

Quarter ended 30 June 2024

Quarterly Report

ASX:ECH

Quarter Highlights

- Completion of acquisition of a further 25% interest in Mereenie
- Two long-term Gas Sales Agreements (GSAs) signed with Northern Territory Government
- Booth 1 well rig contract signed
- NZX delisting, consolidation on the ASX
- Mahato plan of further development approved



Ringling in the Change



CEO Andrew Jefferies ringing the ASX bell, Sydney, June 2024.

A highlight of this quarter was our CEO ringing the bell at the ASX, marking a significant milestone for our company. During his speech at the ASX event, he stated, "We believe the ASX is the market that will supply the capital to power the projects to provide the materials to make the machines that will positively change our world." The consolidation is expected to provide better access to capital and support our long-term growth objectives.

During the quarter we completed our acquisition of a further 25% of the Mereenie gas field and took on debt from Macquarie Bank. Building on our momentum in the Amadeus

Basin, the previously announced expressions of interest (EOI) process has completed. This has resulted in two long-term GSAs being signed with the Northern Territory Government after the quarter end. These provide certainty over our revenue streams and enable further drill decisions.

Looking ahead, we are excited about the Booth 1 well in the Perth Basin. The Booth prospect is expected to commence drilling at the end of July 2024.

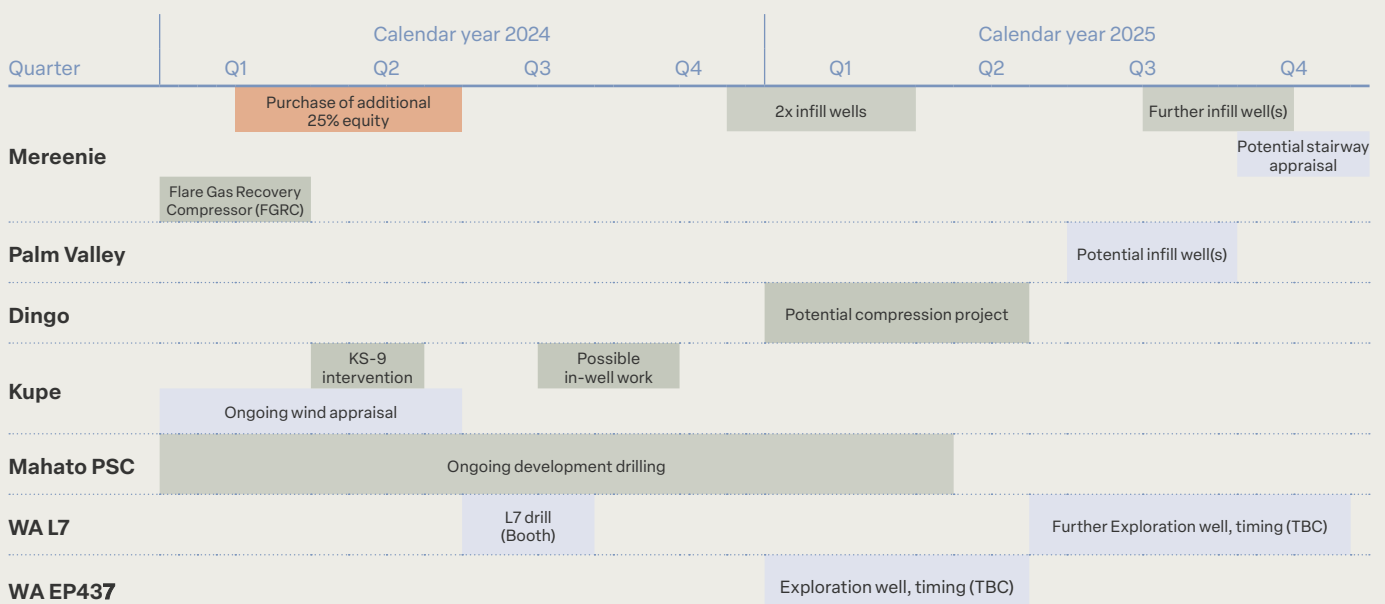
Effective from 31 July, we have changed our company name from New Zealand Oil & Gas to Echelon Resources, trading as Echelon, with our new ticker code ECH. This name change reflects our evolution over the past 43 years. We have become more focused on natural gas, providing stability in energy supply amid global constraints. Our focus has shifted from New Zealand to a broader Australasian perspective.

