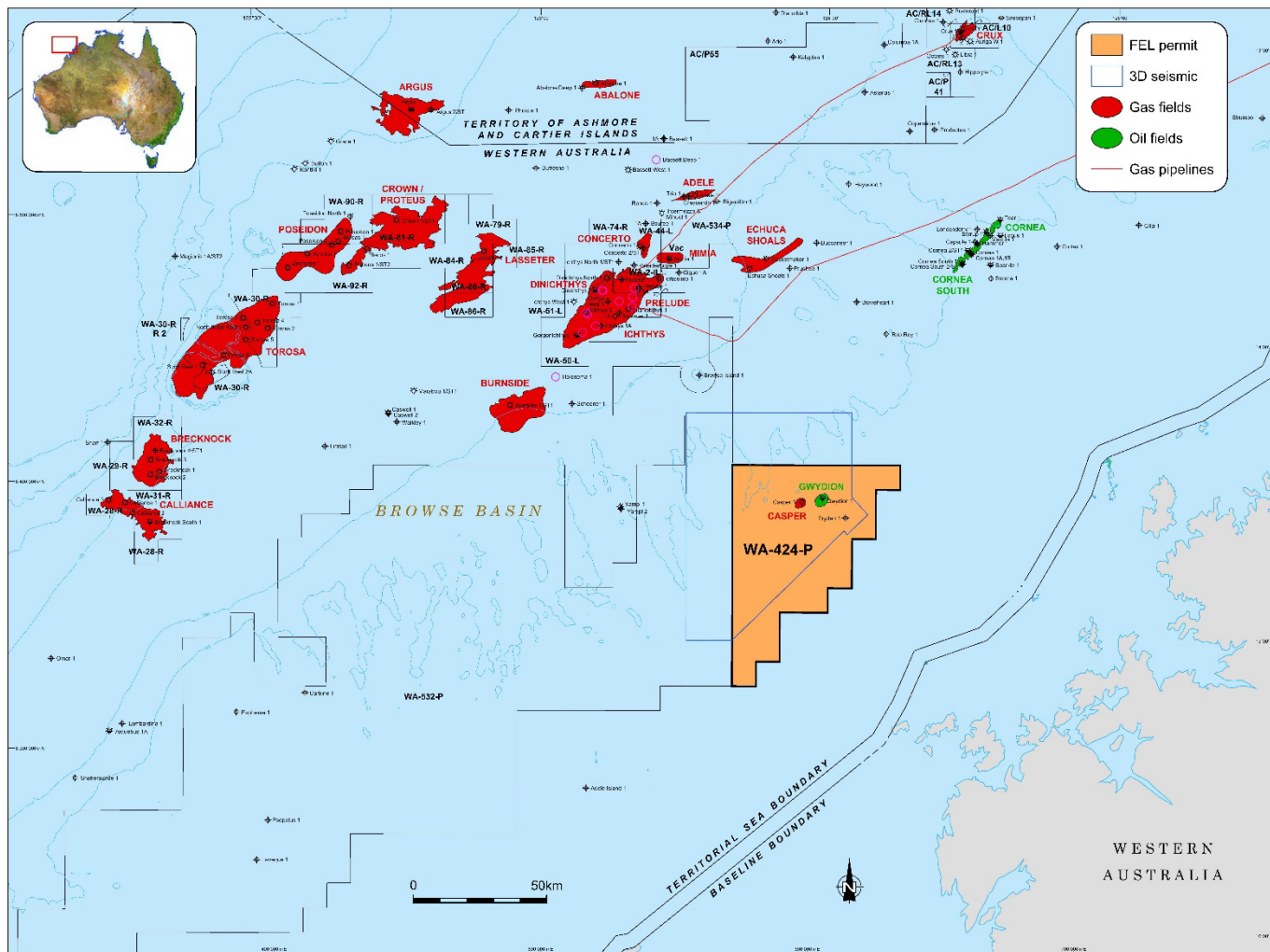


Figure 3: WA-424-P Location Map

During August 2026, NOPTA confirmed a 9-month suspension and corresponding extension to the permit had been granted which afforded Forte with additional time to secure a funding partner for the well commitment which forms part of the Permit Year 3 work commitment. With the extension now secured, the Company plans to continue the process of reinvigorating the Idris Prospect and undertake a detailed technical review of the work undertaken in the past.

With current strong oil prices and additional focus on energy security around the world, securing this extension until 10 June 2027 provides the Company with the opportunity to monetise this asset through farmout or sale.

New Ventures

In line with its stated objective of broadening its asset base, the Company continued to assess additional oil and gas opportunities with a focus on early-stage, high-impact assets. Throughout the year, the Company continued to review and evaluate a range of domestic and international oil and gas opportunities aligned with its strategy of pursuing high-impact exploration assets.

One high impact oil exploration opportunity has been identified and has passed through the Company's technical (and commercial) due diligence process. This opportunity remains subject to definitive agreements. The Board is progressing discussions with the vendors.

In addition to this opportunity, the Company is also pursuing other ground floor early-stage exploration opportunities through open bid rounds, direct negotiation and potential partnerships.

CORPORATE UPDATE

Board and Management Changes

On 1 August 2025, Mr Doug Jendry resigned as Non-Executive Director and Mr Iain Smith was identified as a strong candidate to replace Mr. Jendry. Mr Smith is an experienced Petroleum Geoscientist with an established record in commercial and senior management roles across ASX-listed oil and gas companies. His technical expertise and industry insight are expected to add considerable strength to the Board as the Company advances its exploration and development plans.

With these changes, the Board now comprises of a complementary mix of technical capability, industry experience, and commercial acumen. This collective skill set will support the delivery of the Company's plans for WA-424-P and the evaluation of additional opportunities that have the potential to enhance shareholder value.

Following the end of the financial year, the Company announced to announce the appointment of Mr. Pete Bekkers as New Ventures Advisor.

Mr. Bekkers is a highly experienced geoscientist with almost 30 years of international experience, with recent roles being focused on exploration new ventures and field identification/evaluation projects. His previous roles include international new ventures management, evaluation and exploration in South America, Alaska, West Africa, India, Middle East, UK North Sea, Australia's Northwest Shelf and all Australian onshore basins.

In addition, the Company is pleased to announce the appointment of Carla Healy as Company Secretary effective 1 July 2026.

Changes in Capital Structure

On 4 December 2025, the Company announced it had received commitments to raise approximately \$1.17 million before costs by way of a placement through the issue of 146,600,765 shares at an issue price of \$0.008 per share. The Directors also committed, subject to shareholder approval, to subscribe for a further 13 million shares, raising an additional \$104,000. The terms of the placement included a 1:2 free attaching option exercisable at \$0.015 per share three years from the date of issue, resulting in the issue of 79,800,383 unlisted options to participants in the placement.

In addition, following approval at a General Meeting held on 5 February 2026, shareholder approved the issue of an additional 55,000,000 performance rights to Directors and vendors of the Alaskan acquisition as well as a total of 20,000,000 options to the Lead Manager of the placement.

The current capital structure of the Company is outlined below:

Table 1: Forte Capital Structure

Class of Security	On Issue
Fully Paid Ordinary Shares (as at 30 June 2026)	866,003,825
Unlisted Options	104,800,383 ¹
Performance Rights	55,000,000 ²

¹ Includes 5,000,000 options issued to a former Director and Officer of the Company.

² 20,000,000 of these performance rights have been agreed to be issued but are not yet formally issued by the Company.

DIRECTORS' REPORT

The directors present their report of Forte Energy Ltd (previously IPB Petroleum Limited) ("Forte" or the "Company") and subsidiaries (together the "Group") for the Financial Year ended 30 June 2026 and the independent auditor's report thereon.

The following persons were directors of the Company during the whole of the financial year and up to the date of this report unless otherwise stated:

- Dougal Ferguson – Non-Executive Chairman
- Brett Lawrence – Non-Executive Director
- Iain Smith – Non-Executive Director (appointed 1 August 2025)
- Doug Jendry – Non-Executive Director (resigned 1 August 2025)

Corporate Governance

The Group's Corporate Governance Statement and ASX Appendix 4G are released to ASX on the same day the Annual Report is released. Forte's Corporate Governance Statement, and the Group's Policies, Charters and Procedures, can be all found on the Group's website at <https://forteenergy.com.au/corporate-governance/>.

Principal Activities

During the year, the principal activities of the Group consisted of conventional hydrocarbon exploration and associated corporate and commercial activities focused on:

- seeking an extension for Exploration Permit WA-424-P in the Browse Basin offshore northwest Australia to progress the potential to drill an exploration commitment well (Idris) and further investigate potential development scenarios for Gwydion;
- completing the acquisition of a highly prospective 143,368-acre Alaskan lease package located within the National Petroleum Reserve of Alaska (NPR-A); and
- pursuing numerous new venture opportunities within the energy sector.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of Operations

For information on a review of the Group's operations refer to the Operations Report section at page 5 of this report.

