equusenergy | ASX Announcement

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Pre-FEED Economic Evaluation of the Equus Gas Project

HIGHLIGHTS

- **Pre-FEED completed for the 100%-owned Equus Gas Project, confirming a technically robust, phased development pathway for its independently evaluated 2C Contingent Resource of 1.7 Tcf gas and 38 MMbbl condensate[1].**
- **Equus Development Plan targets production of 2 Mtpa of LNG, 50 TJ/d of WA domestic gas, and a peak condensate rate of approximately 12,000 bbl/d.**
    - **The Development Plan is based on production drilling staged across three phases, with gas processed via a leased FPSO and offshore export pipeline to existing LNG and domestic gas processing infrastructure under tolling arrangements.**
    - **The Project is estimated to generate approximately US$22.3 billion of nominal revenue and US$11.6 billion of nominal EBITDA, representing an EBITDA margin of approximately 52%.**
    - **On a 100% Project, post-tax and unlevered basis, the Development Plan delivers a Project NPV10 of US$867 million (at 1 January 2027) and nominal IRR of 31% with capital payback approximately two years after first production.**
- **Economic evaluation prepared as part of Pre-FEED demonstrates that a tieback development of Equus provides an economically attractive and capital-efficient offshore gas development.**
    - **Initial capital limited to production drilling, subsea, SURF facilities and project management, and estimated at approximately US$1.25 billion (real terms, including 20% contingency) and excluding the leased FPSO and export pipeline.**
- **The modelled LNG Free on Board (FOB) breakeven price is approximately US$6.60/MMBtu, compared with an LNG price assumption of US$9.50/MMBtu.**
- **Equus now progressing project partnering, financing and approvals ahead of Front End Engineering Design (FEED) and Final Investment Decision (FID)**

Managing Director Will Barker said:

"Equus is underpinned by a large scale, appraised gas and condensate resource. Pre-FEED established technically robust development pathways, and this economic evaluation now demonstrates an economically attractive Project that can be advanced through a capital-efficient commercial structure.

By concentrating upstream funding on the production wells, subsea system and project delivery, while using third-party capital for the FPSO and export pipeline, the development plan reduces Phase 1 capital to approximately US$1.25 billion. Focussing on a capital efficient development delivers an IRR of 31% and capital payback approximately two years after first production.

The Development Plan gives Equus a clear economic case for partnering discussions with upstream operators, infrastructure investors, processing facility owners, customers and financiers as we prepare the Project for FEED and, ultimately, a Final Investment Decision."

[1] Refer to the Independent Technical Specialist's Report (**ITSR**) annexed to the Company's Prospectus released to ASX on 17 December 2025

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Cautionary statement

The Pre-FEED has been undertaken to assess the development concepts and economic feasibility of the preferred development plan connecting the Project to existing third-party gas processing infrastructure at Pluto or Varanus Island. The Development Plan, the production and Project life figures and all forecast financial information in this announcement are derived wholly from independently evaluated 2C Contingent Resources. Contingent resources are not reserves. There is no certainty that any part of the Contingent Resources will be converted to petroleum reserves, that the Project will be developed, that the Company will secure infrastructure access, offtake, tenure, approvals or funding on acceptable terms, or that the forecast financial outcomes will be realised. The Company does not currently have the funding required for the Phase 1 Capex of approximately US$1.25 billion and any equity funding may be dilutive to existing shareholders. Investors should read this announcement in full, including the Cautionary Statement and the Important Notices and Disclaimers.

Future Performance and Forward-Looking Statements

This announcement includes "forward looking statements" within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" "guidance" and other similar expressions. Indications of, and guidance on, future earnings or dividends and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and its officers, employees, agents or associates, that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, recipients are cautioned to not place undue reliance on any forward-looking statement. Subject to any continuing obligations under applicable law the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this document to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

Equus Energy Limited **(Equus** or the **Company**) (**ASX: EQU**) is pleased to announce the results of its economic evaluation following completion of Pre-Front End Engineering Design (**Pre-FEED**) for the Equus Gas Project (**Project**). Following assessment of numerous development concepts, the Company has selected a preferred Development Plan as a tieback to existing infrastructure utilising spare gas processing capacity which materially reduces development complexity, capital requirements and execution risk versus greenfield alternatives.

In addition, a leased FPSO and third party owned offshore pipeline materially reduces initial capital requirements. This provides Equus with a unique partner offering of a highly capital efficient tie-back development with material domestic gas and LNG production, at a time when energy security is critical and new, scalable gas supply solutions are increasingly scarce and valued.

Equus Gas Project Development Plan

The 100%-owned Project is underpinned by independently evaluated **2C Contingent Resource of 1.7 Tcf of gas and 38 MMbbl of condensate**.

