

Appendix 4E - preliminary final report

For the year ended 30 June 2025 as required by ASX listing rule 4.3A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons to the year ended 30 June 2024**

AUD\$m	2025	Movement %	
Revenue from ordinary activities	115.3	up	34%
Net profit after tax (NPAT) from ordinary activities attributable to shareholders	3.2	up	1931%
NPAT from ordinary activities attributable to shareholders excluding Impairment and Exploration expenditure*	16.5	up	42%

Revenue

Revenue rose 34% to \$115.3 million, from \$85.9 million a year ago reflecting the first full year impact of the acquisition of an additional 25 per cent interest in the Mereenie field. The production uplift from the successful drilling of the Mereenie WM29 and WM30 wells along with high commodity prices have taken revenue above the \$100 million mark for the first time in five years.

Net profit after tax

NPAT attributable to shareholders was \$3.2 million, up from \$0.2 million recorded a year ago.

NPAT excluding Impairment and Exploration expenditure*

NPAT attributable to shareholders excluding Impairment and Exploration expenditure was \$16.5 million, compared to \$11.6 million in the previous year. Impairments during the year included \$3.2 million related to the Group's 4% interest in the producing Kupe field in New Zealand, and a \$2.0 million exploration asset in the Perth Basin, Western Australia. Exploration expenditure during the year totalled \$8.5 million.

Financial Position

The net assets of the Group decreased by \$3.2 million to \$156.5 million for the year ended 30 June 2025 (30 June 2024: \$159.7 million).

Cash position

The Group's cash position of \$36.8 million decreased by \$1.8 million from the 30 June 2024 balance of \$38.6 million. Operating cash flow was \$54.1 million, a 62% increase from \$33.4 million a year earlier.

* excludes Impairment and Exploration expenditure adjusted for non-controlling interests (NCI). Not adjusted for one-off items in Other Income.

NET TANGIBLE ASSET BACKING

AUD\$	2025	2024 **
Net tangible assets per security (cents)	65.5	62.3

DIVIDENDS

On 31 March 2025, Echelon paid an interim unimputed dividend of Australian dollars 1.5 cents per ordinary share.

On 28 August 2025, Echelon declared a final unimputed dividend of Australian dollars 0.75 cents per ordinary share, with a record date of 11 September 2025, to be paid on 30 September 2025. This will make total dividends returned to shareholders Australian dollars \$5.0 million for the 2025 financial year and Australian dollars \$15.1 million over the last eighteen months.

** The Group changed its presentation currency from New Zealand dollars to Australian dollars (AUD or A\$) from 1 July 2024. This aligns with the Group's presence in the Australian market, economic environment and strategic direction. Comparative figures for 2024 have been restated to show the effect of the voluntary change in presentation currency to Australian dollars as well as a misallocation between profit attributable to non-controlling interest and shareholders identified in the 30 June 2024 financial statements.

Additional information supporting the Appendix 4E disclosure requirements can be found in the 30 June 2025 audited financial statements and accompanying notes.

Financial Report

For the year ended 30 June 2025

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Echelon Resources Limited - Financial Report

For the year ended 30 June 2025

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Consolidated Statement of Cash Flows

For the year ended 30 June 2025

AUD\$000	Notes	2025	Restated * 2024
Cash flows from operating activities			
Customer receipts		112,357	88,977
Production and marketing payments		(35,550)	(28,519)
Supplier and employee payments (inclusive of GST)		(14,295)	(12,763)
Interest received		1,206	1,360
Income tax paid		(4,151)	(8,066)
Royalties paid		(8,606)	(5,647)
Other		3,127	(1,968)
Net cash inflow from operating activities		54,088	33,374
Cash flows from investing activities			
Exploration and evaluation expenditure		(7,832)	(2,220)
Oil and gas asset expenditure		(29,012)	(15,586)
Prospects acquired (net of cash)		-	(44,672)
Security deposits and bonds		(53)	289
Proceeds from sale of assets		2,000	-
Property, plant and equipment expenditure		(48)	(105)
Other		(12)	-
Net cash outflow from investing activities		(34,957)	(62,294)
Cash flows from financing activities			
(Repayment of)/proceeds from loans and borrowings		(2,000)	49,300
Interest paid		(5,305)	-
Transaction costs relating to loans and borrowings		-	(1,115)
Dividends paid		(13,707)	(13,704)
Lease liabilities principal element payments		(278)	(260)
Net cash (outflow)/inflow from financing activities		(21,290)	34,221
Net (decrease)/increase in cash and cash equivalents		(2,159)	5,301
Cash and cash equivalents at the beginning of the year		38,621	33,444
Exchange rate effects on cash and cash equivalents		339	(124)
Cash and cash equivalents at the end of the year	11	36,801	38,621

Reconciliation of profit for the year to net cash inflow from operating activities

AUD\$000	Restated *	
	2025	2024
Profit for the year	6,390	7,249
Depreciation and amortisation	21,455	13,810
Asset impairment	5,290	10,636
Deferred tax benefit	7,557	(393)
Contract liabilities non-cash	-	(3,142)
Exploration and evaluation expenditure	8,493	717
Emissions costs settled by units	167	93
Net foreign exchange differences	2,600	394
Unwind of discount on rehabilitation provision	2,053	1,584
Share based payments	421	422
Lease payments in financing	258	148
Gain on sale of asset	(1,969)	-
Other	23	(70)
Change in operating assets and liabilities		
Movement in receivables	(4,718)	(264)
Movement in contract assets	-	5,128
Movement in contract liabilities	-	(1,318)
Movement in inventories	1,400	(2,931)
Movement in payables	3,966	2,261
Movement in provisions	-	10
Movement in tax payable	702	(960)
Net cash inflow from operating activities	54,088	33,374

* The comparative statements for the year ended 30 June 2024 have been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

The notes to the financial statements are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

AUD\$000	Notes	2025	Restated * 2024
Revenue	4	115,338	85,902
Operating costs	6	(43,617)	(27,160)
Exploration and evaluation expenditure		(8,493)	(945)
Other income	5	8,765	1,453
Other expenses	7	(13,047)	(15,452)
Profit from operating activities excluding amortisation, impairment and net finance costs		58,946	43,798
Amortisation of production assets	16	(21,128)	(13,652)
Impairment	8	(5,290)	(10,634)
Net finance costs	9	(8,586)	(509)
Profit before income tax and royalties		23,942	19,003
Income tax expense	10	(11,991)	(6,589)
Royalties expense	10	(5,561)	(5,165)
Profit for the year		6,390	7,249
Profit for the year attributable to:			
Profit attributable to shareholders		3,230	159
Profit attributable to non-controlling interest (NCI)		3,160	7,090
Profit for the year		6,390	7,249
Other comprehensive income:			
Items that may be classified to profit or loss			
Foreign currency translation reserve (FCTR) differences	23	3,514	233
Items that will not be reclassified to profit or loss			
Asset revaluation reserve	23	84	170
Total other comprehensive income for the year		9,988	7,652
Total profit and total comprehensive income attributable to:			
Shareholders of the company		6,496	369
Non-controlling interest		3,492	7,283
Total comprehensive income for the year		9,988	7,652
Earnings per share			
Basic earnings per share attributable to shareholders (cents)	25	1.4	0.1
Diluted earnings per share attributable to shareholders (cents)	25	1.4	0.1

* The comparative statements for the year ended 30 June 2024 have been restated to show the effect of the voluntary change in presentation currency to Australian dollars. The comparative for the year ended 30 June 2024 has been restated due to a misallocation of the profit attributable to NCI and the shareholders of the Group.

The notes to the financial statements are an integral part of these financial statements.

Authorised on behalf of the Echelon's Board of Directors on 28 August 2025:



Samuel Kellner
Director



Rosalind Archer
Director

Consolidated Statement of Financial Position

As at 30 June 2025

AUD\$000	Notes	2025	Restated * 2024	Restated * 2023
Assets				
Current assets				
Cash and cash equivalents	11	36,801	38,621	33,444
Receivables and prepayments	12	21,867	17,149	15,644
Contract assets		-	-	5,118
Inventories		3,951	5,351	2,453
Total current assets		62,619	61,121	56,659
Non-current assets				
Exploration and evaluation assets	15	400	3,669	2,413
Oil and gas assets	16	221,035	215,570	168,246
Property, plant and equipment		177	182	135
Right of use assets		1,328	1,458	435
Other intangible assets		1,451	1,400	1,307
Deferred tax assets	10	5,827	12,925	12,560
Other financial assets	17	7,833	7,419	7,637
Total non-current assets		238,051	242,623	192,733
Total assets		300,670	303,744	249,392
Liabilities				
Current liabilities				
Payables	18	17,772	13,691	11,189
Lease liabilities		266	244	247
Contract liabilities		-	-	2,608
Rehabilitation provisions	20	908	-	-
Deferred consideration	5	-	4,000	751
Current tax liabilities		3,742	3,040	3,998
Total current liabilities		22,688	20,975	18,793
Non-current liabilities				
Contract liabilities	19	12,166	13,333	14,441
Rehabilitation provisions	20	61,696	60,111	50,668
Borrowings	21	46,553	48,391	-
Lease liabilities		1,072	1,241	238
Total non-current liabilities		121,487	123,076	65,347
Total liabilities		144,175	144,051	84,140
Net assets		156,495	159,693	165,252
Equity				
Share capital	22	178,355	178,355	178,355
Reserves	23	33,582	30,302	30,192
Retained losses		(77,482)	(74,387)	(67,968)
Attributable to shareholders of the Group		134,455	134,270	140,579
Non-controlling interest in subsidiaries		22,040	25,423	24,673
Total equity		156,495	159,693	165,252
Net asset backing per share (cents)	24	68.8	70.2	72.7
Net tangible asset backing per share (cents)	24	65.5	62.3	65.5

* The comparative statements for the years ended 30 June 2023 and 30 June 2024 have been restated to show the effect of the voluntary change in presentation currency to Australian dollars. The comparative for the year ended 30 June 2024 has a reallocation of the profit attributable to NCI and the shareholders of the Group.

