News Release

Echelon

28 August 2026

FINANCIAL RESULTS FOR THE YEAR TO 30 JUNE 2026

- Group Net Profit after Tax up 341 percent to A$28.2 million
- Shareholder profit increased to A$24.4 million up 657 percent
- Revenue from continuing operations up 5 percent to A$63.4 million
- A$37.0 million of debt repaid during the year
- A$42.1 million of value realised from the sale of Cue, including a A$12.1 million gain on disposal
- Earnings per share 10.8 cents up 657 percent

Strong profit, lower debt and a reshaped Echelon

Echelon (ASX: ECH) delivered an outstanding result for the year ended 30 June 2026, with Group Net Profit after Tax (NPAT) increasing 341 percent to A$28.2 million, compared with A$6.4 million in the prior year.

Profit attributable to Echelon shareholders increased to A$24.4 million from A$3.2 million.

The result caps a significant year for Echelon, with strong performance from its continuing operations, particularly the Amadeus Basin gas assets, the successful sale of its interest in Cue Energy Resources Limited (Cue) and A$37.0 million of debt repaid.

Revenue from continuing operations increased 5 percent to A$63.4 million, supported by stronger realised gas prices across the Amadeus Basin.

Operating cashflow remained strong at A$49.9 million, and along with proceeds from the sale of the Cue interest, enabled Echelon to repay A$37.0 million of borrowings during the year, reducing external bank loan borrowing to A$10.5 million at 30 June 2026.

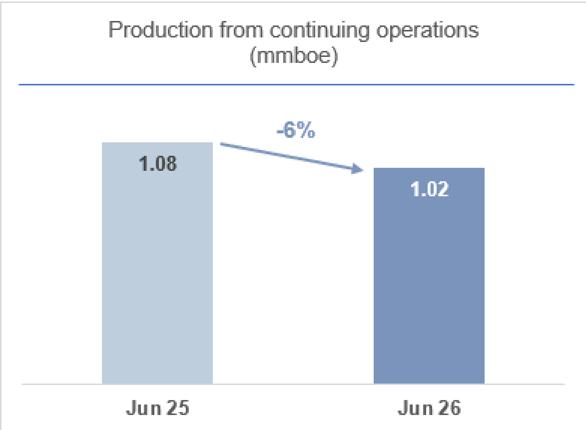
Results Summary	30 June 2026	30 June 2025	Change
Revenue – continuing operations (A$)	63.4	60.5	5%
Net operating cashflows (A$)	49.9	54.1	(8%)
Continuing operations - Profit (A$)	8.6	0.1	11705%
Discontinued operations - Cue			
- Profit from the operating activities (A$)	7.4	6.3	17%
- Gain on sale (A$)	12.1	-	n/a
Group NPAT (A$)	28.2	6.4	341%
NPAT attributable to shareholders (A$)	24.4	3.2	657%
Basic earnings per share (cents)	10.8	1.4	657%

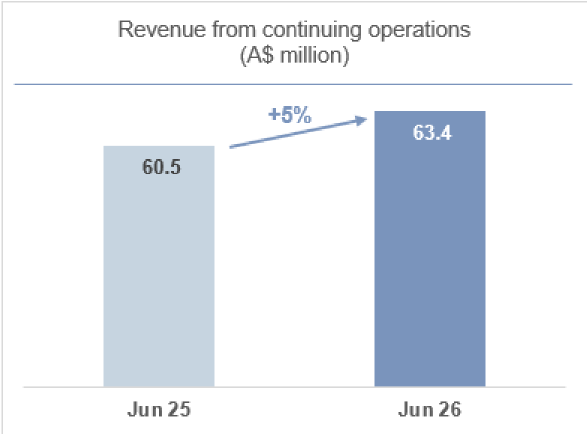
Production

Production from continuing operations was slightly lower than the previous year, with natural field decline at Kupe and Palm Valley and lower liquids volumes at Mereenie. Mereenie gas sales remained broadly steady and continued to dominate field production, while Dingo delivered higher gas sales.

Total net production for the Echelon assets during the year was 1.02 million barrels of oil equivalent (mmboe).

Cue's net production for the year was 0.57mmboe.





Revenue Up

Revenue from continuing operations increased 5 percent to A$63.4 million (2025: A$60.5 million), driven by the Group's Amadeus Basin assets and, in particular, Mereenie.

Natural gas and LPG revenue increased 12 percent to A$59.5 million from A$53.3 million, with stronger realised gas prices more than offsetting marginally lower gas production.

Crude oil and condensate revenue reduced to A$3.9 million from A$7.2 million, reflecting lower liquids production associated with liquids handling and offtake arrangements.

The Amadeus Basin generated A$56.2 million of sales revenue during the year, representing almost 90 percent of Echelon's continuing revenue and reinforcing its position at the heart of the Group's producing portfolio.

Core business delivers

Echelon's continuing operations delivered NPAT of A$8.6 million, compared with A$0.1 million in FY25, reflecting a substantially stronger underlying result from Echelon's ongoing business following the sale of Cue.

Higher gas pricing and lower operating costs contributed to the improvement, while exploration expenditure reduced following the prior year's drilling activity and there were no impairment charges in FY26. Net finance costs also reduced significantly as debt was repaid.