The Contingent Resources are reported as at an effective date of 14 October 2025, are classified and reported in accordance with SPE-PRMS 2018, and were prepared using the probabilistic method. They are reported on a 100% Project basis, being the Company's economic interest in the

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Project, and are net of any royalty entitlements required to be given in kind or in cash to a royalty owner. Under SPE-PRMS the Contingent Resources are sub-classified as Development Unclarified and, following the Pre-FEED evaluation, are assessed as economically viable within the meaning of SPE-PRMS section 2.1.3.7.1A.

On 13 May 2026[2], Equus announced completion of Pre-FEED, which validated development pathways connecting the Project to existing North West Shelf processing infrastructure at Pluto or Varanus Island.

The Project development plan (**Development Plan**) targets gross production capacity of **~ 350 MMscf/d (~350 TJ/d sales gas)** comprising:

- Initial development of up to five subsea wells at start up
- Subsea production systems feeding into a centrally located FPSO
- Upstream processing and stabilisation of condensate with direct offtake by tanker
- Export of dry gas via new build offshore pipeline to either Pluto or Varanus Island infrastructure under tolling arrangements

The plan is designed to supply up to:

- **~50 TJ/d of domestic gas** (~5% of current WA demand[3])
- **~2 Mtpa of LNG**
- **~12,000 bbl/d** condensate production at start up
- **15 Year Project Life** based on the existing independently evaluated Contingent Resources

Economic Evaluation Scope

Following Pre-FEED, Equus developed an integrated economic model and assessed numerous development concepts across alternative resource outcomes, Capex, LNG pricing, gas-processing tolls and infrastructure ownership and funding structures.

The economic forecasts presented below set out the Equus preferred Development Plan, which assumes production drilling staged across three phases with gas processed via a leased FPSO and offshore export pipeline built, owned and operated by third-party infrastructure investors with access to existing LNG and domestic gas processing infrastructure under tolling arrangements.

All results in this announcement are presented on a 100% Project basis and relate to upstream economics only. They are post-tax and unlevered, exclude debt and financing, and do not include any value from ownership of downstream gas-processing or LNG facilities.

Development Costs (Capex and Opex) and Revenue Assumptions

The Development Plan focuses on a capital efficient tie-back development with initial capital outlay focussed on the subsurface and upstream production system.

Capital Costs

This plan has a Phase 1 Capex forecast of approximately **US$1.25 billion** (real terms, 2026 dollars), which comprises the initial five (5) production wells, subsea infrastructure and project management and includes a 20% contingency but excludes the capital cost of the third-party owned FPSO and export pipeline. This Phase 1 Capex will bring the Project from FID to production and revenues.

[2] Refer ASX Announcement dated 13 May 2026

[3] Refer to: Western Australia Gas Statement of Opportunities, December 2025, Australian Energy Market Operator.

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A further two (2) phases of production drilling are planned to sustain production over the Project life, with additional Capex of US$1.53 billion funded from Project cashflows. Abandonment and decommissioning expenditure (**Abex**) of US$0.7 billion has also been included in the Project cashflows.

Operating Costs

Leasing the FPSO and a built, owned and operated (**BOO**) export pipeline significantly reduces the initial Capex and converts the infrastructure cost into operating lease and toll charges. The economic model includes those changes in operating costs (**Opex**).

Additionally, the Development Plan model includes the cost of processing gas through existing gas processing facilities to enable the supply of LNG and domestic gas.

The assumed leased and tolling costs are evaluation assumptions only and remain subject to commercial negotiation and definitive agreements.

Table 1: Preferred Development Plan Costs

Metric	Economic Assumption
Phase 1 Project Capex	US$1.25bn (real)
Phase 2 & 3 Project Capex	US$1.53bn (real)
Project Abex	US$0.70bn (real)
FPSO Leasing Opex	US$1.86bn capital cost with a nominal rate of return of 8% pa
Offshore Pipeline Tolling Opex	US$330 mn capital cost with a nominal rate of return of 8% pa
Gas Processing	LNG Processing Tariff of US$1.50 /MMbtu and domestic gas tariff of A$0.50/GJ (flat real)

Revenue Assumptions

The modelling is based on an LNG forecast price of US$9.50/MMbtu and an average WA domestic gas price of A$6.40/GJ (flat real). This compares to the current spot prices into Asia – LNG Japan/Korea Marker (**JKM**) US$21.41/MMbtu (as at 17/08/2026[4]). The JKM is a spot marker price delivered ex-ship (**DES**) to north Asia and is not directly comparable with the free on board (**FOB**) price assumed in the modelling without accounting for LNG shipping costs. After adjusting for freight, the implied FOB-equivalent spot price remains materially higher than the modelling assumption. However, spot pricing is not a proxy for long-term contract pricing. The US$9.50/MMBtu FOB assumption is based on industry reports and internal company analysis.