The notes to the financial statements are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

AUD\$000	Share capital	Reserves	Retained earnings/ (losses)	Total	Non-controlling interest	Total equity
Restated balance as at 30 June 2023 *	178,355	30,192	(67,968)	140,579	24,673	165,252
Profit for the year	-	-	159	159	7,090	7,249
Asset revaluation reserve	-	241	-	241	-	241
Asset revaluation reserve prior year	-	(71)	71	-	-	-
Share based compensation expense	-	41	-	41	381	422
Forfeited and expired share options	-	(76)	76	-	-	-
Issue of shares to NCI	-	-	-	-	127	127
Exercise of share options	-	(64)	-	(64)	(63)	(127)
Foreign currency translation differences	-	39	-	39	194	233
Dividends paid	-	-	(6,725)	(6,725)	(6,979)	(13,704)
Restated balance as at 30 June 2024 *	178,355	30,302	(74,387)	134,270	25,423	159,693
Profit for the year	-	-	3,230	3,230	3,160	6,390
Asset revaluation reserve	-	185	-	185	-	185
Asset revaluation reserve prior year	-	(101)	101	-	-	-
Share based compensation expense	-	351	-	351	70	421
Forfeited and expired share options	-	(290)	290	-	-	-
Issue of shares to NCI	-	-	-	-	87	87
Exercise of share options	-	(44)	-	(44)	(44)	(88)
Foreign currency translation differences	-	3,179	3	3,182	332	3,514
Dividends paid	-	-	(6,719)	(6,719)	(6,988)	(13,707)
Balance as at 30 June 2025	178,355	33,582	(77,482)	134,455	22,040	156,495

* The comparative statements for the year ended 30 June 2023 and 2024 have been restated to show the effect of the voluntary change in presentation currency to Australian dollars and the reallocation of the profit attributable to NCI and the shareholders of the Group for 30 June 2024.

The notes to the financial statements are an integral part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2025

1 Basis of accounting

Reporting entity

Echelon Resources Limited (Echelon), is a company domiciled in New Zealand (NZ), registered under the New Zealand Companies Act 1993 and listed on the Australian Stock Exchange (ASX) using the ticker symbol ECH. The Group is required to be treated as a Financial Markets Conduct (FMC) reporting entity for the purposes of the FMC Act and the Financial Reporting Act 2013.

The financial statements presented are for Echelon, its subsidiaries and the interests in associates and jointly controlled operations (together referred to as the "Group").

The ultimate parent company is O.G.Oil & Gas (Singapore) Pte. Limited ("OGOG"), a company incorporated in Singapore, which is a subsidiary and part of the O.G. Energy Holdings Ltd. ("OGE") Group.

Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practices ("NZ GAAP") and the Financial Reporting Act 2013. They comply with the NZ equivalents to International Financial Reporting Standards ("NZ IFRS") as appropriate for profit-oriented entities, and with International Financial Reporting Standards ("IFRS").

Effective from 1 July 2024, the presentation currency of the financial statements has been changed from New Zealand Dollars (NZD) to Australian Dollars (AUD). This change is intended to better reflect the company's operational and economic environment.

A change in presentation currency is a change in accounting policy, which is accounted for retrospectively. The financial information included in this report, previously reported in NZD, has been restated into AUD using the procedures outlined below:

- Assets and liabilities denominated in currencies other than AUD were translated into AUD at the closing rates of exchange on the last day of the relevant accounting period.
- Revenues and expenses in currencies other than AUD were translated into AUD at average exchange rates.
- Share capital and reserves were translated at the historic rates prevailing at the transaction dates.
- Cash flows were translated at exchange rates at the dates of the relevant transactions, although appropriate average rates may be used.
- The effects of translating the Group's financial performance and financial position are recognised in the foreign currency translation reserve.

In restating the comparatives to AUD, a misallocation between profit attributable to NCI and shareholders was identified in the 30 June 2024 financial statements. This has been corrected in accordance with NZ IAS 21 – The Effects of Changes in Foreign Exchange Rates, NZ IFRS 10 – Consolidated Financial Statements, and NZ IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been adjusted to reflect the change to Australian dollar presentation currency. The following table summarises the impacts on the Group's financial statements.

Consolidated Statement of Comprehensive Income (AUD\$000s)

As previously reported and restated on change in presentation currency

Profit for the year attributable to:

Profit attributable to shareholders
Profit attributable to non-controlling interest (NCI)

Profit for the year

Earnings per share

Basic earnings per share attributable to shareholders (cents)
Diluted earnings per share attributable to shareholders (cents)

Consolidated Statement of Financial Position (\$000s)

As previously reported and restated on change in presentation currency

Equity

Share capital
Reserves
Retained losses
Attributable to shareholders of the Group
Non-controlling interest in subsidiaries
Total equity

30 June 2024		
Impact of misallocation		
Reported	Correction	Restated
3,732	(3,573)	159
3,517	3,573	7,090
7,249	-	7,249
1.6	(1.5)	0.1
1.6	(1.5)	0.1

30 June 2024		
Impact of misallocation		
Reported	Correction	Restated
178,355	-	178,355
30,302	-	30,302
(70,814)	(3,573)	(74,387)
137,843	(3,573)	134,270
21,850	3,573	25,423
159,693	-	159,693

Notes to the financial statements

For the year ended 30 June 2025

1 Basis of accounting (continued)

The presentation currency used in the preparation of the financial statements is Australian dollars (AUD or \$) rounded to the nearest thousand unless otherwise stated. The financial statements are prepared on a goods and services tax (GST) exclusive basis except billed receivables and payables which include GST.

These financial statements are prepared on the basis of historical cost except where otherwise stated in specific accounting policies contained in the accompanying notes.

The core business of the Group and activities carried out by each of the segments is disclosed in note 3.

Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that control ceases. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements. Intra-group balances, transactions, unrealised income or expenses arising from intra-group transactions and dividends are eliminated in preparing the Group financial statements.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in the statement of comprehensive income and held in equity reserves as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on non-monetary items, such as equities classified as fair value through other comprehensive income, are included in the statement of comprehensive income and held in the fair value reserves in equity.

New accounting standards issued but not yet effective

The following new standards, amendments to standards and interpretations are issued but not yet effective and have not been applied in preparation of these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

The International Accounting Standards Board (IASB) has issued IFRS 18, which becomes effective for annual reporting periods beginning on or after 1 January 2027. Echelon will adopt IFRS 18 in accordance with its effective date.

IFRS 18 introduces significant changes to the presentation and disclosure requirements in financial statements, replacing key aspects of IAS 1. The standard aims to enhance consistency and comparability across entities by:

- Introducing defined categories in the statement of profit or loss for operating, investing, and financing activities;
- Requiring disclosure and reconciliation of management-defined performance measures to IFRS-defined subtotals; and
- Strengthening principles for disaggregation to improve clarity and usefulness of financial information.

Echelon is currently assessing the impact of IFRS 18 on its financial reporting and disclosures. The Group anticipates that the new standard will improve transparency and provide users of the financial statements with more structured and comparable information.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

Recoverability of deferred tax assets, assessment of the ability of entities in the Group to generate future taxable income (refer to note 10).

Recoverability of exploration and evaluation assets and oil and gas assets, assessment includes future commodity prices, future cash flows, estimated discount rates and estimates of reserves. Management performs an assessment of the carrying value of investments at each reporting date and considers objective evidence for impairment on each investment, taking into account observable data on the investment, the fair value, the status or context of capital markets, its own view of investment value and its long-term intentions (refer to notes 15 and 16).

Provision for rehabilitation obligations includes estimates of future costs, timing of required rehabilitation and an estimated discount rate (refer to note 20).

Notes to the financial statements

For the year ended 30 June 2025

3 Segment information

Operating segments' operating results are reviewed regularly by the Group's chief executive officer (CEO), the entity's chief decision maker, and have discrete financial information available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Intercompany loans between segments are excluded from segment assets and liabilities, as these balances are eliminated on consolidation. While such balances may be considered by management for internal performance monitoring, they are not presented in the segment disclosures in accordance with NZ IFRS 8 Operating Segments.

