

Appendix 4D Half Year Report

For the half year ended 31 December 2024 as required by ASX listing rule 4.2A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons to the half year ended 31 December 2023

AUD \$m	Unaudited Half Year 31 Dec 2024		Movement %
Revenue from ordinary activities	53.3	up	12%
Underlying profit after tax (excluding exploration expense*)	8.4	up	30%
Profit after tax from ordinary activities attributable to shareholders	3.7	down	42%

Presentation currency

The Group has made a voluntary change to presentation currency from New Zealand dollars to Australian dollars. This aligns with the Group's presence in the Australian market, economic environment and strategic direction. Prior period comparatives have been restated.

Revenue

Revenue for the Group of \$53.3 million was up 12% on the same period last year. The increase reflects the uplift in production following the Group's acquisition of a further 25% interest in the Mereenie field in the Amadeus Basin, Northern Territory, Australia, in June 2024. Mereenie revenues across the Group are up 99% compared to prior year.

Net profit after tax

Net profit after tax (NPAT) was \$3.7m compared to \$6.4m in the previous year. NPAT was impacted by an increase in exploration expense in the Perth Basin and the Mahato PSC, from \$0.6m to \$5.3m. Excluding exploration write downs* underlying NPAT attributable to shareholders would have been \$8.4m, up 30% on prior year.

Financial Position

The net assets of the Group decreased by \$0.7 million to \$159.0 million for the period ended 31 December 2024 (30 June 2024: \$159.7 million). Dividends of \$ 6.8 million were paid in the half year.

Cash position

The Group's cash position of \$41.8 million increased by \$3.2 million from the 30 June 2024 balance of \$38.6 million. Operating cash flows generated \$25.1 million in the period (31 December 2023: \$19.3 million), up 30%.

Dividends

An interim dividend of AUD 1.5 cents per ordinary share has been declared with a record date of 12 March 2025 and a payment date of 31 March 2025.

On 4 October 2024 Echelon paid a final dividend of Australian dollars 1.5 cents per ordinary share, with a record date of 17 September 2024.

NET TANGIBLE ASSET BACKING

AUD \$	Unaudited Half Year 31 Dec 2024	Audited Full Year ** 30 Jun 2024
Net tangible assets per security (cents)	63.5	62.3

* Excludes exploration expense for non-controlling interest.

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

Additional information supporting the Appendix 4D disclosure requirements can be found in the 31 December 2024 Unaudited Financial Statements and accompanying notes.

This Half Year Report is to be read in conjunction with the 30 June 2024 Annual Report.



Echelon Resources Limited - Financial Report

For the half year ended 31 December 2024

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Condensed Statement of Cash Flows

For the half year ended 31 December 2024

	Unaudited Half Year 31 Dec 2024	Restated * Unaudited Half Year 31 Dec 2023	Restated * Audited Full Year 30 Jun 2024
AUD\$000			
Cash flows from operating activities			
Customer receipts	52,440	46,011	88,977
Production and marketing payments	(16,784)	(14,385)	(28,519)
Supplier and employee payments (inclusive of GST)	(7,114)	(7,141)	(12,763)
Interest received	593	699	1,360
Income tax paid	(1,339)	(4,102)	(8,066)
Royalties paid	(3,605)	(2,167)	(5,647)
Other	885	379	(1,968)
Net cash inflow from operating activities	25,076	19,295	33,374
Cash flows from investing activities			
Exploration and evaluation expenditure	(4,363)	(255)	(2,220)
Oil and gas asset expenditure	(8,675)	(8,306)	(15,586)
Prospects acquired (net of cash)	-	-	(38,990)
Deferred consideration	-	(541)	(5,682)
Security deposits and bonds	-	289	289
Property, plant and equipment expenditure	(11)	(40)	(105)
Net cash outflow from investing activities	(13,049)	(8,854)	(62,294)
Cash flows from financing activities			
Proceeds from loans and borrowings	-	-	49,300
Transaction costs relating to loans and borrowings	-	-	(1,115)
Interest paid	(2,759)	-	-
Dividends paid	(6,842)	-	(13,704)
Lease liabilities principal element payments	(110)	(146)	(260)
Net cash (outflow)/inflow from financing activities	(9,711)	(146)	34,221
Net increase in cash and cash equivalents	2,316	10,295	5,301
Cash and cash equivalents at the beginning of the year	38,621	33,444	33,444
Exchange rate effects on cash and cash equivalents	842	(694)	(124)
Cash and cash equivalents at the end of the period	41,779	43,045	38,621

* The comparative statements for the year ended 30 June 2024 and the half year ended 31 December 2023 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.

