

macallum
new energy

Macallum New Energy Limited
ABN 20 628 953 122

HALF-YEAR FINANCIAL REPORT
For the period ended
31 DECEMBER 2025

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CORPORATE DIRECTORY

DIRECTORS

Philip Thick	Non-Executive Chairman (appointed 07 August 2024)
Rance Dorrington	Executive Director
Trinity Nofal	Non-Executive Director

CHIEF EXECUTIVE OFFICER

Andrew Furniss (appointed 10 November 2025)

CFO AND COMPANY SECRETARY

Silfia Morton (Appointed 1 November 2025)
Rance Dorrington (Resigned as Company Secretary on 1 November 2025)

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

11 Moreau Mews
Applecross, WA 6153, Australia
Telephone: +61 (8) 6159 9100
Web: <https://www.macnewenergy.com.au/>

AUDITOR

Connect National Audit Pty Ltd
60 Toorak Road
South Yarra, VIC 3141

LEGAL

Thomson Geer
Level 29, Central Park Tower,
152-158 St Georges Terrace,
Perth, WA 6000

SHARE REGISTER

Xcend Pty Ltd
Level 2 477 Pitt Street
Haymarket NSW 2000

SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd (ASX). ASX Code: MNE.

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Macallum New Energy Limited (referred to hereafter as the 'Company' or 'MNE') and the entity it controlled for the half-year ended 31 December 2025.

DIRECTORS

The names of Directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

- Rance Dorrington
- Trinity Nofal
- Philip Thick

REVIEW OF OPERATIONS

Macallum New Energy Limited is an oil and gas exploration company focused on the exploration of its two 100% owned exploration permits, being EP-494 and EP-511, located in the onshore North Perth Basin in Western Australia (the Projects). The Projects are highly prospective for gas, and cover an area of approximately 2,650km². The Projects were previously held by Macallum Group Limited (MGL), a public unlisted company with a focus on investing in early-stage mineral exploration and oil and gas assets and ASX listed companies. The Company was subsequently established as a special purpose vehicle to hold the Projects and to raise capital to fund the exploration and development of the Projects.

To date, the Company and MGL have spent over \$5 million on the following exploration activities:

- undertaken 2D seismic surveys to define the broader Barberton Terrace Deep (BTD) structure and identified a ready to drill exploration target at the Barberton Terrace Deep prospect at EP-494;
- identified one prospect and three leads within the Projects, being the Permian Barberton Terrace Deep prospect at EP-494, the Jurassic Yarra and Gadee leads at EP-494 and the Jurassic Condor lead covering both EP-494 and EP-511;
- committed to undertake further exploration activities at the proposed Jurassic leads at Yarra, Gadee and Condor to improve the structural definition of these leads and mature these leads into prospects;
- entered into the necessary heritage and access arrangements to commence the proposed seismic activities and work program at the Yarra and Gadee leads; and
- completed and obtained the requisite approvals to undertake 3D seismic activities at Yarra and Gadee from the Environmental Protection Authority (EPA) and the Department of Mines, Petroleum and Exploration (DMPE).

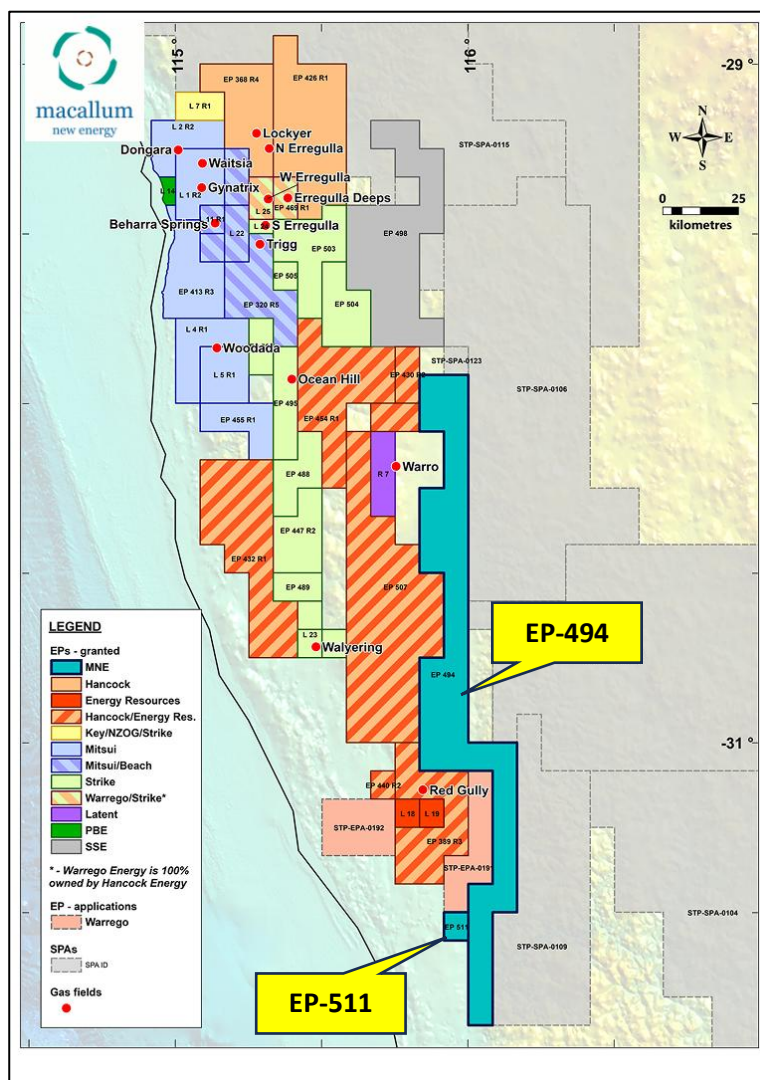


Figure 1. Location of Macallum New Energy Permits

Prospective Resources

The Company has developed a portfolio of prospects and leads with Permit EP-494. The Company Prospectus dated 28 November 2025 includes an Independent Technical Expert Report which:

