



Hartshead Resources NL

ACN 150 624 169

Interim Report

for the half-year ended

31 December 2025

For personal use only

CORPORATE DIRECTORY

DIRECTORS

Bevan Tarratt, *Executive Chairman*
Christopher Lewis, *Chief Executive Officer*
Nathan Lude, *Executive Director*

COMPANY SECRETARY

Matthew Foy

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000
Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

AUDITOR

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
ASX Code – HHR

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

64/89 Aberdeen Street
Northbridge WA 6006
Australia
Telephone: +61 8 9226 2011
Web: www.hartshead-resources.com.au
Email: info@hartshead-resources.com

LONDON OFFICE

Bridge House
181 Queen Victoria Street
London EC4V 4EG
United Kingdom

For further information and to stay up to date with Company developments, please follow us on social media by clicking the links below:



[LinkedIn](#)



[Twitter](#)

For personal use only

CONTENTS

	PAGE
Directors' Report	1
Auditors' Independence Declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15
Directors' Declaration	20
Independent Auditor's Review Report	21

For personal use only

DIRECTORS' REPORT

The Directors of Hartshead Resources NL (**Company, HHR or Hartshead**) and the entities it controls (**Consolidated Entity or Group**) present their report for the half-year ended 31 December 2025.

DIRECTORS

The names of the Directors in office during the financial period or since the end of the financial period are:

- Mr Bevan Tarratt, Executive Chairman
- Mr Christopher Lewis, Chief Executive Officer
- Mr Nathan Lude, Executive Director

COMPANY SECRETARY

- Mr Matthew Foy, Company Secretary

PRINCIPAL ACTIVITIES

Hartshead Resources is an Australian-listed oil and gas exploration and development company. The Company's principal interest is in Seaward Production License P2607, located in the southern gas basin, offshore United Kingdom. The Company's strategy is to extract value from the Company's assets and to build a European-focused gas development company over time.

DIVIDENDS

No dividends have been declared, provided for, or paid in respect of the half-year (31 December 2024: Nil).

FINANCIAL SUMMARY

The Group made a net loss after tax of \$555,414 for the financial half-year ended 31 December 2025 (31 December 2024: loss \$1,122,878). At 31 December 2025, the Group had net assets of \$32,252,214 (30 June 2025: \$33,533,223) and cash assets of \$13,965,397 (30 June 2025: \$15,759,083).

REVIEW OF OPERATIONS

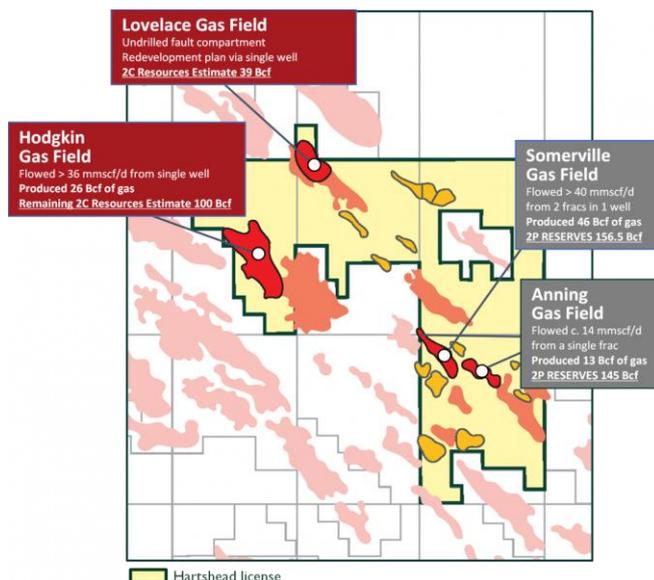
SEAWARD PRODUCTION LICENSE P2607, OFFSHORE UNITED KINGDOM

(ROCKROSE ENERGY 60%, HARTSHEAD RESOURCES 40% AND CURRENT OPERATOR)

During the period the Company entered into a well carry agreement for the drilling and completion of the phase C well work obligation (**Agreement**).

Under the terms of the Agreement, JV partner RockRose will fully carry Hartshead for its share of costs for the drilling and completion of the Phase C Well Work Obligation, located within UKCS Licence No. P2607.

In consideration for the carry, Hartshead's interest in the P2607 Joint Venture will be reduced from 40% to 35% and an amended Phase 1 Fields Development Costs Cap of US\$197,645,714 will apply after the well work is completed. The agreement would result in the development carry being reduced from US\$96.8 million to US\$79.1 million. The Agreement contains such other terms as are considered standard for a transaction of this nature.



LICENCE EXTENSION REQUEST

In connection with the Agreement, the Company confirmed in September 2025, that a joint application had been submitted to the North Sea Transition Authority (**NSTA**) for a two-year extension to Phase C of UKCS Licence No. P2607.

