Macallum New Energy Limited

ABN 20 628 953 122

ANNUAL REPORT

For the Year Ended
30 JUNE 2026

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CORPORATE DIRECTORY

Directors

Phil Thick	Non-Executive Chairman
Trinity Nofal	Executive Director
Rance Dorrington	Non-Executive Director

Chief Executive Officer

Andy Furniss

CFO and Company Secretary

Silfia Morton

Registered Office & Principal Place of Business

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Applecross, WA 6153
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Web: https://www.macnewenergy.com.au/

Auditor

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60 Toorak Road
South Yarra VIC 3141
Australia

Legal

Thomsons
Level 29, Central Park Tower
152-158 St Georges Terrace
Perth WA 6000
Australia

Share Register

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Haymarket NSW 2000
Australia

Securities Exchange Listing

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

CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of Macallum New Energy Limited (**MNE, Macallum New Energy** or the **Company**), it is my pleasure to present the Company's Annual Report for the financial year ended 30 June 2026.

2026 was a transformative year for Macallum New Energy, with the Company successfully admitted to the ASX on 23 February 2026 following completion of its initial public offering (IPO). The Company raised A$7.4 million (before costs) through the issue of 36,889,082 new shares at an issue price of A$0.20. The IPO represented an important milestone in the Company's evolution, providing the capital required to accelerate exploration activities and position Macallum New Energy for its next phase of growth. I would like to thank our shareholders for the confidence they have shown in supporting the Company's vision.

Since listing, management has focused on executing the exploration strategy outlined in our Prospectus. During the year, the Company successfully completed the Barberton 3D seismic acquisition program over EP-494 and the Condor 2D seismic survey across EP-511 and the southern portion of EP-494. These surveys represent the most significant exploration activities undertaken by the Company to date and will substantially enhance our understanding of the prospectivity and potential of our permits. Interpretation of these datasets is expected to refine existing prospects, identify new opportunities and support future drilling decisions.

Our projects are located within the onshore Northern Perth Basin, one of Australia's most prospective hydrocarbon provinces with an established history of commercial oil and gas discoveries and existing energy infrastructure. The Board believes the region continues to offer significant exploration potential, particularly as Australia's focus on domestic energy security and reliable gas supply continues to strengthen. While exploration companies operate in an inherently high-risk environment, your Board remains committed to disciplined capital management and responsible allocation of shareholder funds. Throughout the year, management successfully delivered the planned seismic acquisition programs safely, efficiently and in line with the Company's exploration objectives and timeline. The Company continues to take a disciplined, scientific and data-driven approach to risk management that provides a strong technical foundation for the next phase of exploration.

Looking ahead, our focus will be on completing the interpretation of the newly acquired seismic datasets, maturing exploration prospects through independent resource assessments where appropriate, and progressing drilling plans for our highest-priority targets. These activities have the potential to significantly advance our understanding of the Company's exploration assets and create long-term value for shareholders.

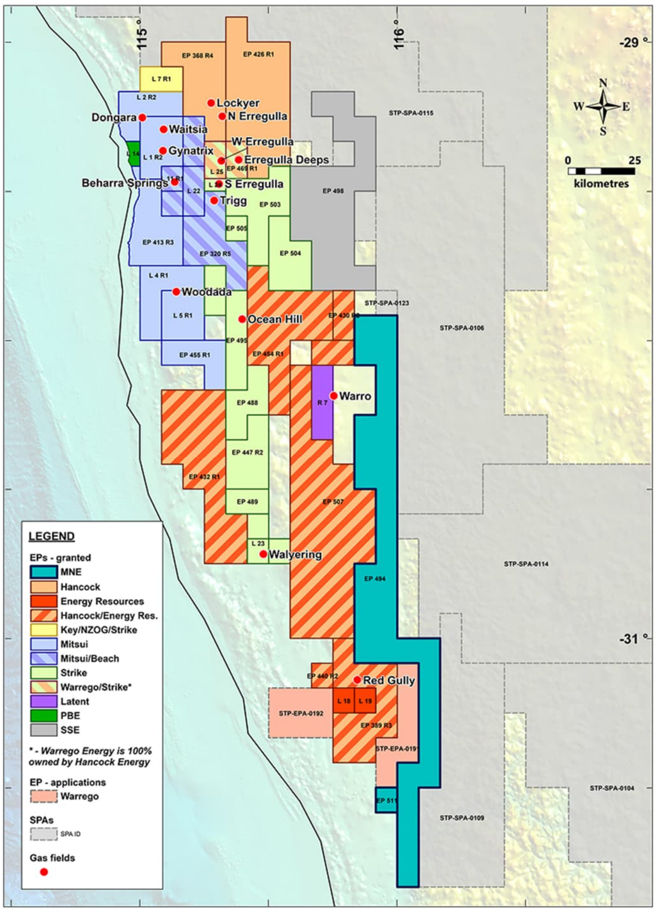
On behalf of the Board, I would like to sincerely thank our shareholders for their ongoing support, our employees and consultants for their dedication, and our contractors and advisers for their contribution during this important year. We also acknowledge the Traditional Owners of the land on which we operate and appreciate the constructive relationships we continue to build with local communities and stakeholders.

The Board believes Macallum New Energy is entering an exciting stage of its development. With a strong balance sheet following our IPO, an experienced technical and corporate team, and a portfolio of highly prospective exploration assets in a proven petroleum basin, we look forward to delivering on the opportunities ahead.

Yours sincerely
Phil Thick
Non-Executive Chairman

FY26 Highlights

Macallum New Energy Limited is an Australian oil and gas exploration company focused on the exploration and potential development of its 100% owned petroleum exploration permits, EP-494 and EP-511, located in the onshore Northern Perth Basin, Western Australia (**Projects**).



Basin

The Company's strategy is to advance a portfolio of conventional oil and natural gas prospects through disciplined technical evaluation based on modern seismic acquisition and interpretation, with the objective of progressing high-quality drilling opportunities.

The Company's technical work continues to mature the Barberton Terrace Deep Permian prospect with targets in the highly prospective Kingia and Dongara/Wagina sandstone reservoirs. MNE has also advanced the evaluation of the Jurassic Yarra, Gadee and Condor structures, which are material natural gas exploration targets.

Since admission to the ASX in February, MNE has successfully delivered on a clearly defined work program within an ambitious time frame. The Company has completed two successful seismic acquisition surveys and expanded its evaluation of both EP-494 and EP-511 through the reprocessing of old 2D seismic lines and the review of new 2D seismic data recently released into the public domain. This has resulted in the identification of the Aberfeldy prospect and three additional new leads within EP-494 that are prospective for both oil and gas.

This enhanced portfolio of opportunities positions EP-494 as one of the most prospective exploration permits in the Perth Basin. The southern portion of the Perth Basin remains massively underexplored and MNE is well positioned to lead the way in unlocking some of the largest undrilled oil and gas prospects in the basin, with the Company working hard towards delivering on a potential drilling campaign in late 2027.

DIRECTORS’ REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Macallum New Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entity it controlled at the end of, or during, the year ended 30 June 2026.

