Echelon

Quarter ended 31 March 2026

Quarterly Report

ASX:ECH

Quarter Highlights

- Cue shareholding divestment
- New Palm Valley JV GSA signed
- Palm Valley JV rig contract executed with mid year spud expected
- New GSAs started January 2026
- Mahato and Maari oil value uplift
- Operating cash flows up 30%
- A$1.8 million dividend paid
- Reduce debt by A$6 million

Echelon Resources Limited
Quarterly Activities Report for 3 months to 31 March 2026

Echelon enters the period with a step change in revenue settings as legacy gas contracts roll off and are replaced with higher-priced contracts, alongside continued disciplined execution across the portfolio.

During the period, Echelon and its joint venture partners progressed a number of key commercial and operational initiatives across the Amadeus Basin. The Palm Valley Joint Venture (JV) entered into a new gas supply agreement with the Northern Territory Government for supply through to 2034, with take or pay provisions and inflation-indexed pricing. The agreement supports the drilling of two new wells; with final investment decision taken, the Ensign 974 rig contracted and site works underway, drilling is expected from mid-year. The two Mereenie wells remain uncommitted under the current arrangements.

Operationally, production reflected a combination of planned activities and asset-specific impacts. Mereenie returned to stable operations, while Maari oil production remained consistent. Production at Kupe was impacted by unplanned shutdowns during the period. Across the portfolio, joint ventures remain focused on sustaining production and progressing development opportunities aligned to contracted demand.

From a balance sheet perspective, the Group reduced debt by A$6.0 million during the period, alongside maintaining capacity under its existing debt facilities to support approved development activity. Dividend payments were made in line with prior guidance.

Subsequent to the reporting period, Echelon has accepted Horizon's takeover offer in respect of its Cue shareholding. Completion of the transaction (including the pre-bid agreement) remains subject to the offer becoming unconditional and other customary conditions. Upon completion, Echelon will no longer hold an interest in Cue and will deconsolidate Cue from its financial reporting. Echelon expects to hold at least 6.1 per cent of Horizon's shares after completion.

Echelon is well positioned heading into the next period, with improved pricing, contracted gas sales and a defined development programme, alongside the planned divestment of its Cue shareholding, supporting continued execution and value creation.

Production volumes were down by 6.5% compared to the previous quarter, resulting in total output of 380,648 barrels of oil equivalent (boe). The daily production rate was 4,229 boe per day.

View of Mt Sonder - Palm Valley

The Company's 2025 Annual Report and 2025 Sustainability Report are available on our website.

echelonresources.com/investor-information/company-reports/

Future Activities Timeline

	Calendar year 2026				Calendar year 2027		
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Amadeus, EP145	Seismic Planning	Seismic Planning	Seismic Planning	Seismic Planning			
Mereenie					Potential WM-31 & WM-32 Wells	Potential WM-31 & WM-32 Wells; Potential stairway appraisal	Potential stairway appraisal
Palm Valley			PV-14 & PV-15 Infill wells	PV-14 & PV-15 Infill wells			
Kupe					Possible In-well work		
Mahato PSC	Ongoing Development Drilling	Potential Mahato Exploration Well	Potential Telisa Development	Potential Telisa Development			

Development Exploration & Appraisal

As at 31 March 2026, the Echelon Group reported a cash balance of A$32.5 million, marginally lower than the previous quarter's balance of A$32.9 million. Cash continues to be actively managed and during the quarter, the Group repaid A$6.0 million of debt. As a result, the loan facility balance has reduced to A$29.5 million, down A$25.0 million from A$54.5 million at 31 March 2025. Proceeds from the upcoming sale of Cue shares are expected to further reduce debt. The debt facility continues to provide funding flexibility and will allow the capacity to redraw for the planned drilling campaign in the Amadeus Basin, if required.