The extension was required to allow for the completion of the Phase C Work Programme, which has been impacted by delays in the environmental permitting process within the UK and other supply chain constraints. The Joint Venture partners are aligned on a new timeline to complete the commitment well.

During the reporting period, the NSTA agreed to the joint extension request to allow the completion of the work programme within the constraints of the North Sea supply chain and engagement with the relevant authorities and stakeholders.

The Initial Term Phase C of the licence has been extended from the current date by two years to 30 November 2027. The Second term will remain unchanged with the Third term to be reduced by a corresponding amount (24 months).

SCHEME IMPLEMENTATION DEED WITH ACAM

On 23 December 2025, the Company advised that it had entered into a binding Scheme Implementation Deed (**SID**) with ACAM GP Limited, as general partner of ACAM LP (**ACAM**), under which it is proposed that ACAM will acquire 100% of the issued share capital of Hartshead by way of a Court-approved scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (**Scheme**).

Under the terms of the Scheme, Hartshead shareholders will receive A\$0.014 in cash for each fully paid ordinary share (**Fully Paid Share**) and \$0.0007 for each partly paid share (**Partly Paid Share**) they hold on the Scheme record date (**Scheme Consideration**), valuing the Company's fully diluted equity at approximately A\$40 million.

The Scheme Consideration represents a premium of 133% to the last closing price of A\$0.006 per Fully Paid Share on ASX as prior to announcement of the Scheme and a 114% premium to the 30-day volume weighted average price (**VWAP**) of Fully Paid Shares traded on ASX to 22 December 2025 of \$0.0065.

The Directors of Hartshead unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a Superior Proposal (as defined in the SID) and subject to the Independent Expert concluding that the Scheme is in the best interests of shareholders. Further, the Hartshead Directors, who hold voting power of 10.27% in Hartshead in aggregate, intend to vote all the Fully Paid Shares and Partly Paid Shares (together, **Shares**) held or controlled by or on behalf of them in favour of the Scheme, in the absence of a Superior Proposal.

TRANSACTION DETAILS

If the Scheme is approved and implemented, each Hartshead shareholder on the register at the Scheme record date will receive a cash payment of A\$0.014 for each Fully Paid Share held.

A\$0.0007 cash will be paid for each Partly Paid Share held on the Scheme record date, being 1/20th of the consideration payable for each Fully Paid Share, which is proportionate to the amount paid up on those Partly Paid Shares.

The Scheme Consideration implies a fully diluted equity value for Hartshead of approximately A\$40 million.

The all-cash offer provides shareholders with certainty of value for their investment in Hartshead and near term liquidity, mitigating the significant risks and uncertainties associated with the execution of the development of the UK Southern Gas Basin assets, including the related regulatory and funding requirements.

HARTSHEAD BOARD RATIONALE AND RECOMMENDATION

The Board of Directors of Hartshead has considered the proposal extensively and has unanimously concluded that the Scheme is in the best interests of Hartshead shareholders.

The Directors recommend that shareholders vote in favour of the Scheme for the following key reasons:

- Significant premium: The Scheme Consideration represents a 133% premium to pre-announcement trading levels of Fully Paid Shares on ASX.

DIRECTORS' REPORT

- Certainty of value: The 100% cash Scheme Consideration provides certainty of value, removing exposure to the significant development and funding risks and uncertainties inherent in bringing the Phase I development of the P2607 licence to production.
- Avoidance of dilution: The Scheme allows shareholders to realise value for their investment in Hartshead at a premium without the risk of potential future equity dilution associated with raising capital for development costs.

Subsequent to the period, Hartshead provided an update in relation to the proposed scheme of arrangement under which ACAM GP Limited (as general partner of ACAM LP) will acquire 100% of the issued share capital of Hartshead.

Hartshead now anticipates the Scheme Booklet, including the Independent Expert's Report being prepared by BDO Corporate Finance Australia Pty Ltd (ACN 124 031 045) and the Notice of Meeting for the Scheme, will be sent to shareholders in early April 2026 for the Scheme Meeting, following the First Court Hearing. Shareholders will have the opportunity to vote on the Scheme at the Scheme Meeting.

The revised indicative timetable for the Scheme is set out below:

- First Court Hearing: Late March 2026
- Dispatch of Scheme Booklet: Early April 2026
- Scheme Meeting: Early May 2026
- Second Court Hearing: Mid May 2026
- Effective Date: Mid May 2026
- Record Date: Mid May 2026
- Implementation Date: Late May 2026

Note: These times are indicative only and subject to change.