1. DIRECTORS AND KEY MANAGEMENT

Board of Directors

The following persons were directors of the Company during the whole of the financial period and up to the date of this report, unless noted otherwise:

Phil Thick	Non-Executive Chairman (appointed 7 August 2024)
Trinity Nofal	Executive Director (appointed 4 May 2026, former Non-Executive Director appointed 15 June 2023)
Rance Dorrington	Non-Executive Director (appointed 4 May 2026, former company secretary and CEO resigned 1 November 2025, former Executive Director resigned 4 May 2026)

Chief Executive Officer

Mr Andy Furniss (MSc, Bsc, FGS, GAICD)

Appointed on 7 November 2025

Mr Furniss is a successful explorer with 35 years of global experience in senior executive roles in upstream oil and gas and geoscience technology businesses. Most recently, Andy was Vice President Exploration & Geoscience at Mitsui E&P Australia following the company's 2018 acquisition of ASX-listed AWE Limited where he served as GM Exploration & Geoscience. Andy was responsible for leading the team that lead to the discovery, appraisal and development of the Waitsia Gas Field in the North Perth Basin, one of Australia's largest onshore gas discoveries. Following a 10-year career with global E&P company, Chevron, Andy joined Paradigm Geophysical where, as Global Technical Director, he led a team of geoscientists across the globe to innovate exploration workflows and was directly involved in the world's largest discovery of 2002, the 14 Tcf KG-D6 Gas Field operated by India's Reliance Industries.

Chief Financial Officer (CFO) & Company Secretary

Ms Silfia Morton (BCOM, MCOM, CA)

Appointed on 1 November 2025

Ms Morton is a Chartered Accountant specialising in financial management, financial reporting services, and risk compliance and management. Ms Morton spent 12 years as senior audit manager at one of the leading international audit, tax and advisory firms, and has experience in the local and international markets. She was responsible for managing the assurance and compliance requirements of a diversified group of large, medium and small companies in a range of industries. Ms Morton is currently CFO and Company Secretary of Ore Resources Ltd, Solstice Minerals Ltd, and Kali Metals Ltd.

2. PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were the continued exploration for hydrocarbons and other gases within 100% held petroleum exploration permits in the onshore Perth Basin in Western Australia.

3. OPERATING RESULTS

The loss of the Group after providing for income tax for the year ended 30 June 2026 was $5,880,540 (2025: loss of $1,374,681).

4. REVIEW OF OPERATIONS

4.1 Successful ASX Listing

A major achievement during the year was the Company's successful Initial Public Offering and admission to the Official List of the Australian Securities Exchange.

MNE was admitted to the ASX on 23 February 2026 and commenced trading under the ticker code "MNE" on 25 February 2026. The Company raised approximately $7.4 million (before costs) through the issue of 36.9 million new shares at $0.20 per share. The capital raising attracted strong support from both institutional and retail investors and provided funding for the Company's planned exploration activities and corporate objectives.

4.2 Projects Overview and Exploration Activities

Macallum New Energy owns 100% of petroleum exploration permits EP-494 and EP-511 located in the onshore North Perth Basin in Western Australia (**Projects**). The Projects are close to existing gas infrastructure, located 23km from the Dampier-Bunbury and Parmelia gas pipelines (currently with spare capacity) and 20km from the dormant Red Gully natural gas processing facility in Gingin.

Figure 2 details the geographical location of the Projects.

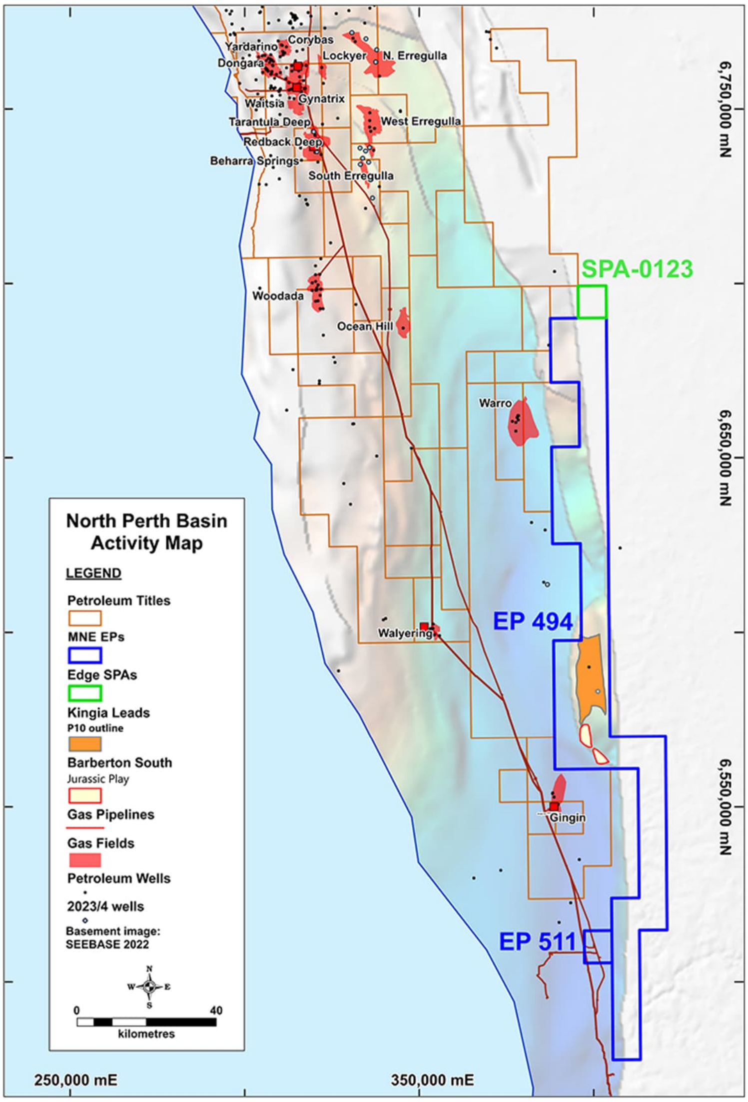


Figure 2 - Geographical map of EP-494 and EP-511

4.2.1 Exploration Permit EP-494 – 100%

EP-494 covers an area of 2,577km^2 running north-south along the eastern boundary of the North Perth Basin, Western Australia. To date, MNE has identified the following prospects and leads within EP-494:

a) the early Permian-age Barberton Terrace Deep (BTD) prospect;
b) the Jurassic Yarra lead;
c) the Jurassic Gadee lead;
d) the Jurassic Condor lead (within EP-494 and EP-511);
e) the Jurassic Aberfeldy prospect; and
f) the Jurassic Bowmore, Cardhu and Barberton East leads.