The following summaries describe the activities within each of the reportable operating segments:

Exploration (previously Perth Basin): Exploration interests in Perth Basin comprising Production licence L7 and Exploration Permit EP437; and exploration interests in the Amadeus Basin for Exploration Permit EP145. Refer to note 14 and 15.

Kupe oil & gas field (Kupe): Development, production, and sale of natural gas, liquified petroleum gas (LPG) and condensate (light oil), located in the offshore Taranaki Basin, New Zealand.

Amadeus Basin oil & gas fields: Comprising Echelon's share of the Mereenie oil and gas field, Palm Valley gas field and Dingo gas field, all located in the Amadeus Basin in Australia. Cue Energy Resources Limited ("Cue"), a partially owned subsidiary of Echelon, holds a participating interest in the Amadeus Basin assets. These are included in the Cue segment below.

Other & unallocated: Unallocated items comprise corporate assets, overheads, income tax assets and liabilities.

Cue Energy Resources Limited: The Group acquired a controlling interest in Cue during the 2015 financial year and from 1 October 2021 this segment includes Cue's participating interest in the Amadeus Basin oil and gas fields.

For the year ended 30 June 2025 AUD\$000	Exploration	Kupe oil & gas field	Amadeus Basin oil & gas fields	Other & unallocated	Cue Energy Resources Limited	Total
Sales to external customers:						
New Zealand	-	7,255	-	-	-	7,255
Australia	-	-	51,902	-	12,491	64,393
Indonesia	-	-	-	-	29,947	29,947
Other countries	-	1,341	-	-	12,402	13,743
Total sales revenue	-	8,596	51,902	-	54,840	115,338
Other income	-	-	6,181	3,082	(498)	8,765
Total sales revenue and other income	-	8,596	58,083	3,082	54,342	124,103
Operating costs	(68)	(2,236)	(19,424)	-	(21,889)	(43,617)
Exploration and evaluation	(6,887)	(40)	(500)	-	(1,066)	(8,493)
Other expenses	(371)	(108)	(2,216)	(7,466)	(2,887)	(13,048)
Amortisation	-	(2,419)	(9,856)	-	(8,852)	(21,127)
Impairment	(2,046)	(3,244)	-	-	-	(5,290)
Earnings before income tax	(9,372)	549	26,087	(4,384)	19,648	32,528
Other net finance expense						(8,586)
Profit before income tax and royalties					19,658	23,942
Income tax and royalties expense					(13,342)	(17,552)
Profit for the year					6,316	6,390
Other comprehensive income					663	
Current assets	358	3,132	22,599	12,928	23,603	62,620
Non current assets	400	13,742	134,808	11,140	77,960	238,050
Segment assets	758	16,874	157,407	24,068	101,563	300,670
Current liabilities	92	2,349	7,039	3,020	9,281	21,781
Non current liabilities	-	11,235	76,925	-	34,234	122,394
Segment liabilities	92	13,584	83,964	3,020	43,515	144,175
Net cash flow by activity*						
Net cash inflow from operating activities					23,834	
Net cash outflow from investing activities					(15,396)	
Net cash outflow from financing activities					(14,052)	
Net decrease in cash and cash equivalents					(5,614)	

* Echelon cash flows are centrally managed, therefore net cash flows by activity are not presented by segment.

Notes to the financial statements

For the year ended 30 June 2025

3 Segment information (continued)

Restated For the year ended 30 June 2024 * AUD\$000	Exploration	Kupe oil & gas field	Amadeus Basin oil & gas fields	Other & unallocated	Cue Energy Resources Limited	Total
Sales to external customers:						
New Zealand	-	7,245	-	-	-	7,245
Australia	-	-	28,050	-	11,284	39,334
Indonesia	-	-	-	-	28,252	28,252
Other countries	-	948	-	-	10,123	11,071
Total sales revenue	-	8,193	28,050	-	49,659	85,902
Other income	-	104	13	1,330	6	1,453
Total sales revenue and other income	-	8,297	28,063	1,330	49,665	87,355
Operating costs	(8)	(2,141)	(10,809)	-	(14,202)	(27,160)
Exploration and evaluation	(345)	(71)	(301)	-	(228)	(945)
Other expenses	-	(78)	(661)	(11,923)	(2,791)	(15,453)
Amortisation	-	(2,571)	(4,772)	-	(6,308)	(13,651)
Impairment	-	(10,634)	-	-	-	(10,634)
Earnings before income tax	(353)	(7,198)	11,520	(10,593)	26,136	19,512
Other net finance income						(509)
Profit before income tax and royalties					25,322	19,003
Income tax and royalties expense					(11,133)	(11,754)
Profit for the year					14,189	7,249
Other comprehensive income					388	
Current assets	37	3,152	13,586	17,681	26,665	61,121
Non current assets	3,671	17,052	132,839	11,870	77,191	242,623
Segment assets	3,708	20,204	146,425	29,551	103,856	303,744
Current liabilities	-	2,776	10,585	1,445	6,166	20,972
Non current liabilities	-	10,147	80,022	129	32,781	123,079
Segment liabilities	-	12,923	90,607	1,574	38,947	144,051
Net cash flow by activity**						
Net cash inflow from operating activities					26,943	
Net cash outflow from investing activities					(7,735)	
Net cash outflow from financing activities					(18,051)	
Net increase in cash and cash equivalents					1,157	

* The comparative statements for the year ended 30 June 2023 and 2024 have been restated to show the effect of the voluntary change in presentation currency to Australian dollars and the reallocation of the profit attributable to NCI and shareholders of the Group for 30 June 2024.

** Echelon cash flows are centrally managed, therefore net cash flows by activity are not presented by segment.

Notes to the financial statements

For the year ended 30 June 2025

4 Revenue

Sales comprise revenue earned from the sale of petroleum products, when control of ownership of the petroleum products has been transferred to the buyer, which will vary depending on the contract (e.g. at the plant or at the port). Revenue is recognised at the amount of the transaction price that is allocated to that performance obligation.

(a) Revenue from contracts with customers		Restated *
AUD\$000	2025	2024
Crude oil and condensate	44,330	34,561
Natural gas and LPG	71,008	51,341
Total revenue from contracts with customers	115,338	85,902

(b) Tariffs included in revenue

Natural gas revenue includes charges for transportation costs incurred when the gas delivery point is not at the plant. The cost of the transportation for the period ending 30 June 2025 was \$1.5 million (30 June 2024: \$1.0 million).

(c) Major Customers

Customers with revenue exceeding 10% of the Group's total hydrocarbon sales revenue are shown below.

		% of sales revenue	Restated *	% of sales revenue
AUD\$000	2025	2025	2024	2024
First largest	38,398	33.3%	19,721	23.0%
Second largest	12,694	11.0%	19,044	22.2%
Third largest	12,403	10.8%	10,124	11.8%
Fourth largest	12,197	10.6%	-	-
Total revenue from major customers	75,692	65.6%	48,889	56.9%

5 Other income

	Restated *	
AUD\$000	2025	2024
Derecognition of liability relating to deferred consideration	4,000	-
Gain on sale of asset	1,969	-
Other	2,796	1,453
Total other income	8,765	1,453

On 11 June 2024, the Group acquired an additional 25% interest in the Mereenie gas field in the Northern Territory, Australia from Macquarie Bank. As part of the acquisition, a contingent payment of \$4.0 million was payable upon satisfaction of certain conditions being met in relation to a gas sales agreement (GSA) with Arafura Rare Earths. On 16 April 2025, the Group announced that the GSA had lapsed due to one of the condition precedents not being met. Following an assessment, it was determined that the liability no longer existed at balance date and accordingly, the liability has been derecognised and the resulting gain recognised in the profit and loss.

In April 2025 the Mereenie Joint Venture completed the sale of the non-core Brewer Estate oil terminal property, near Alice Springs, for consideration of \$4.0 million. The Group's 50 per cent share was \$2.0 million. The sale consideration exceeded the carrying value of the asset, and the purchaser assumed associated rehabilitation liabilities. After taking into account transaction costs and the transfer of rehabilitation obligations, a total gain on sale of \$2.0 million was recognised in the profit and loss.

Included in 'Other' is \$1.7 million (June 2024: \$1.2 million) of income related to the provision of technical services and related activities to subsidiaries of the ultimate parent company. Refer to note 27 Related party transactions.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

6 Operating costs

AUD\$000	Restated *	
	2025	2024
Production and sales marketing costs	38,361	25,613
Carbon emissions expenditure	381	365
Insurance expenditure	943	827
Movement in inventory	1,210	(1,170)
Royalties (i)	2,722	1,525
Total operating costs	43,617	27,160

(i) Royalties include private royalties with respect to the Amadeus Basin assets and Government royalties at the Maari oil field which are based on a gross revenue method of calculation.