PETROLEUM REPORTING STATEMENTS

UK Southern North Sea Production Seaward License P2607 – Reserves, Contingent and Prospective Resources

Please refer to the qualified person's statement relating to the reporting of reserves on Hartshead Resources Southern North Sea License P2607 in Hartshead's ASX announcements dated 23 June 2022. The volumetric estimates used to derive the estimates below have been made by combining probabilistically derived estimates of initial in place gas volumes with assumptions regarding the gas recovery factors from analogous fields, such as the Clipper South and Babbage gas fields located in the UK Southern Gas Basin.

Please refer to the qualified person's statement relating to the reporting of contingent and prospective resources on Hartshead Resources Southern North Sea License P2607, in Hartshead's ASX announcements dated 6 April 2022 and 8 March 2022.

Please refer to the qualified person's statement relating to the reporting of contingent and prospective resources on Hartshead Resources Southern North Sea Licenses P2669, P2670, P2676, P2678, P2679 and P2682, in Hartshead's ASX announcements dated 9 & 17 September 2024.

The Company is not aware of any new information or data that materially affects the information about the contingent resource or prospective resource estimates included in this announcement and all the material assumptions and technical parameters underpinning those estimates in this announcement continue to apply and have not materially changed.

GROSS RESERVES ¹						
P2607	49/17b	Anning	1P		2P	3P
			Sales Gas (Bcf)	73	145.0	245
			Condensate (MMbbl)	0.081	0.192	0.375
P2607	49/17b	Somerville	Sales Gas (Bcf)	107.0	156.5	213
			Condensate (MMbbl)	0.119	0.208	0.325
			Total (MMboe)	31.2	52.4	79.7

GROSS CONTINGENT RESOURCES ² (BCF)			1C	2C	3C	GCoS
P2607	49/6c, 49/11c	Lovelace	14	39	70	100%
	48/15c	Hodgkin	35	100	387	100%
P2669	44/19b	Katy Field	28	67	120	100%
		Cameron	8	19	43	100%
		44/19-3	9	40	75	100%
P2670	44/22	Boulton-H Field	15	41	76	100%
	44/23b	Winchelsea North Field	17	60	129	100%
	44/27	Garnet Field	7	20	56	100%
P2676	48/10	Annabel East Field	32	91	204	100%
P2678	48/14d	Ensign Field	68	124	205	100%
	48/15b					
P2679	48/18c	Bedevere North Field	68.1	96.3	130.4	100%
		Bedevere Central Field	47.2	67.8	94	100%
		Bedevere South Field	39.1	56.3	78.5	100%
		Anglia Paris	12.5	24.2	43.3	100%
		Anglia North	10.2	19.1	32.6	100%
P2682	113/27c	Castletown Field	72	156	330	100%

GROSS PROSPECTIVE RESOURCES (BCF) ²			1U	2U	3U	GCoS
P2607	49/17b	Garrod	16	52	125	50%
	49/17b	Ayrton	25	74	146	41%
	49/17b	McLaren	18	27	39	54%

¹ Reserves estimates are from ERC Equipoise Limited, Independent Competent Persons Report (CPR) entitled "Hartshead Resources NL Somerville and Anning Competent Persons Report" dated June 2022. See Qualified Persons Statement for reserves reporting notes.

² Hartshead and Partners management estimates

	49/17b	Stephenson	36	47	60	43%
	49/17b	Widdowson East	6	29	79	32%
	49/17b	Widdowson Central	11	21	40	50%
	49/17b	Lonsdale	5	16	31	50%
	49/17b	Anderson	5	12	29	45%
	49/12d	Wenlock Prospect 1	4	19	55	36%
	49/12d	Wenlock Prospect 2	1	5	19	36%
	49/11c	Wenlock Prospect 3	1	5	17	36%
	49/11c	FFs Prospect 1	3	11	26	41%
	49/11c	FFs Prospect 2	8	19	37	35%
	49/11c	FFs Prospect 3	4	9	17	34%
P2669	44/19b	Emerald	17.4	23.2	34.8	0.32
		Silmanite West	6.96	11.6	23.2	0.56
P2670	44/23b 44/27	Winchelsea West	23.2	81.2	191.4	0.24
		Schooner C	69.6	92.8	104.4	0.50
		Wheatsheaf	174	220.4	272.6	0.10
P2676	48/10	Ulnaby	53	89	149	0.35
		Ulnaby South	17	33	63	0.35
P2679	48/18c	Anglia Far North	11	28.5	68.1	0.40
P2682	113/27c	Doyle	62	171	354	0.45
		Peel	68	230	440	0.36

Prospective resources are estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These prospective resources estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

COMPETENT PERSONS STATEMENT

The Reserves estimated in this report have been made by Dr Adam Law, Director, ERC Equipoise (ERCE), a post-graduate in Geology, a Fellow of the Geological Society, and a member of the Society of Petroleum Evaluation Engineers. Dr Adam Law is qualified in accordance with ASX listing rule 5.41 and has consented to the use of Reserves estimates, and to the form and context in which these statements appear.