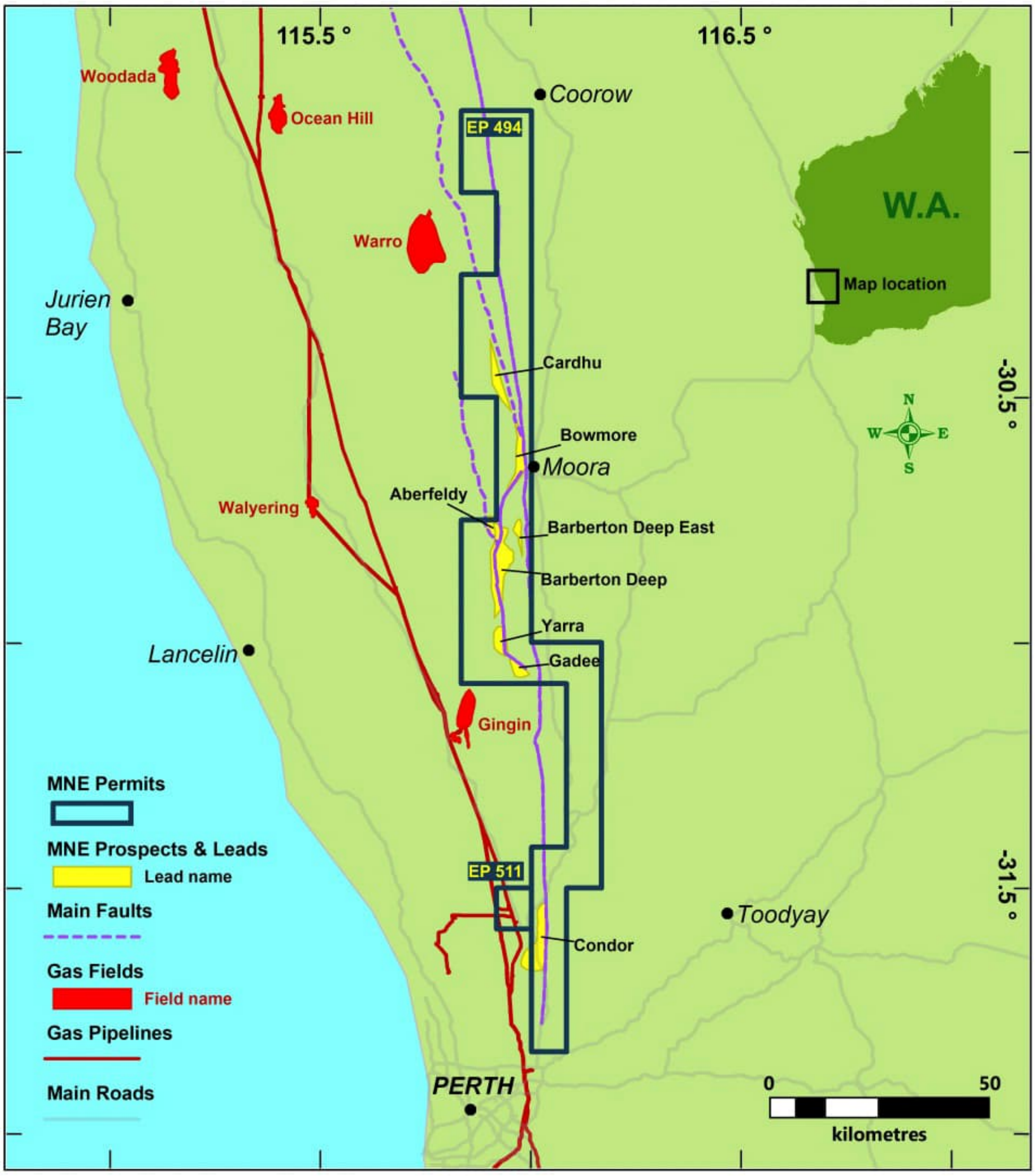


Figure 3 – MNE prospects and leads within EP-494

BTD Prospect

The BTD prospect within EP-494 is considered to be a drill-ready prospect, where the Company has already completed preliminary well planning and secured land access rights to the preferred location. BTD remains the most significant exploration target in the MNE portfolio and potentially the largest undrilled prospect currently identified in the Perth Basin. Consequently, BTD remains our highest priority drilling candidate, and subject to regulatory approval and funding, will be considered for future drilling. At a target depth of ~4,500m, BTD is expected to contain conventional gas reservoirs and is within the depth range of comparable recent major discoveries in the basin, including Waitsia, West and South Erregulla and Lockyer Deep.

Barberton 3D Seismic Survey

Following admission to the ASX, the Company immediately commenced the Barberton 3D seismic survey within EP-494 to provide a more complete subsurface image of the Yarra and Gadee gas leads.

The survey commenced in March and was completed on schedule in May. The survey acquired a total of 117 km² of new 3D seismic data over the Yarra and Gadee Jurassic leads. These leads, previously identified from the Company's 2022 Mogumber North 2D seismic survey, are located at an interpreted depth of approximately 2,500 metres and are considered prospective for conventional gas within the Yarragadee Formation.

The Barberton 3D survey was the first seismic program in Western Australia to utilise GeoPulse low-impact seismic source technology (Figure 4). The GeoPulse units enabled data to be acquired in areas that would otherwise be inaccessible to conventional source vehicles and lowered the environmental impact by eliminating the need for any clearing of vegetation.

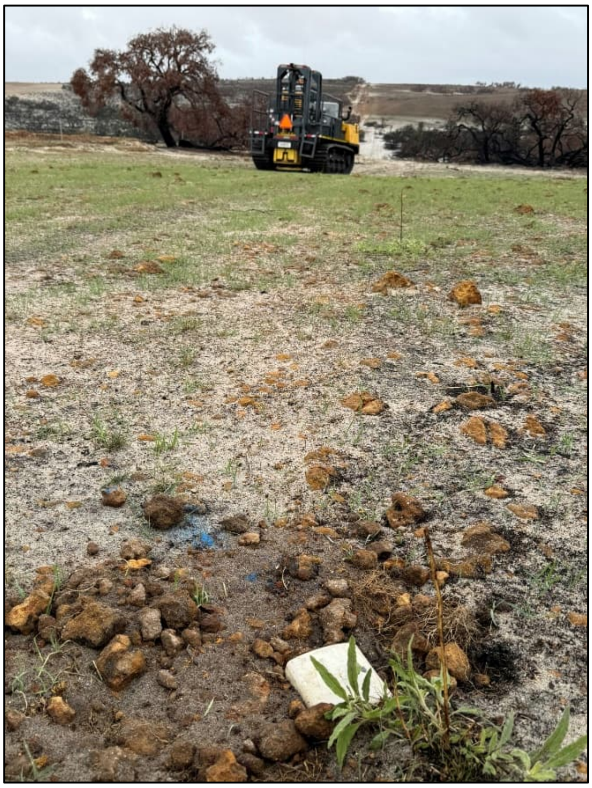


Figure 4 – GeoPulse source vehicle and geophone recording the Barberton 3D seismic survey

Processing of the Barberton 3D seismic data commenced immediately following completion of acquisition. The Company appointed Velseis Processing Pty Ltd (Velseis) to undertake processing of both the Barberton 3D and Condor 2D seismic datasets as well as Pre-Stack Depth Migration (PSDM) reprocessing of the legacy 2022 Mogumber North 2D seismic.

Subsequent to the year end, the Company announced in July that interim "fast-track" data volumes received from the Barberton 3D seismic survey clearly confirm that the survey met its primary objective to provide a more complete subsurface image of the Yarra and Gadee gas leads. MNE reported that the fast-track data volumes confirm that the 3D seismic program successfully imaged the target objectives with strong seismic reflectors consistently observed beyond the depths required to further mature the two leads.

Preliminary interpretation based on the fast-track data has indicated a valid structural closure exists at the Gadee lead, while the preliminary data also confirms expected structural dips at the Yarra lead where interpretation continues.

Final processed products are on track to be delivered in the September quarter. Interpretation of the Barberton 3D seismic data is expected to significantly improve structural definition and support further evaluation of the Yarra and Gadee leads, as well as to provide a solid technical foundation to drive future exploration activities across EP-494.