Condensed Statement of Comprehensive Income

For the half year ended 31 December 2024

AUD\$000	Notes	Unaudited Half Year 31 Dec 2024	Restated * Unaudited Half Year 31 Dec 2023	Restated * Audited Full Year 30 Jun 2024
Revenue	4	53,275	47,489	85,902
Operating costs		(19,805)	(13,936)	(27,160)
Exploration and evaluation expenditure		(5,272)	(563)	(945)
Other income	4	1,276	620	1,453
Other expenses		(6,238)	(5,792)	(15,452)
Profit from operating activities excluding amortisation, impairment and net finance costs		23,236	27,818	43,798
Amortisation of production assets	9	(9,813)	(6,738)	(13,652)
Asset impairment		-	-	(10,634)
Net finance costs		(533)	(691)	(509)
Profit before income tax and royalties		12,890	20,389	19,003
Income tax expense		(4,248)	(7,753)	(6,589)
Royalties expense		(2,745)	(1,687)	(5,165)
Profit for the period		5,897	10,949	7,249
Profit for the period attributable to:				
Profit attributable to shareholders		3,726	6,440	159
Profit attributable to non-controlling interest (NCI)	1	2,171	4,509	7,090
Profit for the period		5,897	10,949	7,249
Other comprehensive income:				
Items that may be classified to profit or loss				
Foreign currency translation reserve (FCTR) differences		(311)	(288)	233
Asset revaluation reserve		364	829	170
Total other comprehensive income for the period		5,950	11,490	7,652
Total comprehensive income for the period is attributable to:				
Shareholders of the Group		2,967	7,239	369
Non-controlling interest (NCI)		2,983	4,251	7,283
Total comprehensive income for the period		5,950	11,490	7,652
Earnings per share				
Basic earnings per share attributable to shareholders (cents)		1.6	2.8	0.1
Diluted earnings per share attributable to shareholders (cents)		1.6	2.8	0.1

* The comparative statements for the half year ended 31 December 2023 and 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 Echelon's Board of Directors on 25 February 2025:



Samuel Kellner
Director



Rosalind Archer
Director

Condensed Statement of Financial Position

For the half year ended 31 December 2024

AUD\$000	Notes	Unaudited Half Year 31 Dec 2024	Restated * Audited Full Year 30 Jun 2024	Restated * Audited Full Year 30 Jun 2023
Assets				
Current assets				
Cash and cash equivalents		41,779	38,621	33,444
Receivables and prepayments		22,344	17,149	15,644
Contract assets		-	-	5,118
Inventories		4,701	5,351	2,453
Total current assets		68,824	61,121	56,659
Non-current assets				
Exploration and evaluation assets	8	2,726	3,669	2,413
Oil and gas assets	9	218,553	215,570	168,246
Property, plant and equipment		173	182	135
Right of use assets		1,421	1,458	435
Other intangible assets		1,748	1,400	1,307
Net deferred tax assets	5	10,256	12,925	12,560
Other financial assets		7,963	7,419	7,637
Total non-current assets		242,840	242,623	192,733
Total assets		311,664	303,744	249,392
Liabilities				
Current liabilities				
Payables	10	21,411	13,691	11,189
Lease provisions		246	244	247
Contract liabilities		-	-	2,608
Deferred consideration		4,000	4,000	751
Current tax liabilities		4,197	3,040	3,998
Total current liabilities		29,854	20,975	18,793
Non-current liabilities				
Contract liabilities	11	12,750	13,333	14,441
Rehabilitation provisions	12	60,364	60,111	50,668
Borrowings		48,472	48,391	-
Lease provisions		1,185	1,241	238
Total non-current liabilities		122,771	123,076	65,347
Total liabilities		152,625	144,051	84,140
Net assets		159,039	159,693	165,252
Equity				
Share capital		178,355	178,355	178,355
Reserves		29,688	30,302	30,192
Retained losses	13	(73,968)	(74,387)	(67,968)
Attributable to shareholders of the Group		134,075	134,270	140,579
Non-controlling interest in subsidiaries		24,964	25,423	24,673
Total equity		159,039	159,693	165,252
Net asset backing per share (cents)		69.9	70.2	72.7
Net tangible asset backing per share (cents)		63.5	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.