ERCE Ltd. (ERCE) is a leading, employee owned, global energy consultancy headquartered in London with offices in Singapore, Kuala Lumpur, and Perth. It's fully integrated team of Geoscientists, Engineers and Economists are specialists in Competent Persons reporting, reserves and resources auditing, technical services, commercial analysis, and Expert advisory services. ERCE supports companies in traditional energy sectors as well as providing energy transition and sustainability services.

The Reserves estimates presented in this report were originally disclosed to the market in announcement released on 23 June 2022.

DIRECTORS' REPORT

The information in this report that relates to Reserves estimates is based on information compiled or reviewed by Mr Christopher Lewis. Mr Lewis has consented to the form and context in which the estimated Reserves and the supporting material are presented.

Hartshead has prepared the Contingent Resource and Prospective Resource information in this announcement in accordance with the ASX Listing Rules and the 2007 Petroleum Resources Management System published by the Society of Petroleum Engineers (SPE-PRMS). The Contingent Resource estimates and Prospective Resource estimates presented in this report were originally disclosed to the market in announcement released on 14 December 2020 and updated 8 March 2022 and 6 April 2022. Hartshead confirms that it is not aware of any new information or data that materially affects the information included in the aforesaid market announcements and that all the material assumptions and technical parameters underpinning the estimates in the aforesaid market announcement continue to apply and have not materially changed. The information in this report that relates to Contingent Resource information in relation to the Phase II Hodgkin and Lovelace fields and the Prospective Resource information in relation to the Phase III exploration portfolio is based on information compiled by Mr Christopher Lewis and information compiled by technical consultants contracted to Hartshead which has been subsequently reviewed by Mr Christopher Lewis. Mr Lewis has consented to the inclusion of such information in this report in the form and context in which it appears and the resources information in this report is based on, and fairly represents, information and supporting documentation reviewed by, or prepared under the supervision of, Mr Christopher Lewis.

Mr Lewis is a Director of Hartshead and holds a BSc from the Imperial College, University of London and is a member of The American Association of Petroleum Geologists (AAPG) and the European Association of Geoscientists and Engineers (EAGE). Mr Lewis is qualified in accordance with the requirements in ASX Listing Rule 5.41.

MATERIAL BUSINESS RISK

The Group makes every effort to identify materials risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Group or by investors in the Group, nor are they in order of significance. Actual events may be different to those described.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

Oil & Gas Pricing Risk

It is impossible to accurately predict future oil and gas price movements. Sustained lower oil and gas prices or price declines may lead to a material decrease in the Company's future production revenues. The Company may from time to time enter into agreements to receive fixed prices on future oil and gas production to offset the risk of revenue losses if commodity prices decline. However, if commodity prices increase beyond the levels set out in such agreements, the Company will not benefit from such increases and may nevertheless be obligated to pay suppliers and others in the market based on such higher prices. Furthermore, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms, and in addition, hedging itself carries certain risks, including expenses associated with terminating any hedging agreements. Further, sustained lower oil and gas prices may also cause the Company to make substantial downward adjustments to its oil and gas reserves. If this occurs, or the Company's estimates of production or economic factors change, the Company may be required to write-down the carrying value of its proved oil and gas properties to reflect these impairments. Furthermore, certain development projects could become unprofitable as a result of a decline in oil and gas prices and could result in the Company having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact. Additionally, if oil and gas prices remain depressed, it could reduce the Company's ability to refinance any outstanding loans at maturity.

Tax Regulation

Future political and fiscal conditions in the countries in which the Company operates its business (in particular, the UK) may result in governments adopting materially different taxation policies which could affect the petroleum industry. Furthermore, the level of taxes the Company must pay could change significantly as a result of new interpretations of tax laws and regulations or changes to such laws and regulations. In the event there are any such changes, it could lead to new investments being less attractive, prevent the Company from achieving further growth, or adversely affect the Company's current and future tax position, net income after tax and financial condition. In addition, tax authorities could challenge the

Company's filed tax returns leading to additional taxes and tax penalties. In the UK tax authorities may under certain conditions change a taxpayer's tax assessment up to twenty years after the tax year.

Climate Change Risk

Climate change continues to attract considerable public, governmental and scientific attention. As a result, various proposals have been made and could continue to be made at the international, national, and regional levels of government to monitor and limit emissions of CO₂ and progress towards net zero carbon emission economies. Consequently, legislation and regulatory programs to reduce emissions of CO₂, introduce carbon capture and storage projects and move to net zero carbon could have an adverse effect on the oil and gas industry generally and adversely affect the Company's business, financial condition, and results of operations.

The North Sea Transition Authority (NSTA) views oil & gas as an important component of the UK's energy mix going forward but is also fully committed to the UK Government's commitment to reach net zero emissions by 2050 and therefore has put net zero considerations at the heart of its oil & gas strategy.