New Prospects and Leads

In June the Company announced that it had identified a new prospect, Aberfeldy, and three new leads within EP-494 that are prospective for both oil and gas. MNE continues to evaluate the entire EP-494 permit using all available data in the region. In reviewing new 2D seismic survey data recently released into the public domain, MNE was able to evaluate areas of the permit that previously had limited seismic coverage. This resulted in the identification of the Aberfeldy prospect and the Bowmore, Cardhu and Barberton East leads. Post year end, MNE was pleased to announce in July a maiden Prospective Resource estimate for the Aberfeldy prospect. Additional 2D seismic data may be required to fully mature the remaining new leads into drillable status.

Hydrogen and Helium Potential

On 28 May 2026 the Western Australian government implemented the *Petroleum Legislation Amendment Act (2024) (PLAA)* amending the former *Petroleum and Geothermal Energy Resources Act (1967) (PGERA67)*. The amended Act enables exploration for naturally occurring hydrogen and helium within petroleum permits and can be granted to existing titles on application. MNE intends to apply for these gases to be added to EP-494 at the appropriate time.

While oil and gas remains our priority in the Perth Basin, MNE will continue to monitor exploration results by others in this field and will consider helium and hydrogen as a secondary objective in our oil and gas exploration activities.

4.2.2 Exploration Permit EP-511 – 100%

EP-511 comprises a single graticular block of approximately 73km^2 and is located immediately west of EP-494 (see Figure 1 and 2). It contains the Jurassic Condor lead, which overlaps into EP-494. The Condor lead is a structural Jurassic lead identified through technical evaluation of existing 2D seismic data in EP-494 and EP-511.

Condor 2D Seismic Survey

The Company commenced the Condor 2D seismic survey (within EP-511 and EP-494) in May to confirm and better define the Condor structural trap. The program was successfully completed in June. The Condor survey acquired approximately 68km of new 2D seismic data across EP-511 and the adjacent portion of EP-494 near Muchea, Western Australia.

The survey was designed to provide the first comprehensive view of the exploration potential of EP-511, which previously contained a single 2D seismic line acquired in 1966. It was also designed to improve imaging of the Jurassic Condor lead within EP-494 and enhance interpretation of regional geological structures identified on legacy seismic data.

Data acquired from the survey is being processed by Velseis alongside the Barberton 3D seismic survey data, providing an integrated dataset to support ongoing technical evaluation of the Company's Perth Basin exploration portfolio. Final data products are on schedule for delivery in the September quarter.

Interpretation of the Condor 2D seismic data is expected to improve understanding of the structural framework, prospect geometry and future exploration potential within EP-511.

4.2.3 Special Prospecting Authority Applications

The Company, via its wholly owned subsidiary Edge Natural Energy Pty Ltd, has applied for three SPA/AO (Special Prospecting Authority with Acreage Option) permits located in the onshore Northern Perth Basin, Pilbara and Great Southern regions.

Applications have been accepted by DMPE for STP-SPA-0123 (Perth Basin) and STP-SPA-0136 (Great Southern) but have not yet been granted. Application for STP-SPA-0137 (Pilbara) has been accepted and the Company has commenced consultation with various Traditional Owners and native title holders as required under the Native Title Act.

In the future, and subject to regulatory approval and availability of funding at that time, the Company may consider assessing these SPA/AOs, along with the Projects, for naturally occurring hydrogen and helium potential.

4.2.4 Prospective Resources

BTD Prospect and the Yarra, Gadee and Condor Leads

As reported in the Company's Prospectus, the Independent Technical Expert (being Molyneaux Advisors Pty Ltd) has:

1) 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
2) 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)			
BTD	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**

*** Prospective Resources Cautionary Statement**

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. The above estimates 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. The estimates of Prospective Resources presented above been prepared in accordance with Guidelines issued by the Society of Petroleum Engineers in the Petroleum Resource Management System (2018) using probabilistic methods, except totals which are arithmetic, and are reported for the area within EP-494. The Prospective Resource assessment covers those unconventional hydrocarbons expected to be present within EP-494.

The Company has presented the Prospective Resource information relating to EP-494 in this document in accordance with the ASX Listing Rules and the Company's Prospectus dated 28 November 2025. The Prospective Resource information detailed above were originally disclosed to the market in the Company's Prospectus dated 28 November 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Company's Prospectus dated 28 November 2025 and all the material assumptions and technical parameters underpinning the estimates in the Company's Prospectus dated 28 November 2025 continue to apply and have not materially changed. Refer to the Company's Prospectus for further details regarding the above Prospective Resources, including the methodology for calculating in-place recoverable volumes.

Aberfeldy Prospect

Post financial year end, the Company announced a maiden Prospective Resource estimate for the Aberfeldy Prospect on 3 August with independent certification undertaken by Molyneux Advisors Pty Ltd. The potential gas resources in the Aberfeldy Prospect have been classified as Prospective Resources, Prospect sub-class in accordance with Guidelines issued by the Society of Petroleum Engineers in the Petroleum Resource Management System (2018).

Two mutually exclusive scenarios were prepared to reflect the sub-surface uncertainty as to whether the Intra Yarragadee reservoir is oil-bearing or gas-bearing. Only one of these two outcomes can eventuate; the scenarios are alternatives and must not be added together.

Table 1. Scenario 1: Intra Yarragadee Formation is oil-bearing

Oil EUR (MMbbl) — unrisked, mean recoverable,100% net to MNE*

Accumulation	Formation	1U (Low)	2U (Best)	3U (High)	Mean
Top Yarragadee	Yarragadee	4.44	17.46	54.85	26.23
Intra Yarragadee (Oil)	Yarragadee	4.15	16.82	58.09	26.40
Total Prospect		**8.59**	**34.28**	**112.94**	**52.63**

Sales Gas (PJ) — unrisked, mean recoverable,100% net to MNE*

Accumulation	Formation	1U (Low)	2U (Best)	3U (High)	Mean
Top Cattamarra	Cattamarra	11	33	95	46
Cattamarra 2	Cattamarra	0	3	21	8
Total Prospect		**11**	**36**	**116**	**54**

Table 2. Scenario 2: Intra Yarragadee Formation is gas-bearing

Oil EUR (MMbbl) — unrisked, mean recoverable,100% net to MNE*

Accumulation	Formation	1U (Low)	2U (Best)	3U (High)	Mean
Top Yarragadee	Yarragadee	4.44	17.46	54.85	26.23
Total Prospect		**4.44**	**17.46**	**54.85**	**26.23**

Sales Gas (PJ) — unrisked, mean recoverable,100% net to MNE*

Accumulation	Formation	1U (Low)	2U (Best)	3U (High)	Mean
Intra Yarragadee (Gas)	Yarragadee	20	61	183	88
Top Cattamarra	Cattamarra	11	33	95	46
Cattamarra 2	Cattamarra	0	3	21	8
Total Prospect		**31**	**97**	**299**	**142**

*** Prospective Resources Cautionary Statement**

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially recoverable hydrocarbons. All Prospective Resource volumes presented have been calculated in accordance with Guidelines issued by the Society of Petroleum Engineers in the Petroleum Resource Management System (2018) using probabilistic methods, except totals which are arithmetic.
Note on aggregations: the Total Prospect Mean values are obtained by simple arithmetic summation of the constituent accumulations' means, which is statistically valid regardless of any dependence between the accumulations. The Total Prospect 1U (Low) and 3U (High) values shown are also arithmetic sums of the corresponding per-accumulation estimates; this is a simplification that is only strictly valid where the accumulations are fully positively correlated. Readers should treat the Total Prospect 1U and 3U figures as indicative rather than as rigorously derived probabilistic aggregates.