7 Other expenses

AUD\$000	Restated *	
	2025	2024
Classification of other expenses by nature:		
Audit fees paid to the Group auditor - KPMG	730	740
Directors' fees	396	387
Legal fees	177	552
Consultants' fees	440	727
Employee expenses	7,335	6,338
Depreciation	327	304
Share based payment expense	421	422
IT and software expenses	1,155	1,013
Registry and stock exchange fees	413	338
Stamp duty on Mereenie acquisition	-	2,846
Other	1,653	1,785
Total other expenses	13,047	15,452

Other expenses include costs incurred in relation to the provision of managed services to subsidiaries of the ultimate parent company during the year. While the Group received income of \$1.7 million (June 2024: \$1.2 million) for these services, the corresponding expenses have not been reduced or netted against that income. Instead, the related income is presented separately under Other Income. Refer to note 5.

AUD\$000	Restated *	
	2025	2024
Fees paid to the Group auditor:		
Audit and review of financial statements	730	740
Tax compliance services	84	99
Tax advisory services	143	110
Other regulatory assurance services	25	60
Total fees paid to Group auditor	982	1,009

No other services were provided by the auditor during the year, other than those set out above.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

8 Impairment expense

AUD\$000	Restated *	
	2025	2024
Kupe - Oil and gas asset	3,244	10,634
Perth Basin Exploration asset	2,046	-
Total impairment	5,290	10,634

During the year ended 30 June 2025, the Group recognised total impairment charges of \$5.3 million in the statement of profit and loss (2024: \$10.6 million).

These impairment charges relate to the production asset of the Kupe oil and gas and field and the exploration and evaluation assets at Perth Basin. Refer to notes 15 and 16.

9 Finance income and costs

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the financial liability.

AUD\$000	Restated *	
	2025	2024
Interest expense	(5,063)	(309)
Bank fees	(186)	(48)
Exchange (losses) on foreign currency balances	(2,601)	(139)
Unwind of discount	(2,058)	(1,455)
Total finance costs	(9,908)	(1,951)
Interest income	1,322	1,442
Total finance income	1,322	1,442
Net finance (costs)/income	(8,586)	(509)

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

10 Tax

Current and deferred tax is calculated on the basis of the laws enacted or substantively enacted at balance date.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Current and deferred tax are recognised in profit and loss except when the tax relates to items recognised in other comprehensive income, in which case the tax is also recognised in other comprehensive income.

		Restated *
AUD\$000	2025	2024
Income tax (expense)		
Current tax	(4,434)	(7,313)
Deferred tax	(7,557)	724
(a) Total income tax (expense)	(11,991)	(6,589)
Income tax benefit calculation		
Profit before income tax and royalties	23,942	19,003
Less: royalties expense	(5,561)	(5,165)
Profit before income tax	18,381	13,838
Tax at the New Zealand tax rate of 28%	5,147	3,875
Tax effect of amounts which are taxable/(not deductible):		
Difference in overseas tax rate	2,579	2,979
Non-deductible (income)/expenses	(498)	895
Foreign exchange adjustments	694	366
Unrealised timing differences	2,379	1,200
Recognition of deferred tax assets	1,702	(2,937)
Prior year tax losses (not recognised)/recognised	(35)	216
Other	23	98
Total tax effect of amounts which are taxable:	11,991	6,692
Adjustment recognised for current tax in prior years	-	(103)
Total income tax benefit	11,991	6,589

Government royalty expenses incurred by the Group relate to petroleum royalty payments to the New Zealand and Australian Governments in respect of the Kupe and Amadeus oil and gas fields, and are recognised on an accrual basis.

At 30 June 2025, no imputation credits were held for subsequent years (2024: nil).

	2025 Tax (Expense)/		
Component of other comprehensive income (OCI)	Before Tax	Benefit	Net of Tax
Asset revaluation reserve	84		84
Foreign currency translation differences	3,514	-	3,514
Share-based payments recognised in OCI	421	-	421
Total OCI	4,019	-	4,019

	2024* Tax (Expense)/		
Component of other comprehensive income (OCI)	Before Tax	Benefit	Net of Tax
Asset revaluation reserve	170		170
Foreign currency translation differences	233	-	233
Share-based payments recognised in OCI	422	-	422
Total OCI	825	-	825

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

10 Tax (continued)

(b) Current tax liabilities		Restated *
AUD\$000	2025	2024
Current tax liabilities	3,742	3,040

The Group has an ongoing Indonesian Tax matter relating to a notice of amended assessment which is being disputed by Cue Kalimantan Pte Ltd on behalf of SPC E&P Pte Ltd (SPC). Cue is indemnified by SPC for any losses arising from this disputed notice of assessment and has recognised a liability and receivable on the balance sheet.

(c) Deferred tax

Deferred taxation is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and future tax benefits are recognised where realisation of the asset is probable. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

During the year ended 30 June 2025, the Group utilised \$2.1 million (30 June 2024: \$2.4 million) in previously recognised deferred tax assets on carry forward losses in offsetting against taxable profits generated. The Consolidated Entity recognised a deferred tax asset of \$6.1 million (30 June 2024: \$10.3 million) in respect of unutilised carried forward tax losses not previously recognised.

At 30 June 2025, the Group had \$77.8 million in unutilised carry forward losses, the tax effect of which is \$23.3 million. The aforementioned potential tax benefit has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Deferred tax assets and liabilities are disclosed on a net basis in respect of their tax jurisdictions.

		Restated *
AUD\$000	2025	2024
The balance comprises temporary differences attributable to:		
Deferred tax assets		
Non-deductible provisions	23,091	11,423
Carried forward tax losses	16,529	20,996
Other	580	319
Total deferred tax assets	40,200	32,738
Deferred tax liabilities		
Oil & gas assets	(34,354)	(19,813)
Other items (including lease assets)	(19)	-
Total deferred tax (liabilities)	(34,373)	(19,813)
Net deferred tax assets	5,827	12,925
Movements:		
Opening balance at the beginning of the year	12,925	12,560
Recognised in profit and loss	7,557	724
Recognised in other comprehensive income	(14,655)	(359)
Closing balance at the end of year	5,827	12,925

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, short-term deposits and deposits on call with an original maturity of three months or less.

AUD\$000	Restated *	
	2025	2024
Cash at bank and in hand	27,298	36,540
Deposits at call	1,735	80
Short term deposits	5,103	1,089
Share of oil and gas interests' cash	2,665	912
Total cash and cash equivalents at end of year	36,801	38,621

	2025 Base Currency	2025 AUD Equivalent	2024 Base Currency	2024 * AUD Equivalent
By currency:				
Australian dollar	26,754	26,754	22,425	22,425
New Zealand dollar	2,963	2,749	2,553	2,317
United States dollar	4,738	7,233	9,190	13,794
Indonesian rupiah	635,206	65	877,376	85
Total cash and cash equivalents at end of year		36,801		38,621

12 Receivables and prepayments

AUD\$000	Restated *	
	2025	2024
Trade receivables	10,613	9,243
Share of oil and gas interests' receivables	9,362	5,809
Prepayments	750	641
Other	1,142	1,456
Total receivables and prepayments at end of year	21,867	17,149

	2025 Base Currency	2025 AUD Equivalent	Restated * 2024 Base Currency	Restated * 2024 AUD Equivalent
By currency:				
Australian dollar	7,693	7,693	5,947	5,947
New Zealand dollar	4,045	3,751	3,452	3,179
United States dollar	6,825	10,418	5,374	8,020
Indonesian rupiah	48,000	5	31,800	3
Total receivables and prepayments at end of year		21,867		17,149

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

13 Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the entity, has exposure or rights to variable returns from this involvement and when it has the ability to use its power to affect the amount of the returns.

At 30 June 2025, the Group held a 49.97% interest in Cue (30 June 2024: 50.03%) and was deemed to control it under NZ IFRS 10 due to Board representation and the dispersion of other shareholders. The Cue entities below reflect the Group's 49.97% interest in Cue's subsidiaries.

During the year, some of Cue's share options were exercised, this resulted in a decrease in Echelon's interest in Cue (refer to note 28).

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position respectively.

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the subsidiaries within the Group are shown below.