Operating Results and Financial Position

As an exploration and appraisal Company that is not currently in the development and production phase, Forte has no income generating assets, and accordingly the company's consolidated net loss after income tax for the Financial Year ended 30 June 2026 was \$612,441, (2025: \$271,603).

During the year, Forte received other revenue of \$44,699 related to interest on bank deposits (2025: \$24,906).

As at 30 June 2026, Forte's financial position and capital structure reflects the nature of its activities, that is, no bank debt and two major asset classes being cash of \$1.673 million (2025: \$1.436 million) and capitalised exploration and evaluation expenditure of \$2.233 million (2025: \$2.19 million).

The net assets of the Company at 30 June 2026 were \$4.29 million (2025: \$3.58 million). The Company's balance date issued capital stands at \$23.18 million (2025: \$22.04 million). For further details refer to the accompanying financial statements and the accompanying notes to the accounts.

Permits

Under the terms of grant by government, exploration permit holders such as Forte's wholly owned subsidiary IPB WA 424P Pty Ltd are committed to complete a minimum work program during the tenure of the permit unless varied by

agreement with the relevant government authorities. If a permit holder does not fulfil the agreed permit work program the penalty for the Company is potential forfeiture of the permit. As there are no financial penalties, the work commitment programs are not recognised in the Company's Financial Statements as a liability in accordance with the relevant accounting standards.

Significant Changes in the State of Affairs

On 4 December 2025, the Company announced execution of a Binding Terms Sheet to acquire an exclusive option over 143,368 acres of leases in the National Petroleum Reserve – Alaska (NPR-A), subject to satisfaction of conditions precedent including completion of due diligence and shareholder approvals. On 13 March 2026, the Company announced that following finalisation of the lease assignment process, the Company had completed the acquisition of Peritas LLC (Peritas), the registered holder of 13 oil and gas leases in the NPR-A.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters Subsequent to the End of the Financial Year

On 1 July 2026, the Company announced the appointment of Mr. Pete Bekkers as New Ventures Advisor.

Mr. Bekkers is a highly experienced geoscientist with almost 30 years of international experience, with recent roles being focused on exploration new ventures and field identification/evaluation projects. His previous roles include international new ventures management, evaluation and exploration in South America, Alaska, West Africa, India, Middle East, UK North Sea, Australia's Northwest Shelf and all Australian onshore basins.

In addition, the Company announced the appointment of Carla Healy as Company Secretary effective 1 July 2026.

On 14 September 2026, the Company announced that, following an application made to the National Offshore Petroleum Titles Administrator (**NOPTA**), the Commonwealth-Western Australian Offshore Petroleum Joint Authority (**Joint Authority**) had approved a 9-month suspension of the permit conditions in respect of the Permit Years 1-3 work program commitments with a corresponding 9-month extension of the permit term to 10 June 2027. The permit will now expire on 10 June 2029.

Other than as noted above, no other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group are set out in the review of operations in this annual report. Any future prospects are dependent upon the results of future exploration and evaluation.

Proceedings on Behalf of the Group

No person or entity has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the Financial Year.

Environmental Regulation

The Group seeks to fully comply with its environmental obligations. Under environmental legislation there is a requirement that the operations activities within the Group's permits obtain environmental approvals from NOPSEMA and any other state and federal agencies the government may use or appoint from time to time. During the Financial Year, the Group was not aware of any material breach of any particular or significant Commonwealth, State, Territory or other regulation in respect to environmental management.

Information on Directors

Names, qualifications, experience and special responsibilities of current directors and company secretary:

Name:	Dougal Ferguson
Title:	Non-Executive Chairman
Experience and expertise:	Dougal is an experienced energy executive and investor with significant international experience. Mr. Ferguson has initiated and executed multiple transaction over 30 years ranging from small to medium scale oil and gas companies. Mr. Ferguson is the former Managing Director of several ASX listed oil and gas exploration companies including XCD Energy Limited (ASX:XCD) and Elixir Energy Limited (ASX:EXR) and current Chief Executive Officer of ASX listed TMK Energy Ltd (ASX: TMK). Dougal is a Graduate Member of the Australian Institute of Company Directors.
Other current directorships:	-
Former directorships (last 3 years):	-
Interest in shares:	41,280,621
Interests in options:	3,250,000
Interest in performance rights:	20,000,000

Name:	Brett Lawrence
Title:	Non-Executive Director
Experience and expertise:	Mr Brett Lawrence is an experienced oil and gas executive and currently serves on the board of ASX listed TMK Energy Limited and until recently, Calima Energy Limited. Mr Lawrence has over 19 years of diverse experience in the oil and gas industry, performing roles in drilling engineering, reservoir engineering, project development and commercial management. Mr Lawrence holds a Master of Petroleum Engineering, a Bachelor of Engineering (Mining) and Bachelor of Commerce (Finance) from Curtin University in Western Australia.
Other current directorships:	TMK Energy Ltd (ASX: TMK)
Former directorships (last 3 years):	Calima Energy Ltd (ASX: CE1)
Interests in shares:	3,250,000
Interest in options:	1,625,000
Interest in performance rights:	7,500,000

Name:	Iain Smith
Title:	Non-Executive Director (Appointed 1 August 2025) Mr Smith is a highly regarded Petroleum Geoscientist with an exceptional track record in commercial and senior management roles across numerous ASX listed oil and gas companies. Most recently Iain served as Managing Director of Norwest Energy NL, a Perth Basin exploration company that enjoyed significant exploration success and was ultimately acquired by Mineral Resources Limited, taking the company's market capitalisation from some \$7 million in 2019, to over \$500 million in 2023. Mr Smith is currently Chief Executive Officer of Pancontinental Energy NL.
Experience and expertise:	
Other current directorships:	-
Former directorships (last 3 years):	Norwest Energy NL (ASX: NWE), Winchester Energy Limited (ASX: WEL)
Interests in shares:	3,250,000
Interest in options:	1,625,000
Interest in performance rights:	7,500,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Ms Carla Healy was appointed as Company Secretary on 1 July 2026. Ms. Healy has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant and a Graduate of the Australian Institute of Company Directors. Carla has twenty-five years' experience in accounting, finance, governance, company secretarial and advisory roles in Perth, Singapore and London.

Meetings of Directors

The Directors meet regularly on an informal basis to discuss the Company's operations. The number of formal meetings of the Company's Board of Directors ("the Board") held during the year ended 30 June 2026, and the number of meetings attended by each director were:

Table 2: Meetings of Directors held during the year

Director	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Dougal Ferguson	2	2	1	1
Brett Lawrence	2	2	1	1
Iain Smith ¹	2	2	1	1
Doug Jendry ²	-	-	-	-

Held: represents the number of meetings held during the time the director held office.

¹ Appointed 1 August 2025;

² Resigned 1 August 2025

Material Business Risks

The Company has identified certain business risks associated with its strategy and business plans. These risks are summarised as follows:

Funding risks

As a small exploration and appraisal and potential development company, a key risk for Forte is the funding of future activities. Until sufficient exploration, appraisal and development success is achieved, the Company will continue to need to raise/or receive additional funding as and when it may be required from sources such as:

- (i) Farmouts;
- (ii) asset sales/divestments;
- (iii) new share and other securities issues; and
- (iv) possible future secured asset acquisition related debt funding.

Forte will aim to utilize the most appropriate funding source at the most opportune time. It may also consider reducing certain commitments as another option in managing its overall working capital if funding is not available.

Key Person Retention Risks

There is a risk that given the Company's limited financial resources the Company may not be able to find suitable personnel to be able to execute on its business plans. The ability of the Company to secure and retain Key Management Personnel will be dependent on amongst other things, the ability of the Company to provide competitive market remuneration.

Exploration Risks

As an exploration and appraisal and potential development company, Forte may be unsuccessful with its exploration and appraisal activities. Strategies to manage this type of risk include;

- (i) completing as much technical work to de-risk exploration prospects as reasonably possible;
- (ii) farming out interests to cover costs; and
- (iii) achieving diversification through an: exploration/production/other asset portfolio approach.

Forte intends to continue to apply some or all of these risk mitigation strategies as and when appropriate. It is important to highlight that there is a level of material risk in certain activities, such as exploration, appraisal drilling and development that cannot be reduced materially any further until that activity is undertaken.

Operational Risks

Exploration activities carry numerous risks such as delays, interruptions, and potential changes to scale and scope that cannot always be fully mitigated. Forte may experience operational delays in relation to any potential future seismic or drilling activity, environmental approvals consultation with previously unidentified parties and risks for example due to cyclonic weather-related event or equipment failure and/or lack of availability. These risks can cause schedule and cost increases and delays to the Company's budgeted activities.