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Cue investment delivers for shareholders

Echelon completed the sale of its interest in Cue during the year, realising total consideration of A$42.1 million and recognising a A$12.1 million gain on disposal. Cue contributed A$7.4 million of operating profit after tax up to the disposal date.

As part of the consideration, Echelon received 117.8 million Horizon Oil Limited (Horizon) shares, giving the Group a 6.64 percent interest in Horizon and continued exposure to the value of the combined Cue and Horizon business.

The transaction has realised significant value from Echelon's long-standing investment in Cue, while retaining exposure to its future value through the investment in Horizon. It also provides greater flexibility to focus capital and management attention on Echelon's directly held producing assets and future growth opportunities.

A$37 million of debt reduction strengthens Echelon

Strong cash generation, along with proceeds from the sale of the interest in Cue, allowed Echelon to voluntarily repay A$37 million of debt during the year, reducing external bank loan borrowings by almost 80 percent from A$47.5 million at 30 June 2025 to A$10.5 million at 30 June 2026.

Cash at year end was A$25.0 million, compared with A$36.8 million at 30 June 2025. The closing cash position reflects the significant debt repayment during the year as well as the deconsolidation of Cue's cash following its disposal.

The substantial reduction in debt was achieved while continuing to invest in the producing portfolio and leaves Echelon with significant financial flexibility to pursue its next phase of growth with approximately A$47.3 million of its debt facility undrawn at year end.

Investing in more gas

Echelon invested A$16.0 million in its oil and gas assets during the year and is continuing to invest in growing production.

With new gas sales agreements supporting further investment across the Amadeus Basin, Echelon is moving into its next phase of development. Drilling is already underway at Palm Valley, with PV-14 the first well in a two-well Palm Valley programme and first gas targeted for October 2026.

Further drilling across the Amadeus acreage is planned as Echelon continues to grow production to meet strong demand for reliable gas.

Shareholder returns

The Board has elected not to declare a final dividend for FY26. This follows the interim dividend of AUD 0.40 cents per share paid in March 2026, which returned A$0.9 million to shareholders.

While the Group expects to receive dividend income from its investment in Horizon, the timing and amount of those distributions is not yet sufficiently certain to support the declaration of a final dividend at this time, having regard to the distribution restrictions within the Group's current debt arrangements.

The Board remains committed to shareholder returns and intends to revisit the opportunity for further distributions once there is greater certainty around the timing of Horizon dividends.

More profit. Less debt. More gas.

Echelon Managing Director Andrew Jefferies said the year had been a significant one for the Group.

“We’ve had a big year. A year that proves again keeping on track and following your strategy pays off, the long game is a good game.

“Our producing assets have delivered, gas prices have strengthened, we’ve repaid A$37.0 million of debt, and we’ve completed the sale of our interest in Cue. Most importantly, the business we take forward is delivering. Our continuing operations generated A$8.6 million of profit this year and we have significantly less debt.

“The Amadeus assets continue to be the powerhouse of our business. We are producing gas from assets we understand, into markets that need it, under contracts that make sense. Stronger pricing is flowing through to the numbers and giving us the confidence to keep investing in more production.

“The Cue transaction is an important step for Echelon. Cue has been part of our business for more than a decade, and I’m pleased with the value created for our shareholders. When the opportunity arose to profitably move the asset on, we acted decisively, leaving us with a streamlined business, easier to value, less debt and an appropriately sized investment in Horizon.

“More importantly, there is plenty for us to do. Drilling is underway at Palm Valley, and we remain focused on growing production from our Amadeus Basin acreage.

“The gas we produce keeps the lights on, provides firming power for solar and wind, supplies manufacturers, businesses and critical industries. Everyone needs dependable locally produced energy, and we are proud to be providing it.

“We’ve always said we want to grow by putting capital into good rocks, with good infrastructure, close to customers who need the gas. That hasn’t changed. We intend sticking to our patient weaving of strategic advantage, to keep growing our existing assets, as well as pursuing opportunities that complement our existing business, and keep providing more energy” Andrew Jefferies said.

For further information please contact the Group on:
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About Echelon Resources Limited

Echelon Resources Limited trading as Echelon (ASX: ECH) is a nimble Australasia-focused energy commodity exploration and production company, headquartered in Wellington, New Zealand. The company is committed to undertaking development and exploration activities that are ethical and values-based, and underpinned by quality relationships, skills and values. It also strives to deliver strong ESG standards that meet the benchmarks expected by communities and regulators.

The Company's producing assets comprise interests in the Mereenie, Palm Valley and Dingo gas fields in Australia's Amadeus Basin and the Kupe gas field in New Zealand. Echelon also holds a 6.64 percent interest in ASX-listed Horizon Oil Limited.

Echelon's team of experienced energy sector experts, along with those of its key partners, are now working together to explore and develop multiple assets on the company's books. These activities have comprised multiple exploration programs that continue to validate prospectivity within Echelon's asset portfolio. At the same time, the company along with its joint venture partners remain on the lookout for opportunities to acquire additional value-accretive producing and exploration assets.

To learn more, please visit: www.echelonresources.com