The consolidated financial statements incorporate the assets, liabilities and results of the following entities:

Name of entity	Principal place of business	Equity Holding		Functional Currency
		2025	2024	
Echelon Resources Limited				
Echelon Petroleum Limited	New Zealand	100%	100%	NZD
Echelon Onshore Limited	New Zealand	100%	100%	NZD
Echelon Canterbury Limited	New Zealand	100%	100%	NZD
Echelon 2013 O Limited	New Zealand	100%	100%	NZD
NZOG Bohorok Pty Limited	Australia	100%	100%	USD
Echelon Devon Limited	New Zealand	100%	100%	NZD
Echelon GNA Trustee Limited	New Zealand	100%	100%	NZD
Echelon 2013 T Limited	New Zealand	100%	100%	NZD
Echelon Energy Limited	New Zealand	100%	100%	NZD
Echelon Offshore Limited	New Zealand	100%	100%	NZD
Echelon Pacific Holdings Pty Limited	Australia	100%	100%	AUD
Echelon Pacific Limited	New Zealand	100%	100%	NZD
Echelon Services Limited	New Zealand	100%	100%	NZD
Echelon Taranaki Limited	New Zealand	100%	100%	NZD
Echelon Petroleum Resources Limited	New Zealand	100%	100%	NZD
NZOG MNK Bohorok Pty Limited	Australia	100%	100%	USD
Echelon (Ironbark) Pty Limited	Australia	100%	100%	AUD
Echelon Mereenie Pty Limited	Australia	100%	100%	AUD
Echelon Palm Valley Pty Limited	Australia	100%	100%	AUD
Echelon Dingo Pty Limited	Australia	100%	100%	AUD
Echelon Goanna Pty Limited	Australia	100%	0%	AUD
Echelon Acacia Pty Limited	Australia	100%	100%	AUD
Echelon Compass Pty Limited	Australia	100%	100%	AUD
Cue Energy Resources**				
Cue Energy Resources Limited	Australia	49.97%	50.03%	AUD
Cue Mahakam Hilir Pty Ltd*	Australia	49.97%	50.03%	AUD
Cue (Ashmore Cartier) Pty Ltd	Australia	49.97%	50.03%	AUD
Cue Sampang Pty Ltd	Australia	49.97%	50.03%	USD
Cue Taranaki Pty Ltd	Australia	49.97%	50.03%	USD
Cue Kalimantan Pte Ltd	Singapore	49.97%	50.03%	USD
Cue Mahato Pty Ltd	Australia	49.97%	50.03%	USD
Cue Exploration Pty Ltd	Australia	49.97%	50.03%	AUD
Cue Palm Valley Pty Ltd	Australia	49.97%	50.03%	AUD
Cue Mereenie Pty Ltd	Australia	49.97%	50.03%	AUD
Cue Dingo Pty Ltd	Australia	49.97%	50.03%	AUD

* Mahakam Hilir Profit Sharing Contract (PSC) exploration permit has expired and regulatory processes for surrender are ongoing as at 30 June 2025.

**Echelon's shareholding in Cue reduced by 0.06% during the year as a result of Cue issuing 720,342 shares as part of Cue's share option scheme.

Notes to the financial statements

For the year ended 30 June 2025

14 Oil and gas interests

The Group has interests in a number of joint arrangements which are classified as joint operations. The Group financial statements include a proportionate share of the oil and gas interests' assets, liabilities, revenue, and expenses with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

The Group held the following oil and gas production, exploration and evaluation, and appraisal interests at the end of the year:

Name	Entity	Country of permit	Interest	
			2025	2024
Echelon Resources Limited				
PML 38146 – Kupe	Echelon Taranaki Ltd	New Zealand	4%	4%
OL4 and OL5 - Mereenie	Echelon Mereenie Pty Ltd	Australia	42.5%	42.5%
OL3 - Palm Valley	Echelon Palm Valley Pty Ltd	Australia	35%	35%
L7 - Dingo	Echelon Dingo Pty Ltd	Australia	35%	35%
EP145*	Echelon Goanna Pty Ltd	Australia	100%	0%
L7 Production licence**	Echelon Acacia Pty Ltd	Australia	25%	25%
EP437 Exploration Permit**	Echelon Compass Pty Ltd	Australia	25%	25%

*On 9 June 2025, Echelon completed the acquisition of a 100% interest and assumed operatorship of EP145 in the Amadeus Basin, Northern Territory, in a transaction with Mosman Oil & Gas.

**On 20 June 2025, Echelon withdrew from its interests in L7 and EP437 permits in the Perth Basin, with effect from 31 July 2025.

Cue Energy Resources *				
Mahato PSC	Cue Mahato Pty Ltd	Indonesia	11.25%	11.25%
PMP 38160 – Maari	Cue Taranaki Pty Ltd	New Zealand	5%	5%
Sampang PSC	Cue Sampang Pty Ltd	Indonesia	15%	15%
OL4 and OL5 - Mereenie	Cue Mereenie Pty Ltd	Australia	7.5%	7.5%
OL3 - Palm Valley	Cue Palm Valley Pty Ltd	Australia	15%	15%
L7 - Dingo	Cue Dingo Pty Ltd	Australia	15%	15%

* represents the percentage interest held by Cue. The Group interest is 49.97% (June 2024: 50.03%) of the Cue interest.

15 Exploration and evaluation assets

The Group uses the successful efforts method of accounting for oil and gas exploration costs. All general exploration and evaluation costs are expensed as incurred except the direct costs of acquiring the rights to explore, drilling exploratory wells, and evaluating the results of drilling. These direct costs are capitalised as exploration and evaluation assets pending the determination of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

Key judgement: recoverability of exploration and evaluation assets

Assessment of the recoverability of capitalised exploration and evaluation expenditure requires certain estimates and assumptions to be made for future events and circumstances, particularly in relation to whether economic quantities of reserves that have been discovered. Therefore, such estimates and assumptions may change as new information becomes available. If it is concluded that the carrying value of an exploration and evaluation asset is unlikely to be recovered by future development or sale, the relevant amount is then expensed in the profit and loss.

Capitalised exploration and evaluation assets, including expenditure to acquire mineral interests in oil and gas properties, related to wells that find proven reserves are classified as development assets within oil and gas assets at the time of sanctioning the development project.

AUD\$000	Restated *	
	2025	2024
Opening balance	3,669	2,413
Expenditure capitalised during the year	5,584	1,259
Exploration expensed to the profit and loss	(6,809)	-
Exploration asset impairment	(2,046)	-
Revaluation of foreign currency exploration and evaluation assets	2	(3)
Total exploration and evaluation assets at end of year	400	3,669

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

15 Exploration and evaluation assets (continued)

In the current year, the Group participated in drilling two exploration wells in the Perth Basin, Australia. In August 2024 the Group drilled the Booth-1 well in production permit L7 and in April 2025 drilled the Becos-1 well in exploration permit EP437. Both wells were subsequently assessed as unsuccessful, then plugged and abandoned. In line with the Group's accounting policy, the costs associated with drilling the unsuccessful wells were expensed. A total of \$6.2 million was expensed, \$4.1 million relating to the Booth-1 well and \$2.1 million relating to the Becos-1 well.

On 20 June 2025, Echelon withdrew from its interests in the L7 and EP437 permits in the Perth Basin, with effect from 31 July 2025. The previously capitalised Farm Out Agreement acquisition costs of \$2.1 million have been fully impaired and expensed in the profit and loss.

On 9 June 2025 the Group completed the acquisition of exploration permit EP145, taking on 100% operatorship. Acquisition costs of \$0.4 million have been capitalised as an exploration asset.

16 Oil and gas assets

Development

Development assets include construction, installation and completion of infrastructure facilities such as pipelines and development wells. No amortisation is provided in respect of development assets until they are reclassified as production assets.

Production assets

Production assets capitalised represent the accumulation of all development expenditure incurred by the Group in relation to areas of interest in which petroleum production has commenced. Expenditure on production areas of interest and any future estimated expenditure necessary to develop proven and probable reserves are amortised using the units of production method on a basis consistent with the recognition of revenue. Where it is possible to separately identify tangible assets, they are depreciated on a straight line basis in line with their economic life.

Subsequent costs

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the Consolidated Statement of Comprehensive Income during the financial year in which they are incurred.

Impairment

The carrying value is assessed for impairment each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit and loss, and in respect of cash generating units, are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing recoverable amount, the estimated future cash flows are discounted to their present value using a post-tax discount rate, that reflects current market assessments of the time value of money, and the risks specific to the asset.

Impairment losses recognised in prior years are reassessed at each reporting date and the loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously.

During the year, the Mereenie Joint Venture drilled two development wells, West Mereenie 29 (WM29) and West Mereenie 30 (WM30). Both wells were successful, producing above pre-drill expectations. The costs of both wells have been capitalised to Oil and Gas assets.

The carrying value of oil and gas assets at 30 June 2025 was \$442.6 million (30 June 2024: \$410.0 million), with total accumulated amortisation of \$221.5 million (30 June 2024: \$194.4 million).

The carrying value of oil and gas assets is presented net of total accumulated amortisation.

Notes to the financial statements

For the year ended 30 June 2025

16 Oil and gas assets (continued)

AUD\$000	Restated *	
	2025	2024
Opening balance	215,570	168,246
Additions - acquisition 25% interest in Mereenie asset	-	47,554
Make up gas forfeited/(utilised)	(1,226)	537
Expenditure capitalised	30,712	15,240
Impairment of Kupe asset	(3,244)	(10,634)
Disposal - Sale of Brewer Estate Oil Terminal	(825)	-
Amortisation for the year	(21,128)	(13,652)
Rehabilitation provision movement (refer to note 20)	1,402	8,154
Revaluation of foreign currency oil and gas assets	(226)	125
Total oil and gas assets at end of the year	221,035	215,570

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically extracted from the Groups' oil and gas permits. The Group estimates its reserves based on all available production data, the results of well intervention campaigns, seismic data, analytical and numerical analysis methods, sets of deterministic reservoir simulation models provided by the field operators and analytical and numerical analyses. Forecasts are based on deterministic methods. Reserves are reported in line with the principles contained in the Society of Petroleum Engineers Petroleum Resources Management Reporting System. As the economic assumptions used may change and as additional geological information is obtained during the operation of the field, estimates of recoverable resources may change impacting the Group's financial results.