Risks to operating schedules, such as delays to environmental approvals unbudgeted extended consultation processes, could materially and adversely affect schedules and costs associated with the Company's planned and future activities.

Environmental Risks

Forte intends to comply at all times with all requisite environmental laws and regulations. Despite this, there is always a possible risk that accidental environmental pollution could occur such that the Company may be subject to substantial potential liability and the cost of any clean-up activities.

Future Government Policy Risks

Risks also exist in the area of future Government policy, for example possible future continued "Climate Change" linked responses or policies over which the Company has no control or material influence. Possible future changes to Government policy and laws could render the Company's key asset to be a stranded resource, or subject to an increase

in taxes, resource rent taxes, or delays to development or commercialisation. Whilst the Company is of the view that such possible developments, if they were to occur, are likely to be some way off, given current market and nearer term societal and strategic needs and dynamics, there are no guarantees that such threats or costs to the Company's business and assets may not become a reality at some point in the future. Further limitations to strategic energy supplies could also render any future production subject to government price or volume or other marketing controls.

Counterparty and Contractual risks

Contractual disputes with joint venture partners, operators and contractors can arise from time to time. When a venture partner does not act in the best commercial interests of the joint venture project or Forte, it could have a material adverse effect on the Company.

Permit Commitments and Tenure Risks

The terms and conditions of some of the Company's exploration permits require guaranteed annual work commitments to be completed. Whilst not a liability in terms of the relevant accounting standards and therefore not recordable in the Company's Statement of Financial Position, a failure to meet a guaranteed work commitment may render a permit liable to be cancelled, unless an extension of time or waiver of the requirement is granted by government.

The current WA-424-P Permit required a well (Idris) to be drilled by 17 December 2025, which has subsequently been extended to 10 June 2027. If the Company cannot secure funding and commence operations to the satisfaction of the government or cannot obtain a further extension to carry out the well activities, the Company is at risk of losing its WA-424-P permit.

Geopolitical Conflict and Global Market Volatility

The company's operations face ongoing exposure to heightened geopolitical tensions, particularly regarding ongoing conflicts in the Middle East involving Iran. These dynamics have introduced significant economic uncertainty and increased volatility across global energy markets.

Remuneration Report

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The Directors, being the Key Management Personnel of the Company, disclosed in the Remuneration Report that held office during the 30 June 2026 Financial Year are shown in Table 3 below. The Group had no Executives during the year ended 30 June 2026.

Table 3: Forte Directors

Director	Position
Dougal Ferguson	Non-Executive Chairman
Brett Lawrence	Non-Executive Director
Iain Smith ¹	Non-Executive Director
Douglas Jendry ²	Non-Executive Director

¹ Appointed 1 August 2025

² Resigned 1 August 2025

The Remuneration Report is structured into the following sections:

1. Executive Remuneration Policy and Framework
2. Executive Remuneration
3. Employee Option Plan
4. Non-Executive Directors' Remuneration
5. KMP Remuneration for the Financial Year Ended 30 June 2026
6. KMP Shareholdings

1. Executive Remuneration Policy and Framework

Remuneration Policy

Forte aims to remunerate Executives fairly, responsibly and competitively for their contribution to the business, and in accordance with the resources available to the Company. In line with this objective, Forte's policy is to review executive remuneration packages against comparable companies. Executive pay levels are determined on a combination of external benchmarks and an assessment of individual performance.

The key objective of the remuneration policy is to ensure Forte:

- provides competitive remuneration and rewards which attract, retain and motivate Executives of the highest calibre within the resources of the Company;
- aligns the interests of shareholders, employees and other stakeholders;
- establishes deliverables which are linked to an Executive's remuneration;
- benchmarks remuneration against appropriate industry groups and other listed entities; and
- complies with applicable legal and corporate governance requirements.

The remuneration policy is reviewed and approved annually by the Board and the Company may use independent remuneration advisers for advice on Executive remuneration and Non-Executive Director fees. During the year, the Company did not employ any Executives and therefore did not employ a remuneration consultant to provide recommendation in respect of the remuneration of the Key Management Personnel.

Relationship Between the Remuneration Policy and Company Performance

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2026. As the table indicates, losses have varied materially over the past five financial years, due to the nature of exploration and associated activities the company has undertaken. It has been the aim of the Board of Directors to attract and retain management expertise essential to the Company's activities, and in line with the resources available to the Group.

Table 4: Historic Company Performance

Financial Year End	30 June 2026	30 June 2025	30 June 2024	30 June 2023	30 June 2022
Revenue (\$)	nil	nil	nil	nil	nil
Net Loss Before Tax (\$)	612,441	271,603	2,515,698	768,562	375,087
Net Loss After Tax (\$)	612,441	271,603	2,515,698	768,562	375,087
Share Price at End of Year (cents)	0.5	0.4	0.6	0.8	0.9
Basic diluted loss per share (cents)	0.077	0.038	0.43	0.16	0.11
Dividends per share	nil	nil	nil	nil	nil

2. Executive Remuneration

The Board may reward Executives through base salary increases, payment of cash bonuses, the issue of performance related equity. Any performance related equity issued to Executives that are also Directors of the Company require shareholder approval prior to issue. All remuneration paid to Executives is valued at the cost to the Company and expensed. New shares given to Executives are expensed as the difference between the market price of those shares and the amount paid by the Executive. Options are valued as prescribed by Australian Accounting Standard AASB 2.

The Board expects that the remuneration structure will result in the Company being able to attract and retain the best Executives within the resources available to the Company. It will also provide Executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, granting of equity incentives are reviewed by the Board as part of the review of Executive remuneration. The Board can exercise its discretion in relation to approving incentives, bonuses and options. The Company makes superannuation contributions for its employees and Directors as required by law.

There were no Executives employed by the Company in the Financial Year ending 30 June 2026.

3. Employee Option Plan

Forte has an Employee Option Plan (IPBLEOP) for qualifying persons to motivate and reward them. No options were issued pursuant to the IPBLEOP in this financial year, and a new updated employee incentive plan is being developed and will be put before shareholders for approval at the upcoming Annual General Meeting. The only outstanding options issued under the IPBLEOP to a former director expire on 30 November 2026, after which time the IPBLEOP will no longer be utilised.

4. Non-Executive Directors' Fees and Other Remuneration

The amount of aggregate remuneration approved by shareholders and the fee structure is reviewed periodically by the Board against fees paid to Non-Executive Directors of comparable companies. Where appropriate the Board may secure independent advice regarding Non-Executive Directors remuneration when reviewing fees.

Each Director has entered into an agreement as to the terms of their appointment as a director and receives remuneration as a director, by way of a modest monthly fee (inclusive of superannuation) plus equity incentives, as approved by shareholders from time to time.

At the Company's General Meeting held on 5 February 2026, shareholders approved the issue of a total of 35,000,000 Performance Rights to Directors as follows:

CLASS	QUANTUM	RECIPIENT	VESTING CONDITION	EXPIRY DATE
A	5,000,000	Dougal Ferguson	The settlement of the Alaskan acquisition.	Each Performance Right will expire on the date that is four (4) years from the date of issue.
D	7,500,000	Dougal Ferguson	Volume weighted average price of FEL shares exceeding \$0.015 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.
E	7,500,000	Dougal Ferguson	Volume weighted average price of FEL shares exceeding \$0.025 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.
D	3,750,000	Iain Smith	Volume weighted average price of FEL shares exceeding \$0.015 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.
E	3,750,000	Iain Smith	Volume weighted average price of FEL shares exceeding \$0.025 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.
D	3,750,000	Brett Lawrence	Volume weighted average price of FEL shares exceeding \$0.015 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.
E	3,750,000	Brett Lawrence	Volume weighted average price of FEL shares exceeding \$0.025 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.

Certain Non-Executive Directors invoice their fees from their respective consulting entities. Under both such arrangements and current at the date of this report, there are no annual, long service leave, other termination entitlements or retirement benefits other than statutory superannuation.

The Constitution and ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by members in a general meeting. An amount not exceeding the amount determined is then divided between the Non- Executive Directors as agreed. The company's Constitution stipulates the aggregate annual remuneration to \$500,000 per year and Forte has not sought to increase that amount.

Non-Executive Directors are encouraged by the Board to hold shares in the Company. No additional remuneration is paid to Directors for service on Board committees or on the Boards of wholly owned subsidiaries. All Directors are entitled to be paid all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Directors or of committees of the Directors.

The remuneration of Non-Executive Directors for the Financial Year ended 30 June 2026 is detailed in Table 5 of this report.

5. Remuneration for the Financial Year ended 30 June 2026

Details of the remuneration of key management personnel of Forte are shown in Table 5 and 6 below.

