Echelon

Quarter ended 30 June 2026

Quarterly Report

ASX:ECH

Quarter Highlights

- Completed divestment of Cue Energy through participation in Horizon Oil's takeover offer
    - Echelon now has a 6.64% shareholding in Horizon Oil
    - Received more than A$17 million in cash proceeds from the sale
- Strong cash flows with receipts up 11.3% on last quarter
- Executed Kupe Gas Supply Agreement
- Executed Palm Valley Joint Venture Gas Supply Agreement
- Palm Valley drilling programme has commenced
- Debt repayments of $19 million were made in the quarter

Echelon Resources Limited
Quarterly Activities Report for 3 months to 30 June 2026

During the quarter, Echelon successfully completed the divestment of its Cue Energy shareholding through participation in Horizon Oil's takeover offer. The transaction marks an important milestone for the Company, streamlining the portfolio, strengthening the balance sheet, and positioning Echelon as a 6.64% shareholder in Horizon Oil. Cash proceeds of A$15.8 million were received during the quarter and used to repay debt. A further A$1.6 million was received in July 2026 after the quarter end.

Across the portfolio, Echelon continued to progress a number of key commercial and operational initiatives in the Amadeus Basin. New Gas Supply Agreements were executed for both the Kupe and the Palm Valley Joint Ventures (JV), providing long-term contracted gas sales and supporting continued investment in key producing assets.

At Palm Valley, the JV progressed from securing contracted gas sales, to execution of the two well drilling programme. Preparations continued throughout the quarter and drilling of PV-14 commenced on 25 July 2026.

Echelon continues to progress its technical evaluation of EP145.

For the purposes of this report, Cue's operating activities have been included for the period to 30 June 2026, reflecting the timing of the divestment during the quarter and as a practical approach for quarterly reporting. The reported closing cash balance excludes cash held by Cue following completion of the transaction. The final accounting treatment will be confirmed as part of the year-end financial reporting process and therefore all figures are subject to audit.

Production volumes were flat compared to the previous quarter, with total output of 381,992 barrels of oil equivalent (boe). The daily production rate was 4,198 boe per day.

Palm Valley Vista

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	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EP145	Prospectivity evaluation	Prospectivity evaluation	Prospectivity evaluation				
Mereenie					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			

Development Exploration & Appraisal

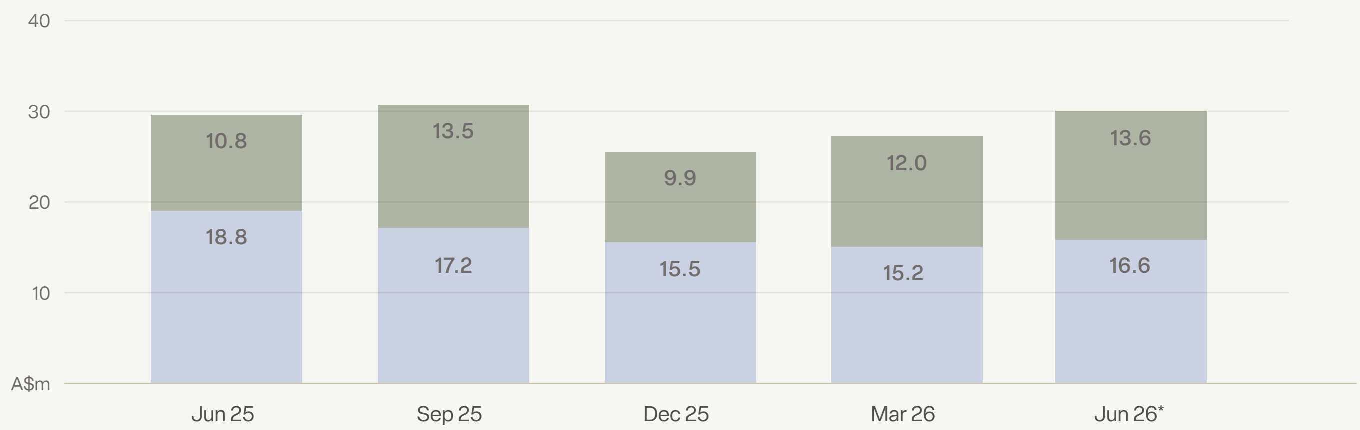
As at 30 June 2026, the Echelon Group reported a cash balance of A$25.0 million, compared with A$32.5 million at the end of the previous quarter. The quarter-end cash balance excludes all cash held by Cue following divestment of the Cue shareholding.