Climate-related risks have been considered with respect to the evaluation of the estimated recoverable amounts associated with oil and gas assets.

Estimates of recoverable amounts are based on the assets' fair value less cost to sell, determined by discounting each asset's estimated future cash flows at asset specific discount rates. The discount rates applied ranged from 9.39% to 10.84% (2024: 10.10% to 10.38%). Commodity price assumptions were based on consensus estimates of forward market prices unless contracted prices were available.

At 30 June 2025 the Group assessed each oil and gas asset to determine whether an indicator of impairment existed. Indicators of impairment include changes in future selling prices, future costs and reserves. The recoverable amount of each oil and gas asset was estimated and compared to its carrying amount. There were no indicators of impairment relating to any oil and gas assets other than the Kupe gas field which showed impairment indicators resulting from a reserves downgrade.

Kupe impairment

As at 30 June, impairment testing was performed due to an indication that the asset may be impaired, resulting in an impairment expense of \$3.2 million (2024: \$10.6 million) following an 10% reduction in recoverable 2P developed reserves. The impairment is recognised in Asset impairment in the Consolidated Statement of Comprehensive Income. The recoverable amount was determined based on fair value less costs of disposal using discounted cash flow projections. Following the reserves downgrade, field trials conducted by the operator and a reduction in minimum plant throughput are expected to extend the field's life by six months to 31 December 2035.

Following the impairment loss recognised, the recoverable amount is in line with the carrying amount of \$12.4 million. Any adverse movement in a key assumptions could lead to further impairment.

The estimate of fair value was determined using a post tax discount rate of 10.31% (June 2024: 10.38%) based on 10 year government bonds issued by the New Zealand Government adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific asset. Ten and a half years of cash flows were included in the discounted cash flow model. A long term inflation rate assumption of 1.82% (June 2024: 3.00%) was used. Commodity price assumptions for LPG and condensate were based on consensus estimates of forward market prices; LPG pricing is assumed to correlate to the oil price consensus estimates. Gas price assumptions used the contracted gas price for the duration of the contract and thereafter a long term gas price in line with industry data.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

16 Oil and gas assets (continued)

Four key assumptions have been identified as reasonably possible risks that could result in further impairment or reversal of impairment. The following table shows the impact of individual changes in these assumptions on the estimated recoverable amount.

Sensitivity impact on Kupe recoverable amount (AUD\$ millions)

Risk area	2025	Sensitivity % change
Discount rate or weighted average cost of capital	(0.3) 0.3	+10% -10%
Gas Price	1.2 (1.2)	+10% -10%
Oil Price	0.8 (0.8)	+10% -10%
Reserves	(2.2)	-10%

17 Other financial assets

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets which are measured at fair value through profit and loss. Such assets are subsequently measured at amortised cost.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

	2025	Restated * 2024
AUD\$000		
By financial asset:		
Security deposits	1,444	1,349
Abandonment and Site Restoration Fund (ASR) - Cue Sampang rehabilitation	6,389	6,070
Total other financial assets at end of year	7,833	7,419
Movement		
Opening balance	7,419	7,637
Security deposits	286	(347)
Abandonment and Site Restoration Fund (ASR) - Cue Sampang rehabilitation	82	82
Revaluation of foreign currency financial assets	46	47
Total other financial assets at end of year	7,833	7,419

In accordance with legislative obligations in the respective jurisdictions in which the Group operates, contributions are made to funds established for the purpose of financing future rehabilitation and restoration of sites. As at 30 June 2025, \$6.4 million (2024: \$6.1 million) has been contributed to such funds in respect of the Sampang assets in Indonesia.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

18 Payables

AUD\$000	Restated *	
	2025	2024
Trade payables	7,859	5,811
Royalties payable	414	740
Share of oil and gas interests' payable	6,441	3,903
Other payables*	3,058	3,237
Total payables at end of the year	17,772	13,691

* Other Payables includes a grossed up carbon emission liability of \$1.2 million (June 2024: \$1.6 million) related to the New Zealand Emissions Trading Scheme (ETS). This liability is partially offset by a carbon emission receivable associated with gas sales contracts held with our customers (refer to note 12).

	2025 Base Currency	2025 AUD Equivalent	2024 Base Currency	2024 * AUD Equivalent
By currency:				
Australian dollar	9,810	9,810	8,453	8,453
New Zealand dollar	6,011	5,575	4,630	4,237
United States dollar	1,562	2,385	672	997
Indonesian rupiah	20,132	2	41,393	4
Total payables at end of year		17,772		13,691

19 Contract liabilities

A contract liability is recorded for obligations under sales contracts to deliver natural gas in future periods for which payment has already been received.

AUD\$000	Restated *	
	2025	2024
Non-current	12,166	13,333
Total contract liabilities at the end of the period	12,166	13,333

As part of the acquisition of the Amadeus Basin assets in May 2021, the Group assumed performance obligations for the delivery of 'gas not taken' by its sole customer in the Dingo asset. Under the take or pay arrangement, the Group has the obligation to provide make up gas (MUG) within the contractually defined volumes, which were not previously taken by the customer. The customer must take the future delivery of gas by 2035.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

20 Rehabilitation provisions

Provisions for rehabilitation have been recognised where the Group has an obligation, due to its operating activities, to restore sites to their original condition. Although the timing and amount of future expenditure are uncertain, it is expected to occur between 1 July 2025 and 2055 based on the estimated end of field life or progressive rehabilitation requirements. The provision is measured at the present value of expected costs. The initial provision and subsequent re-measurements are included in the cost of the related asset. The unwind of the discount is recognised in finance costs in profit and loss. The current portion of the rehabilitation provision for the year is \$0.9 million (30 June 2024: nil).

AUD\$000	Restated *	
	2025	2024
Opening balance	60,111	50,668
Change in provision recognised	896	(1,786)
Addition in provision from acquisition of 25% interest in Mereenie	-	9,506
Derecognition of provision - Brewer Estate Oil Terminal	(794)	-
Payments made	(324)	-
Unwind of discount on Provision	2,209	1,758
Revaluation of foreign currency provision	506	(35)
Total rehabilitation provision at end of the year	62,604	60,111

The discount rate used is the risk-free interest rate obtained from the country related to the currency of the expected expenditure. The discount rates used to determine the provision ranged from 1.48% to 4.79% (30 June 2024: 2.09% to 4.83%).

21 Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. The effective interest rate amortisation is included in finance costs in profit and loss.

On 11 June 2024, the Group executed a \$63.0 million loan facility to 30 June 2031, specifically to facilitate the acquisition of a 25% interest in the Mereenie gas field, Amadeus Basin and additional development as required. As at 30 June 2025, the group has external loan borrowings at 30 June 2025 is \$47.5 million (30 June 2024 \$48.3 million).

The \$63.0 million loan facility is secured by the assets of Echelon Mereenie Pty Ltd, Echelon Palm Valley Pty Ltd and Echelon Dingo Pty Ltd. These three companies hold the Amadeus Basin assets on behalf of the Company. All remaining unused amounts are unrestricted as at the reporting date. An unsecured guarantee is provided by Echelon over of the external loan borrowing as parent entity of the Group, and a featherweight guarantee provided by Echelon Pacific Limited, a New Zealand registered entity. Refer to note 26 for further information on financial instruments.

The loan is repayable in tranches within seven years of first utilisation. There are no loan principal repayments required for 24 months from the initial first utilisation date, being 11 June 2026. As at 30 June 2025, the loan is less than the maximum facility permitted at 10 June 2026, hence no loan repayment is required in the year ahead.

At 30 June 2025, the Group has undrawn letters of credit totalling \$0.8 million (2024: nil), which remain contingent liabilities and are not recognised as borrowings.

Certain subsidiaries of the Group are subject to fulfilment of covenants relating to certain subsidiaries' balance sheet ratios on an ongoing basis in connection with their banking facilities undertaken. The Group regularly monitors its compliance with these covenants. The Group has complied with these covenants throughout the period and expects to comply with them for at least twelve months after reporting date. Accordingly, loans are classified as non-current liabilities as at 30 June 2025. Any failure to comply with these covenants may result in loans becoming payable on demand.

At 30 June 2025, the Group is compliant with loan covenants.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

22 Share capital

	AUD\$000	Number of shares 000s
Restated balance at 30 June 2024 *	178,355	227,369
Share capital issued	-	-
Balance at 30 June 2025	178,355	227,369
Comprised of:		
Fully paid shares	178,345	223,951
Partly paid shares	10	3,418
Total shares on issue	178,355	227,369

The Group retains 3.4 million (2024: 3.4 million) of unallocated partly paid shares that have not yet been cancelled. All fully paid shares have equal voting rights and share equally in dividends and equity.