Table 5: KMP Nature and amount of remuneration for the year ended 30 June 2026

2026	Short term benefits	Post-employment benefits	Long term benefits	Equity settled share payments*	Total
Non – Executive Directors	\$	\$	\$	\$	\$
Dougal Ferguson	70,000	-	-	46,418	116,418
Brett Lawrence	33,036	3,964	-	5,709	42,709
Iain Smith ¹	34,500	-	-	5,709	40,209
Doug Jendry ²	2,232	268	-	-	2,500
Totals	139,768	4,232	-	57,836	201,836

¹ Appointed 1 August 2025

² Resigned 1 August 2025

*Equity Settled share Based Payments relates to grant of Performance Rights following approval at the 5 February 2026

Table 6: KMP Nature and amount of remuneration for the year ended 30 June 2025

2025	Short term benefits	Post-employment benefits	Long term benefits	Equity settled share payments	Total
Non – Executive Directors	\$	\$	\$	\$	\$
Dougal Ferguson ¹	24,965	-	-	-	24,965
Brett Lawrence	26,905	3,095	-	-	30,000
Doug Jendry	26,905	3,095	-	-	30,000
Kane Marshall ²	15,695	1,805	-	-	17,500
Totals	94,470	7,995	-	-	102,465

¹ Appointed 27 November 2024

² Resigned 27 November 2024.

6. KMP Equity Interests

Shareholdings

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Table 7: Ordinary Shares held by KMP

	Balance at the Beginning of Year	Balance at time of appointment as KMP	Options Exercise	Additions*	Disposals/Other	Balance at time of cessation as KMP	Balance at end of Year
Dougal Ferguson	33,780,621	-	-	7,500,000	-	-	41,280,621
Brett Lawrence	-	-	-	3,250,000	-	-	3,250,000
Iain Smith ¹	-	-	-	3,250,000	-	-	3,250,000
Douglas Jendry ²	-	-	-	-	-	-	-
Totals	33,780,621	-	-	14,000,000	-	-	47,780,621

¹ Appointed 1 August 2025

² Resigned 1 August 2025

*Additions include acquisition through participation in a placement and as approved by Shareholders at the General Meeting in February 2026.

Option Holdings

The number of options in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Table 8 Options held by KMP

	Balance at the Beginning of Year	Balance at time of appointment as KMP	Options Exercise	Additions*	Disposals/Other	Balance at time of cessation as KMP	Balance at end of Year
Dougal Ferguson	-	-	-	3,250,000	-	-	3,250,000
Brett Lawrence	-	-	-	1,625,000	-	-	1,625,000
Iain Smith ¹	-	-	-	1,625,000	-	-	1,625,000
Douglas Jendry ²	-	-	-	-	-	-	-
Totals	-	-	-	6,500,000	-	-	6,500,000

¹ Appointed 1 August 2025

² Resigned 1 August 2025

*Options were granted to Directors following participation in a placement as approval by Shareholders at the General Meeting in February 2026.

Performance Rights

The number of performance rights in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Table 9 Performance Rights held by KMP

	Balance at the Beginning of Year	Balance at time of appointment as KMP	Performance Rights Exercised/Converted	Additions*	Disposals/Other	Balance at time of cessation as KMP	Balance at end of Year
Dougal Ferguson	-	-	-	20,000,000	-	-	20,000,000
Brett Lawrence	-	-	-	7,500,000	-	-	7,500,000
Iain Smith ¹	-	-	-	7,500,000	-	-	7,500,000
Douglas Jendry ²	-	-	-	-	-	-	-
Totals	-	-	-	35,000,000	-	-	35,000,000

¹ Appointed 1 August 2025;

² Resigned 1 August 2025

*Performance Rights were granted to Directors following approval by Shareholders at the General Meeting in February 2026

Other KMP Transactions

There have been no other transactions with KMP other than those described in the tables above.

Use of remuneration consultants

The Group did not engage with remuneration consultants during the year or in prior years.

Voting and Comments Made at the Company's Annual General Meeting for the Financial Year ended 30 June 2025 ("AGM")

At the AGM held on the 26 November 2025, 61% of the votes were against the adoption of the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Appointment Agreements

Remuneration and other terms of employment for current Key Management Personnel are formalised in appointment agreements. Details of these agreements are as follows:

Name: Mr Dougal Ferguson
Title: Non-Executive Chairman
Agreement commenced: 27 November 2024
Details: Directors' fees of \$7,500 per month inclusive of superannuation, no termination date, benefits or notice period noted.

Name: Mr Brett Lawrence
Title: Non-Executive Director
Agreement commenced: 20 March 2024
Details: Directors' fees of \$3,500 per month inclusive of superannuation, no termination date, benefits or notice period noted.

Name: Mr Iain Smith (appointed 1 August 2025)
Title: Non-Executive Director
Agreement commenced: 1 August 2024
Details: Directors' fees of \$3,500 per month inclusive of superannuation, no termination date, benefits or notice period noted.

Share-based Compensation

Refer above, for details of Shares, Options and Performance Rights issued to Directors during the year.

No loans were provided to the Key Management Personnel or to any of their associates.

There were no other transactions with Key Management Personnel during the financial period.

This concludes the remuneration report, which has been audited.

Shares Under Option

Unissued ordinary shares of Forte under option at the date of this report are as follows:

Table 10 Shares under Options

Grant Date	Expiry date	Listed / Unlisted	Exercise price	Number under option
28 November 2022	30 November 2026	Unlisted	\$0.020	5,000,000 ¹
5 February 2026	11 February 2029	Unlisted	\$0.015	99,800,383 ²

¹ These options were issued to a former Director and Officer of the Company.

² Issued following shareholder approval at the General Meeting of the Company held on 5 February 2026.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares Issued on the Exercise of Options

There were no ordinary shares of Forte issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Performance Rights Over Ordinary Shares

The Company has granted 55,000,000 Performance Rights, each convertible to an ordinary share on issue at 30 June 2026. Of these, 35,000,000 have been issued with 20,000,000 to be issued subject to shareholder approval.

Shares Issued on the Exercise of Performance Rights

There were no ordinary shares of Forte issued on the exercise of performance rights during the year ended 30 June 2026 and up to the date of this report.

Indemnity and Insurance of Officers

During the Financial Year, the company paid a premium in respect of a contract providing insurance to the Directors of Forte and the Company Secretary and of any related body corporate against any liability incurred as a director or company secretary to the extent permitted by the Corporations Act 2001. In accordance with commercial practice, the insurance policy underwriter restricts disclosure of the terms of the policy. Forte has not otherwise, during or since the end of the Financial Year indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as an officer or auditor. During the period the amount paid for Directors and Officers insurance was \$40,375 including fees and brokerage and stamp duties and GST.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit Services

There were no non-audit services provided during the financial year by the auditor.

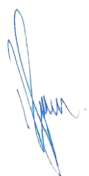
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the Financial Report have been rounded to the nearest dollar unless otherwise stated.

On behalf of the directors



Dougal Ferguson
Non-Executive Chairman
Perth, Western Australia
30 September 2026

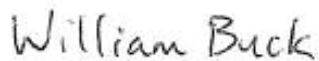
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Forte Energy Limited (formerly IPB Petroleum Limited)

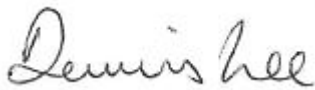
As lead auditor for the audit of the financial report of Forte Energy Limited (formerly IPB Petroleum Limited) for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Forte Energy Limited (formerly IPB Petroleum Limited) and the entities it controlled during the year.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