Cash continued to be actively managed during the quarter, with the Group repaying a further A$19.0 million of debt using cash proceeds from the sale of Cue shares and internal cash generation. As a result, the loan facility balance reduced to A$10.5 million, repaying a total of A$37.0 million during the year. The debt facility continues to provide funding flexibility and capacity to redraw for the planned development programme in the Amadeus Basin, if required.

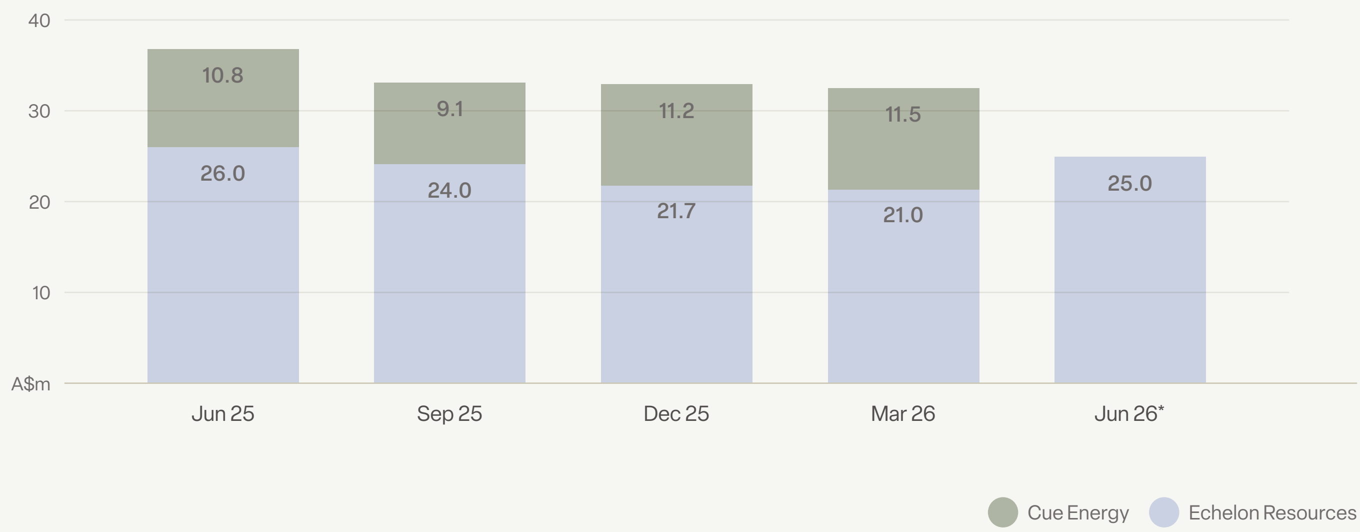
Operating cash inflows for the quarter were A$16.0 million, an increase of A$3.9 million, or 32 per cent, compared with the previous quarter. Production receipts totalled A$30.2 million, including A$13.6 million attributable to Cue. This movement was primarily driven by higher production receipts and lower production expenditure. The overall increase in production receipts was generated by higher Maari, Mereenie and Kupe receipts, partly offset by lower Sampang receipts.

Investing cash flows during the quarter included A$15.8 million of cash proceeds from the disposal of Cue shares. A further A$1.6 million related to the sale of the remaining Cue shares was received post quarter end. Development expenditure was A$4.5 million, compared with A$3.4 million in the previous quarter, reflecting well-drilling activities at Palm Valley and ongoing development activities at the Mahato field.

Production receipts by quarter



Cash balance by quarter



* The Group's cash balance at 30 June 2026 excludes all cash held by Cue following divestment. Production receipts include A$13.6 million attributable to Cue for the quarter, consistent with the quarterly production reporting basis.