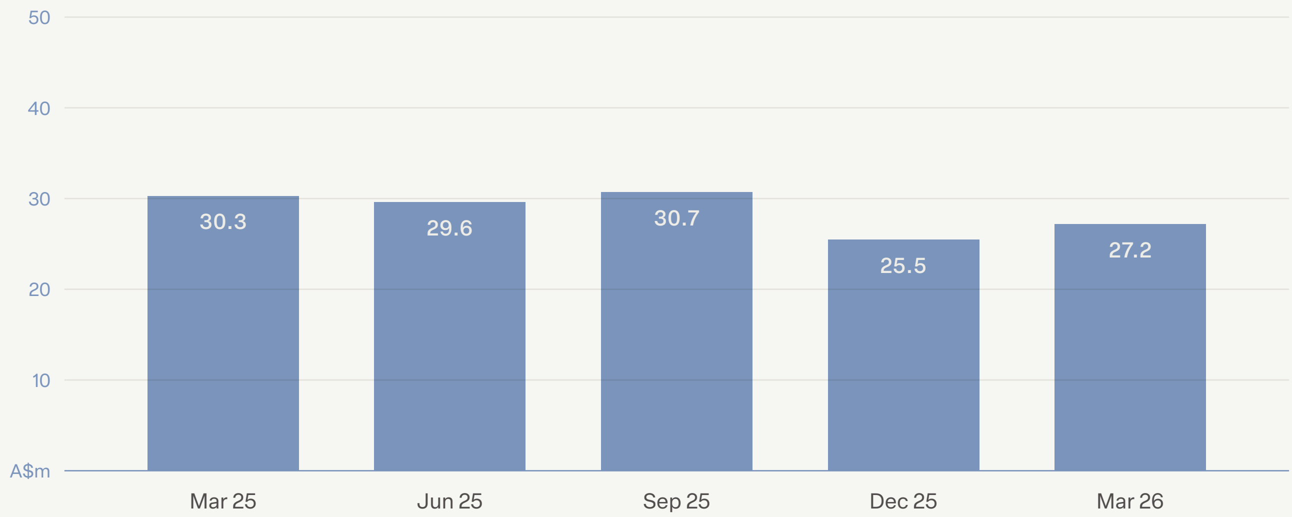
Operating cash inflows for the quarter were up 30 per cent at A$12.1 million, representing an increase of A$2.8 million compared with the previous quarter. This uplift is driven by higher production receipts and lower production expenditure, offset by higher income tax payments. Production receipts totalled A$27.2 million, an increase of A$1.7 million, or 7 per cent quarter-on-quarter and were impacted by the timing of Mahato oil receipts.

Investing cash outflows for the quarter were A$3.5 million compared to the previous quarter of A$1.3 million. This reflects well-planning activities at Palm Valley and ongoing development at Mahato.

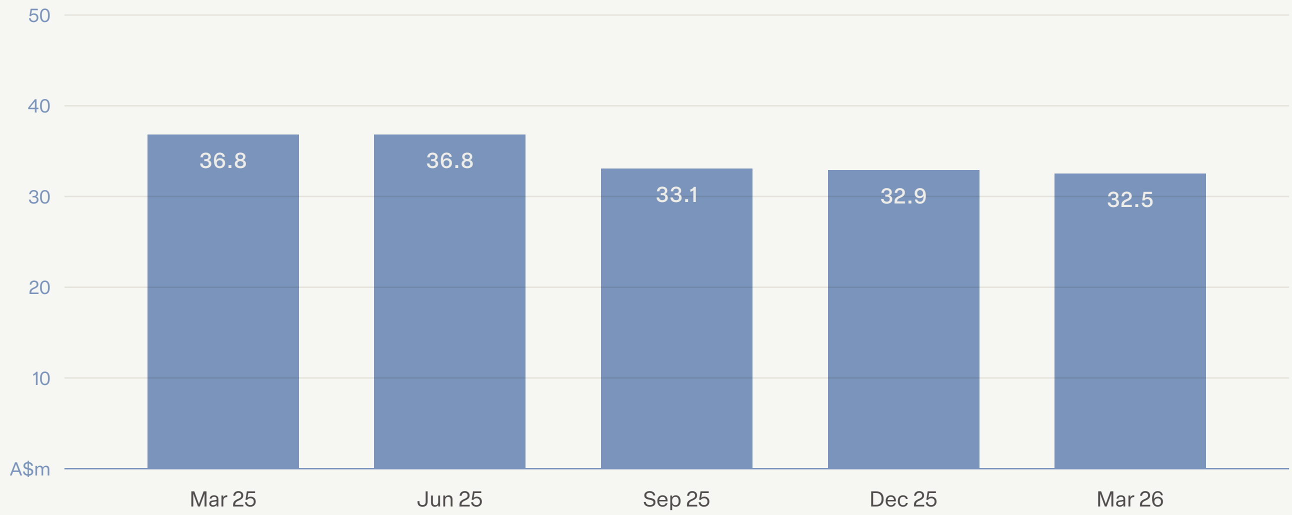
Dividends of A$1.8 million were paid to shareholders of the Group during the quarter.