We see the energy transition as a long-term journey, changing our primary energy systems while maintaining supply security and affordability. Hydrocarbons will continue to play a crucial role, providing essential raw materials and reliable energy. The term "Echelon" signifies the rungs in the ladder from wood to coal to oil to gas, and beyond.

In geoscience, "echelon" describes the repeated nature of features like mountain ranges, fault lines, and rivers. This resonates with our science based approach of providing consistent and reliable energy solutions.

Production volumes for the quarter remained robust at 334,257 barrels of oil equivalent (boe), with an average daily output of 3,673 boe.

Future Activities Timeline - Echelon & Cue



Approved activities: Kupe intervention, L7 & Mahato drilling.

● M&A ● Development ● Exploration & Appraisal

Financial Performance

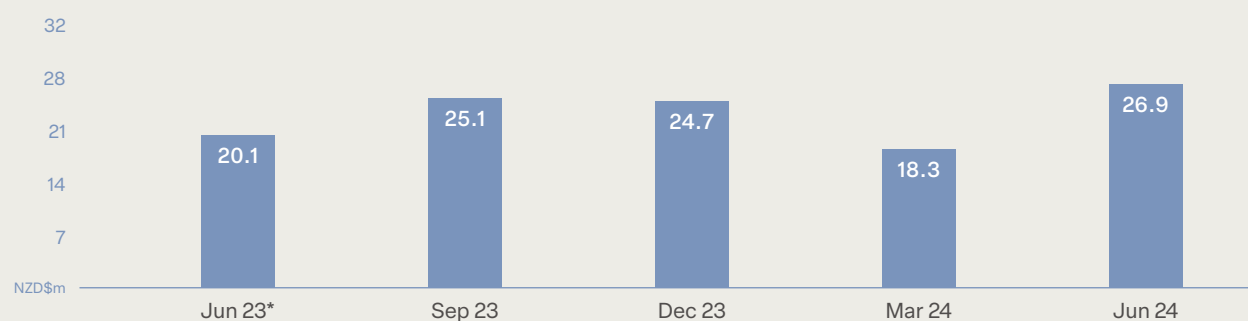
The cash balance at 30 June 2024 was NZ\$42.3 million, down NZ\$2.8 million on the previous quarter. The cash balance at Cue was \$17.8 million.

Receipts were up by NZ\$8.6 million on the March quarter mostly from timing of oil receipts from Cue's Mahato assets. Cash receipts from the Amadeus assets were lower than the previous quarter with sales in both quarters impacted by the shutdown of the Northern Gas Pipeline in the Northern Territory.

In the quarter the Group distributed a net special dividend of NZ\$14.9 million.

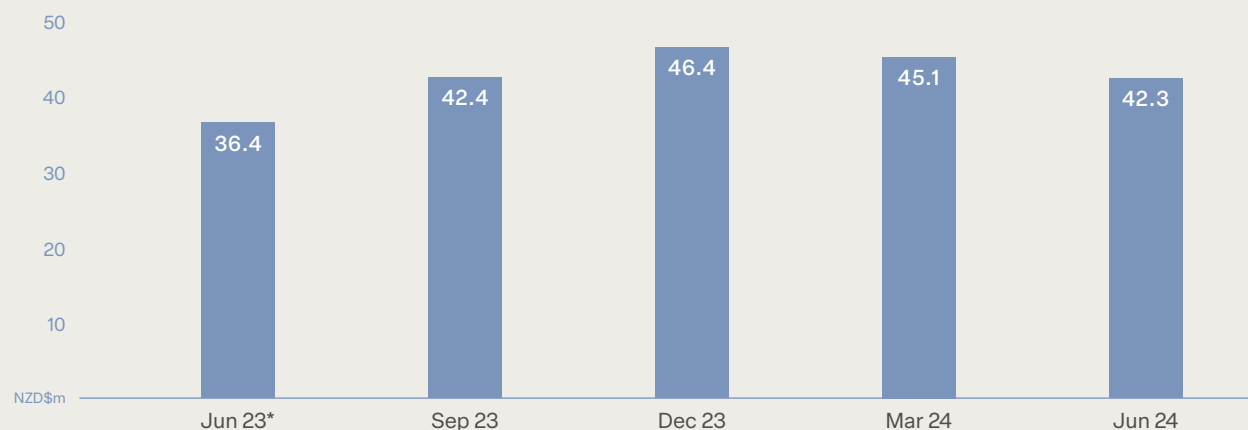
In June 2024 the Group completed the Mereenie acquisition which was 100% funded by a loan from Macquarie Bank. The cashflow reflects an investment of NZ\$47.5 million funded by debt of NZ\$53.3 million. The loan also includes financing costs and the acquisition costs of the transaction. There were no incremental cash receipts from the Mereenie acquisition in the June quarter, first receipt, in July 2024.