- classified the potential Kingia Sandstone and Dongara Sandstone gas resources in the BTD prospect as Prospective Resources, Prospect sub-class and the Jurassic-age gas resources in the Yarra, Gadee and Condor leads as Prospective Resources, Lead sub-class; and
- provided an estimate of the Company's prospective gas resource relating to EP-494 as follows (as at 5 November 2025):

COMBINED PROSPECTIVE RESOURCE ESTIMATE (GAS RECOVERABLE - BSCF)			
	1U	2U	3U
Permian BTD Prospect (Kingia and Dongara Formation)			
Dongara	43	306	1,158
Kingia	204	974	2,789
Total	247	1,280	3,947
Jurassic Leads - Yarra, Gadee and Condor			
Yarra	55	179	421
Gadee	38	108	238
Condor	85	379	1,072
Total	178	666	1,731

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked, probabilistically determined, and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

Notes Regarding Prospective Resources

15. *The Company prepares its Prospective Resources in accordance with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS).*
16. *Macallum New Energy Limited holds 100% interest in EP-494 and EP-511*
17. *The Prospective Resources lie within the EP-494 Exploration Permit as reported on 5 November 2025.*
18. *Prospective Resources were estimated using the probabilistic method. Full details of the methodology for calculating in-place and recoverable resource volumes are provided in Section 6 of the Independent Technical Report contained within the Company Prospectus dated 28th November 2025.*

Qualified Evaluator's Statement

The information in this report that relate to Prospective Resources is based on, and fairly represents, in the form and context in which it appears, information and supporting documentation prepared by, or under the supervision of, Hong Feng Wu, Director of Molyneux Advisors Pty Ltd. Hong Feng Wu is a (Full) member of the Society of Petroleum Evaluation Engineers (SPEE #1021) and a member of the Society of Petroleum Engineers (SPE # 5084882), with sufficient experience which is relevant to the evaluation and estimation of Prospective Resources to qualify as a Qualified Petroleum and Reserves and Resources Evaluator as defined in the Listing Rules.

Hong Feng Wu and Molyneux Advisors Pty Ltd have each separately consented to the inclusion in this report of the matters based on their information in the form and context in which it appears.

EP-494 Prospectivity

EP-494 covers an area of 2577 km² running north-south along the eastern boundary of the North Perth Basin, Western Australia. This permit benefits from the proximity to existing infrastructure, notably the

Dampier-Bunbury and Parmelia gas pipelines and the Red Gully gas plant, which could provide favourable access for potential future developments.

EP-494 is adjacent to areas with proven petroleum systems. MNE has identified the Barberton Terrace Deep (BTD) prospect, and three leads, namely Yarra, Gadee and Condor in this permit. The BTD prospect main target reservoir is the Permian Kingia Sandstone which forms the upper part of the High Cliff Sandstone. The Kingia Sandstone has been highly prospective in the northern part of the North Perth Basin over the last 10 years, with a number of discoveries and subsequent developments being made. This is the first test of the Kingia Sandstone reservoir in the mid to southern area of the North Perth Basin.

In the northern North Perth Basin, the Kingia Sandstone was deposited in a paralic estuarine to shoreface environment. A similar depositional environment is expected in the Barberton Terrace Deep area. The Kingia Sandstone in the northern North Perth Basin is characterised by good to excellent reservoir quality and production performance with porosities ranging from 10 to 17% where flow rates between 35 and 117 MM scf/d were recorded at Beharra Springs Deep-1 and Lockyer Deep-1 respectively.

The secondary target of the BTD prospect is the Dongara Sandstone. This reservoir (as with the Kingia Sandstone) has not been penetrated in the BTD area. The nearest wells with Dongara pay at comparable depth are located 174 km north in the Beharra Springs Field, with porosity of 6.6% to 9.5% and flow rates of 20.8 to 30 MM scf/d.

The Yarra, Gadee and Condor leads target the thick Jurassic Yarragadee Formation intersected by nearby wells (e.g. Dandaragan-1, Dandaragan Deep-1) and the Warro Field approximately 80 km to the north. The Yarra and Gadee leads are identified from possible direct hydrocarbon indicators (flat spots) interpreted from two 2D seismic lines. If the flat spots and the structural closures of the Yarra and Gadee Leads are validated and matured following the approved 3D seismic survey, they will become potentially attractive lower-risk prospects.