The growth of alternative energy supply options, such as renewables and nuclear, could also present a change to the energy mix that may reduce the value of oil and gas assets.

In addition, climate change activists could bring legal challenges to the Company's activity to develop its gas assets resulting in operational delays and legal costs to deal with such litigation.

Exploration Risk

Oil & gas exploration is a speculative endeavour, and the nature of the business carries a degree of risk associated with the discovery of hydrocarbons in commercial quantities. Exploration risk may be adversely influenced by a number of different factors including, amongst other things, new subsurface geological and geophysical data (e.g. seismic data), drilling results from either wells drilled by the Company or other industry players, where the well drilled has direct relevance to the plays and prospects being pursued in its licence permits. This information impacts knowledge of the fundamental geological factors that are required to be present in order to have a hydrocarbon accumulation. These fundamental elements require there to be an effective; trap, reservoir, seal, source rock presence, maturity of source rock for hydrocarbon generation and migration of hydrocarbon charge from the source rocks into a trap. Each of these elements are required and their presence needs to be effective in order to have a hydrocarbon discovery that may or may not be able to be commercialised.

The business of oil & gas exploration involves risks and hazards. For example, in an exploration context, no assurance can be given that hydrocarbons will be detected and if they are, whether they are in quantities likely to be commercialised under conventional conditions within the term of the licence permit. High risk and substantial expense can be incurred without the requisite or expected degree of reward. Even if commercial quantities of oil & gas are discovered unforeseen risks can arise in the development and production phases.

Development Risk

Development projects require complex engineering, procurement, construction, and drilling work, as well as government permits and approval. Development of oil and gas assets are risky activities, requiring high levels of capital expenditure without a commensurate degree of certainty of a return on that investment. The complexity of offshore development projects also makes them very sensitive to delays or costs increases. Projected target dates for production may be delayed and significant cost overruns may occur. Estimated exploration, development and production costs are subject to a number of assumptions that may not materialize. Such factors may affect the extent to which oil and gas fields remain commercially viable, and consequently could result in breach by the Company of its obligations and/or require the Company to raise additional debt and/or equity. Any delays, cost increases or other negative impact relating to development projects of the Company, may have a material adverse effect on its business, results of operations, cash flow, financial condition, and prospects.

Operational Risk

The business of oil & gas exploration, development, and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, amongst other things:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;

DIRECTORS' REPORT

- (iii) securing and maintaining licence permits;
- (iv) obtaining consents and approvals necessary for the conduct of oil & gas exploration;
- (v) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors, and consultants; and
- (vi) availability of equipment, such as seismic vessels or drilling rigs, within the necessary time frame.

Whether or not income will result from licence permits depends on successful exploration, appraisal, and establishment of production facilities.

There is no assurance that any exploration on current or future licence permits will result in the discovery of economic reserves. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

Other Operational Risks

In addition to the risks listed above, industry operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations, and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in substantial losses to the Company due to injury or loss of life; damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may also give rise to claims against the Company.

Uncertainty of Exploration and Development Programs

Among the many uncertainties inherent in any exploration and development program is the location of oil & gas, the development of appropriate processes, the receipt of necessary governmental permits, access to permits and the construction of processing facilities. Assuming the discovery of oil & gas, several years may lapse from the initial phases of drilling until commercial operations commence and, during such time, the economic feasibility of production may change.

PETROLEUM TENEMENTS HELD AS AT 31 DECEMBER 2025

LICENSE	HARTSHEAD EQUITY
P2607	40% ⁽ⁱ⁾
P2669	50%
P2670	50%
P2676	100%
P2678	100%
P2679	80%
P2682	50%

- (i) Hartshead's interest will reduce to 35% in consideration for full Hartshead carry by Rockrose Limited of its share of costs for the drilling and completion of the Phase C Well Work Obligation and an amended Phase 1 Field Development Cost Cap of US\$197,645,714 will apply following completion of the well work. Refer ASX release 1 September 2025.

DIRECTORS' REPORT

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the period 23 February 2026, Hartshead provided an update in relation to the proposed scheme of arrangement under which ACAM GP Limited (as general partner of ACAM LP) will acquire 100% of the issued share capital of Hartshead.

Hartshead now anticipates the Scheme Booklet, including the Independent Expert's Report being prepared by BDO Corporate Finance Australia Pty Ltd (ACN 124 031 045) and the Notice of Meeting for the Scheme, will be sent to shareholders in early April 2026 for the Scheme Meeting, following the First Court Hearing. Shareholders will have the opportunity to vote on the Scheme at the Scheme Meeting.

The revised indicative timetable for the Scheme is set out below:

- First Court Hearing: Late March 2026
- Dispatch of Scheme Booklet: Early April 2026
- Scheme Meeting: Early May 2026
- Second Court Hearing: Mid May 2026
- Effective Date: Mid May 2026
- Record Date: Mid May 2026
- Implementation Date: Late May 2026

Note: These times are indicative only and subject to change.