Development Plan Economics

On a 100% Project, post-tax and unlevered basis, the Development Plan delivers a **Project NPV_{10} of US$867 million** and **nominal IRR of 31%** with **payback in second year of production**.

The project is estimated to generate approximately **US$22.3 billion of nominal revenue** and **US$11.6 billion of nominal EBITDA**, representing an **EBITDA margin of approximately 52%**.

[4] Source: Reuters at https://www.reuters.com/markets/quote/JKMc1/

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Total life-of-project operating costs, comprising the FPSO lease, the export pipeline toll, LNG and domestic gas processing tariffs and field operating costs, are estimated at approximately US$10.7 billion nominal. The fixed and variable split is approximately 75/25%.

The modelled **LNG FOB breakeven price is approximately US$6.60/MMBtu**, compared with an LNG price assumption of US$9.50/MMBtu.

Table 2: Preferred Development Plan Economics

Metric	Economic Outcomes
NPV_{10}	US$867m
IRR	31% (nominal)
Value-investment ratio (VIR)	0.49
Revenue	US$22.3 bn
EBITDA	US$11.6 bn (52% margin)
Life-of-project net cash flow	~US$2.9bn nominal
Capital payback	~2 years after first production
LNG FOB breakeven price (NPV_{10} = zero)	~US$6.60/MMBtu

NPV10 is calculated using a 10% nominal discount rate at a valuation date of 1 January 2027. VIR is calculated as NPV divided by the present value of capital expenditure. Figures are rounded.

Life-of-project net cash flow of approximately US$2.9 billion nominal reconciles to nominal EBITDA of US$11.6 billion after Project Capex of US$3.6 billion, Abex of US$1.3 billion and corporate tax and PRRT of approximately US$3.7 billion, in each case stated on a nominal basis.

Other Key Economic Assumptions for the Development Plan

The following assumptions are material to the forecast financial information and should be read together with the qualifications in this announcement.

Table 3: Key Economic Assumptions

Element	Base-case assumption
Resource and production	Production profile based on independently evaluated 2C contingent resources; first production in 2033; gross capacity ~350 TJ/d at 93% average availability
Product mix	~2 Mtpa average LNG; 15% of gas sales volume to the WA domestic market; peak condensate production ~12,000 bbl/d
Commodity prices	LNG FOB US$9.50/MMBtu flat real; condensate US$75/bbl flat real; weighted-average domestic gas price A$6.40/GJ
Foreign exchange	AUD:USD 0.70
Processing and tariffs	Representative LNG processing toll US$1.50/MMBtu flat real; domestic gas tariff A$0.50/GJ flat real
Leased infrastructure	Third-party build-own-operate FPSO and export pipeline; 8% nominal return to infrastructure investor; lease and toll charges included in OPEX
CAPEX	Real US dollars; 20% contingency; ABEX presented separately; leased FPSO and export pipeline capital excluded from Equus-funded CAPEX
Valuation	Post-tax, unlevered, 100% Project basis; valuation date 1 January 2027; 10% nominal discount rate; all prices and costs stated flat real in 2026 dollars and escalated at 3% per annum to derive the nominal outputs; excludes debt and financing

Element	Base-case assumption
Fiscal and tax	30% corporate tax; no assumed offset from historical corporate tax losses; PRRT modelled on the basis that the deductions cap in Schedule 5 to the Treasury Laws Amendment (Tax Accountability and Fairness) Act 2024 (Cth) applies from the later of 1 July 2023 and the seventh year after the first year of production; PRRT calculation includes ~US$2bn nominal accumulated uplifted costs

The forecast financial information is sensitive to the assumed LNG price, Phase 1 Capex, the timing of first production and the gas processing and infrastructure tariffs. Sensitivities to the assumed LNG price, Phase 1 Capex, OPEX including tolls and the timing of first production are set out below.

Table 4: Economic Sensitivity Table

NPV10 US$m/IRR (%)	Low	Base	High
LNG Price (+/- $2/MMBtu)	US$210m/17%	US$867m/31%	US$1,237m/38%
Ready for start-up (RFSU) date (+/- 1 yr)	US$808m/31%	US$867m/31%	US$931m/31%
Capex (+/- 20%)	US$671m/25%	US$867m/31%	US$1,052m/40%
Opex and Tolls (+/-25%)	US$555m/25%	US$867m/31%	US$1,172m/36%

Conclusion

The economic evaluation of the Development Plan demonstrates the Project can deliver an economically robust and capital-efficient offshore gas development with attractive economics and break-even pricing.