Production receipts by quarter



*Jun 23 quarter includes audit adjustment

Cash balance by quarter



*Jun 23 quarter includes audit adjustment

Production

FIELD		Total field this quarter (gross)	Our share previous quarter (net)	Our share current quarter (net)
Kupe Taranaki, New Zealand	Oil Barrels	94,211	4,009	3,768
	Gas Petajoules	4.26	0.18	0.17
	LPG Tonnes	18,889	766	756
	Production receipts NZ\$m		3.1	2.8
Maari* Taranaki, New Zealand	Oil Barrels	373,057	22,862	18,653
	Production receipts AU\$m		3.0	3.6
Sampang* Java, Indonesia	Oil Barrels		307	462
	Gas Petajoules		0.23	0.22
	Production receipts AU\$m		2.4	2.3
Mahato* Sumatra, Indonesia	Oil Barrels		44,305	36,920
	Production receipts AU\$m		-	8.7
Mereenie** Amadeus, NT, Australia	Oil Barrels	27,859	5,200	9,238
	Gas Petajoules	1.97	0.43	0.65
Palm Valley** Amadeus, NT, Australia	Gas Petajoules	0.73	0.36	0.37
Dingo** Amadeus, NT, Australia	Gas Petajoules	0.35	0.22	0.18
Amadeus Basin**	Production receipts AU\$m.		8.8	7.6
Total production receipts NZ\$m equivalent.			18.3	26.9
Total production equivalent	Volume in boe		314,674	334,257
	Daily equivalent in boe per day		3,458	3,673

* Interest held by Cue. Echelon has a 50.04% interest in Cue. Cue's full interest is shown.

** The share indicated is for Echelon Group including Cue's full interest.

Australia

Amadeus Basin

Mereenie (OL4 & OL5)

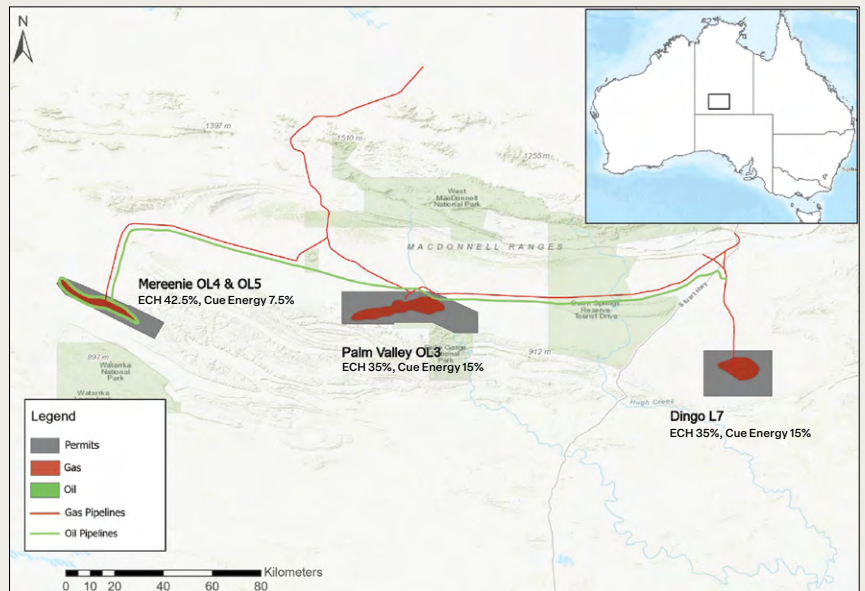
42.5%	Echelon
7.5%	Cue Energy Resources*
25%	Horizon Oil
25%	Central Petroleum (Operator)

Palm Valley (OL3)

35%	Echelon
15%	Cue Energy Resources*
50%	Central Petroleum (Operator)

Dingo (L7)

35%	Echelon
15%	Cue Energy Resources*
50%	Central Petroleum (Operator)



During the quarter, Echelon increased its equity in the Mereenie field, via the purchase of 25% of Macquarie Mereenie's equity (Echelon now 42.5%), ahead of further future development in the field and a continuing strong outlook for gas markets in the Northern Territory and the East Coast of Australia.