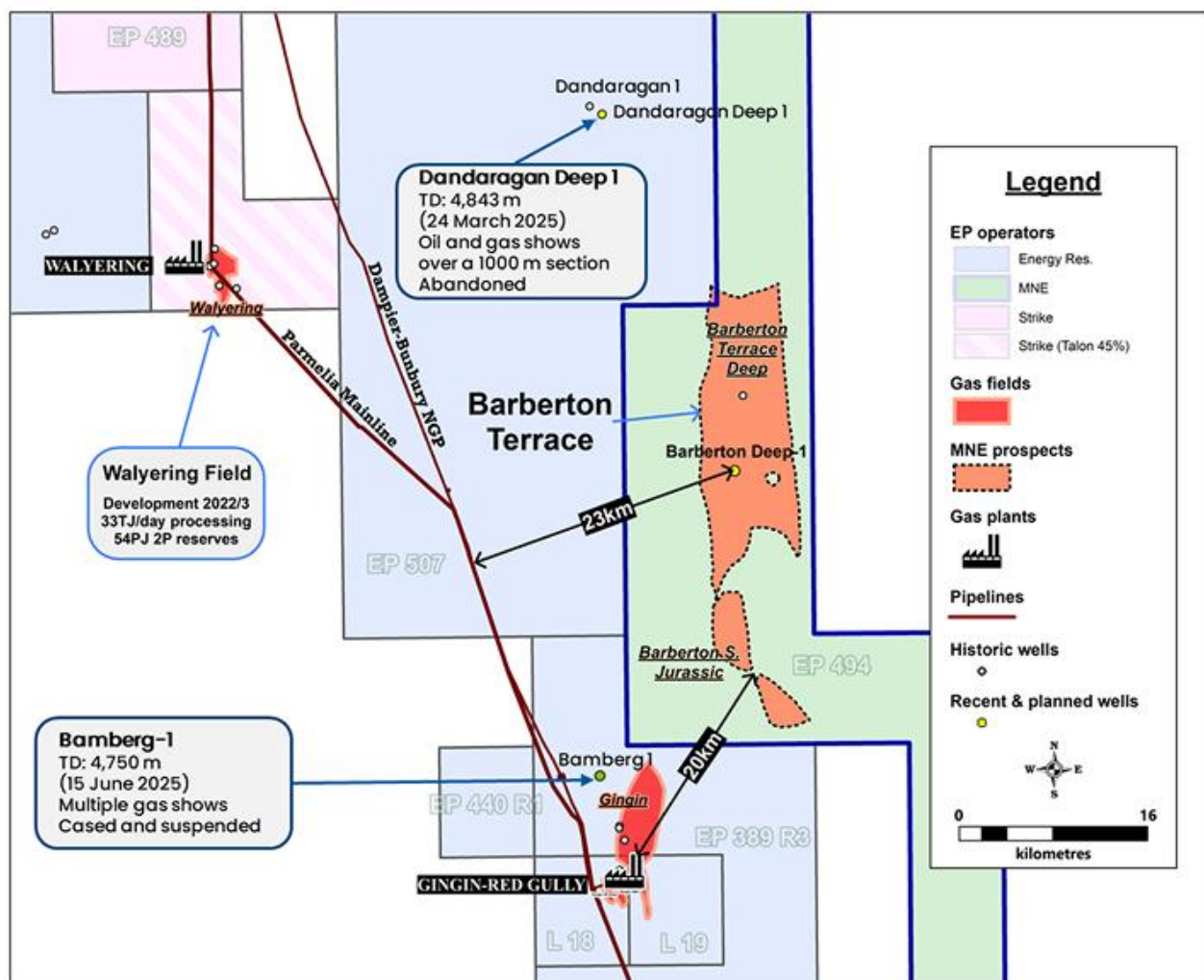


Figure 2. Location of EP-494 Barberton Terrace Deep prospect and Barberton South Jurassic leads identified

Looking Ahead

The Company is preparing to undertake the new Barberton 3D seismic survey at the Yarra and Gadee leads and the Condor 2D seismic survey at the Condor Jurassic lead, with a view to maturing a potential shallower Jurassic well target within the leads. The Company will also undertake geological and geophysical studies of the results of the planned seismic acquisition activities at the Yarra, Gadee and Condor leads.

Depending on the results of the seismic acquisition activities, the Company will either conduct a well planning study for a well at one of the Jurassic leads (Yarra, Gadee or Condor) and/or progress the drill-ready Barberton Terrace Deep well for which a location has already been identified.

OPERATING RESULT

The Group's loss for the half-year ended 31 December 2025 after providing for income tax amounted to \$1,214,964 (31 December 2024, loss of \$533,147).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Subsequent to 31 December 2025, the Company was admitted to the official list of ASX on 25 February 2026 under the ticker code MNE. Pursuant to its initial public offering, the Company raised \$7.4 million (before costs) and issued 36,889,082 new fully paid ordinary shares.

In addition, the Company issued 3,688,908 lead manager options exercisable at \$0.30 per option, expiring four years from the date of admission.

Further, 170,000 convertible notes were converted into ordinary shares at a conversion price of \$0.15 per share, resulting in the issue of 1,133,333 ordinary shares. Each Convertible Note holder is entitled to one free attaching Loyalty Option for every four Shares issued upon conversion of the Convertible Notes. Refer to Note 8 for further details.