The Company has presented the Prospective Resource information for the Aberfeldy Prospect in this document in accordance with the ASX Listing Rules and the Company's announcement dated 3 August 2026 and titled 'Maiden Prospective Resource Estimate for the Aberfeldy Prospect' (**Announcement**). The Prospective Resource information detailed above were originally disclosed to the market in the Announcement. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Announcement and all the material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed. Refer to the Announcement for further details regarding the above Prospective Resources, including the methodology for calculating in-place recoverable volumes.

4.2.5 Competent Person's Statement and Forward Looking Statements

The information in this document that relates to estimates of Prospective Resources is based on, and fairly represents, information and supporting documentation prepared or compiled by, or under the supervision of, qualified petroleum reserves and resource evaluators, Mr Hongfeng Wu, Director of Molyneux Advisors Pty Ltd. Mr 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 relevant to the evaluation and estimation of Prospective Resources. Mr. Wu and Molyneux Advisors Pty Ltd have each provided their consent to the inclusion in this document of the matters based on their information in the form and context in which they appear.

This document may include forward-looking statements. Such statements may relate to, among other things, exploration activities, resource potential, development plans, production targets, funding requirements, regulatory approvals and commercialisation opportunities. Words such as "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "potential", "should" and similar expressions are intended to identify forward-looking statements. Although MNE believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. and actual results, performance, actions and developments of the Company may differ materially from those expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document.

4.3 Corporate Development

The appointment of experienced industry executives strengthened the Company's management capability during the year. Mr Andy Furniss was appointed Chief Executive Officer and assumed responsibility for executing the Company's exploration and growth strategy. The Company also strengthened its corporate and governance functions following the appointment of Ms Silfia Morton as Chief Financial Officer and Company Secretary.

Effective 1 May 2026, the Board approved changes to the roles of two directors to better align the Company's governance and operational requirements. Rance Dorrington transitioned from Executive Director to Non-Executive Director, while Trinity Nofal transitioned from Non-Executive Director to Executive Director to assume greater executive responsibilities in progressing the Company's exploration and corporate initiatives.

The Company was pleased to announce in April the appointment of UK based Greenwood Capital Partners Limited (Greenwood) to provide global financial and equity capital markets advisory services to the Company.

In June the Company also announced the appointment of Stannards Audit Pty Ltd as its external auditor following Connect National Audit Pty Ltd's strategic alliance with Stannards Accountants and Advisors.

Following listing, the Company focused on establishing its public company reporting framework, investor relations activities and governance systems appropriate for an ASX-listed entity.

4.4 Outlook

Looking ahead, MNE intends to complete processing and interpretation of seismic data acquired during the Barberton 3D Seismic Survey and the Condor 2D Seismic Survey programs and continue technical evaluation of its exploration portfolio. The Company looks forward to updating the market on further prospectivity updates following this process. Subject to the outcomes of these activities, the Company expects to assess future drilling opportunities within the Jurassic leads and/or progress planning for the Barberton Terrace Deep prospect. In line with this, MNE has commenced the process of finding a suitable Joint Venture partner/s to progress to a drilling campaign in the second half of 2027. To meet this schedule, MNE has commenced preliminary well planning studies for multiple locations to enable selection of the most commercially viable opportunities when required.

The Board believes the successful completion of the IPO, combined with the Company's strategic land position in the North Perth Basin and planned exploration activities, positions MNE to continue advancing its objective of identifying and developing much needed commercially viable energy resources within Western Australia.

The Company remains focused on disciplined exploration expenditure, technical evaluation and value creation for shareholders through the advancement of its wholly owned exploration permits.

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the matters disclosed elsewhere in this Directors' Report, including the Company's admission to the Official List of the ASX, completion of its Initial Public Offering, changes to the composition and roles of the Board and executive management, and the advancement of its exploration program, there were no other significant changes in the state of affairs of the Group during the financial year.

6. DIVIDENDS

There were no dividends declared or paid during the financial period. No recommendation for the payment of a dividend has been made by the Directors.

7. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

The directors are not aware of any other material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The consolidated entity intends to continue its exploration activities in the onshore North Perth Basin within its two existing Exploration Permits. Where initial exploration for hydrocarbons proves successful then additional works could include further exploration and the development of projects to capitalise on such success. At this stage however the potential for development of any production is not known.

The material business risks faced by the Company that are likely to impact the financial prospects of the Company, and how the Company manages these risks are:

Exploration Risk

The Company's principal assets comprise petroleum exploration permits in the onshore North Perth Basin, Western Australia. Petroleum exploration is inherently uncertain, and there is no assurance that the Company's exploration activities, including seismic interpretation and future drilling programs, will result in the discovery of commercially recoverable hydrocarbons.

To manage this risk, the Company adopts a disciplined and phased exploration strategy, supported by the acquisition and interpretation of high-quality seismic data, engagement of experienced technical consultants and independent specialists, and regular technical review by management and the Board before committing to significant exploration expenditure.

Funding and Capital Management Risk

The Company is an exploration company and does not currently generate operating revenue. Continued exploration, appraisal and any future development activities will require ongoing access to capital.

The Board regularly reviews the Company's cash flow forecasts, funding requirements and capital management strategy. Management actively evaluates a range of funding alternatives, including equity capital, strategic partnerships, farm-out arrangements and debt funding where appropriate, to ensure sufficient financial capacity to execute the Company's exploration program.

Petroleum Tenure, Regulatory and Land Access Risk

The Company's petroleum exploration permits are subject to the *Petroleum and Geothermal Energy Resources Act 1967 (WA)*, together with environmental, native title, Aboriginal heritage and other statutory requirements. Delays in obtaining approvals or maintaining compliance with permit conditions may impact exploration activities.

Management works closely with regulatory authorities, landholders, native title parties and specialist advisers to ensure compliance with permit conditions and applicable legislation. The Board receives regular updates on regulatory compliance, permitting, land access and stakeholder engagement.

Development and Commercialisation Risk

Should the Company make a commercial petroleum discovery, successful development will depend on a range of factors, including technical feasibility, funding, infrastructure access, regulatory approvals and market conditions.

The Company seeks to mitigate this risk by undertaking staged technical evaluations, assessing commercial opportunities as projects mature, and considering strategic partnerships or joint venture arrangements where these may reduce development risk and optimise shareholder value.

Commodity Price Risk

The commercial viability of any future petroleum discovery will be influenced by prevailing oil and natural gas prices and broader market conditions.

The Board monitors commodity market conditions when assessing exploration priorities and investment decisions. The Company maintains financial discipline by progressing exploration in stages and aligning expenditure with available funding and prevailing market conditions.