Condensed Statement of Changes in Equity

For the half year ended 31 December 2024

AUD\$000	Share capital	Reserves	Retained earnings/ (losses)	Total	Non-controlling interest	Total equity
Restated audited balance as at 30 June 2023 *	178,355	30,192	(67,968)	140,579	24,673	165,252
Restated profit for the half year	-	-	6,416	6,416	4,533	10,949
Asset revaluation reserve	-	829	-	829	-	829
Share based compensation expense	-	205	-	205	-	205
Forfeited and expired share options	-	(7)	7	-	-	-
Foreign currency translation differences	-	(4)	-	(4)	(282)	(286)
Restated unaudited balance as at 31 December 2023 *	178,355	31,215	(61,545)	148,025	28,924	176,949
Restated profit for the year	-	-	(6,257)	(6,257)	2,557	(3,700)
Asset revaluation reserve	-	(659)	71	(588)	-	(588)
Share based compensation expense	-	(228)	-	(228)	318	90
Forfeited and expired share options	-	(69)	69	-	-	-
Issue of shares to NCI	-	-	-	-	127	127
Foreign currency translation differences	-	43	-	43	476	519
Dividends paid	-	-	(6,725)	(6,725)	(6,979)	(13,704)
Restated audited balance as at 30 June 2024 *	178,355	30,302	(74,387)	134,270	25,423	159,693
Profit for the half year	-	-	3,726	3,726	2,171	5,897
Asset revaluation reserve	-	364	-	364	-	364
Share based compensation expense	-	165	42	207	31	238
Issue of shares to NCI	-	(20)	-	(20)	20	-
Foreign currency translation differences	-	(1,123)	-	(1,123)	812	(311)
Dividends paid	-	-	(3,349)	(3,349)	(3,493)	(6,842)
Unaudited balance as at 31 December 2024	178,355	29,688	(73,968)	134,075	24,964	159,039

* The comparative statements for the half year ended 31 December 2023 and the year ended 30 June 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 half year ended 31 December 2024

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 condensed and consolidated interim financial statements (financial statements) presented as at and for the half year ended 31 December 2024 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.

These financial statements do not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024.

Comparative figures have been adjusted to reflect the changes in Australian dollar presentation currency.

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 the process of restating the comparatives to AUD, an error was identified in the 30 June 2024 financial statements which impacted the profit attributable to shareholders of the Group and profit attributable to NCI. This error has been corrected and the restatement has been made in accordance with; NZ IAS 21 – The Effects of Changes in Foreign Exchange Rates, NZ IFRS 10 – Consolidated Financial Statements, NZ IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The following table summarises the impacts on the Group's financial statements.

Consolidated Statement of Comprehensive Income (\$000s)

As previously reported and restated on change in presentation currency

30 June 2024

Impact of misallocation

Profit for the year attributable to:

Profit attributable to shareholders
Profit attributable to non-controlling interest
Profit for the year

	Reported	Correction	Restated
Profit attributable to shareholders	3,732	(3,573)	159
Profit attributable to non-controlling interest	3,517	3,573	7,090
Profit for the year	7,249	-	7,249

Earnings per share

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

Basic earnings per share attributable to shareholders (cents)	1.6	(1.5)	0.1
Diluted earnings per share attributable to shareholders (cents)	1.6	(1.5)	0.1

Consolidated Statement of Financial Position (\$000s)

As previously reported and restated on change in presentation currency

30 June 2024

Impact of misallocation

Equity

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

	Reported	Correction	Restated
Share capital	178,355	-	178,355
Reserves	30,302	-	30,302
Retained losses	(70,814)	(3,573)	(74,387)
Attributable to shareholders of the Group	137,843	(3,573)	134,270
Non-controlling interest in subsidiaries	21,850	3,573	25,423
Total equity	159,693	-	159,693

Notes to the financial statements

For the half year ended 31 December 2024

1 Basis of accounting (continued)

The change to the presentation currency has been made in accordance with; NZ IAS 21 – The Effects of Changes in Foreign Exchange Rates, NZ IFRS 10 – Consolidated Financial Statements, NZ IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The presentation and reporting 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.

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.

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 5).

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 8 and 9).

Provision for rehabilitation obligations includes estimates of future costs, timing of required rehabilitation and an estimated discount rate (refer to note 12).