Following the Company's admission to ASX, the Company paid A\$500,000 to MGL in satisfaction of its reimbursement obligation under the Transfer Agreement entered into in January 2023. Refer to Note 13 Related Party for further information regarding the Transfer Agreement with MGL.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of the Directors.



Rance Dorrington
Director

13 March 2026

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Macallum New Energy Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Freehill Mining Limited.

ROBIN KING HENG LI CA RCA
DIRECTOR
CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888
13 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Notes	Half-year ended 31 Dec 2025 \$	Half-year ended 31 Dec 2024 \$
Revenue			
Other income		-	13,333
Expenses			
Employee benefits expense		(321,526)	(200,018)
Exploration evaluation expenditures	6	(184,531)	(140,172)
Administration expenses	3	(436,269)	(38,800)
Depreciation expenses		(7,830)	(7,830)
Share based payments	10	(264,808)	(179,660)
Profit / (Loss) from continuing operations before income tax		(1,214,964)	(533,147)
Income expense			-
Profit/(Loss) after income tax attributable to the owners of Macallum New Energy		(1,214,964)	(533,147)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive profit/(loss) for the period attributable to the owners of Macallum New Energy		(1,214,964)	(533,147)
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Macallum New Energy:		(1,214,964)	(533,147)
Basic and diluted profit/(loss) per share (cents)	11	(1.22)	(0.73)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	31 Dec 2025 \$	30 Jun 2025 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,541	72,762
Trade and other receivables	5	70,306	97,928
TOTAL CURRENT ASSETS		73,847	170,691
NON-CURRENT ASSETS			
Property, Plant and Equipment		39,585	47,415
Exploration and evaluation assets	6	7,519,100	7,500,000
TOTAL NON-CURRENT ASSETS		7,558,685	7,547,415
TOTAL ASSETS		7,632,532	7,718,105
CURRENT LIABILITIES			
Trade and other payables	7	491,169	313,264
Provision for employee benefits		20,477	10,372
Convertible Notes	8	170,000	30,000
TOTAL CURRENT LIABILITIES		681,646	353,636
NON-CURRENT LIABILITIES			
Provision for employee benefits		5,646	4,618
TOTAL NON-CURRENT LIABILITIES		5,646	4,618
TOTAL LIABILITIES		687,292	340,326
NET ASSETS		6,945,239	7,359,851
EQUITY			
Issued Capital	9	12,164,915	11,557,271
Reserves	10	892,562	699,854
Accumulated losses		(6,112,238)	(4,897,274)
TOTAL EQUITY		6,945,239	7,359,851

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2024	10,506,794	468,026	(3,522,593)	7,452,227
Total comprehensive profit for the period	-	-	(553,146)	(553,146)
Other comprehensive profit	-	-	-	-
Total comprehensive profit for the period net of tax	-	-	(553,146)	(553,146)
Transactions with owners in their capacity as owners				
Issue of shares, net of transaction costs	800,877	-	-	800,877
Share based payment (Note 10)	-	179,660	-	179,660
Balance at 31 December 2024	11,307,671	647,686	(4,075,739)	7,879,618
Balance at 1 July 2025	11,557,271	699,854	(4,897,274)	7,359,852
Total comprehensive loss for the period	-	-	(1,214,964)	(1,214,964)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the period net of tax	-	-	(1,214,964)	(1,214,964)
Transactions with owners in their capacity as owners				
Issue of shares, net of transaction costs	25,344	-	-	25,344
Exercise of Options	147,100	(72,100)	-	75,000
Conversion of Convertible Note	435,200	-	-	435,200
Share based payment (Note 10)	-	264,808	-	264,808
Balance at 31 December 2025	12,164,915	892,562	(6,112,238)	6,945,239

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

		Half-year ended 31 Dec 2025	Half-year ended 31 Dec 2024
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from R&D Grant		-	204,957
Payments to suppliers		(305,274)	(316,291)
Payment to directors and employees		(310,392)	(201,482)
		(615,666)	(312,816)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets	6	(19,100)	-
		(19,100)	-
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	60,000	580,877
Share issue costs		(34,656)	-
Proceeds from deposit for convertible notes	8	575,200	-
Proceeds from options exercised	10	75,000	-
Advance of funds from ultimate holding entity	13	140,000	-
Advance of funds to ultimate holding entity	13	(30,000)	-
		565,544	580,877
Net increase/(decrease) in cash and cash equivalents		(69,221)	268,061
Cash at the beginning of the period		72,762	121,250
CASH AT THE END OF THE PERIOD	4	3,541	389,311

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2025. All accounting policies are consistent with those applied for the year ended 30 June 2025. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Macallum New Energy Limited is a company incorporated on 31 August 2021 and commenced trading on the ASX on 25 February 2026.

Going Concern

The Group has reported a net loss for the financial period of \$1,214,964 (31 December 2024: \$533,147) and a cash outflow from operating activities of \$615,666 (31 December 2024: \$312,816). As at 31 December 2025 the Company had \$3,541 in cash and cash equivalents (30 June 2025: \$72,762) and a working capital deficit of \$607,799 (30 June 2025: \$182,945). These conditions may indicate a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. In arriving at this position the directors have had regard to the fact that based on the matters noted below the Company has, or in the Directors' opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing the half year financial report.