Production

Field		Total field this quarter (gross)	Our share previous quarter (net)	Our share current quarter (net)
Kupe Taranaki, New Zealand	Oil Barrels	56,993	2,003	2,280
	Gas Petajoules	2.79	0.10	0.11
	LPG Tonnes	12,301	440	492
	Production receipts A$m		1.4	2.1
Maari* Taranaki, New Zealand	Oil Barrels	381,440	16,991	19,072
	Production receipts A$m		2.5	3.8
Sampang* Java, Indonesia	Oil Barrels		103	8
	Gas Petajoules		0.09	0.08
	Production receipts A$m		0.9	0.8
Mahato* Sumatra, Indonesia	Oil Barrels		32,511	53,849
	Production receipts A$m		5.4	5.4
Mereenie** Amadeus, NT, Australia	Oil Barrels	15,056	13,440	7,528
	Gas Petajoules	2.33	1.24	1.16
Palm Valley** Amadeus, NT, Australia	Gas Petajoules	0.51	0.28	0.25
Dingo** Amadeus, NT, Australia	Gas Petajoules	0.39	0.21	0.19
Amadeus Basin**	Production receipts A$m		17.0	18.1
Total production receipts A$m equivalent.			27.2	30.2
Total production equivalent	Volume in boe		380,648	381,992
	Daily equivalent in boe per day		4,229	4,198

* Production volumes and production receipts include Cue's operations for the period to 30 June 2026. Given the timing of the divestment during the quarter, the Company has adopted 30 June 2026 as a practical reporting date for operational metrics.

** 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)

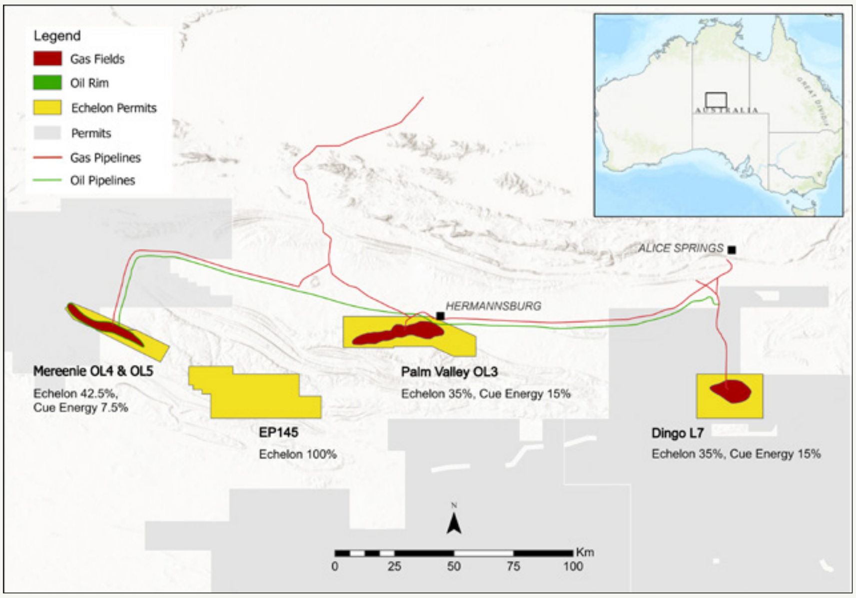
35%	Echelon
15%	Cue Energy Resources*
50%	Central Petroleum [Operator]

Dingo (L7)

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

Goanna (EP145)

100%	Echelon [Operator]



Gas sales were down compared to the previous quarter due to a planned five day shutdown.

Planning and preparation for the upcoming two-well drilling campaign at Palm Valley has continued, with drilling commencing 25 July 2026. The overall drilling campaign is expected to take four and a half months to complete with first gas sales targeted for October 2026.

EP145 – Technical and Commercial Review

During the quarter, EP145 activity focused on advancing the work programme, including: detailed evaluation of geological prospectivity; investigation of technical derisking options; commercially assessing the impact of terrain, logistics and potential gas market; and more broadly assessing the gas market policy impacts.

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.

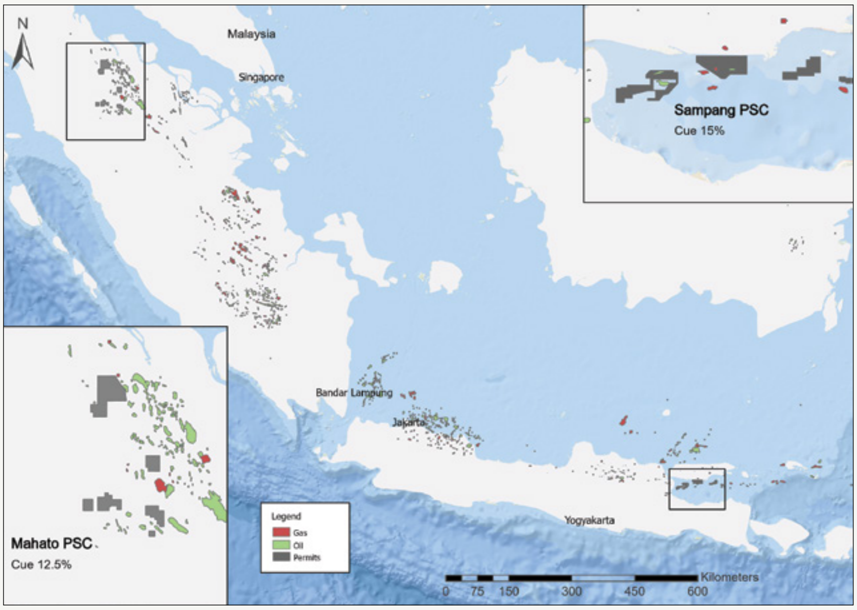
*The share indicated is for Echelon Group including Cue's full interest.