W. H. D. Lee
Director
Melbourne, 30 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Other income	Note 3	44,699	24,906
Employee benefits and directors' fees		(144,000)	(102,465)
Consulting & contractors		(69,700)	(59,310)
Legal, audit & accounting		(77,330)	(36,010)
Shareholder relations		(21,530)	(20,105)
Listing & filing fees		(38,148)	(29,163)
Share based payments expense		(131,309)	-
Exploration expenditure		(117,758)	-
Other expenses		<u>(57,365)</u>	<u>(49,456)</u>
Loss before income tax		(612,441)	(271,603)
Income Tax expense		<u>-</u>	<u>-</u>
Net Loss for the year		<u>(612,441)</u>	<u>(271,603)</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(612,441)</u></u>	<u><u>(271,603)</u></u>
Basic loss per share (cents)	Note 7	(0.077)	(0.038)
Diluted loss per share (cents)	Note 7	(0.077)	(0.038)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 \$	2025 \$
Current Assets			
Cash and Cash Equivalents	Note 8	1,672,800	1,436,065
Trade and Other Receivables		10,199	5,828
Other Current Assets		6,173	6,845
Total Current Assets		<u>1,689,172</u>	<u>1,448,738</u>
Non-Current Assets			
Exploration & Evaluation Assets	Note 10	2,232,929	2,185,389
Lease Security Deposit		433,902	-
Total Non-Current Assets		<u>2,666,831</u>	<u>2,185,389</u>
Total Assets		<u>4,356,003</u>	<u>3,634,127</u>
Current Liabilities			
Trade and Other Payables	Note 11	65,708	57,326
Total Current Liabilities		<u>65,708</u>	<u>57,326</u>
Total Liabilities		<u>65,708</u>	<u>57,326</u>
Net Assets		<u>4,290,295</u>	<u>3,576,801</u>
Equity			
Issued Capital	Note 12	23,184,357	22,042,551
Reserves	Note 14	204,234	20,105
Accumulated Losses		(19,098,296)	(18,485,855)
Total Equity		<u>4,290,295</u>	<u>3,576,801</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2024	22,042,551	66,359	(18,260,506)	3,848,404
Comprehensive Income				
Loss for Year	-	-	(271,603)	(271,603)
Total Comprehensive Income for year	-	-	(271,603)	(271,603)
Transactions with owners, in their capacity as owners, and other transfers				
Lapsed Options	-	(46,254)	46,254	-
Balance at 30 June 2025	22,042,551	20,105	(18,485,855)	3,576,801
Balance at 1 July 2025	22,042,551	20,105	(18,485,855)	3,576,801
Comprehensive Income				
Loss for Year	-	-	(612,441)	(612,441)
Total Comprehensive Income for year	-	-	(612,441)	(612,441)
Transactions with owners, in their capacity as owners, and other transfers				
Proceeds from issues of shares	1,276,806	-	-	1,276,806
Capital raising costs	(135,000)	76,360	-	(58,640)
Vesting of Share Based Payments	-	131,309	-	131,309
Foreign Currency Translation Reserve	-	(23,540)	-	(23,540)
Balance at 30 June 2026	23,184,357	204,234	(19,098,296)	4,290,295

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash Flows from Operating Activities			
Interest received		45,051	24,906
Payments to suppliers and employees		(521,500)	(291,168)
Net Cash Outflow from Operating Activities	Note 9	(476,449)	(266,262)
Cash Flows from Investing Activities			
Payments for exploration & evaluation expenditure		(47,540)	(12,917)
Payment for Lease Security Deposit		(451,578)	-
Net Cash Outflow from Investing Activities		(499,118)	(12,917)
Cash Flows from Financing Activities			
Proceeds from share issue		1,276,806	-
Costs of issue of shares (inclusive of GST)		(64,504)	-
Net Cash Inflow from Financing Activities		1,212,302	-
Net (Decrease)/ Increase in Cash Held		236,735	(279,179)
Cash and Cash Equivalents as at beginning of Year		1,436,065	1,715,244
Cash and Cash Equivalents as at end of Year	Note 8	1,672,800	1,436,065

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

NOTES TO THE FINANCIAL STATEMENTS

These financial statements and notes represent those of Forte Energy Ltd (previously IPB Petroleum Limited) ('Forte' or the "Company") and subsidiaries (together the "Group") for the Financial Year ended 30 June 2026.

The separate financial statements of the parent entity, Forte Energy Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 30 September 2026 by the directors of the Company.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business.

NOTE 1. Material Accounting Policy Information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Material Accounting Policy Information

The Australian Accounting Standards Board has released guidance on what is considered to be material accounting policy information. Such material accounting policy information relates to the following:

- A material change in accounting policy;
- A choice of accounting policy permitted by Australian Accounting Standards;
- An accounting policy developed in the absence of an accounting standard that specifically applies; or
- Transactions, other events or conditions which are complex and the accounting policy information is required in order for the users of financial statements to understand them.

Consequently, the quantum of accounting policy information disclosed in these financial statements has been reduced from the previous financial reporting year.

a. Basis of Preparation

These general-purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

b. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Forte Energy Limited) and its subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 16.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

c. Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax Consolidation

The Group has formed an income tax consolidated Group under the Tax Consolidation Regime from 3 October 2011. The tax consolidated Group has entered into a tax funding agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated Group. In addition, the agreement provides for the allocation of income tax liabilities between entities. In addition to its own current and deferred tax amounts, the Group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group. Assets or liabilities arising under the tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities the Group.

Petroleum Rent Resources Tax (PRRT)

Petroleum Resource Rent Tax (PRRT) is recognised as an income tax under AASB112 - Income Taxes. From 1 July 2012, the PRRT regime was extended to all Australian onshore oil and gas projects. Accounting for PRRT involves judging the impact of the combination of production licences into PRRT projects, the taxing point of projects, the measurement of the starting base of projects, the impact of farm-ins, the deductibility of expenditure and the impact of legislative amendments.

A deferred tax asset is recognised in relation to the carry forward deductible PRRT expenditure of projects only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. At this stage the Group has no taxable profits and therefore does not recognise a deferred tax asset in the financial statements. The Group will determine the carry forward deductible PRRT expenditure of projects including augmentation on expenditure categories in the calculation of future taxable profit when assessing the extent to which a deferred tax asset should be recognised in the financial statements for future years. Deferred tax assets in respect of PRRT are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

d. Exploration and Development Expenditures

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Costs are also only capitalised where rights to tenure of the area of interest are current.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

Expenditure settled by the farmee under the farm in arrangements is not recorded as expenditure (whether this would have been capitalised or expensed immediately) by the Group in its capacity as farmor.

e. Impairment of Non-financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

f. Employee Benefits

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

g. Reserves

Share-based payment reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Foreign Currency Reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

h. Government Grants

Government grants were not received during the Financial Year end 30 June 2026 or as at the date of this report.

i. New and Amended Accounting Policies Adopted by the Group

The impact of new accounting standards is not expected to have a material impact on the Group.

j. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2026. The directors consider that none of these Standards or Interpretations will materially impact these or future financial statements of the Group, other than AASB 18 *Presentation and Disclosure in Financial Statements*, which is discussed further below.

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and applies to annual reporting periods beginning on or after 1 January 2027 and is accordingly expected to first apply to the Group's financial statements for the year ending 30 June 2028. The Group does not intend to early adopt the standard.

While AASB 18 does not change the recognition or measurement of assets, liabilities, income or expenses, the directors consider that it will materially change the presentation and disclosure of the consolidated entity's future financial statements — including new required categories and subtotals within the statement of profit or loss and new disclosures in respect of management-defined performance measures. The consolidated entity has not yet completed its assessment of the full impact of AASB 18.

k. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

Impairment of non-financial Assets

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related exploration permit itself or, if not, whether it successfully recovers the related hydrocarbon exploration and evaluation asset through sale. Factors that could affect the future recoverability include the level of economically recoverable reserves, future technological changes which could impact the cost of development, future legal changes (including changes to environmental and restoration obligations) and changes to commodity prices. To the extent that capitalised hydrocarbon exploration and evaluation expenditure is determined not to be recoverable in the future, financial results and net assets will be reduced during the financial period in which this determination is made.

In addition, hydrocarbon exploration and evaluation expenditure is carried forward on the basis that activities in the areas of interest have not at the end of the reporting period reached a stage that allows a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing. To the extent it is determined in the future this capitalised expenditure should be written off in the statement of comprehensive income, financial results and net assets will be reduced during the financial period in which this determination is made. Information on the reasonable existence or otherwise of economically recoverable reserves is progressively gained through geological analysis and interpretation, drilling activity and prospect evaluation during a normal permit term. A reasonable assessment of the existence or otherwise of economically recoverable reserves can generally only be made, therefore, at conclusion of those exploration and evaluation activities. The Group's accounting policy for exploration and evaluation expenditure is set out in Note 1(d). The carrying amount of hydrocarbon exploration and evaluation assets is disclosed in Note 10.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTE 2. Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position		2026 \$	2025 \$
Assets			
Current Assets		1,663,787	1,448,738
Non-Current Assets		2,672,817	2,185,389
Total Assets		<u>4,336,604</u>	<u>3,634,127</u>
Liabilities			
Current Liabilities		65,708	57,326
Total Liabilities		<u>65,708</u>	<u>57,326</u>
Net Assets		<u>4,402,312</u>	<u>3,576,801</u>
Equity			
Issued Capital	Note 12	23,184,357	22,042,551
Reserves	Note 14	204,234	20,105
Accumulated Losses		(18,986,279)	(18,485,855)
Total Equity		<u>4,402,312</u>	<u>3,576,801</u>

Statement of Profit or Loss and Other Comprehensive Income

Total profit/(loss)	(500,424)	(271,603)
Total Comprehensive Income	<u>(500,424)</u>	<u>(271,603)</u>

Guarantees

During the reporting period Forte Energy Limited did not enter into a deed of cross guarantee with any of its subsidiaries.

Other Contingent Liabilities Not Bought to Account

Forte Energy Limited had no contingent liabilities or contingent assets at 30 June 2026 (30 June 2025: Nil).