Leasing the FPSO and a third-party toll for the export pipeline significantly reduces the Project-funded Capex and utilising existing facilities to process Equus LNG enables a capital-efficient tieback plan.

Key development risks include:

- Funding and capital risk. Development will require a combination of strategic partners, project finance and equity funding which could be dilutive to shareholders.
- Resource conversion. No petroleum reserves have been booked. There is no certainty that any part of the Contingent Resources will be converted to petroleum reserves.
- Infrastructure access. The preferred development concept relies heavily on third-party infrastructure including access to Pluto or Varanus Island processing infrastructure. There is no certainty that infrastructure access can be secured on acceptable terms.
- Partnering. The Project strategy depends on attracting an upstream operator, equity partners, infrastructure investors, LNG customers and financiers.
- Offtake agreements. The Project depends on securing LNG, domestic gas and condensate offtake on acceptable commercial terms. No offtake agreements are in place.
- Regulatory approvals. Development requires the grant of a production licence and acceptance of an environment plan and safety case. None of those approvals is in place.

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- Commodity price risk. The forecast financial information assumes flat real LNG, condensate and domestic gas prices. Actual prices are volatile and may be materially lower.
- Cost escalations. Capital and operating cost estimates are Pre-FEED level estimates and may increase materially as engineering, procurement and commercial terms are finalised.
- Schedule delays. First production in 2033 assumes timely partnering, funding, approvals, FID and infrastructure access. Delay would reduce the forecast outcomes.

Next Steps and Partnering

Based on the technical and economic results of Pre-FEED, Equus is progressing into the next phase of partnering and commercialisation to advance the project toward FEED and FID.

Key workstreams include:

- **Upstream Partnering:**
  Advancing discussions with potential upstream operator partners and non operating equity participants to support development execution, risk sharing and project funding.
- **LNG Customers and Offtake:**
  Progressing engagement with LNG and condensate buyers focused on securing long term offtake from a competitively priced, low risk Australian supply source.
- **Infrastructure and Tolling Arrangements:**
  Advancing discussions with infrastructure owners and infrastructure funding partners in relation to tolling, capacity access and funding structures aligned with the Pluto and Varanus Island development pathways.
- **Project Financing:**
  Engaging with banks, export credit agencies and other financiers to progress project financing solutions consistent with the staged development concept and capital efficient execution strategy.

These partnering activities are intended to support progression towards a Final Investment Decision and achieve major commercial milestones to realise the value of Equus' independently evaluated Contingent Resources.

Authorised for release by Equus Energy's Board of Directors.

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Important Notices and Disclaimers

Basis of forecast financial information

The forecast financial information in this announcement, including CAPEX, NPV, IRR, VIR, net cash flow, payback and breakeven price, is derived from an economic model prepared by Equus for the Project. The model is based on the Project's independently evaluated 2C Contingent Resources, the Pre-FEED development concept and the material assumptions set out in Table 3. It is presented on a 100% Project basis, is post-tax and unlevered, and excludes debt and financing. It does not constitute earnings guidance.

The Company considers it has reasonable grounds for reporting the forecast financial information, having regard to the independently evaluated resource estimate, integrated reservoir and production modelling, Pre-FEED engineering for wells, subsea systems, FPSO and export pipeline, project cost estimates incorporating a 20% contingency, and the stated commodity-price, tariff, timing, fiscal and tax assumptions. The estimates remain subject to further engineering, commercial negotiations, financing, approvals and FID. Actual outcomes may differ materially.

No petroleum reserves are reported in this announcement. Contingent resources are not reserves and are subject to contingencies including the establishment of a commercially viable development plan, infrastructure access, funding and approvals. There is no certainty that the Project will be developed or that the forecast financial outcomes will be realised.

Listing Rule 5.43 Disclosure

The estimates of Contingent Resources reported in this announcement were first reported in the Independent Technical Specialist's Report (**ITSR**) annexed to the Company's Prospectus released on ASX on 17 December 2025. The Prospectus can be found online at https://equusenergy.com.au/investors/announcements/.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ITSR and/or the Prospectus as it relates to the Contingent Resources on the Equus Gas Project and the Company confirms that all material assumptions and technical parameters underpinning the estimates found in the ITSR and/or the Prospectus continue to apply and have not materially changed as at the date of this announcement.

Diagram, charts, graphs and tables

Any diagrams, charts, graphs and tables appearing in this announcement are illustrative only and may not be drawn to scale. Financial figures have been rounded and totals or percentage changes may not sum precisely due to rounding.

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