In forming this view, the Directors have taken into consideration that, subsequent to 31 December 2025, the Company was admitted to the official list of the ASX on 25 February 2026 and, pursuant to its initial public offering, raised \$7.4 million (before costs) and issued 36,889,082 new fully paid ordinary shares.

2. STATEMENT OF MATERIAL ACCOUNTING POLICIES

New accounting standards and interpretations

In the half-year ended 31 December 2025, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2025.

The adoption of the new and revised Standards and Interpretations have not had a material impact on this half-year financial report.

Critical accounting estimates and judgements

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

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of exploration and evaluation expenditure

The Group has capitalised exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred up to the final investment decision. Expenditure in relation to the activities prior to the final investment decision is expensed as incurred.

Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of exploration and evaluation assets

The Group capitalises the initial acquisition cost of exploration and evaluation assets. Subsequent exploration and evaluation expenditure is expensed as incurred. Capitalised exploration and evaluation assets, being the acquisition costs of exploration rights, are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. Such assessments consider whether exploration and evaluation activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, or whether the Group expects to recover the carrying value through future commercial production or sale of the relevant area of interest. Factors that may impact future commercial production include the level of reserves and resources, changes in technology that may affect extraction costs, changes in legal or regulatory requirements, and movements in commodity prices. To the extent that capitalised acquisition costs are determined not to be recoverable, they will be written off in the period in which that determination is made. Further details of capitalised exploration and evaluation assets are set out in Note 6.

Share-based payment transactions

The grant date fair value of share-based payment is recognised as an expense with a corresponding increase in equity, over the period that the recipient unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that, the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date.

The Company follows the guidelines of AASB 2 'Share-based payments' and takes into account all performance conditions and estimates the probability and expected timing of achieving these performance conditions. Accordingly, the expense recognised over the vesting period may vary based upon information available and estimates made at each reporting period, until the expiry of the vesting period. For valuation purposes, the expiry date has been set at 31 October 2028 by the external valuer (BDO).

3. ADMINISTRATION EXPENSES

	31 Dec 2025	31 Dec 2024
	\$	\$
Professional & Compliance Costs	70,772	30,434
Initial Public Offering Costs	339,742	-
Office & Corporate Overheads	17,102	2,794
IT & Systems	5,813	4,335
Corporate Activities	2,841	1,237
Total other expenses	436,269	38,800

4. CASH AND CASH EQUIVALENTS

	31 Dec 2025	30 Jun 2025
	\$	\$
Cash at bank and on hand	3,541	72,762
	3,541	72,762

5. TRADE AND OTHER RECEIVABLES

	31 Dec 2025	30 Jun 2025
	\$	\$
GST receivable	49,290	17,928
Prepaid expenses	21,016	-
Loan receivable from Macallum Group Ltd (Note 13)	-	80,000
	70,306	97,928

There are no balances within trade and other receivables that contain balances that are past due. It is expected these balances will be received when due within 30 days terms. Refer to Note 13 for further details on the loan receivable from MGL.

6. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2025	30 Jun 2025
	\$	\$
Exploration and evaluation assets	7,519,100	7,500,000
Capitalised cost at the beginning of the period	7,500,000	7,500,000
Exploration expenditure incurred during the period	19,100	-
Capitalised cost at end of the period	7,519,100	7,500,000

Pursuant to Australian Accounting Standard AASB 6: Exploration for and Evaluation of Mineral Resources Where the Group acquires an area of interest (through direct purchase or purchase of an entity), expenditure incurred in the acquisition of the area of interest is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

Contingent consideration is recognised as an exploration expense when the condition triggering the payment is met.

Exploration and evaluation expenditure incurred by the Group subsequent to the acquisition of the rights to explore is expensed as incurred up to the final investment decision. Accordingly, all expenditure incurred prior to the final investment decision is expensed as incurred. During the period, the Group incurred exploration expenditure of \$184,531, which has been recognised in the Statement of Profit or Loss.

Capitalised exploration is only carried forward if the Group has rights to tenure and the Group expects to recoup the expenditures through successful development or sale. The Group reviews its capitalised expenditure by area of interest on an ongoing basis to assess whether there are any impairment indicators that may suggest that that the carrying amount exceeds the recoverable amount.

7. TRADE AND OTHER PAYABLES

	31 Dec 2025	30 Jun 2025
	\$	\$
Trade creditors	356,227	194,082
Other payables and accruals	104,942	119,182
Loan payable to Macallum Group Ltd (Note 13)	30,000	-
	491,169	313,264

These amounts represent liabilities for goods and services provided to the Group prior to the end of the period and which are unpaid. Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

8. CONVERTIBLE NOTES

	31 Dec 2025	30 Jun 2025
	\$	\$
Convertible Notes	30,000	-
Applications during the period (qty: 575,200)	575,200	30,000
Converted during the period (qty: 435,200)	(435,200)	-
Closing balance⁽ⁱ⁾	170,000	30,000

(i) At 30 June 2025, the closing balance referred to deposit held for application of convertible notes.