In the opinion of the Directors, no other event of a material nature or transaction, has arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or its state of affairs.

CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this report or the financial statements.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Bevan Tarratt

Executive Chairman

Perth, Western Australia

16 March 2026

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF HARTSHEAD RESOURCES NL

As lead auditor for the review of Hartshead Resources NL for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hartshead Resources NL and the entity it controlled during the period.



Ashleigh Woodley
Director

BDO Audit Pty Ltd
Perth
16 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31 December 2025 \$	31 December 2024 \$
Other income from continuing operations			
Other income	2	1,265,453	896,121
Interest income		276,318	311,200
Total other income		1,541,771	1,207,321
Expenses			
Administrative expenses	3	(1,778,695)	(2,186,389)
Capital loss on sale of investments		(14,083)	(4,552)
Depreciation expenses		(99,838)	(111,555)
Finance costs		(206)	(2,616)
Project costs	3	(134,939)	(99,898)
Share-based payments (expense)/reversal	3	(39,335)	61,515
Realised/Unrealised foreign exchange gain/(loss)	3	15,136	13,296
Profit/(Loss) before income tax		(510,189)	(1,122,878)
Income tax expense		(45,225)	-
Loss after income tax attributable to the owners of the Company		(555,414)	(1,122,878)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(656,338)	2,011,048
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of financial assets at fair value through other comprehensive income (FVOCI)		(108,592)	(170,933)
Other comprehensive income for the half-year, net of tax		(764,930)	1,840,115
Total comprehensive income/(loss) for the half-year attributable to the owners of the Company		(1,320,344)	717,237
		Cents	Cents
Earnings per share for the half-year attributable the owners of the Company			
Basic and Diluted loss per share		(0.02)	(0.04)

The above consolidated 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 31 DECEMBER 2025

	Note	31 December 2025 \$	30 June 2025 \$
Current assets			
Cash and cash equivalents	4	13,965,397	15,759,083
Other receivables		295,522	196,666
Total current assets		14,260,919	15,955,749
Non-current assets			
Exploration assets	6	14,796,868	14,792,979
Financial assets at FVOCI	5	4,422,466	3,917,023
Intangible assets		156,808	260,728
Other financial assets		40,000	40,000
Plant and equipment		33,238	14,312
Total non-current assets		19,449,380	19,025,042
Total assets		33,710,299	34,980,791
Current liabilities			
Trade and other payables	7	975,323	986,457
Income tax payable		79,999	83,113
Provision for employee leave		402,763	377,998
Total current liabilities		1,458,085	1,447,568
Total liabilities		1,458,085	1,447,568
Net assets		32,252,214	33,533,223
Equity			
Issued capital		42,295,809	42,295,809
Share-based payment reserve		2,518,447	2,479,112
Financial assets at FVOCI		(524,126)	(415,534)
Foreign exchange reserve		2,113,597	2,769,935
Accumulated losses		(14,151,513)	(13,596,099)
Total equity		32,252,214	33,533,223

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Issued capital \$	Reserves \$	Accumulated gain/(loss) \$	Total equity \$
Balance at 1 July 2024	42,295,809	2,412,911	(11,332,886)	33,375,834
Loss for the half-year	-	-	(1,122,878)	(1,122,878)
Other comprehensive income/(loss) for the half-year	-	1,840,115	-	1,840,115
Total comprehensive income/(loss) for the half-year	-	1,840,115	(1,122,878)	717,237
Transactions with owners in their capacity as owners				
Retention and performance rights expense recognised during the half-year	-	(61,515)	-	(61,515)
Balance at 31 December 2024	42,295,809	4,191,511	(12,455,764)	34,031,556
Balance at 1 July 2025	42,295,809	4,833,513	(13,596,099)	33,533,223
Loss for the half-year	-	-	(555,414)	(555,414)
Other comprehensive income/(loss) for the half-year	-	(764,930)	-	(764,930)
Total comprehensive income/(loss) for the half-year	-	(764,930)	(555,414)	(1,320,344)
Transactions with owners in their capacity as owners				
Retention and performance rights expense recognised during the half-year	-	39,335	-	39,335
Balance at 31 December 2025	42,295,809	4,107,918	(14,151,513)	32,252,214