Cue contributed A$11.5 million to the Group's cash balance as at 31 March 2026 (previous quarter A$11.2 million).

Production receipts by quarter



Cash balance by quarter



Field		Total field this quarter (gross)	Our share previous quarter (net)	Our share current quarter (net)
Kupe Taranaki, New Zealand	Oil Barrels	50,083	2,673	2,003
	Gas Petajoules	2.44	0.13	0.10
	LPG Tonnes	10,998	572	440
	Production receipts A$m		1.7	1.4
Maari* Taranaki, New Zealand	Oil Barrels	339,816	25,147	16,991
	Production receipts A$m		2.8	2.5
Sampang* Java, Indonesia	Oil Barrels		238	103
	Gas Petajoules		0.10	0.09
	Production receipts A$m		1.1	0.9
Mahato* Sumatra, Indonesia	Oil Barrels		59,481	32,511
	Production receipts A$m		2.8	5.4
Mereenie** Amadeus, NT, Australia	Oil Barrels	26,881	8,269	13,440
	Gas Petajoules	2.47	1.16	1.24
Palm Valley** Amadeus, NT, Australia	Gas Petajoules	0.56	0.28	0.28
Dingo** Amadeus, NT, Australia	Gas Petajoules	0.42	0.20	0.21
Amadeus Basin**	Production receipts A$m		17.1	17.0
Total production receipts A$m equivalent.			25.5	27.2
Total production equivalent	Volume in boe		407,252	380,648
	Daily equivalent in boe per day		4,427	4,229

* Interest held by Cue. Echelon has a 49.93% interest in Cue. Cue's full interest is shown.
** The share indicated is for Echelon Group including Cue's full interest.

Amadeus Basin

Mereenie (OL4 & OL5)

42.5%	Echelon
7.5%	Cue Energy Resources*
25%	Horizon Oil
25%	Central Petroleum [Operator]

Palm Valley (OL3)

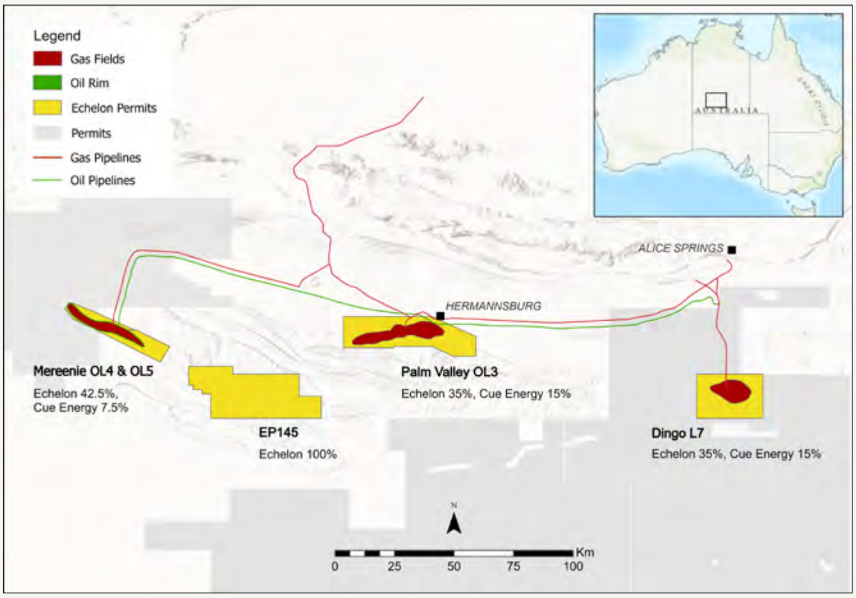
35%	Echelon
15%	Cue Energy Resources*
50%	Central Petroleum [Operator]

