

28 August 2024

## Financial results for the year to 30 June 2024 and Final Dividend

- Operating cashflow up 11% to NZ\$36.1m (from NZ\$32.5m)
- Net Profit after Tax (NPAT) before Kupe Impairment NZ\$15.4m up 43% (from NZ\$10.8m last year)
- Kupe Impairment of NZ\$11.5m reduces NPAT to NZ\$3.9m
- Final dividend Australian dollars 1.5 cents per share (payable in October 2024)
- Production for the year is flat at 1.3 million barrels oil equivalent (mboe)

## Echelon continues to deliver

Echelon (ASX:ECH) continues to deliver strong cashflows and returns to shareholders. Operating cashflow increased by 11% to NZ\$36.1 million for the year to 30 June 2024 (NZ\$32.5m last year).

These strong cashflows fund a final dividend of Australian dollars 1.5 cents per share. Including the special dividend of Australian dollars 3 cents per share paid in April 2024, the company has paid Australian dollars 4.5 cents per share in dividends this year (2023: no dividend).

Results summary	FY24	FY23	Change
Production (mboe)	1,332.3	1,331.7	0%
Revenue (NZ\$ million)	92.9	98.8	(6%)
Net operating cashflows (NZ\$ million)	36.1	32.5	11%
NPAT attributable to shareholders excluding impairment (NZ\$ million)	15.4	10.8	43%
NPAT attributable to shareholders (NZ\$ million)	3.9	10.8	(63%)
Group NPAT (NZ\$ million)	7.7	19.1	(59%)

NPAT for the Group was NZ\$7.7 million for the year to 30 June 2024. NPAT attributable to shareholders of NZ\$3.9 million is down from NZ\$10.8 million a year ago due to an NZ\$11.5 million impairment of the Kupe asset in Taranaki, New Zealand, where Echelon has a 4 per cent interest. Without impairment, NPAT to shareholders would have been NZ\$15.4 million, up 43% from a year ago. The Kupe impairment included well costs of NZ\$6.1 million for the unsuccessful KS-9 well.

### Echelon Resources Limited

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NPAT attributable to Echelon shareholders was NZ\$3.9 million or NZ\$1.7 cents per share.

## Production

Production for FY24 was in line with the prior year. Good asset performance at Mahato, Maari, and Dingo along with a few weeks uplift from the recently completed Mereenie purchase was offset by the on-going closures of the Northern Gas Pipeline (NGP) in the Northern Territory which was shut down for 207 days during the year. Additionally, lower production at Kupe due to the four-yearly statutory shutdown (35 days) and extended outages during drilling of KS-9 (30 days) further impacted performance.

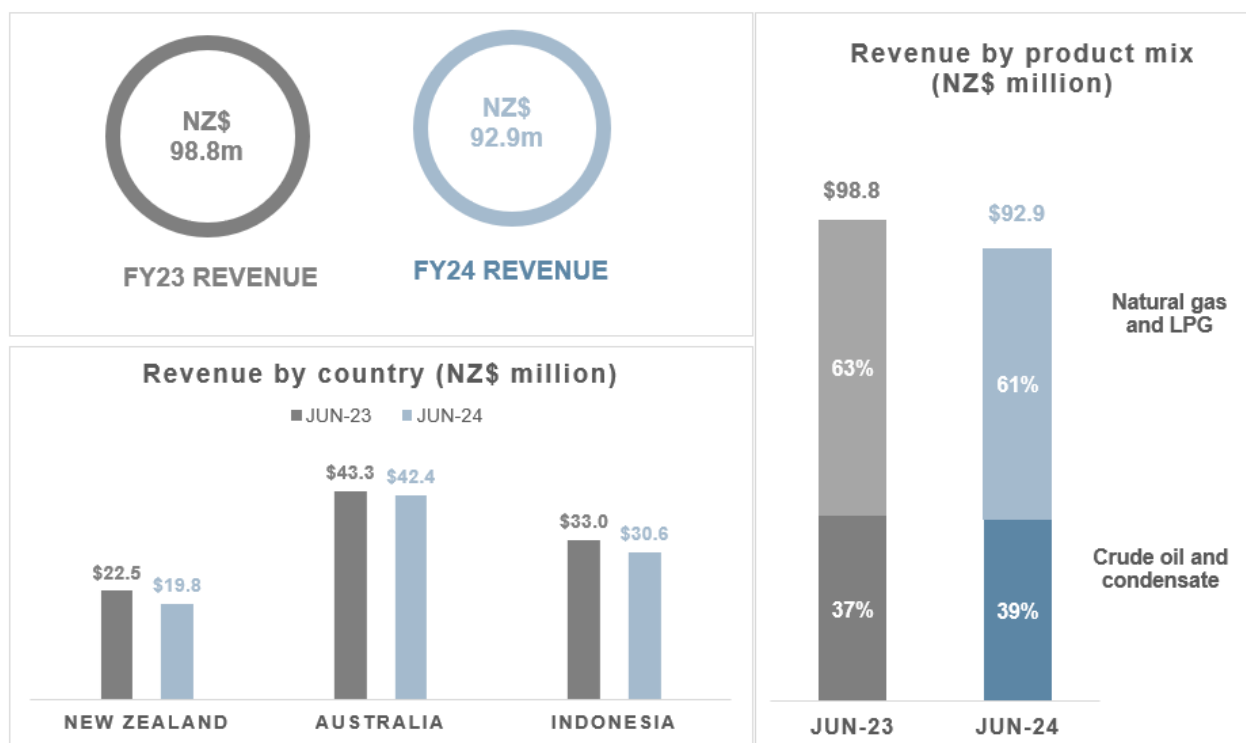
## Strategic Acquisition

In 2024, Echelon completed a vendor-funded acquisition of a further 25% interest in the Mereenie field in the Amadeus Basin, Northern Territory. Additional infill wells are planned at Mereenie by the end of calendar year 2025.