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31 December 2025 \$	31 December 2024 \$
Cash flows from operating activities			
Payments to suppliers, consultants, and employees		(1,577,411)	(2,673,591)
Operator fees		954,845	663,560
Interest received		290,016	334,686
Net cash outflow from operating activities		(332,550)	(1,675,345)
Cash flows from investing activities			
Receipts from financial investments		38,689	52,170
Receipts from sale of financial investments		1,633,121	431,443
Payments for plant and equipment		(20,115)	(4,897)
Payments for exploration and evaluation expenditure		(1,919,306)	(2,311,868)
Payments for financial investments		(2,260,969)	(4,675,854)
Exploration costs recouped under joint arrangement		1,147,257	1,370,877
Net cash outflow from investing activities		(1,381,323)	(5,138,129)
		-	-
Net increase/(decrease) in cash and cash equivalents		(1,713,873)	(6,813,474)
Cash and cash equivalents at the beginning of the half-year		15,759,083	23,955,298
Effects of exchange rate changes on cash and cash equivalents		(79,813)	733,844
Cash and cash equivalents at the end of the half-year		13,965,397	17,875,668

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

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

1. SEGMENT INFORMATION

Management has determined that the Group has one reportable segment. The single reportable segment being an interest to develop and explore for gas fields in the UK North Sea.

This determination is based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources. As the Group is focused on oil and gas development and exploration, the Board monitors the Group based on actual versus budgeted development and exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing development and exploration activities, while also taking into consideration the results of development and exploration work that has been performed to date.

2. OTHER INCOME

	31 December 2025 \$	31 December 2024 \$
Operator fees	1,206,640	803,922
Distributions from financial investments	58,813	92,199
	1,265,453	896,121

As operator, the Company earns fees pertaining to its Joint Operating Agreement which reflects the contribution by the farminee for their share of costs incurred by the Company. The operator fee income is recognised as costs are incurred on the exploration activities.

3. EXPENSES

Profit/(Loss) before income tax includes the following specific items:

Project costs

Southern North Sea costs ⁽¹⁾	134,939	99,898
---	---------	--------

Total project costs	134,939	99,898
---------------------	---------	--------

Share-based payments expense/(reversal)

Performance rights expense -issued to Directors and employees	4,140	(6,342)
---	-------	---------

Performance rights expense -issued to Advisors	22,773	(34,879)
--	--------	----------

Option expense - issued to Directors and employees	12,421	(20,294)
--	--------	----------

Total share-based payments expense/(reversal)	39,335	(61,515)
---	--------	----------

Administrative expense includes

Employee benefits expense	1,226,887	1,275,786
---------------------------	-----------	-----------

Advisory and audit fees	29,786	10,477
-------------------------	--------	--------

Other expenses	522,023	900,126
----------------	---------	---------

Total administrative expense	1,778,695	2,186,389
------------------------------	-----------	-----------

<u>Unrealised foreign exchange loss/(gain) ⁽²⁾</u>	(15,136)	(49,069)
---	----------	----------

1 Group has capitalised exploration and evaluation expenditure for the UK project on the basis that this is expected to be recouped through future successful development (or alternatively sale). Corporate overhead costs allocated to exploration activities are ineligible to be capitalised per AASB 6.

2 Foreign exchange gain was recognised in relation to the retranslation of British Pound, United States and Euro dollar denominated balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

4. CASH AND CASH EQUIVALENTS

	31 December 2025	30 June 2025
	\$	\$
Cash at bank ⁽¹⁾	2,965,397	3,759,083
Cash equivalents	11,000,000	12,000,000
	<u>13,965,397</u>	<u>15,759,083</u>

1 Cash at bank figure includes restricted cash of \$844,468 being the JV partner share of funds held in the Groups JV operating account.

5. FINANCIAL ASSETS AT FVOCI

Investment in Australian Government Bonds	2,340,000	1,984,000
Investment in Australian Bank Convertible Notes	1,830,124	1,687,336
Investment in ASX listed exploration companies	252,342	245,687
	<u>4,422,466</u>	<u>3,917,023</u>

To maximise yield on idle cash reserves, Hartshead Resources has made investments in interest bearing Australian government treasury bonds and listed bank convertible notes.

6. EXPLORATION AND EVALUATION ASSETS

UK North Sea

Opening balance	14,792,979	11,437,098
Exploration expenditure incurred	1,691,441	4,699,469
JV cost contribution	(1,133,535)	(2,399,438)
Foreign exchange movements	(554,017)	1,055,850
Closing balance	<u>14,796,868</u>	<u>14,792,979</u>

Significant accounting estimates and assumptions

Impairment of capitalised 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 lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

The carrying values of items of exploration and evaluation expenditure are reviewed for impairment indicators at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. There were no impairment indicators or impairment for the period ended 31 December 2025.

Significant accounting judgement

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure pertaining to its UK North Sea area of interest on the basis that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

7. TRADE AND OTHER PAYABLES

	31 December 2025 \$	30 June 2025 \$
Trade payables	421,206	648,169
JV Payable	554,117	338,288
	975,323	986,457

Trade and other payables are normally settled within 30 days from receipt of invoice. All amounts recognised as trade and other payables, but not yet invoiced, are expected to settle within 12 months.