During the period, the Company issued short-term convertible notes to fund ongoing operations and pre-IPO costs associated with the proposed ASX listing. As at 31 December 2025, 170,000 convertible notes were on issue to the Labonne Associated Parties. The key terms and conditions of the convertible notes are as follows:

- The face value of each Convertible Note is A\$1.00 (Face Value).
- The maturity date is 21 February 2026 (Maturity Date).
- No interest is payable on the Convertible Notes.
- Subject to:
 - ASX granting conditional listing approval for Admission and for the Shares to be quoted on the ASX on terms reasonably acceptable to the Company; and
 - the Board resolving to allot the Shares pursuant to the Capital Raising Offer,

the Convertible Notes will automatically be deemed to be converted into 1,133,333 Shares at a conversion price of A\$0.15 per Convertible Note (Mandatory Conversion).

- Each Convertible Note holder is entitled to one free attaching Loyalty Option for every four Shares issued upon conversion of the Convertible Notes.

Subsequent to the period end, the condition for the conversion of these notes has been met and they were converted to 1,133,333 ordinary shares prior to ASX listing. Each convertible note holder is entitled to one free attaching Loyalty Option for every four Shares issued upon conversion of the notes.

9. ISSUED CAPITAL

	31 Dec 2025	No.	30 Jun 2025	No.
	\$		\$	
(a) Issued capital				
Ordinary shares – fully paid	12,164,915	101,800,932	11,557,271	122,224,499

(b) Movement Reconciliation

	No. of Shares	\$
Opening Balance at 1 July 2024	93,296,086	10,506,794
8 Oct 2024 - Issue of shares	1,803,507	450,877
12 Nov 2024 - Issue of shares	1,400,000	350,000
25 Apr 2025 - Bonus share issue 1:4(1)	24,124,906	-
29 May 2025 - Issue of shares on the exercise of options	1,600,000	120,000
29 May 2025 - Transfer from option reserve	-	129,600
Closing Balance at 30 June 2025	122,224,499	11,557,271
Issue of shares at \$0.12 per share	500,000	60,000
Conversion of 435,200 convertible notes at \$0.12 per share	3,626,668	435,200
800,000 Unlisted options exercised October 2025 at \$0.075 per option	800,000	124,800
100,000 Unlisted options exercised November 2025 at \$0.15 per option	100,000	22,300
Consolidation of equity on 5:4 basis	(25,450,235)	-
Share issue costs	-	(34,656)
Closing Balance at 31 December 2025	101,800,932	12,164,915

10. RESERVES

	31 Dec 2025	No.	30 Jun 2025	No.
	\$		\$	
(a) Reserve				
Options reserve	892,561	42,856,132	699,854	40,856,132
Performance rights reserve	-	18,900,000	-	18,900,000

(b) Options Movement Reconciliation

	No. of Options	\$
Opening Balance at 1 July 2024	9,600,000	468,026
ESOP Issue (\$0.300 exercise price, expiry date 31/10/28 ⁽³⁾)	1,750,000	-
Conversion (\$0.075 exercise price, expiry date 31/10/28 ⁽³⁾)	(1,600,000)	(129,600)
Bonus option issue 1:4 (\$0.300 exercise price, expiry date 31/10/2028) (1)(3)	30,156,132	-
Adjustment due to Bonus issue ⁽¹⁾	950,000	-
Share based payment expense on the vesting of unlisted options on issue for the half year period ended 31 December 2024.	-	179,660
Share based payment expense on the vesting of unlisted options on issue for the year ended 30 June 2025.	-	181,769
Balance at 30 June 2025	40,856,132	699,854
29 Oct 2025 - 800,000 Unlisted options exercised at \$0.075 per option	(800,000)	(64,800)
3 Nov 2025 - 100,000 Unlisted options exercised at \$0.15 per option	(100,000)	(7,300)
Options cancellation	(1,600,000)	-
30 November 2025 - Issue of options to CEO	4,500,000	134,348
Share based payment expense on the vesting of unlisted options on issue	-	130,460
Closing Balance at 31 December 2025	42,856,132	892,562

During the period, the Company issued a total of 4,500,000 incentive options to Andy Furniss, CEO, as part of LTIP plans. The incentive options consist of six tranches, and the fair value of the incentive options has been calculated using the Black Scholes option pricing with the key inputs used for the valuation detailed below:

	Tranche 1 to 6
Number of options	4,500,000
Underlying share price	\$0.20
Exercise price	\$0.25
Volatility	100%
Life of the options	3 years
Expected dividends	Nil
Risk free rate	3.45%
Value per option	\$0.1181
Total Fair Value	\$531,379

The CEO Options are subject to the following Vesting Conditions:

Tranche	Number of CEO Options	Vesting Conditions
1	1,000,000	N/A – vested immediately on issue.

2	500,000	The continuous service of the Executive in the Position from the Commencement Date to the date that is 12 months from 10 November 2025 (Commencement Date).
3	500,000	The continuous service of the Executive in the Position from the Commencement Date to the date that is 24 months from the Commencement Date.
4	500,000	The continuous service of the Executive in the Position from the Commencement Date to the date that is 36 months from the Commencement Date.
5	1,000,000	The Company announcing the completion of the Barberton 3D seismic survey in EP-494.
6	1,000,000	The Company announcing the completion of at least one well drilled to a completed and tested stage.