Material Accounting Policy Information

The parent entity follows the same accounting policies as noted in Note 1 to the financial report.

Contractual commitments

At 30 June 2026, Forte Energy Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment and this is in line with the Group's material accounting policy.

NOTE 3. Revenue and Other Income

	2026 \$	2025 \$
Interest Received	44,699	24,906
	<u>44,699</u>	<u>24,906</u>

NOTE 4. Remuneration of Auditors

	2026 \$	2025 \$
Audit &/or review of financial statements	47,000	38,500
	<u>47,000</u>	<u>38,500</u>

NOTE 5. Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2026.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2026 \$	2025 \$
Short-term employee benefits	139,768	94,472
Post-employment benefits	4,232	7,993
Equity settled share-based payments	57,836	-
Total KMP compensation	<u>201,836</u>	<u>102,465</u>

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the superannuation contributions made during the year.

Share-based Payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date. There were no shares subscribed for or issued to Directors during the period as a result of any vesting of share-based payments. The 13,000,000 shares and 6,500,000 options issued to Directors during the year relate to their participation in the capital raise during the year as disclosed in Note 7.

Further information in relation to KMP remuneration can be found in the directors' report.

NOTE 6. Dividends

	2026 \$	2025 \$
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No dividends were paid or proposed for the year.

Balance of franking account at year end

Nil

Nil

NOTE 7. Loss per Share

	2026 \$	2025 \$
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(a) Reconciliation of earnings to profit or loss:

Loss used to calculate basic EPS (612,441) (271,603)

Loss used in the calculation of dilutive EPS (612,441) (271,603)

No. No.

Weighted average number of ordinary shares outstanding during the year used in calculating basic Loss per share 791,647,315 706,403,060

Weighted average number of ordinary shares outstanding during the year used in calculating dilutive Loss per share 791,647,315 706,403,060

Antidilutive options on issue not used in dilutive Loss per share calculation 104,800,383 5,000,000

Antidilutive performance rights not used in dilutive Loss per share calculation 55,000,000 -

Potential Ordinary Shares

All the outstanding options and performance rights have been determined to be anti-dilutive and have not been included in the determining the basic and dilutive earnings/(loss) per share.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. Options held over ordinary shares would decrease the loss per share reported above and hence, have been treated as antidilutive.

Ordinary Shares

On 12 December 2025, the Company announced the completion of a share placement issuing 146,600,765 shares at an issue price of \$0.008 per share raising \$1.17 million before costs. In addition, following approval at a General Meeting held on 5 February 2026, the Company issued an additional 13,000,000 shares to Directors raising a further \$104,000.

The basic earnings per share as at 30 June 2026 was (0.077 cents), (2025: (0.038 cents)).

The diluted earnings per share as at 30 June 2026 was (0.077 cents), (2025: (0.038 cents)).

NOTE 8. Cash and Cash Equivalents

	2026 \$	2025 \$
Cash at bank and on hand	1,672,800	1,436,065
	<u>1,672,800</u>	<u>1,436,065</u>

The effective interest rate on short-term bank deposits was 2.85% (2025: 2.3%); these deposits are at call.

NOTE 9. Cash Flow Information

	2026 \$	2025 \$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after Income Tax	(612,441)	(271,603)
Non cash flows in loss		
Share based payments	131,309	-
Changes in Assets and Liabilities:		
- (Increase)/Decrease in Trade and Other Receivables	(4,371)	11,880
- (Increase)/Decrease in Other Current Assets	672	8,208
- Increase/(Decrease) in Trade and Other Payables	8,382	(14,747)
Cash outflow from Operating Activities	<u>(476,449)</u>	<u>(266,262)</u>

NOTE 10. Evaluation and Exploration Assets

	2026 \$	2025 \$
Exploration Expenditure		
- Exploration & Evaluation Phase	7,371,699	7,324,159
Less Accumulated Impairment Losses	(5,138,770)	(5,138,770)
Total	2,232,929	2,185,389

Exploration Expenditure

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of petroleum.

Capitalised costs amounting to \$47,540 (2025: \$12,917) have been included in cash flows from investing activities in the statement of cash flows.

Movements in Carrying Values

Movements in the carrying amounts for exploration permit between the beginning and the end of the current financial year:

Area of Interest	WA-424-P \$
Balance as at 1 July 2024	2,172,472
Exploration and evaluation expenditure	12,917
Balance as at 30 June 2025	2,185,389
Balance as at 1 July 2025	2,185,389
Exploration and evaluation expenditure	47,540
Balance as at 30 June 2026	2,232,929
Cost	7,371,699
Less Accumulated Impairment Losses	(5,138,770)
Balance as at 30 June 2026	2,232,929

NOTE 11. Trade and Other Payables

	2026 \$	2025 \$
Current		
<i>Unsecured Liabilities</i>		
Trade Payables	26,063	29,705
Sundry Payables and Accrued Expenses	39,645	27,621
Total Trade and Other Payables	65,708	57,326

NOTE 12. Issued Capital

	2026 \$	2025 \$
Fully paid ordinary shares	23,184,357	22,042,551

The company has issued share capital amounting to 866,003,825 ordinary shares.

Movement in Ordinary Shares	2026 No.	2025 No.	2026 \$	2025 \$
At the beginning of the reporting period	706,403,060	706,403,060	22,042,551	22,042,551
Issue of share capital	159,600,765	-	1,276,806	-
Share issue costs	-	-	(135,000)	-
At the end of the reporting period	866,003,825	706,403,060	23,184,357	22,042,551

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options and Performance Rights

For information relating to options and performance rights issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 15.

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

NOTE 13. Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Management has determined that the Group has one reportable segment, being oil and gas exploration in Australia and the United States of America. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

NOTE 14. Reserves

	2026 \$	2025 \$
Share Based Payments Reserve	227,774	20,105
Foreign Currency Translation Reserve	(23,540)	-
	<u>204,234</u>	<u>20,105</u>

Share Based Payments Reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Foreign Currency Translation Reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

NOTE 15. Share-based Payments

	2026 \$	2025 \$
Share Based Payments Reserve at 1 July	20,105	20,105
Share based payment expense – KMP's	57,836	-
Share based payment expense – other	73,473	-
Share based expense – Capital Raising Costs	76,360	-
	<u>227,774</u>	<u>20,105</u>

Forte has an Employee Option Plan (IPBLEOP) for qualifying participants to motivate and reward them. No options were issued pursuant to the IPBLEOP in this financial year, and a new updated employee incentive plan is being developed and will be put before shareholders for approval at the upcoming Annual General Meeting. The only outstanding options issued under the IPBLEOP to a former director expire on 30 November 2026, after which time the IPBLEOP will no longer be utilised.

The Company waived certain vesting and/or exercise conditions relating to the 5,000,000 options issued to the former director based on him being granted good leaver status and those options can be exercised by giving notice of the exercise to the Company and by paying the exercise price for the options exercised. Each option entitles the holder to subscribe for one Share. The Shares allotted upon exercise of the options will rank equally in all respects with all other issued ordinary shares of the Company.

On 5 February, the Company undertook a placement which resulted in the issue of 159,600,765 ordinary shares. The terms of the placement included the issue of a free attaching option with one option issued for every two shares subscribed. This resulted in the issue of 79,600,383 free-attaching options issued pursuant to the placement and therefore these options do not meet the definition of a share-based payment.

Pursuant to a mandate with the Lead Manager to the placement, the Company issued 20,000,000 options (on the same terms as the free attaching options) to Chieftain Securities (WA) Pty Ltd. These options represent a share-based payment and were valued using a Black Scholes option valuation model.

The key inputs to that model are as follows:

VARIABLE	
Grant Date	5 February 2026
Expiry Date	11 February 2026
Share Price at grant date	\$0.007
Volatility	110%
Risk Free interest rate	4.322%
Dividend Yield	0%
Exercise Price	\$0.015
Valuation per performance right	\$0.003818

At the date of this report, the following options over unissued ordinary shares of Forte Energy Limited are detailed as follows:

Table 11: Shares under Options

Grant Date	Expiry date	Listed / Unlisted	Exercise price	Number under option
28 November 2022	30 November 2026	Unlisted	\$0.020	5,000,000 ¹
5 February 2026	11 February 2029	Unlisted	\$0.015	99,800,383 ²

¹ These options were issued under the IPBLEOP to a former Director and Officer of the Company.

² Issued following shareholder approval at the General Meeting of the Company held on 5 February 2026.

Since the end of the reporting period no other options were granted or exercised over unissued shares or interests in Forte Energy Limited or any controlled entity within the Group.