Health, Safety and Environmental Risk

The Company's exploration activities are subject to inherent health, safety and environmental risks and are regulated under Commonwealth and Western Australian legislation. Exploration activities may result in land disturbance, waste generation and other environmental impacts, and any failure to comply with applicable laws or permit conditions could lead to operational delays, remediation costs, regulatory penalties and reputational damage. The Company manages these risks through compliance with applicable legislation, environmental and safety management procedures, contractor oversight and regular monitoring by management and the Board. Notwithstanding these measures, residual health, safety and environmental risks remain inherent in petroleum exploration activities.

Heritage

With the Company's tenure residing within Western Australia, the Company is subject to the state and federal laws and regulations concerning Native Title and Heritage rights and interests. The Company is required to ensure that tenure has been adequately surveyed and considered before commencing any activity that would disturb the natural environment and its surroundings.

The Company complies with required legislation regarding Native Title and Heritage requirements, and where suitable, engages a third party to ensure that all requirements are met.

While all care is taken to ensure rights and interests are maintained, there is a level of risk inherent in the exploration activity that is unable to be fully mitigated.

Cyber risks

The Company is exposed to risks arising from cyber security threats, including unauthorised access to data, theft of commercially sensitive information, business interruption, and financial or reputational loss. These risks may increase as the Company relies on digital platforms for geological data storage, communications, and financial management. To mitigate these risks, the Company employs secure IT systems with restricted access, engages external providers with appropriate cyber security safeguards, implements regular data back-ups, and promotes staff awareness of cyber security practices. The Board and management monitor these arrangements as part of MNE's overall risk management framework, though residual cyber risk cannot be fully eliminated.

General market risks

The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.

9. ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to environmental regulation under applicable Commonwealth and Western Australia laws and regulations. In Western Australia, the Company's petroleum exploration activities are regulated by the relevant Government agencies, including the Department of Mines, Petroleum and Exploration (DMPE), and its exploration permits are subject to environmental conditions and approval requirements.

These requirements include controls over land disturbance and clearing, the use of mechanised equipment and other exploration activities, together with rehabilitation obligations following completion of exploration activities. The consolidated entity conducts its exploration activities in an environmentally responsible manner and expects to comply with all applicable permit conditions, statutory requirements and environmental regulations. As at the date of this report, the consolidated entity is not aware of any material breach of its environmental obligations or permit conditions.

10. INFORMATION ON DIRECTORS

The names and details of the Directors of the Company in office as at the date of this report and anytime during the financial year are:

Name:	Phil Thick
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Engineering Civil (Hons)
Experience and expertise:	Phil has over 40 years' experience as a senior executive in oil and gas, mining and chemical processing spanning small to multi-national public and private companies. He also has extensive experience on many boards and has chaired many of them for extended periods. He enjoyed a 20-year career with Shell, both within Australia and overseas and for the last three he was on the board of Shell Australia as Downstream Director. This was followed by five years as a director and CEO of Coogee Chemicals, then four as CEO of New Standard Energy drilling exploration and production wells in the Canning Basin in WA and in Texas. He was then the head of Tianq Lithium Australia for four years.
Other current directorships:	Non-Executive Director, Livium Ltd (ASX:LIT) Non-Executive Chairman, Tāiko Critical Minerals Limited (NZX:TCM)
Former directorships (last 3 years):	Non-Executive Director, Patriot Resources Ltd (ASX:PAT) ceased 26 March 2026
Interests in shares:	1,499,247 Ordinary Shares (indirect)
Interests in options:	1,050,000 Options (direct) 800,299 Options (indirect)

Name:	Trinity Nofal
Title:	Executive Director
Qualifications:	Bachelor of Commerce Bachelor of Health Science Master of Applied Finance from Kaplan Professional Graduate Member of the Australian Institute of Company Directors (GAICD)
Experience and expertise:	Trinity gained her experience in corporate finance as an Associate Director at RFC Ambrian Limited. With a specific focus on the natural resources sector, Trinity demonstrated exceptional expertise in analysing and advising on various aspects of the industry. Throughout her tenure at RFC Ambrian, Trinity was involved in strategic reviews, IPO's and mergers and acquisitions within the natural resources space. She excelled in conducting comprehensive market research, due diligence, and financial analysis to evaluate investment opportunities and provide insightful recommendations to clients. Trinity began working with the Macallum Group in a corporate finance role in 2019.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	380,001 Ordinary Shares (direct) 250,000 Ordinary Shares (indirect)
Interests in options:	1,651,250 Options (direct)

Name:	Rance Dorrington
Title:	Non-Executive Director
Qualifications:	Bachelor of Business / Graduate Diploma Corporate Governance
Experience and expertise:	Rance has worked within the resources industry for over 25 years with experience in the petroleum and minerals industries globally, including acting as CFO & Co-Sec for Extract Resources Ltd from its ASX junior listed inception up until prior to take over by Chinese interests for over A$2B. Predominantly working in capital markets, financial and governance roles within a small team environment where exposure to all facets of exploration and commercial operations has given Rance substantial knowledge at all levels of the exploration business. Rance served as CEO and Company Secretary of MNE from incorporation until November 2025 where he then served as an Executive Director of the Company until May 2026 after which time he transitioned into the role of Non-Executive Director for the Company.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,440,164 Ordinary Shares (direct) 1,820,575 Ordinary Shares (indirect)
Interests in options:	1,860,097 Options (direct) 952,712 Options (indirect)

Other current directorships quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years) quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Options And Performance Rights

As at the date of this report, the Company has the following Options on issue:

Grant date	Expiry date	Exercise price	Number under option
14/10/2022	31/10/2028	$0.20	3,062,500
3/10/2023	31/10/2028	$0.30	812,500
3/10/2023	31/10/2028	$0.225	2,400,000
15/04/2025	31/10/2028	$0.30	875,000
15/04/2025	31/10/2028	$0.225	1,050,000
25/04/2025	31/10/2029	$0.30	30,156,132
20/11/2025	20/11/2028	$0.25	4,500,000
13/02/2026	23/02/2030	$0.30	3,688,908
13/02/2026	31/10/2029	$0.30	25,733,554
			72,278,594

As at the date of this report, the Company has 18,900,000 Performance Rights on issue with nil exercise price and expiry of 22 May 2030.

Shares issued on the exercise of options

The following Ordinary Shares of Macallum New Energy Limited were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options granted:

Grant Date	Exercise Price	Number of shares issued
22/06/2022	$0.075	800,000
14/10/2022	$0.15	100,000

Meetings Of Directors

Considering the Company's relatively small size, the Board has determined that the Company's interests are most effectively served by the full Board undertaking the duties traditionally delegated to Committees.

During the financial year, 8 meetings of Directors were held. Attendances by each Director during the year were as follows:

Directors	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Phil Thick	8	8
Trinity Nofal	8	8
Rance Dorrington	8	8

Remuneration Report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate. The Company operates as an exploration entity, making its performance inherently speculative. To attract and retain top executive talent, key management personnel are compensated at market rates comparable to those in similar roles within the industry. No remuneration consultants were engaged for the year ended 30 June 2026.

Non-Executive Directors' remuneration

In accordance with the Company's corporate governance framework, Non-Executive Directors are remunerated by way of directors' fees, inclusive of statutory superannuation where applicable. Subject to shareholder approval and the ASX Listing Rules, Non-Executive Directors may also be granted equity-based remuneration where the Board considers it appropriate to align their interests with those of shareholders. Non-Executive Directors do not receive retirement benefits (other than statutory superannuation) or participate in short-term incentive or bonus arrangements.