Notes to the financial statements

For the half year ended 31 December 2024

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.

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

Perth Basin (from 20 March 2023): Exploration interests in Western Australian comprising the L7 Production licence (L7) and EP437 Exploration Permit (EP437).

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, corporate overheads, and 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.

Unaudited Half year to 31 December 2024 AUD\$000	Perth Basin	Kupe oil & gas field	Amadeus Basin oil & gas fields	Other & unallocated	Cue Energy Resources Limited	Total
Sales to external customers:						
New Zealand	-	3,525	-	-	-	3,525
Australia	-	-	21,635	-	5,473	27,108
Other countries	-	1,002	-	-	21,640	22,642
Total sales revenue	-	4,527	21,635	-	27,113	53,275
Other income	-	-	1	1,275	-	1,276
Total sales revenue and other income	-	4,527	21,636	1,275	27,113	54,551
Segment result	(4,395)	2,064	8,591	(2,770)	9,933	13,423
Other net finance expense						(533)
Profit before income tax and royalties						12,890
Income tax and royalties expense						(6,993)
Profit for the half year						5,897
Segment assets	3,202	20,434	152,178	28,514	107,336	311,664
Segment liabilities	6	14,277	93,068	1,884	43,390	152,625
Included in segment results:						
Depreciation and amortisation	-	1,168	4,734	99	3,975	9,976

Notes to the financial statements

For the half year ended 31 December 2024

3 Segment information (continued)

Restated audited Full year to 30 June 2024 *	Perth Basin	Kupe oil & gas field	Amadeus Basin oil & gas fields	Other & unallocated	Cue Energy Resources Limited	Total
Restated audited Full year to 30 June 2024 *						
AUD\$000						
Sales to external customers:						
New Zealand	-	7,245	-	-	-	7,245
Australia	-	-	28,050	-	12,441	40,491
Other countries	-	948	-	-	37,218	38,166
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
Impairment	-	(10,634)	-	-	-	(10,634)
Segment result	(353)	(7,198)	8,105	(6,349)	25,307	19,512
Other net finance income						(509)
Profit before income tax and royalties						19,003
Income tax and royalties expense						(11,754)
Profit for the year						7,249
Segment assets	3,708	20,204	146,425	29,551	103,856	303,744
Segment liabilities	-	12,923	90,607	1,574	38,947	144,051
Included in segment results:						
Depreciation and amortisation	-	2,571	4,788	197	6,400	13,956

Restated unaudited Half year to 31 December 2023 *	Perth Basin	Kupe oil & gas field	Amadeus Basin oil & gas fields	Other & unallocated	Cue Energy Resources Limited	Total
Restated unaudited Half year to 31 December 2023 *						
AUD\$000						
Sales to external customers:						
New Zealand	-	2,885	-	-	-	2,885
Australia	-	-	14,746	-	12,441	27,187
Other countries	-	567	-	-	16,850	17,417
Total sales revenue	-	3,452	14,746	-	29,291	47,489
Other income	-	104	10	502	4	620
Total sales revenue and other income	-	3,556	14,756	502	29,295	48,109
Segment result	(347)	1,336	7,478	(3,501)	16,114	21,080
Other net finance expense						(691)
Profit before income tax and royalties						20,389
Income tax and royalties expense						(9,440)
Profit for the half year						10,949
Segment assets	2,072	30,779	80,075	33,106	113,881	259,913
Segment liabilities	-	15,355	24,251	2,219	41,132	82,957
Included in segment results:						
Depreciation and amortisation expense	-	1,060	2,169	101	3,569	6,899

* The comparative statements for the year ended 30 June 2024 and the half year ended 31 December 2023 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.

Notes to the financial statements

For the half year ended 31 December 2024

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

	Unaudited Half Year 31 Dec 2024	Restated * Unaudited Half Year 31 Dec 2023	Restated * Audited Full Year 30 Jun 2024
AUD\$000			
Crude oil and condensate	22,583	20,903	34,561
Natural gas and LPG	30,692	26,586	51,341
Total revenue from contracts with customers	53,275	47,489	85,902
Other income	1,276	620	1,453
Total revenue and other income	54,551	48,109	87,355

(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 31 December 2024 was \$0.1 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.