On 26 September 2024, Cue paid a final dividend of 1 cent per fully paid ordinary share, totalling approximately \$7 million. This final dividend was declared as a Conduit Foreign Income (CFI), unfranked dividend.

On 4 October 2024 Echelon paid a final unimputed dividend of 1.5 cents per fully paid ordinary share.

On 26 March 2025, Cue paid an interim dividend of 1 cent per fully paid ordinary share, totalling approximately \$7 million. This interim dividend was declared as a Conduit Foreign Income (CFI), unfranked dividend.

On 31 March 2025, Echelon paid an interim dividend of 1.5 cents per fully paid ordinary share. This returned \$3.4 million to shareholders. The dividend was not imputed or franked.

23 Reserves

(a) Reserves	Restated *	
AUD\$000	2025	2024
Asset revaluation reserve	1,010	926
Share based payments reserve	1,532	1,515
Foreign currency translation reserve	31,040	27,861
Total reserves at end of year	33,582	30,302
Movements:		
(i) Asset revaluation reserve		
Opening balance	926	756
Asset revaluation reserve revaluation	185	241
Asset revaluation reserve prior year	(101)	(71)
Closing balance at end of year	1,010	926
(ii) Share based payments reserve		
Opening balance	1,515	1,614
Share based payment expense	351	41
Forfeited and expired share options	(290)	(76)
Share options exercised by Cue	(44)	(64)
Closing balance at end of year	1,532	1,515
(iii) Foreign currency translation reserve		
Opening balance	27,861	27,822
Foreign currency translation differences for the year	3,179	39
Closing balance at end of year	31,040	27,861

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

23 Reserves (continued)

(b) Nature and purpose of reserves

Asset revaluation reserve

Revaluation gains and losses on ETS units are transferred to the asset revaluation reserve.

Share based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees under the Share Option Scheme.

Foreign currency translation reserve

Exchange differences arising on translation of companies within the Group with a different functional currency to the Group are taken to the foreign currency translation reserve. The reserve is recognised in other comprehensive income when the net investment is disposed of. With the change in presentation currency to Australian dollars, foreign currency translation still arises on consolidation, as not all companies are functional in the presentation currency.

24 Net asset backing per share

Net asset backing per share is a non-GAAP measure that shows the Group's net assets attributable to each ordinary share. It is provided as it may assist investors in assessing the per-share value of the Group's net assets.

Management monitors this measure as part of its regular financial review processes.

	2025	Restated * 2024
Number of shares on issue (000s)	227,369	227,369
Net assets (\$000s)	156,495	159,693
Net tangible assets (\$000s)	148,828	141,726
Net asset backing per share (cents)	68.8	70.2
Net tangible asset backing per share (cents)	65.5	62.3

The basis for the calculation of the net asset backing per share is the carrying value of the assets held on the Statement of Financial Performance divided by the number of shares on issue at balance date.

25 Earnings per share

	2025	Restated * 2024
Profit after tax attributable to the shareholders of Echelon (\$000s)	3,230	159
Weighted average number of ordinary shares (000s)	227,369	227,369
Weighted average number of ordinary shares including share options (000s)	227,369	227,369
Basic earnings per share attributable to shareholders of the Group (cents)	1.4	0.1
Diluted earnings per share attributable to shareholders of the Group (cents)	1.4	0.1

The potentially dilutive effects of employee share options have not been considered in the diluted profit per share calculation for the year ended 30 June 2025. In the current reporting period, the exercise price of the employee share options are lower than the average market price, therefore are anti-dilutive.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

26 Financial risk management

The Group's risk management policies are designed to identify and assess risks, set appropriate limits and controls, and monitor compliance. These policies are reviewed regularly to reflect changes in the business and market environment.

Risk exposure to market, credit, liquidity, capital management, sensitivity, financial instruments arises in the normal course of the Group's business.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign currency risk on cash and cash equivalents, oil sales, recoverable value of oil and gas assets and capital commitments that are denominated in foreign currencies. The Group manages its foreign currency risk by monitoring its foreign currency cash balances and future foreign currency cash requirements. The Group may enter into foreign currency hedge transactions in circumstances where the risk-adjusted returns to shareholders are enhanced as a consequence.

(ii) Commodity price risk

Commodity price risk is the risk that the Group's sales revenue and recoverable value of oil and gas assets will be impacted by fluctuations in world commodity prices. The Group is exposed to commodity prices through its petroleum interests. The Group may enter into oil price hedge transactions in circumstances where the risk-adjusted returns to shareholders are enhanced as a consequence. The Group had no call option contracts at 30 June 2025 (2024: nil).

(iii) Concentrations of interest rate exposure

The Group's main interest rate risk arises from long-term borrowings. The Group's long-term borrowings are obtained at variable rates and expose the Group to interest rate risk with the variable element being the BBSW (Bank Bill Swap Rates) as at utilisation of each loan tranche drawn down. The margin on each loan borrowing utilised is fixed at 5% in accordance with the terms of the debt facility.

The minimum principal repayments of \$nil (2024: \$nil) are due during the next year, which reflects the repayment maturity of loan. The first principal repayment is due 24 months after first utilisation of the loan, being 10 June 2026. As at 30 June 2025, the loan is less than the maximum facility permitted at 10 June 2026, hence no loan repayment is required in the year ahead.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate as a means of minimising the risk of financial defaults. Financial instruments which potentially subject the Group to credit risk consist primarily of securities and short-term cash deposits, trade receivables and short-term funding arrangements. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings, with funds required to be invested with a range of separate counterparties. The Group's maximum exposure to credit risk for trade and other receivables is its carrying value.

The Group may be exposed to financial risk if one or more of their joint venture partners is unable to meet their obligation in relation to the rehabilitation costs for jointly owned oil and gas assets. Under the joint venture operating agreement if one or more partners fails to meet their financial obligation, the other partners may become proportionately liable for their share of the financial obligations but would have contractual rights of recovery against the defaulting party.

As at 30 June 2025 the exposure to credit risk for trade receivables and contract assets by type was as follows:

AUD\$000	Restated *	
	2025	2024
Trade receivables	10,613	9,243
Share of oil and gas interests' receivables	9,362	5,809
Other	1,142	1,456
Total credit risk exposure to receivables at end of year	21,117	16,508

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

26 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has liquid funds to cover potential shortfalls, utilising and available borrowing facilities to be able to pay debts as and when they become due and payable.

A loan facility of \$63.0 million, as described in note 21. The unused borrowings at reporting date were:

		Restated *
AUD\$000	2025	2024
Bank loans - unused borrowings	16,447	14,609

The loan utilisations may be drawn at any time, with the loan facility maturing 7 years from the initial first utilised loan draw down date completed as at 11 June 2024.

The following table sets out the undiscounted contractual cash flows for all non-derivative financial liabilities and for derivatives that are settled on a gross cash flow basis:

30 June 2025 AUD\$000	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Contractual cash flows
Non-interest bearing Payables	17,772	-	-	-	-	17,772
Interest-bearing - fixed rate Bank loans	2,395	2,349	4,604	34,984	25,140	69,472
Total non-derivative liabilities	20,167	2,349	4,604	34,984	25,140	87,244

The weighted average interest rate was 9.35%.

Restated as at 30 June 2024 *	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Contractual cash flows
AUD\$000						
Non-interest bearing Payables	13,691	-	-	-	-	13,691
Interest-bearing - fixed rate Bank loans	2,732	2,436	4,906	30,234	36,774	77,082
Total non-derivative liabilities	16,423	2,436	4,906	30,234	36,774	90,773

The weighted average interest rate was 9.38%.

At 30 June 2025 the Group had no derivatives to settle (2024: nil).

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

26 Financial risk management (continued)

The Group's secured external bank loan contains a loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table.

The interest payments on the variable interest rate loan component in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

The interest expense cost recognised in the period to 30 June 2025 was \$5.1 million (2024: \$0.3 million). The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. It is noted that in measuring the fair value, the loan is assessed as Level 2 in the fair value hierarchy, with the input for the loan interest based on observable inputs.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(d) Capital management

The Group manages its capital through the use of cash flow and corporate forecasting models to determine its future capital requirements and maintains a flexible capital structure which allows access to debt and equity markets to draw upon and repay capital as required. The Group has an adequate capital base and significant cash reserves.

(e) Sensitivity analysis

The Group's reporting result at the end of each year is sensitive to financial risks from fluctuations in interest rates, commodity prices and foreign currency exchange rates. The sensitivity table below shows the impact of exchange rate changes on current assets and liabilities and the impact of interest rate changes on current cash balances.

The 200 basis point (BPS) change is based on the expected volatility of interest rates using market data and analysts forecasts.