Dingo (L7)

35%	Echelon
15%	Cue Energy Resources*
50%	Central Petroleum [Operator]

Goanna (EP145)

100%	Echelon [Operator]



Gas production was up 5% on the previous quarter due to improved liquids handling and offtake arrangements.

During the quarter, Echelon and our Palm Valley JV partners announced the award of a new GSA with the Northern Territory Government. This GSA continues to demonstrate the value of our assets and of selling into local markets within the Northern Territory (NT).

It has also enabled the JV to commit to the drilling of two wells in the Palm Valley field. Drilling is planned to occur through the third quarter of 2026, with new gas sales before year end. A drilling rig has been contracted for the program, with planning for execution ongoing.

EP145 – Technical and Commercial Progress

During the quarter, EP145 activity focused on advancing the work programme, including addressing access and logistics and prioritising the most prospective areas. Engagement with Northern Territory regulators, local stakeholders and the seismic contractor progressed to support alignment on to the next phase of evaluation.

Technical work has improved understanding of the subsurface and will be integrated into a consistent, permit-wide geological model to inform next steps.

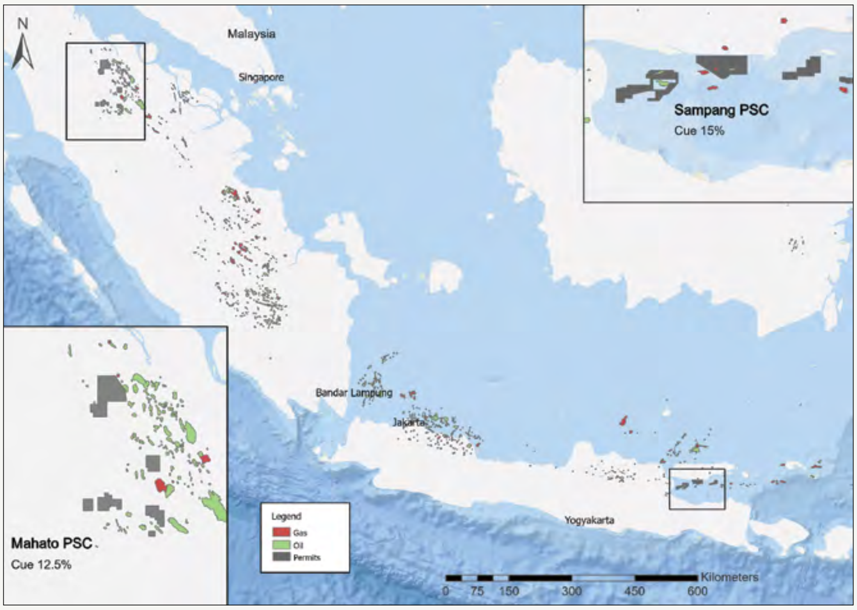
*Echelon has a 49.93% interest in Cue. Cue's full interest is shown.

Sampang PSC

15% Cue Sampang Pty Ltd*
45% Medco Energi Sampang Pty Ltd [Operator]
40% Singapore Petroleum Sampang Ltd

Mahato PSC

11.25% Cue Mahato Pty Ltd*
88.75% Texcal Mahato EP Ltd [Operator]



Sampang PSC

Gas production from the Oyong and Wortel fields continues to decline as the fields approach the later stages of their production life. The Operator is actively reviewing all available options to optimise output from existing wells.

Installation of a compressor at the Grati gas processing plant, designed to lower suction pressure and improve production and recovery from Oyong and Wortel, has been further delayed and is now expected to be completed during the current quarter.

Cue has advised the JV partners in the Sampang PSC that it will not participate in the Paus Biru development and does not intend to remain in the Sampang PSC beyond its current expiry in December 2027.