The carrying value of trade and other payables are assumed to be the same as their fair value, due to their short-term nature.

8. SHARE-BASED PAYMENTS

Share-based payment transactions are recognised at fair value in accordance with AASB 2. The total movement arising from share-based payment transactions recognised during the half-year were as follows:

	Note	31 December 2025 \$	31 December 2024 \$
As part of share-based payment expense/(reversal):			
Performance rights issued	8(a)	26,913	(20,293)
Options issued	8(b)	12,421	(41,222)
		39,335	(61,515)

During the half-year period, due ongoing political, operational and economic factors, the expected vesting date of the abovementioned share based payments was deferred from 31 December 2025 to 30 June 2026. The 6-month deferral of the vesting date required the amortisation of the share based payments expense to be spread over 1 additional 6 month reporting period.

During the half-year the Group had the following share-based payments:

(a) Performance rights

Performance Rights Plan

Performance rights are issued under the long-term incentive plan and will vest as an entitlement to one fully paid ordinary share provided that certain performance milestones are met. If the performance milestones are not met, the performance rights will lapse, and the eligible participant will have no entitlement to any shares.

Performance rights are not listed and carry no dividend or voting rights. Upon exercise each right is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares. Movement in the performance rights for the current period is shown below:

Grant date	Expiry date	Exercise price	Opening balance	Granted during the period	Converted during the period	Balance at end of period	Vested at end of period
21-Sep-23	13-Oct-26	-	32,500,000	-	-	32,500,000	-
Total			32,500,000	-	-	32,500,000	-

8. SHARE-BASED PAYMENTS (contd)

(b) Share option

Share options are used to reward Executive Directors, Employees, Consultants and Vendors for their performance and to align their remuneration with the creation of shareholder wealth through the performance requirements attached to the options. Options are granted at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The options are not listed and carry no dividend or voting right. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares. No options were issued during the period ended 31 December 2025.

9. RELATED PARTY TRANSACTIONS

Board update

There were no changes to the remuneration of company directors during the period.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There have been no changes to related party transactions since the last annual reporting date, 30 June 2025.

10. COMMITMENTS

There have been no changes to commitments since the last annual reporting date, 30 June 2025.

(a) Capital commitments

UK North Sea, Seaward Production License P2607

The Group has certain obligations to perform minimum work on tenements held. These obligations may vary over time, depending on the Group's work programmes and priorities. As at reporting date, there are no minimum financial commitments.

11. CONTINGENCIES

There have been no material changes to the contingencies disclosed at 30 June 2025, there are no other contingent assets or liabilities as at 31 December 2025.

12. MATERIAL ACCOUNTING POLICY INFORMATION

Hartshead Resources NL (**Company** or Hartshead) is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Hartshead is the ultimate parent entity of the Group.

The consolidated financial statements of Hartshead Resources NL for the half year ended 31 December 2025 comprise the Company and its controlled subsidiaries (together referred to as the **Group** and individually as **Group entities**).

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

12. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated below.

New and amended standards adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current half year reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior years.

Accounting policies

In order to assist in the understanding of the accounts, the following summary explains the principle accounting policies that have been adopted in the preparation of the financial report. These policies have been applied consistently to all of the periods presented, unless otherwise stated.

(a) Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group only has joint operations.

13. EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to the period 23 February 2026, Hartshead provided an update in relation to the proposed scheme of arrangement under which ACAM GP Limited (as general partner of ACAM LP) will acquire 100% of the issued share capital of Hartshead.

Hartshead now anticipates the Scheme Booklet, including the Independent Expert's Report being prepared by BDO Corporate Finance Australia Pty Ltd (ACN 124 031 045) and the Notice of Meeting for the Scheme, will be sent to shareholders in early April 2026 for the Scheme Meeting, following the First Court Hearing. Shareholders will have the opportunity to vote on the Scheme at the Scheme Meeting.

The revised indicative timetable for the Scheme is set out below:

- First Court Hearing: Late March 2026
- Dispatch of Scheme Booklet: Early April 2026
- Scheme Meeting: Early May 2026
- Second Court Hearing: Mid May 2026
- Effective Date: Mid May 2026
- Record Date: Mid May 2026
- Implementation Date: Late May 2026

Note: These times are indicative only and subject to change.

In the opinion of the Directors, no other event of a material nature or transaction, has arisen since year end and the date of this report that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or its state of affairs.

DIRECTORS' DECLARATION

In the directors' opinion:

- 1 the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 2 the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- 3 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Bevan Tarratt

Executive Chairman

Perth, Western Australia

16 March 2026

For personal use only

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hartshead Resources NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Hartshead Resources NL (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a small, stylized BDO logo.

Ashleigh Woodley

Director

Perth, 16 March 2026