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

Production from the mature Oyong and Wortel gas fields continued to decline during the quarter as the fields progressed through the later stages of their production lives.

The Operator continues to assess opportunities to optimise production from the existing wells. Installation of a compressor at the Grati gas processing plant is nearing completion and is expected to commence operation during 1Q FY2027, with the objective of supporting production and recovery from the existing fields.

Consistent with its previously announced strategy, Cue expects to exit the Sampang PSC upon permit expiry in December 2027.

Mahato PSC

Mahato production recovered strongly during the quarter following the resolution of the regional infrastructure disruptions that affected production in Q3 FY2026. Cue's net oil production increased to 53,849 barrels, compared with 32,511 barrels in the previous quarter.

The next stage of development activity has commenced, with two infill development wells approved targeting the Bekasap Formation, the principal producing reservoir in the PB field. The first well, PB-41, commenced drilling in July 2026, with the second well expected to immediately follow as part of an approximately two-month drilling campaign.

The Operator is also progressing the Phase 3 development plan (OPL 3), targeting additional production from both the existing Bekasap reservoir and the new Telisa reservoirs. Government approval is expected during 1Q FY2027, with operations anticipated to commence shortly thereafter.

Planning and approvals continue for the GA-1 exploration well, which is expected to be drilled during CY2026.

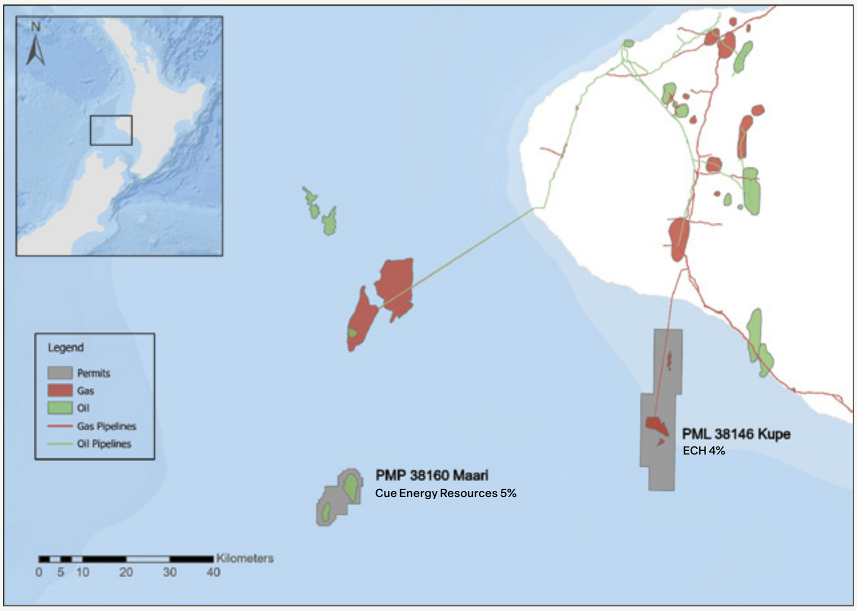
* The share indicated is for Echelon Group including Cue's full interest.

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 up on the prior quarter, owing to improved reliability at the plant. Sales of condensate have also realised higher global product pricing. The JV continues to work on planning for potential well interventions in the upcoming summer period.

Maari and Manaia oil fields

Production from Maari increased following the successful MN1 workover and the resumption of production from the well in early May 2026. Cue's net Maari production increased to 19,072 barrels, up 12% on the previous quarter, while quarterly cash receipts increased to $3.8 million driven by high global oil prices.

*The share indicated is for Echelon Group including Cue's full interest.

Quarterly Activities Report, for quarter ended 30 June 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