	Unaudited Half Year 31 Dec 2024	% of sales revenue 31 Dec 2024	Restated * Unaudited Half Year 31 Dec 2023	% of sales revenue 31 Dec 2023	Restated * Audited Full Year 30 Jun 2024	% of sales revenue 30 Jun 2024
AUD\$000						
First largest	16,624	31.2%	11,887	25.0%	19,721	23.0%
Second largest	11,609	21.8%	6,539	13.8%	19,044	22.2%
Third largest	6,349	11.9%	5,799	12.2%	10,124	11.8%
Total revenue from major customers	34,582	64.9%	24,225	51.0%	48,889	56.9%

5 Tax

At 31 December 2024, the Group recognised a deferred tax asset of \$19.2 million (30 June 2024: \$20.7 million) in respect of unutilised carried forward tax losses.

At 31 December 2024, the Group had \$71.0 million in unutilised carry forward losses, the tax effect of which is \$21.3 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.

* The comparative statements for the year ended 30 June 2024 and the half year ended 31 December 2023 have been restated to show the effect of the voluntary change in presentation currency to Australian dollars.

Notes to the financial statements

For the half year ended 31 December 2024

6 Business combinations

On 11 June 2024, the Group acquired 25% of the Mereenie oil and gas field in the Amadeus Basin, Northern Territory, Australia, from Macquarie Mereenie Pty Ltd. This is in addition to the 25% participating interest already held in the Group.

There were no changes to the provisional acquisition valuation reported as at 30 June 2024.

7 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	
			31 Dec 24	30 Jun 24
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%
L7 Production licence	Echelon Acacia Pty Ltd	Australia	25%	25%
EP437 Exploration Permit	Echelon Compass Pty Ltd	Australia	25%	25%
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 50.00% (June 2024: 50.03%) of the Cue interest.

8 Exploration and evaluation assets

	Unaudited	Restated *
	Half Year	Audited
	31 Dec	30 Jun
AUD\$000	2024	2024
Opening balance	3,669	2,413
Exploration expenditure incurred during the period	3,194	1,259
Exploration expense	(4,137)	-
Revaluation of foreign currency exploration and evaluation assets	-	(3)
Total exploration and evaluation assets at the end of period	2,726	3,669

On 7 August 2024 the Group announced that the key prospective reservoirs of the Booth well in EP7, Perth Basin, Australia had been drilled but not intersected any moveable hydrocarbons. The well was plugged and abandoned. The previously capitalised costs were expensed to the profit and loss.

* 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 half year ended 31 December 2024

9 Oil and gas assets

	Unaudited Half Year 31 Dec 2024	Restated * Audited Full Year 30 Jun 2024
AUD\$000		
Opening balance	215,570	168,246
Additions - acquisition 25% interest in Mereenie asset	-	47,554
Make up gas forfeited	(612)	537
Expenditure capitalised	13,385	15,240
Impairment of Kupe asset	-	(10,634)
Amortisation for the period	(9,813)	(13,652)
Rehabilitation provision movement	(2,219)	8,154
Revaluation of foreign currency oil and gas assets	2,242	125
Total oil and gas assets at the end of the period	218,553	215,570

At 31 December 2024, the Group assessed each asset to determine whether an indicator of impairment existed. Indicators of impairment include changes in future selling prices, future costs, and reserves. It was determined that there are no indicators of impairment.

10 Payables

	Unaudited Half Year 31 Dec 2024	Restated * Audited Full Year 30 Jun 2024
AUD\$000		
Trade payables	9,989	5,811
Royalties payable	383	740
Share of oil and gas interests' payable	7,017	3,903
Other payables	4,022	3,237
Total payables at the end of the period	21,411	13,691

11 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.

	Unaudited Half Year 31 Dec 2024	Restated * Audited Full Year 30 Jun 2024
AUD\$000		
Non-current	12,750	13,333
Total contract liabilities at the end of the period	12,750	13,333

* 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 half year ended 31 December 2024

12 Rehabilitation provisions

	Unaudited Half Year 31 Dec 2024	Restated * Audited Full Year 30 Jun 2024
AUD\$000		
Opening balance	60,111	50,667
Change in provision recognised	(3,037)	(1,786)
Addition in provision from acquisition of 25% interest in Mereenie	-	9,506
Unwind of discount on provision	1,051	1,758
Revaluation of foreign currency rehabilitation provision	2,239	(34)
Total rehabilitation provision at the end of the period	60,364	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 2.00% to 4.86% (30 June 2024: 2.09% to 4.83%).