Mahato PSC

Oil production in the Mahato PSC was lower than the previous quarter due to the PB field being fully shut-in, or having reduced production, for most of January 2026 and early February 2026, as part of regional precautionary measures required by Indonesian authorities following a pipeline leak and fire on a major gas pipeline in Central Sumatra. This pipeline is not associated with the Mahato PSC and there was no physical risk to the Mahato facilities. The PB field returned to pre shut-in production levels by the end of February 2026.

The Operator is preparing a Phase 3 development plan (OPL 3) targeting additional production from the Telisa reservoir, with drilling expected to take place during 2026.

Planning is continuing for the GA-1 exploration well, with drilling expected to take place during 2026.

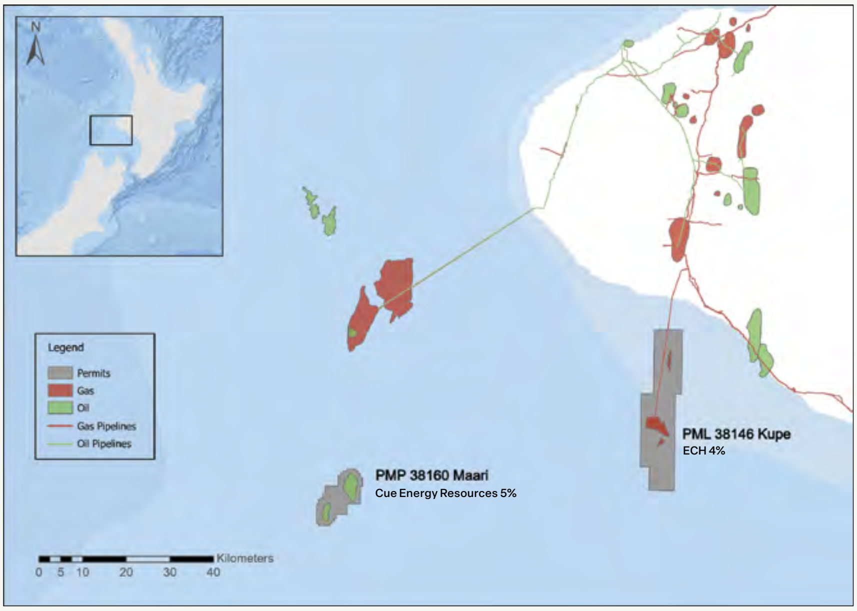
* Echelon has a 49.93% interest in Cue. Cue's full interest is shown.

Kupe oil and gas field (PML 38146)

4%	Echelon
50%	Beach Energy [Operator]
46%	Genesis Energy

Maari and Manaia oil fields (PMP 38160)

5%	Cue Taranaki Pty Ltd*
26%	Horizon Oil International
69%	OMV New Zealand Limited [Operator]



Kupe oil and gas field

Kupe production was impacted by two unplanned outages in the period. Production from the field has otherwise followed a steady decline. Kupe continues to provide critical, locally produced, gas, condensate and Liquid Petroleum Gas (LPG) which is vital to New Zealand's energy security, as we approach winter, in an increasing hostile global environment.

Maari and Manaia oil fields

Oil production from the Maari field was lower than the previous quarter due to a scheduled maintenance shutdown of the field and a fault with the MN1 well following the maintenance period. The MN1 well is currently undergoing a workover to repair the fault.

Routine inspections of the field infrastructure have identified the need for some remediation measures on an FPSO mooring line and the mid-water arch. The remediation measures, which do not currently affect production, are planned to be conducted over the next two quarters.

The New Zealand Government has finalised Financial Assurance regulations relating to decommissioning liabilities and is engaging with permit participants on implementation.

*Echelon has a 49.93% interest in Cue. Cue's full interest is shown.

Quarterly Activities Report, for quarter ended 31 March 2026.

Authorised for publication on behalf of the Board by Andrew Jefferies, CEO and Managing Director.

Echelon Resources Limited

36 Tennyson St, Wellington 6011, New Zealand
+64 4 495 2424 | enquiries@echelonresources.com

www.echelonresources.com

ASX:ECH