Options

A summary of the movements of company options issues during the reporting period is as follows:

	Number	Weighted Average Exercise Price \$
Options outstanding as at 1 July 2024	8,700,000	\$0.0112
Granted	-	-
Forfeited	2,200,000	\$0.0053
Expired	1,500,000	\$0.0565
Options outstanding as at 30 June 2025	5,000,000	\$0.0002
Options outstanding as at 1 July 2025	5,000,000	\$0.0200
Granted	99,800,383	\$0.0150
Forfeited	-	-
Expired	-	-
Options outstanding as at 30 June 2026	104,800,383	\$0.015

There were no employee options granted or expensed during the year (2025: NIL). The weighted average contractual life of the options (as at 30 June 2026) was approximately 2.52 years (2025: 0.42 years).

Performance rights

The following performance rights (55 million) were agreed to be issued during the year following shareholder approval at the General Meeting held on 5 February 2026:

CLASS	QUANTUM	VESTING CONDITION	EXPIRY DATE
A	15,000,000	The settlement of the Alaskan acquisition.	Each Performance Right will expire on the date that is four (4) years from the date of issue.
B	10,000,000	Completion by the Company of an acquisition of an additional project or leases within Alaska.	Each Performance Right will expire on the date that is three (4) years from the date of issue.
D	15,000,000	Volume weighted average price of FEL shares exceeding \$0.015 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.
E	15,000,000	Volume weighted average price of FEL shares exceeding \$0.025 for greater than 20 consecutive business days	Each Performance Right will expire on the date that is three (3) years from the date of issue.

Class A and Class B performance rights have a non-market vesting conditions and were valued using a Black Scholes option valuation model valuation model. The key inputs to that model are as follows:

VARIABLE	CLASS A	CLASS B
Grant Date	5 February 2026	5 February 2026
Expiry Date	11 February 2030	11 February 2030
Share Price at grant date	\$0.007	\$0.007
Volatility	110%	110%
Risk Free interest rate	4.322%	4.322%
Valuation per performance right	\$0.007	\$0.007

The Class D and Class E performance rights have a market vesting condition, and accordingly a Monte Carlo valuation model was used to value these performance rights. The key inputs to that model are as follows:

VARIABLE	CLASS D	CLASS E
Grant Date	5 February 2026	5 February 2026
Expiry Date	11 February 2029	11 February 2029
Share Price at grant date	\$0.007	\$0.007
Volatility	110%	110%
Risk Free interest rate	4.322%	4.322%
Dividend Yield	0%	0%
Exercise Price	Nil	Nil
Hurdle Price	\$0.015	\$0.025
Valuation per performance right	\$0.00614	\$0.00543

NOTE 16. Interest in Subsidiaries

Information about principal subsidiaries

Name of Subsidiary	Country of Incorporation	Ownership Interest Held by the Group	
		2026 %	2025 %
IPB WA 424P Pty Ltd	Australia	100	100
IPB Exploration Pty Ltd	Australia	100	100
Peritas LLC	United States of America	100	-

NOTE 17. Related Party Transactions

There were no related party transactions other than as identified in the Remuneration Report.

The Remuneration report details additional remuneration issued to Directors by way of Performance Rights.

Certain Directors have received their Base Remuneration as disclosed in the Remuneration Report through consulting entities that are deemed related parties of these Directors.

Note 5 and the Remuneration Report provide further details on Director Remuneration.

a. The Group's related parties are as follows:

i. Subsidiaries

The parent entity is Forte Energy Limited. The list of subsidiaries is set out in Note 16.

ii. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

iii. Entities subject to significant influence by the Group

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement. The ultimate parent entity and its subsidiaries did not exert significant influence over any associate entities during the 2025 or 2026 years.

iv. Joint Venture entities accounted for under the equity method

The Group does not have any joint ventures which are accounted for under the equity method.

v. Joint Arrangements

The Group does not have any joint arrangements which are accounted for under the proportional consolidation method.

vi. Other related parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. Transactions with related parties

Other than those disclosed elsewhere in these financial statements, there were no transactions with related parties during the year.

NOTE 18. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable, accounts payable and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments: as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets		2026 \$	2025 \$
Cash	Note 8	1,672,800	1,436,065
Trade and Other Receivables		10,199	5,828
Total financial assets		1,682,999	1,441,893
Trade and other payables at amortised cost	Note 11	65,708	57,326
Total financial liabilities		65,708	57,326

Financial Risk Management Policies

The Board is responsible for, among other issues, managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, foreign exchange risk and market risk consisting of interest rate risk.

There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with company policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA—. There is a risk that receivables may not be collected for their book value, or may take longer than expected, or the company may incur additional costs in collecting receivables not currently accounted for.

The expected credit losses arising from this exposure have been assessed as not material to the consolidated entity. The carrying amounts of financial assets and financial liabilities have been measured at amortised cost.

b. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts. The Group manages this risk through the maintenance of rolling cash flow forecasts.

All financial assets and liabilities of the Group are current and are able to be settled or realised within 12 months.

The non derivative financial liabilities are trade payables and that contractual undiscounted cash flows are approximate to their carrying amounts

c. Market risk

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Group to interest rate risk are cash and cash equivalents.

No reasonable change in interest rates would have a material effect on the profit and equity values reported in the financial statements.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Group operates internationally through foreign subsidiaries and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency or from net investments in foreign operations. The risk is monitored using cash flow forecasting and regular management reporting.

d. Fair Values

Fair Value Estimation

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in statement of financial position and notes to financial statements.

NOTE 19. Events After the Reporting Period

On 1 July 2026, the Company announced the appointment of Mr. Pete Bekkers as New Ventures Advisor.

Mr. Bekkers is a highly experienced geoscientist with almost 30 years of international experience, with recent roles being focused on exploration new ventures and field identification/evaluation projects. His previous roles include international new ventures management, evaluation and exploration in South America, Alaska, West Africa, India, Middle East, UK North Sea, Australia's Northwest Shelf and all Australian onshore basins.

In addition, the Company announced the appointment of Carla Healy as Company Secretary effective 1 July 2026.

On 14 September 2026, the Company announced that, following an application made to the National Offshore Petroleum Titles Administrator (NOPATA), the Commonwealth-Western Australian Offshore Petroleum Joint Authority (Joint Authority) had approved a 9-month suspension of the permit conditions in respect of the Permit Years 1-3 work program commitments with a corresponding 9-month extension of the permit term to 10 June 2027. The permit will now expire on 10 June 2029.

Other than as noted above, no other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTE 20. Commitments

As at the date of this report the Company has the following work commitments related to its exploration activities.

WA-424-P Permit:

The Company has completed all work associated with the Primary Term (firm commitment) except for the exploration well commitment. The Company recently secured an extension to the Primary Term (refer Note 19 above) which extended the Permit Years 1-3 work commitment until 10 June 2027. The Secondary Term years of 4 and 5 are optional for the Company and not firm commitments until these years are entered.

Table 12: Minimum work program for WA-424-P (Forte 100% and Operator)*

Term	Period	Remaining Requirements	Minimum Work	Estimated Expenditure A\$
Primary Years 1-3	Current -10/6/27	Geotechnical Studies including Seismic Re-interpretation of 75km2 depth conversion around the Idris Prospect (completed)		15,000,000
		One Exploration Well		
Secondary Year 4	11/6/27 - 10/6/28	Detailed assessment and re-interpretation of well and 3D seismic data following drilling of commitment well		100,000
Secondary Year 5	11/6/28- 10/6/29	Technical studies to support a renewal and relinquishment strategy		100,000

The terms and conditions of the WA-424-P exploration permit has guaranteed annual work commitments to be completed. Whilst not a liability in terms of the relevant accounting standards and therefore not recordable in the company's Statement of Financial Position, a failure to meet a guaranteed work commitment may render a permit liable to be cancelled, unless an extension of time or waiver of the requirement is granted by government.

The Company continues to pursue either a farmout or sale agreement of an interest in WA-424-P to assist in the funding of the commitment well. If achieved, it is likely that Forte will transfer or hold on trust a significant portion or economic interest of the permit WA-424-P Permit to a farminee or funding partner, resulting in a reduced percentage ownership of WA-424-P.

NPR-A Leases:

The leases held by the Group do not have any annual work commitments but require an annual lease fee of US\$3/acre to be paid to maintain the leases in good standing. At the request of the Company, the leases are currently suspended by the Bureau of Land Management (BLM) until March 2027, thereby allowing the annual lease fee to be waived by the BLM until such time as the leases are no longer suspended.