(c) Performance Rights Movement Reconciliation

	No. of Performance Rights	\$
Opening Balance at 1 July 2024	18,900,000	-
Movement during the period	-	-
Closing balance as at 30 June 2025	18,900,000	-
Movement during the period	-	-
Closing Balance at 31 December 2025	18,900,000	-

In the 2023 financial year Macallum New Energy Limited agreed to acquire the petroleum exploration permits from Macallum Group Limited under a related party transaction which represented a restructuring of the asset holdings of the Ultimate Holding Entity and was unanimously agreed to by both Company's boards of directors as being in the best interest of respective shareholders. No independent valuation was undertaken for this purpose as the Directors considered the purchase and sale was transacted at a reasonable value at the time having considered the costs incurred to date on the permits, the early-stage nature of the projects and the historical value of peers at similar stages of exploration. The Directors have assessed the value of these performance rights were nil at grant date. The purchase of the permits was paid for by the issue of 75,000,000 ordinary shares and by the issue of performance rights which together were determined to be a total value of A\$7.5M. Under the policy of capitalising the acquisition cost of permits this amount was recorded as an exploration asset.

The number of Performance Rights was reduced from 30,000,000 to 18,900,000 Performance Rights and the Performance Rights were issued to Macallum Group Limited on 22 May 2025. The criteria of the Performance Rights were subsequently amended in November 2025 and are set out below:

Performance Rights	Vesting Condition	Expiry Date
6,300,000	The Company: <ul style="list-style-type: none"> announcing a P50 Prospective Unrisked Resource exceeding 50 Bcf within all or any Jurassic targets in either EP-494, EP-511 or a combination of both; and on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20. 	22 May 2030

6,300,000	<p>The Company:</p> <ul style="list-style-type: none"> announcing the completion of at least one well drilled to a completed and tested stage that confirms the existence of potentially commercially recoverable hydrocarbons in either EP-494, EP-511 or a combination of both; and on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20. 	22 May 2030
6,300,000	<p>The Company:</p> <ul style="list-style-type: none"> announcing exploration and development well results of 2P reserves exceeding 100 Bcf in either of EP-494, EP-511 or from a combination of both; and on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20. 	22 May 2030

(d) Recognised share-based payment expense

	31 Dec 2025	31 Dec 2024
	\$	\$
Expense arising from options settled share-based payment transactions	264,808	179,660

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	31 Dec 2025	31 Dec 2024
	\$	\$
Basic and diluted profit/(loss) per share		
Basic and diluted profit/(loss) per share from continuing operations (cents per share)	(1.22)	(0.73)
Profit/(Loss)		
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:		
Profit/(Loss) for the period from continuing operations	(1,214,964)	(553,147)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	99,272,382	75,610,057

12. DIVIDENDS

No dividends have been declared or paid during the half-year period.

13. RELATED PARTY DISCLOSURE

In January 2023, the Company entered into a transfer agreement with MGL which was supplemented by a replacement agreement and an addendum in May and November 2025 (Transfer Agreement) pursuant to which:

- (Acquisition) the Company acquired MGL's legal and beneficial interest in EP-494 and EP-511 (Acquisition); and
 - (Consideration) in consideration for the Acquisition, the Company issued:
 - 60,000,000 in Shares; and
 - 18,900,000 Performance Rights, which are subject to certain Vesting Conditions; and
- (Reimbursement) the Company must within five Business Days from Admission on the ASX, reimburse MGL an amount of up to A\$500,000 for any fees and/or expenditure incurred by MGL in connection with legal and beneficial interest in EP-494 and EP-511, subject to MGL providing written evidence of the fees and/or expenditure incurred and the Company receiving confirmation from ASX that the cash reimbursement will be considered as "reimbursement of expenditure" for the purposes of Listing Rule 1.1 Condition 11. Subsequent to the Company being admitted to the ASX on 25 February 2026, the Company has satisfied the A\$500,000 payment to MGL.

In November 2025, the Company entered into a premises and information technology services agreement with MGL (Premises and IT Services Agreement) pursuant to which:

- (*Premises*) MGL will provide serviced office facilities (Premises) to the Company as its registered and administrative head office for an annual retainer of A\$43,000 (plus GST);
- (*IT Services*) MNE will be granted access to utilise information technology services procured by MGL from a third service party provider (IT Services) for an annual cost of A\$9,000 (plus GST);
- (*Payment*) payment for the Premises and IT Services will be made pursuant to a monthly invoice which includes details of the IT Services provided to MNE over the preceding month; and
- (*Term*) the Premises and IT Services Agreement continues until the earlier of:
 - the date the Premises term expires, being 12 months from 1 November 2025 with an option to extend for a further 12 months;
 - the date the IT Services term expires, being 12 months from 1 November 2025 with an option to extend for a further 12 months; and
 - the date the Premises and IT Services Agreement is terminated.

Loan Arrangement with MGL

The Company had previously provided funds to MGL by way of an interest-free loan totalling A\$80,000 as at 30 June 2025 (Loan Amount). MGL must repay the outstanding Loan Amount to the Company on the date that is 60 days from the date the Company provides written notice demanding repayment of the Loan Amount. During the period, MGL took a further \$30,000 loan from the Company and reimbursed \$140,000 of expenses on behalf of the Company until the Company is listed on the ASX. The net closing position is a loan payable to MGL of \$30,000 as at 31 December 2025. There are no other related party transactions noted during the period.