AUD\$m	Risk area	Sensitivity	Restated *	
			2025	2024
Impact on Group profit before tax	Exchange rate	+5%	0.5	0.2
		-5%	(0.5)	(0.2)
Impact on foreign currency translation reserves in equity	Exchange rate	+5%	(0.7)	(0.6)
		-5%	0.7	0.6
Impact on interest income	Interest rate	+200 BPS	0.7	0.7
		-200 BPS	(0.7)	(0.7)
Impact on interest expense	Interest rate	+200 BPS	(0.9)	(0.1)
		-200 BPS	0.9	0.1

(f) Financial instruments by category

AUD\$000	Restated *	
	2025 Carrying value	2024 Carrying value
Assets		
Cash and cash equivalents	36,801	38,621
Trade and other receivables	21,117	16,508
Total assets	57,918	55,129
Liabilities		
Payables	17,772	13,691
Borrowings	46,553	48,391
Total Liabilities	64,325	62,082

The fair value and amortised cost of financial instruments is equivalent to their carrying value.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

27 Related party transactions

All transactions and outstanding balances with related parties are in the ordinary course of business on normal trading terms. Any transactions within the Group are eliminated on consolidation.

During the year certain activities were undertaken between the Group and OGE. The inter-group services agreement, which was entered into on 21 June 2019, allows the Group to provide technical services and related activities to OGE. Income of \$1.7 million has been included in 'Other income' in the profit and loss (30 June 2024: \$1.2 million).

Cue Directors

The following persons were directors of Cue during the financial year:

Alastair McGregor (Non-executive Chairman)*

Andrew Jefferies (Non-Executive Director)*

Marco Argentieri (Non-Executive Director)*

Peter Hood AO (Non-Executive Director)

Richard Malcolm (Non-Executive Director)

Rod Ritchie (Non-Executive Director)

Samuel Kellner (Non-Executive Director)*

* Commencing 1 July 2023, Directors' fees were invoiced by Echelon and paid on a quarterly basis. The Directors' fees are retained by Echelon and not personally received by the Directors. During the year, Directors' fees of \$0.3 million (2024: \$0.3 million) were paid by Cue to Echelon in relation to these Directors.

Echelon Directors

The following persons were directors of Echelon during the financial year:

Alastair McGregor (Non-executive Director)*

Andrew Jefferies (Managing Director and CEO)**

Marco Argentieri (Non-Executive Director)*

Rod Ritchie (Non-Executive Director)

Rosalind Archer (Non-Executive Director)

Samuel Kellner (Non-Executive Chairman)*

* As in previous years these Directors declined to receive compensation for the provision of directorial services from Echelon, nor was any compensation paid to any related parties on their behalf. The deemed compensation for the year ending 30 June 2025 was \$0.3 million (2024: \$0.3 million) reflects the estimated compensation for the services provided and is disclosed for financial reporting purposes only.

** The directorial services provided by Andrew Jefferies are included in remuneration received as Chief Executive of Echelon.

The Group's related parties also include key management personnel, which have been defined as the Directors, the Chief Executive Officer and the Executive team for the Group. Key Cue management personnel are included.

	Restated *	
AUD\$000	2025	2024
Short term employee benefits	4,206	3,923
Share based payments	213	228
Post employment benefits	132	128
Key management personnel related costs	4,551	4,279
Deemed Directors' compensation for related party Directors	260	254
Total key management personnel related costs	4,811	4,533

During the year, the Group paid consultancy fees of \$0.05 million (2024: \$nil) to Rod Ritchie, for health and safety advisory services provided. These services are considered part of the director's total compensation and are included within short-term employee benefits.

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

28 Share-based payments

The Group provides share-based payments to employees through equity-settled option schemes. The fair value of options is measured at grant date using the Black-Scholes option pricing model and is expensed over the vesting period, with a corresponding credit to the share-based payment reserve. The expense recognised reflects the fair value of options expected to vest, taking into account service and non-market performance conditions. Market conditions are incorporated in the fair value at grant date and are not subsequently adjusted.

Equity transactions are recognised as an expense with the corresponding increase in equity over the vesting period. The cumulative charge to a profit and loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

If the non-vesting condition is within the control of the consolidated Group or the employee, the failure to satisfy the condition is considered a cancellation. If the condition is not within the control of the consolidated Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited. Cancellations are accounted for on the date of cancellation, as if it had vested.

In accordance with NZ IAS 1 Presentation of Financial Statements, certain disclosures have been reduced or omitted due to the low level of materiality.

The Group operates two share option schemes. Key changes to these schemes during the year are summarised below:

Echelon Share Option Scheme (established March 2020).

On 29 November 2024, 4,354,827 unlisted options were granted to employees at an exercise price of \$0.445, vesting on 1 July 2026 and expiring on 1 July 2030.

Cue Energy Share Option Scheme (established July 2019).

On 15 October 2024, 3,411,549 options were granted at an exercise price of \$0.12, vesting on 1 July 2026 and expiring on 1 July 2029.

During the year, 2,647,549 options with an expiry date of 22 July 2026 and an exercise price of \$0.078 per fully paid ordinary share were exercised on a cashless basis, as a result of which 720,342 fully paid ordinary shares in the Cue were issued.

Share-based payment expense recognised in profit and loss.

		Restated*
AUD\$000	2025	2024
Share-based payment expense	421	422

2025	Weighted average exercise price	Opening balance	Granted	Exercised	Forfeited/ expired	Closing balance
Echelon Scheme	\$ 0.476	11,823,061	4,354,827	-	(2,869,764)	13,308,124
Cue Energy Scheme	\$ 0.100	16,819,854	3,411,549	(2,647,549)	(1,370,361)	16,213,493

2024	Weighted average exercise price	Opening balance	Granted	Exercised	Forfeited/ expired	Closing balance
Echelon Scheme	\$ 0.509	9,163,689	2,788,983	-	(129,611)	11,823,061
Cue Energy Scheme	\$ 0.087	17,805,402	4,640,759	(2,512,654)	(3,473,653)	16,819,854

* The comparative statements for the year ended 30 June 2024 has been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the year ended 30 June 2025

29 Commitments and contingent assets and liabilities

(a) Development and exploration expenditure

To maintain the various permits in which the Group is involved the Group has ongoing expenditure as part of its normal operations. The actual costs will be dependent on a number of factors such as joint venture decisions including final scope and timing of operations. The Group participates in a number of development projects that were in progress at the end of the period. These projects require the Group, either directly or through joint operation arrangements, to enter into contractual commitments for future expenditures.

Commitments at EP145 are \$2.3 million in relation to 3D seismic.

The majority of Cue's commitments are in relation to drilling and infrastructure works at the Mahato PSC \$5.2 million (30 June 2024)

(b) Contingent assets and liabilities

The Directors are not aware of any contingent assets or liabilities at 30 June 2025.

30 Events occurring after balance date

On 22 August 2025, Cue declared a final dividend of 0.5 cents per share, totalling approximately \$3.5 million. This final dividend has been declared as a Conduit Foreign Income, unfranked dividend and is scheduled to be paid on 25 September 2025.

On 28 August 2025, Echelon declared a final dividend of 0.75 cents per fully paid ordinary share, with a record date of 11 September 2025, to be paid on 30 September 2025. The dividend will not be imputed or franked.

Independent Auditor's Report

To the Shareholders of Echelon Resources Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

- In our opinion, the accompanying consolidated financial statements of Echelon Resources Limited (the Company) and its subsidiaries (the Group) on pages 4 to 32 present fairly in all material respects:
- the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Echelon Resources Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to tax compliance and advisory, and regulatory assurance services. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$2.37 million determined with reference to a benchmark of the Group's total assets. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the Shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter

How the matter was addressed in our audit

Recoverability of oil and gas assets

Refer to Note 16 within the financial statements.

The recoverability of oil and gas assets is a key audit matter due to the judgement involved in assessing the recoverable value of the oil and gas assets. Key assumptions include:

- future oil and gas prices;
- oil and gas reserves, and future production levels;
- discount rate; and
- future operating and capital costs

During the period management recorded a \$3.2 million impairment of the Kupe assets and our testing focused on this asset.

Our audit procedures to assess the reasonableness of the recoverable value of the oil and gas assets included:

- Evaluating the Group's impairment indicator assessment, utilising our knowledge of the Group and the Oil and Gas industry, in which the Group operates.
- For the Kupe Asset, where an indicator of impairment was identified, in conjunction with our valuation specialists, we evaluated the key inputs and assumptions included in management's valuation model. Our procedures included:
 - Assessing whether the valuation methodology applied was in accordance with the requirements of accounting standards;
 - Challenging the feasibility of reserve and resource estimates and production profiles by comparing for consistency with other internal and external information, including reports prepared by management's experts;
 - Comparing management's forecast of oil and gas prices to observable market data and contracted prices;
 - Using our valuation specialist to assess the reasonableness of the discount rate used;
 - Reviewing operator budgets and forecasts of operating costs and capital programmes for reasonableness; and

The key audit matter

How the matter was addressed in our audit

- Performing sensitivity analysis over key assumptions included in the Group's impairment assessments.
- Comparing the carrying amount of the net assets of the group to its market capitalisation and evaluating whether any differences would suggest further impairments are required.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

Use of this independent auditor's report

This independent auditor's report is made solely to the Shareholders. Our audit work has been undertaken so that we might state to the Shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and

- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Gavin Silva.

For and on behalf of:



KPMG
Wellington
28 August 2025