13 Reserves

	Unaudited Half Year 31 Dec 2024	Restated * Audited Full Year 30 Jun 2024
(a) Reserves		
AUD\$000		
Asset revaluation reserve	1,290	926
Share based payments reserve	1,660	1,515
Foreign currency translation reserve	26,738	27,861
Total reserves at the end of the period	29,688	30,302

Movements:

(i) Asset revaluation reserve

Opening balance	926	756
Revaluation of Emissions Trading Scheme (ETS) units for the period	364	256
Surrender of ETS units	-	(86)
Closing balance at the end of the period	1,290	926

(ii) Share based payments reserve

Opening balance	1,515	1,614
Share based payment expense	165	(23)
Forfeited and expired share options	-	(76)
Share options exercised	(20)	-
Closing balance at the end of the period	1,660	1,515

(iii) Foreign currency translation reserve

Opening balance	27,861	27,822
Foreign currency translation differences for the year	(1,123)	39
Closing balance at the end of the period	26,738	27,861

(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.

* 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 half year ended 31 December 2024

14 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 period 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 \$0.8 million has been included in 'Other income' in the profit and loss (31 December 2023: \$0.5 million).

15 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.

The Group has commitments of \$15.4 million for the drilling and infrastructure works at the Mahato PSC.

The Group has commitments of \$0.8 million for the Becos-1 exploration well in the Perth Basin.

The Group's share of commitments associated with the Amadeus Basin permits for production and development expenditure is \$5.4 million at 31 December 2024.

As part of the acquisition of the 25% interest in Mereenie, the Group has an obligation to put bonds in place of \$0.8 million with the Northern Territory Government, these will be in place before the end of the financial year.

(b) Contingent assets and liabilities

The Directors are not aware of any contingent assets or liabilities at 31 December 2024.

16 Events occurring after balance date

On 5 December 2024 the Mereenie development well West Mereenie 29 (WM-29) was spudded. On 16 January 2025 WM-29 was successfully drilled and completed, and was tied-in to the gathering system on 20 January 2025. West Mereenie 30 (WM-30), the second development well in the two well programme, was subsequently spudded on 16 January 2025. On 19 February 2025, WM-30 was successfully drilled and completed, and is due to be tied-in to the gathering system in March 2025.

On 15 January 2025 binding terms were agreed with Mosman Oil & Gas to purchase 100% of the Northern Territory exploration permit EP145 in the Amadeus Basin, this is adjacent to the Mereenie oil and gas field (the Group holds a 50% interest). Subsequently on 3 February 2025 a Sales and Purchase Agreement was executed on the announced terms.

On 25 February 2025 Cue declared an interim dividend of AUD 1.0 cents per ordinary share with a record date of 12 March 2025 and a payment date of 26 March 2025.

On 25 February 2025 Echelon declared an interim dividend of AUD 1.5 cents per ordinary share with a record date of 12 March 2025 and a payment date of 31 March 2025.



Independent Auditor's Review Report

To the shareholders of Echelon Resources Limited (Group)

Report on the interim consolidated financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements on pages 3 to 15 do not:

- present fairly, in all material respects, the Group's financial position as at 31 December 2024 and its financial performance and cash flows for the 6-month period then ended and comply with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) issued by the New Zealand Accounting Standards Board.

We have completed a review of the accompanying interim consolidated financial statements which comprise:

- the interim condensed statement of financial position as at 31 December 2024;
- the interim condensed statements of comprehensive income, changes in equity and cash flows for the 6-month period then ended; and
- notes, including material accounting policy information.

Basis for conclusion

We conducted our review of the financial statements in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the interim consolidated financial statements* section of our report.

We are independent of Echelon Resources Limited in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm has provided other services to the Group in relation to taxation compliance and advisory 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.

Use of this Independent Auditor's Review Report

This report is made solely to the Shareholders. Our review 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 Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders for our review work, this report, or any of the conclusions we have formed.



Responsibilities of Directors for the interim consolidated financial statements

The Directors on behalf of the Group are responsible for:

- the preparation and fair presentation of the interim consolidated financial statements in accordance with NZ IAS 34; and
- implementing necessary internal control to enable the preparation of interim consolidated financial statements that is fairly presented and free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim consolidated financial statements

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review.

NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34.

A review of the interim consolidated financial statements prepared in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the financial statements.

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

A handwritten version of the KPMG logo in blue ink, with a slightly slanted and casual appearance.

KPMG

Wellington, New Zealand

25 February 2025