Summary of Commitments	2026 \$	2025 \$
Less than one year	15,100,000	15,200,000
One to five years	100,000	-
More than five years	-	-
	<u>15,200,000</u>	<u>15,200,000</u>

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2026

Entity Name	Entity Type	Place formed/ Country of incorporation	Ownership interest %	Tax Residency
Forte Energy Ltd (previously IPB Petroleum Limited)	Body Corporate	Australia	NA	Australia
Peritas LLC	Limited Liability Corporation	USA	100%	Australia
IPB WA 424 Pty Ltd	Body Corporate	Australia	100%	Australia
IPB Exploration Pty Ltd	Body Corporate	Australia	100%	Australia

Basis of Preparation

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with subsection Section 295 (3A) of the Corporations Act 2001. The entities listed in the statement are Forte Energy Limited and all the entities it controls in accordance with AASB 10 Consolidated Financial Statements. The percentage of share capital disclosed for bodies corporate included in the statement represents the 100% interest directly controlled by Forte Energy Limited.

Key Assumptions and Judgements

Determination of Tax Residency

Section 295 (3A) Corporations Act requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997 (Cth). The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Group has applied the following interpretations:

Australian Tax Residency

The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group

DIRECTORS' DECLARATION

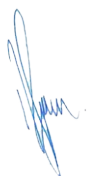
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- the Consolidated Entity Disclosure Statement for the Company and its controlled entities as at 30 June 2026 is true and correct.
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Dougal Ferguson
Non-Executive Chairman
Perth, Western Australia
30 September 2026

Independent auditor's report to the members of Forte Energy Limited (formerly IPB Petroleum Limited)

Report on the audit of the financial report

Opinion

In our opinion, the accompanying financial report of Forte Energy Limited (formerly IPB Petroleum Limited) (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2026,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of exploration and evaluation assets	Area of focus (refer also to notes 1 & 10)	How our audit addressed the key audit matter
	The Group has incurred exploration costs for both their Australian petroleum project over a number of years as well as new American projects in Alaska. There is a risk that the accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate. Due to the nature of the Groups petroleum exploration activities, indicators of impairment could include: — Changes to exploration plans; — Loss of rights to tenements; — Changes to reserve estimates; or — Costs of extraction and production. Based on management's assessment both exploration areas continue to meet the requirements for capitalisation. This has been a key area of focus for our audit.	Our audit procedures included: — A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and their impairment assessment; — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the requirement to renew that tenement at its expiry; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; — Agreeing a sample of expenditure capitalised to underlying support and ensuring that it is appropriately recorded in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources and is directly attributable to that area of interest; and — From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. We also assessed the adequacy of the Group's disclosures in respect of exploration costs in the financial report.
Accounting for asset acquisitions	Area of focus	How our audit addressed the key audit matter
	During the financial year, the Group acquired Peritas LLC which holds Bureau of Land Management (BLM) leases for oil and gas exploration for consideration of \$10, an exclusivity fee of \$10,000 and provision of a loan for posting a lease	Our audit procedures included: — Assessing the acquired inputs and processes against the AASB 3 definition of a business, including managements application of the

	bond with the US Bureau of Land Management. The acquisition have been accounted for as an asset acquisition and resulted in the recognition of costs totalling \$10,010. The accounting for this acquisition required management to: — Determine whether the transactions constituted a business combination or asset acquisition in accordance with the requirements of AASB 3 <i>Business Combinations</i>; — Assess the disclosure requirements with respect to the asset acquisitions. Given the level of judgment and estimation involved in determining whether the acquired assets constituted a business, this was considered a key audit matter.	concentration test and whether a substantive process was acquired; — Evaluating the identification and relative fair-value allocation of the assets acquired and liabilities assumed; — Evaluating the terms of the contract in order to determine the correct purchase date for the acquisitions; Assessing and recalculating the consideration of the assets acquire. We also assessed the appropriateness of disclosures relating to these items in the financial statements.
Share-based payments	Area of focus (refer also to notes 1 & 15) During the financial year the Group issued share-based payments as payments to directors, brokers & other consultants for services provided to the entity. Free attaching options were also issued as part of the capital raise completed during the year. Management determined the accounting treatment of the various issued options, performance rights and share based payment arrangements in accordance with AASB 2 <i>Share Based Payments</i> and included market and non-market vesting criteria, including service conditions. The free attaching options were considered and noted to be outside the scope of AASB 2 <i>Share Based Payments</i> as no goods or services were exchanged for the options issued. Accounting for the awards required significant judgement and expertise, particularly in determining their fair value and assessing the likelihood of satisfying non-market performance and service conditions when determining the number of awards expected to vest and the related expense.	How our audit addressed the key audit matter Our audit procedures included: — Reviewing the terms of the options and performance rights being issued including the number of instruments issued, grant date, expiry date, exercise price and the presence of any market or non-market conditions; — For the options issued without market conditions, we have evaluated the valuations prepared by management including key inputs used within the valuation model and assessed that they were appropriately qualified to perform the valuation; — For the performance rights with market conditions, we have reviewed the work performed by management and in conjunction with our Corporate Finance experts, evaluated the valuations prepared including the appropriateness of the valuation model used and the key inputs used within the valuation model;

This area is a Key Audit Matter due to the complexity of arrangements and judgements applied in valuing the share-based payment instruments issued.

- Recalculating the share-based payment expense over the respective vesting periods, and recording the expense in the statement of profit or loss and other comprehensive income,, or where relevant, to costs of raising capital within equity and the increment to share-based payments reserve with respect to the instruments issued in the current period;
- Assessed the probability estimates determined by management with respect to the achievement of the non-market conditions; and

We also assessed the appropriateness of disclosures relating to these items in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report



Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Forte Energy Limited (formerly IPB Petroleum Limited), for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

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.

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

W. H. D. Lee

Director

Melbourne, 30 September 2026

ADDITIONAL ASX SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 4 September 2026.

LISTING OF 20 LARGEST SHAREHOLDERS

Position	Investor	Holding	Holding %
1	MR MARTIN ROWNEY	71,600,000	8.27
2	MS SIHOL MARITO GULTOM	64,000,000	7.39
3	MR MARTIN PHILIP ROWNEY + MRS KATHRYN ANN YATES <THE SECOND SPITTER SUPER A/C>	59,100,000	6.82
4	SHENTON JAMES PTY LTD	41,280,621	4.77
5	MR PETER ANDREW PROKSA	28,000,002	3.23
6	HELMET NOMINEES PTY LTD	23,888,704	2.76
7	MR CALLUM BENEDICT MCINTOSH	23,300,000	2.69
8	HENCONNOR PTY LTD <WARBY SUPER FUND A/C>	19,910,714	2.30
9	MR PHILIP MICHAEL SMITH	19,000,000	2.19
10	SHINBONERS (WA) PTY LTD	18,000,000	2.08
11	MR LIAM JARROD WHEATON	17,516,723	2.02
12	MR GUY WALTER HUTCHINS	17,058,341	1.97
13	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	16,398,891	1.89
14	GREMAR HOLDINGS PTY LTD	15,333,333	1.77
15	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	15,150,610	1.75
16	TKPJ PTY LTD	15,000,000	1.73
16	MR SCOTT ROBERT WEIR + MRS STEPHANIE CLAIRE WEIR <S R SUPER A/C>	15,000,000	1.73
18	MR MICHAEL DAVID ROWNEY	14,795,847	1.71
19	RUBYLLLOYD PTY LTD	11,388,888	1.32
20	GRANT REILLY PTY LTD	10,138,704	1.17
	Total	515,861,378	59.57

DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	Number of Ordinary Shareholder
1 - 1000	50
1001 - 5000	96
5001 - 10,000	101
10,001 - 100,000	278
100,001 and above	285
Total	810

UNMARKETABLE PARCELS

There were 499 shareholders holding less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

Investor	Holding	%
MR MARTIN ROWNEY	71,600,000	8.27
MS SIHOL MARITO GULTOM	64,000,000	7.39
MR MARTIN PHILIP ROWNEY + MRS KATHRYN ANN YATES <THE SECOND SPITTER SUPER A/C>	59,100,000	6.82

CLASSES OF SECURITIES AND VOTING RIGHTS

Forte has fully paid ordinary shares on issue. The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present, who is a member or representative of a member shall have one vote and, on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held.

EXPLORATION PERMIT AND LEASE INTERESTS

As at 30 June 2026, and also as at the date of this report, the Company held a 100% interest in the Exploration Permit WA-424-P in the Browse Basin subject to suspension and extension.

In addition, the Company holds a 100% working interest in 143,368 acres of oil and gas leases within the NPR-A in Alaska, as detailed below.

Lease Number	Area (Acres)	Lease End Date
AA-095607	11,351	1 March 2030
AA-095401	11,381	1 March 2029
AA-095397	11,410	1 March 2029
AA-095396	11,432	1 March 2029
AA-095606	11,456	1 March 2030
AA-095605	11,479	1 March 2030
AA-095604	11,497	1 March 2030
AA-095393	11,456	1 March 2029
AA-095392	11,478	1 March 2029
AA-095398	11,409	1 March 2029
AA-095402	11,386	1 March 2029
AA-084141	11,500	Umiat Unit
AA-081726	6,133	Umiat Unit