Sales gas volumes varied throughout the quarter with reduced buyer nominations and the ongoing outage of the Northern Gas Pipeline (NGP) impacting production. Stable operation of the Mereenie FGRC has also been established with associated increased sales gas availability and reduced gas flaring. Development planning for the next infill wells (WM 29 and WM 30) at Mereenie continues. An EOI was issued to the market inviting potential gas buyers to submit non-binding offers for the purchase of gas from mid-2024 to the end of 2030.

At Palm Valley and Dingo, production follows predictable declines, with Palm Valley experiencing minor effects from the aforementioned NGP outages, and the as expected seasonal variability of gas demand at Dingo.

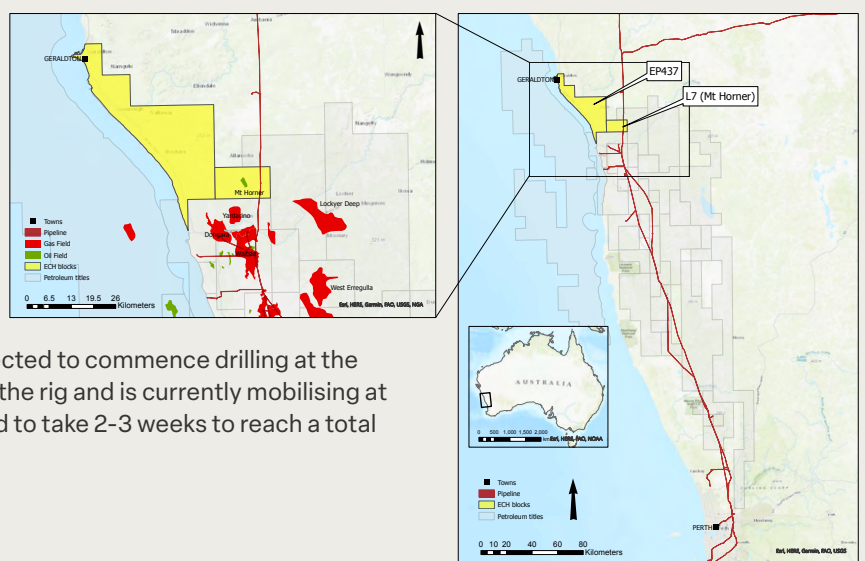
Perth Basin

L7

25%	Echelon
25%	Strike Energy
50%	Triangle Energy Global (Operator)

EP437

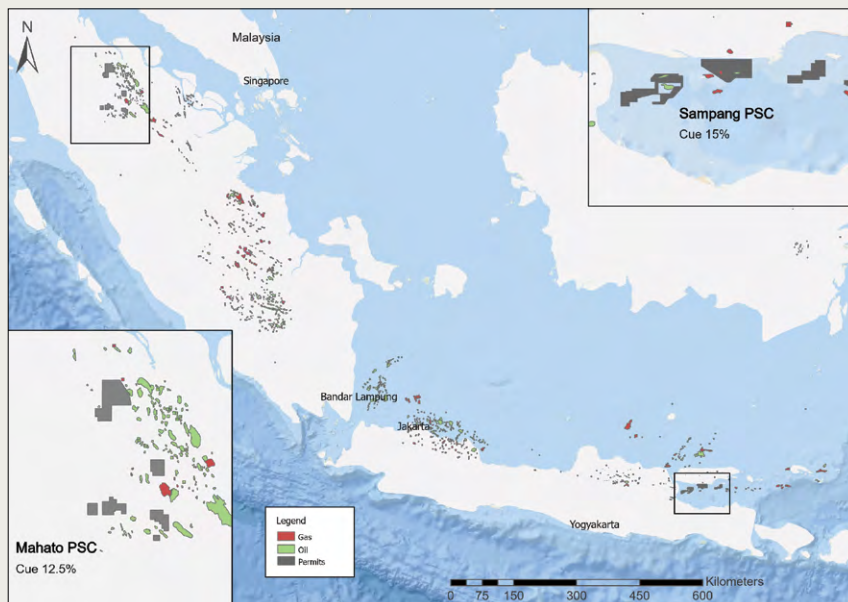
25%	Echelon
25%	Strike Energy
50%	Triangle Energy Global (Operator)



In the Perth Basin, the Booth prospect is expected to commence drilling at the end of July 2024. The Operator has accepted the rig and is currently mobilising at the Booth location. The Booth well is expected to take 2-3 weeks to reach a total depth of 2,900m.

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Indonesia



Sampang PSC

15% Cue Sampang Pty Ltd*
85% Medco Energi Sampang Pty Ltd [Operator]

Production Sharing Contract (PSC) extension application discussions and preparation are ongoing. The PSC currently expires in December 2027.