The acquisition of the 25% interest in Mereenie contributed revenues of NZ\$1.9m to the Group for June 2024.

## Revenue and Cashflow Strength

Future cashflows from the Amadeus Basin assets are underpinned by favourable contracts to supply gas to the Northern Territory through to 31 December 2030. The 'as available' gas contract signed in April 2024 with Power and Water Corporation has greatly mitigated the effects of NGP closures and the recently signed gas supply agreement with the Northern Territory Government largely eliminates the financial risks of future outages. Gas from the Basin is also under contract to listed rare earths metals producer Arafura Resources. The minerals they will produce are a crucial ingredient in several transitional technologies including the permanent magnets needed by electric motors, such as those in electric vehicles, drones, etc as well as wind turbine generators.



Over the year, the Amadeus Basin assets contributed revenue of NZ\$42.4 million.

The results were enhanced by strong cashflows from the Mahato and Sampang production sharing contracts in Indonesia held by subsidiary Cue Energy Resources (Cue). Cue declared a final dividend of Australian dollars 1 cent per share, following a special dividend of Australian dollars 2 cents per share in March 2024, bringing its total dividend for the year to Australian dollars 3 cents per share. Cue contributed Group revenues of NZ\$53.7 million for the year (Echelon has a 50.03% interest in Cue).

### Final dividend declared

The Echelon Board has declared a final FY24 dividend of Australian dollars 1.5 cents per ordinary share, equivalent to Australian dollars \$3.9 million. The record date for the dividend is 17 September 2024, with a payment date of 4 October 2024. The dividend will not be imputed or franked.

Including the Australian dollars \$6.7m returned to shareholders in April 2024, Echelon has declared Australian dollars \$10.6 million in returns to shareholders for FY24, taking the total dividend for the year to Australian dollars 4.5 cent per share.

Shareholders are reminded to update their banking details with Computershare, the company’s share registry, to facilitate the dividend payment.

### Future Activities Timeline from July 2024

We have an exciting year of activity planned. Infill wells have been approved at Mereenie, with ongoing Joint Venture discussions around follow-on opportunities. Well planning has begun for Palm Valley infill wells after positive production outcomes at PV12 and PV13. Cue’s Mahato field will continue being drilled-out in accordance with the announced Plan of Further Development. In Western Australia our EP437 Joint Venture will be drilling the Becos exploration well in 2025. We will also be looking at understanding the remaining potential on the L7 permit, compression for Dingo, and wireline work at Kupe.

Quarter	Calendar year 2024		Calendar year 2025			
	Q3	Q4	Q1	Q2	Q3	Q4
Mereenie			2x infill wells			Further infill well(s) Potential stairway appraisal
Palm Valley					Potential Infill well(s)	
Dingo			Potential Compression project			
Kupe			Possible wireline works			
Mahato PSC	Ongoing development drilling					
WA L7	L7 Drill (Booth)				Further Exploration well, timing tbc	
WA EP437			Exploration well, timing tbc			

Approved Activities: L7, Mereenie infill wells (x2) & Mahato drilling

Development

Exploration

Chief Executive Andrew Jefferies says Echelon is continuing to execute its strategy.

“We have added to assets we like, in jurisdictions that need us, and with markets that have upside. This has been achieved at value, without additional shareholder capital, with hard-to-get financing on acceptable terms.

“We have been able to sustain profitability, and cashflows, as well as paying a dividend, despite poor outcomes with wells in New Zealand and the Perth Basin, Western Australia. This demonstrates the resilience of a diversified asset portfolio. Producing strong revenues and earnings, while continuing to invest in attractive opportunities, makes for a great combination of growth and returns.

Our focus remains on looking for opportunities to make more of the assets we have and will look to add to our portfolio where we see value.

“In the past year we have moved our listing to the ASX, which is a resource friendly market with a significant pool of capital, and investors who understand our sector. We

also rebranded the company Echelon to better reflect our rocks, our values, and our future.

“Our portfolio is across multiple geographies, geologies, and markets. We are careful stewards of our stakeholders’ interests, valuing our relationship with shareholders, regulators, communities, and customers. We are growing in markets that value our products and are supporting the energy transition through a pivot toward gas. Gas is the only real backup to the burgeoning fleet of unreliable renewables, the only real source for high quality heat for processing critical minerals.

“Gas is indeed a three-letter word for transition” said Andrew Jefferies.

Authorised for release by Andrew Jefferies, Managing Director, and Chief Executive Officer.

## About Echelon Resources Limited

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

The company’s portfolio comprises a spread of wholly and partly owned onshore and offshore oil and gas assets, located in Australia, New Zealand and Indonesia. These stakes are held either directly by the Company, or indirectly through its circa 50% stake in ASX-listed Cue Energy Resources Limited (ASX:CUE).

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

To learn more, please visit: [www.echelonresources.com](http://www.echelonresources.com)