14. KEY MANAGEMENT PERSONNEL

Name	Base salary per annum ¹
Philip Thick (Non-Executive Chairman)	\$70,000 per annum on admission to the ASX
Rance Dorrington (Executive Director)	\$200,000 per annum then reduced to \$120,000 per annum on admission to the ASX
Trinity Nofal (Non-Executive Director)	\$35,000 per annum on admission to the ASX
Andy Furniss (Chief Executive Officer)	\$350,000

¹ Excluding superannuation

15. COMMITMENTS AND CONTINGENCIES

Future exploration costs

With each petroleum permit issued the consolidated entity is required to incur expenditures on future exploration work programmes in order to keep the permits in good standing. Should these programmes not be met then application can be made to suspend and / or extend the timeframes or to vary the work programmes and otherwise there is a risk of forfeiture or discontinuance of the rights granted under the permits. Whilst there is no absolute obligation to incur the expenditure going forward, it is the intent of the consolidated entity to at least spend the minimum expenditure amounts to keep all permits in good standing. The total minimum expenditure required to be spent under the permit conditions within the next two permit years has not materially changed since 30 June 2025.

The Company issued 18,900,000 Performance Rights to Macallum Group Limited on 22 May 2025. The criteria of the Performance Rights were subsequently amended in November 2025 and are set out below:

Performance Rights	Vesting Condition	Expiry Date
6,300,000	The Company: <ul style="list-style-type: none"> announcing a P50 Prospective Unrisked Resource exceeding 50 Bcf within all or any Jurassic targets in either EP-494, EP-511 or a combination of both; and on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20. 	22 May 2030
6,300,000	The Company: <ul style="list-style-type: none"> announcing the completion of at least one well drilled to a completed and tested stage that confirms the existence of potentially commercially recoverable hydrocarbons in either EP-494, EP-511 or a combination of both; and on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20. 	22 May 2030
6,300,000	The Company: <ul style="list-style-type: none"> announcing exploration and development well results of 2P reserves exceeding 100 Bcf in either of EP-494, EP-511 or from a combination of both; and on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than \$0.20. 	22 May 2030

Upon meeting the vesting condition and receipt of a conversion notice from MGL, the Company is obligated to issue one ordinary share for each performance right on issue.

As at the reporting date, there has been no other material change in the commitments and contingencies liabilities since 30 June 2025.

16. EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to 31 December 2025, the Company was admitted to the official list of ASX on 25 February 2026 under the ticker code MNE. Pursuant to its initial public offering, the Company raised \$7.4 million (before costs) and issued 36,889,082 new fully paid ordinary shares.

In addition, the Company issued 3,688,908 lead manager options exercisable at \$0.30 per option, expiring four years from the date of admission.

Further, 170,000 convertible notes were converted into ordinary shares at a conversion price of \$0.15 per share, resulting in the issue of 1,133,333 ordinary shares. Each Convertible Note holder is entitled to one free attaching Loyalty Option for every four Shares issued upon conversion of the Convertible Notes. Refer to Note 8 for further details.

Following the Company's admission to ASX, the Company paid A\$500,000 to MGL in satisfaction of its reimbursement obligation under the Transfer Agreement entered into in January 2023. Refer to Note 13 Related Party for further information regarding the Transfer Agreement with MGL.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

17. SEGMENT INFORMATION

Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its oil and gas exploration and corporate activities. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Group operates within on segment which is mineral exploration within Australia. The Group is domiciled in Australia.

DIRECTORS' DECLARATION

In the opinion of the directors of Macallum New Energy Limited:

- 1) the financial statements and notes of Macallum New Energy are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of its financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
 - b) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3) The Directors have been given a declaration required by section 303(5)A of the Corporations Act 2001 for the half year ended 31 December 2025.

On behalf of the Board



Rance Dorrington
Director

13 March 2026

**Independent Auditor's Review Report
To the members of Macallum New Energy Limited
Report on the Half-year Financial Report**

Conclusion

We have reviewed the accompanying Half-year Financial Report of Macallum New Energy Limited ("the Company") and the entity it controlled ("the consolidated entity"). Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Macallum New Energy Limited is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Consolidated statement of financial position as at 31 December 2025;
- Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 17 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of the Financial Report performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001 which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to note 1 in the half-year financial report which indicates that the Group has reported a net loss for the financial period of \$1,214,964 (31 December 2024: \$533,147) and a cash outflow from operating activities of \$615,666 (31 December 2024: \$312,816). As at 31 December 2025

the Company had \$3,541 in cash and cash equivalents (30 June 2025: \$72,762) and a working capital deficit of \$607,799 (30 June 2025: \$182,945). These conditions may indicate a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. In arriving at this position the directors have had regard to the fact that based on the matters noted below the Company has, or in the Directors' opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing the half year financial report.

In forming this view, the Directors have taken into consideration that, subsequent to 31 December 2025, the Company was admitted to the official list of the ASX on 25 February 2026 and, pursuant to its initial public offering, raised \$7.4 million (before costs) and issued 36,889,082 new fully paid ordinary shares.

As stated in Note 1, these events or conditions, along with other matters detailed in the note, indicate the existence of material uncertainty as at 31 December 2025. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the consolidated entity are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001*
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

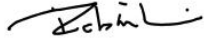
Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888



ROBIN KING HENG LI CA RCA
DIRECTOR
Date: 13 March 2026