Subject to approval of a permit extension, the JV will seek changes to the terms of the (PSC) for the Paus Biru development.

The PSC extension and amendments are critical steps in allowing the JV to proceed with a Final Investment Decision (FID) on the project.

The Paus Biru development will include a single well and wellhead platform at the Paus Biru gas field, as well as a 27-kilometre subsea pipeline connecting the well to existing Oyong field infrastructure. Subject to final approvals, gas production from Paus Biru is expected to commence at a rate of 20-25 mmcfd.

Mahato PSC

11.25% Cue Mahato Pty Ltd**
88.75% Texcal Mahato EP Ltd [Operator]

A new Field Development Optimisation (OPL Phase 2) for the PB field was approved, which includes drilling fourteen additional development wells, converting an existing production well to a water injection well, and constructing three new drilling locations.

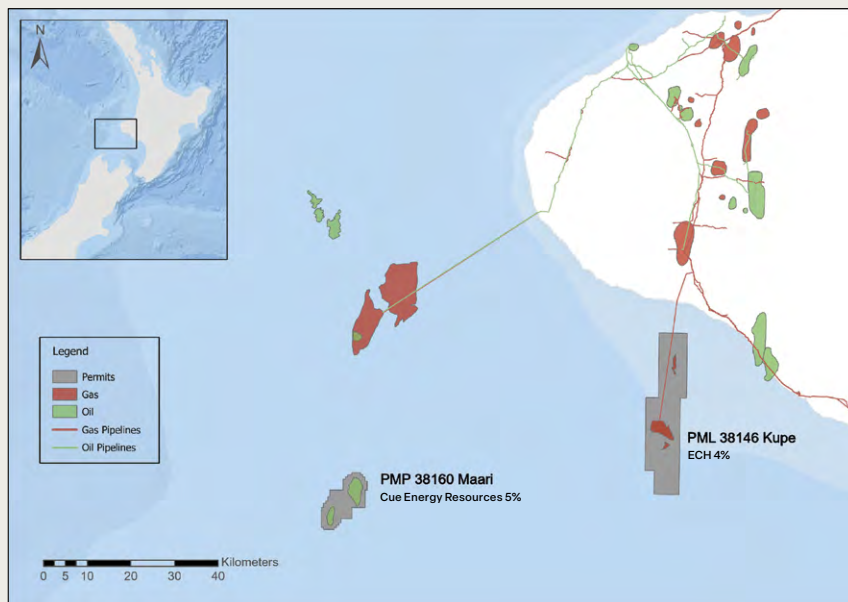
The first well in the new program was successfully completed and commenced production in late June 2024.

In October 2023, Texcal, the Mahato PSC operator, and Riau Petroleum, an Indonesian local government-owned entity, signed an agreement to transfer a share of the Mahato PSC's participating interest to Riau Petroleum, as required by the Production Sharing Contract (PSC) and government regulations. The Government approvals process for this transfer is ongoing but the JV accounting for Cue's participating interest has reduced from 12.5% to 11.25% effective 1 November 2023.

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**Subject to government approval

New Zealand



Kupe oil and gas field (PML 38146)

4% Echelon
50% Beach Energy [Operator]
46% Genesis Energy

In the quarter, various attempts were made to recover production from the Kupe KS-9 well. So far, these attempts have been unsuccessful, and production is not expected to be recovered before or during winter this year. The impact of the results of the KS-9 well on field performance, along with future operational attempts to recover the well, are currently under review. Echelon will incorporate these results as part of the upcoming end of financial year reporting cycle. The remaining existing production wells have continued to perform at predictable levels.

Maari and Manaia oil fields (PMP 38160)

5% Cue Taranaki Pty Ltd*
26% Horizon Oil International
69% OMV New Zealand Limited [Operator]

Production was lower this quarter due to the failures of Electric Submersible Pumps (ESPs) in two production wells, MR8a and MR10.

Repairs to both wells have now been completed and production has been reinstated.

The resumption of the MR6a workover, aimed at suspending the existing production zone and perforating the Matapo and Kap100 reservoirs to produce oil from these zones, is expected to take place shortly.

Preparation of a permit extension application for production beyond December 2027 is underway, with submission expected this quarter.

The Maari JV continues to evaluate and prioritise value-added projects, focusing on potential production enhancement, cost reduction, and CO₂ reduction opportunities.

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Quarterly Activities Report, for quarter ended 30 June 2024.

Authorised for publication on behalf of the Board by Andrew Jefferies, CEO and Managing Director.

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