The maximum aggregate remuneration payable to Non-Executive Directors is determined by shareholders from time to time. At the General Meeting held on 6 July 2023, shareholders approved a maximum aggregate annual remuneration pool of $210,000 for Non-Executive Directors.

The following table sets out the Non-Executive Directors' fees paid during the financial year. Fees for Mr Thick and Ms Nofal commenced from the date of the Company's IPO listing:

Name	Position	Base Salary Amount (exclusive of superannuation) per annum
Phil Thick	Non-Executive Chairman	$70,000
Trinity Nofal	Non-Executive Director Up to 4 May 2026	$35,000
Rance Dorrington	Non-Executive Director From 4 May 2026	$45,000

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Options granted to executives are subject to various vesting conditions, including service conditions of up to three years and, where applicable, non-time-based performance conditions linked to exploration outcomes. The specific vesting conditions vary between option grants and are designed to align executive remuneration with the long-term objectives and performance of the consolidated entity.

Details of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

Names and positions held by the Company's key management personnel in office at any time during the financial year are:

Name	Position
Andy Furniss	Chief Executive Officer
Phil Thick	Non-Executive Chairman
Trinity Nofal	Executive Director, previously Non-Executive Director
Rance Dorrington	Non-Executive Director, previously Executive Director

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

2026	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Phil Thick (Chairman)	29,167	-	-	3,500	-	-	21,331	53,997
Rance Dorrington(1)	175,666	-	-	18,902	-	-	8,472	203,040
Executive Directors:								
Trinity Nofal(1)	25,417	-	-	3,050	-	-	45,192	73,659
KMP:								
Andy Furniss(2)	217,628			26,115			229,310	473,053
	447,878	**-**	**-**	**50,867**	**-**	**-**	**304,305**	**803,479**

(1) Mr Dorrington stepped down from his role as Executive Director and was appointed as a Non-Executive Director on 4 May 2026. He was replaced by Ms Nofal as Executive Director.
(2) Mr Furniss was appointed Chief Executive Officer on 7 November 2025.

2025	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Phil Thick (Chairman)	-	-	-	-	-	-	4,441	4,441
Trinity Nofal	-	-	-	-	-	-	33,933	33,933
Executive Directors:								
Rance Dorrington	178,635	-	-	20,543	3,103	-	92,495	294,776
	178,635	-	-	20,543	3,103	-	130,869	333,150

DIRECTORS' REPORT (CONTINUED)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2026	2025	2026	2025	2026	2025
Non-Executive Directors:						
Phil Thick	60%	-	-	-	40%	100%
Rance Dorrington	96%	69%	-	-	4%	31%
Executive Directors:						
Trinity Nofal	39%	-	-	-	61%	100%
KMP:						
Andy Furniss	52%	-	-	-	48%	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**Rance Dorrington**
Title:	Executive Director and transitioned into Non-Executive Director on 4 May 2026
Agreement commenced:	1 July 2022 and ended on 4 May 2026
Term of agreement:	No set term
Details:	Base salary of $200,000 plus superannuation, to be reviewed annually. Three-month termination notice by either party.

Name:	**Trinity Nofal**
Title:	Executive Director from 4 May 2026
Agreement commenced:	4 May 2026
Term of agreement:	No set term
Details:	Base salary of $100,000 plus superannuation based on a 2.5 working day per week, to be reviewed annually. Three-month termination notice by the Company and six-month termination notice by the Executive.

Name:	**Andy Furniss**
Title:	Chief Executive Officer
Agreement commenced:	7 November 2025
Term of agreement:	No set term
Details:	Base salary of $350,000 plus superannuation, to be reviewed annually. Three-month termination notice by either party.

Share-based compensation

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Rance Dorrington	-	60,000	-	4%
Phil Thick	-	-	-	45%
Trinity Nofal	-	-	-	61%
Andy Furniss	531,379	-	-	48%

Additional Information

The earnings of the consolidated entity for the four years to 30 June 2026 are summarised below:

	2026 $	2025 $	2024 $	2023 $
EBITDA	(5,865,007)	(1,359,148)	(1,652,618)	(941,905)
EBIT	(5,880,540)	(1,374,681)	(1,664,861)	(944,121)
Profit after income tax	(5,880,540)	(1,374,681)	(1,664,861)	(944,121)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Rance Dorrington	2,017,625	-	1,806,639(1)	(563,525)(1)	3,260,739
Phil Thick	1,312,500	-	499,2472)	(312,500)(2)	1,499,247
Trinity Nofal	225,001	-	450,000(3)	(45,000)(3)	630,001
Andy Furniss	-	-	-	-	-
	3,555,126	**-**	**1,834,861**	**-**	**5,389,987**

(1) Included in additions during the year were the exercise of 800,000 unlisted options at $0.075 per share and 1,006,639 shares received through an in-specie distribution from MGL. Other movements during the year included the pre-IPO 4-for-5 consolidation of the Company's securities.

(2) Included in additions during the year were 250,000 shares from conversion of convertible notes at the IPO, and IPO participation of 249,247 and other movements during the year included the pre-IPO 4-for-5 consolidation of the Company's securities.

(3) Included in the addition during the year were 200,000 shares from conversion of convertible notes at the IPO, and IPO participation of 250,000. Other movements during the year included the pre-IPO 4-for-5 consolidation of the Company's securities.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name	Balance at the start of the year	Granted	Addition	Exercised	Cancelled/Lapsed	Balance at the end of the year
Rance Dorrington	2,404,406	-	1,208,403(1)	(800,000)	-	2,812,809
Phil Thick	1,378,125	-	472,174(4)	-	-	1,850,299
Trinity Nofal	1,556,250	-	95,000(2)	-	-	1,651,250
Andy Furniss	-	4,500,000(3)	-	-		4,500,000
	5,338,781	**4,500,000**	**1,775,577**	**(800,000)**	**-**	**10,814,358**

(1) Included in additions during the year were 393,219 options received through the in-specie distribution from MGL, and 815,184 Loyalty Options issued pre-IPO.
(2) Included in additions during the year was 95,000 Loyalty Options issued to Ms Nofal pre-IPO.
(3) Unlisted options issued to Mr Furniss in connection with his appointment as CEO.
(4) Included in additions during the year were 97,362 options received through the in-specie distribution from MGL, and 374,812 Loyalty Options issued pre-IPO.

Other transactions with key management personnel and their related parties

There were no other transactions with key management personnel and their related parties.

This concludes the remuneration report, which is audited.

Voting and comments made at the Company Annual General Meeting

As the Company was admitted to the ASX on 23 February 2026, it has not yet held an Annual General Meeting at which a Remuneration Report was considered. Accordingly, no remuneration report vote or shareholder feedback on the Company's remuneration practices has been received.

11. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution provides that, to the extent permitted by law, the Company will indemnify each person who is or has been a director or officer of the Company or its controlled entities against certain liabilities incurred in their capacity as a director or officer, together with legal costs incurred in defending such proceedings.

During the financial year, the Company paid a premium to insure the directors and company secretary of the Company (as named in this report) against liabilities incurred in their respective capacities as directors or company secretary, to the extent permitted by the *Corporations Act 2001*. The insurance policy prohibits disclosure of the nature of the liabilities insured and the amount of the premium paid.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company or any related body corporate against liabilities incurred in that capacity.

12. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Officers of the company who are former partners of Stannards Audit Pty Ltd.

There are no officers of the company who are former Directors of Stannards Audit Pty Ltd.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

13. NON-AUDIT SERVICES

Details of the amount paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 25 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

14. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Auditor

Stannards Audit Pty Ltd is appointed in office in accordance with section 327 of the Corporations Act.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Phil Thick
Non-Executive Chairman

Perth, 31 August 2026

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of the financial report of Macallum New Energy Limited and its controlled entity for the financial year ended 30 June 2026, 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Macallum New Energy Limited and the entity it controlled during the financial year.

Stannards Audit

STANNARDS AUDIT PTY LTD
Authorised Audit Company No. 571846

ROBIN KING HENG LI CA RCA

Director

Date: 31 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Revenue			
Other income	5	131,083	13,333
Expenses			
Employee benefits expenses	6	(701,872)	(403,149)
Share based payments	16	(471,086)	(361,429)
Exploration Expenses	6	(3,876,455)	(519,814)
Administration Expenses	6	(449,705)	(77,801)
Listing expenses		(496,972)	(5,000)
Depreciation expenses	6	(15,533)	(15,533)
Other expenses	6	-	(5,288)
Loss before income tax expense		**(5,880,540)**	**(1,374,681)**
Income tax expense	7	-	-
Loss after income tax expense for the period attributable to the owners of the company		**(5,880,540)**	**(1,374,681)**
Other comprehensive income		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of the company		**(5,880,540)**	**(1,374,681)**
Loss per share			
- Basic and diluted (cents per share)	19	(5.11)	(1.71)

This 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 30 JUNE 2026

	Note	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	8	1,823,712	72,762
Trade and other receivables	9	380,334	80,000
Total current assets		**2,204,046**	**152,762**
Non-current assets			
Property, Plant and Equipment	10	31,882	47,415
Exploration and evaluation assets	11	8,019,100	7,500,000
Total non-current assets		**8,050,982**	**7,547,415**
TOTAL ASSETS		**10,255,028**	**7,700,177**
LIABILITIES			
Current liabilities			
Trade and other payables	12	626,641	295,336
Employee Benefits		22,084	10,372
Deposits Held		-	30,000
Total current liabilities		**648,725**	**335,708**
Employee Benefits	13	4,668	4,618
Total non-current liabilities		**4,668**	**4,618**
TOTAL LIABILITIES		**646,860**	**340,326**
NET ASSETS		**9,601,635**	**7,359,851**
EQUITY			
Contributed equity	14	18,808,608	11,557,271
Reserve	15	1,570,840	699,854
Accumulated losses		(10,777,814)	(4,897,274)
TOTAL EQUITY		**9,601,635**	**7,359,851**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	Note	Issued capital $	Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2024		**10,506,794**	**468,026**	**(3,522,593)**	**7,452,226**
Loss after income tax expense for the period		-	-	(1,374,681)	(1,374,681)
Other comprehensive loss for the period		-	-	-	-
Total comprehensive loss for the period		**-**	**-**	**(1,374,681)**	**(1,374,681)**
Transactions with owners in their capacity as owners		**-**	**-**	**-**	**-**
Contributions of equity, net of transaction costs	14	800,877	-	-	800,877
Exercise of options	14	249,600	(129,600)		120,000
Share based payment	16	-	361,429	-	361,429
Balance at 30 June 2025		**11,557,271**	**699,854**	**(4,897,274)**	**7,359,851**
Balance at 1 July 2025		**11,557,271**	**699,854**	**(4,897,274)**	**7,359,851**
Loss after income tax expense for the period		-	-	(5,880,540)	(5,880,540)
Other comprehensive loss for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(5,880,540)	(5,880,540)
Transactions with owners in their capacity as owners		-	-	-	-
Contributions of equity, net of transaction costs	14	6,442,037	-	-	6,442,037
Exercise of options		147,100	(72,100)	-	75,000
Issue of brokers options	15	-	472,000	-	472,000
Conversion of convertible notes		605,200	-	-	605,200
Share based payment	16	-	471,086	-	471,086
Issue of shares to Greenwood Capital	14	57,000	-		57,000
Balance at 30 June 2026		**18,808,608**	**1,570,840**	**(10,777,814)**	**9,601,635**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,366,909)	(384,505)
Payments for exploration expenses		(3,624,245)	(519,815)
R&D Receipt		99,749	-
Interest received		31,334	204,956
Net cash used in operating activities	**26**	**(4,860,071)**	**(699,364)**
Cash flows from investing activities			
Payments for exploration and evaluation assets	11	(519,100)	-
Net cash used in investing activities		**(519,100)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		7,437,816	580,877
Capital raising costs		(1,039,269)	-
Proceeds from Convertible Notes		575,200	-
Proceed from options exercised		75,000	120,000
Advance of funds to related entity		144,373	30,000
Payment of funds to related entity		(63,000)	(80,000)
Net cash inflows from financing activities		**7,130,120**	**650,877**
Net increase in cash and cash equivalents		1,750,949	(48,488)
Cash and cash equivalents at the beginning of the financial period		72,762	121,250
Cash and cash equivalents at end of the financial period	**8**	**1,823,712**	**72,762**

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

NOTE 1: CORPORATE INFORMATION

The financial statements cover Macallum New Energy Limited as a consolidated entity consisting of Macallum New Energy Limited and the entity it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Macallum New Energy Limited's functional and presentation currency.

Macallum New Energy Limited is a public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2026. The directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been applied consistently to all periods presented in the financial statements.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

Compliance with IFRS

The financial statements of Macallum New Energy also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. These are not expected to have any significant impact on the Group’s financial statements.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

a) Basis of measurement

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 capitalises the initial costs of acquiring Areas of Interest where those costs are expected to be recouped through the successful development or sale of the relevant Areas of Interest, or where exploration and evaluation activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Subsequent exploration and evaluation expenditure is expensed in the statement of profit or loss 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:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model or Trinomial model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

Going Concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $5,880,407 (2025 loss of $1,374,681) and had net cash outflows from operating activities of $4,860,071 (2025: $699,364). At 30 June 2026, the Company had $1,823,712 (2025: $72,762) in cash and cash equivalents.

These conditions give rise to a material uncertainty that may cast significant doubt on the consolidated entity’s ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors believe there are reasonable grounds to expect the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, and that therefore it is appropriate to adopt the going concern basis in the preparation of the annual financial report.

The Directors have prepared a cash flow forecast that indicate that the consolidated group will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of this report.

Based on the assumptions included in the cash flow forecasts, the Directors are satisfied that, the going concern basis of preparation is appropriate. These forecasts include estimated operating expenses, direct exploration expenses and forecasted human resource costs, as well as additional funding and anticipated outcomes as disclosed below.

The assessment of the going concern assumption is based on the group’s cash flow projections which applies a number of judgement and estimates, resulting in a range of reasonably possible scenarios, that maintain a cash positive position.

The Directors have taken the following into consideration in preparing these cash flow forecasts:

- The Company has sufficient cash resources to fund its planned activities in the near term, including committed exploration and corporate expenditure.
- The Company has demonstrated its ability to successfully raise capital, including through its Initial Public Offer completed in February 2026, and believes it will be able to access additional equity funding if and when required to support the continued advancement of its projects.
- The Directors have the ability to manage the timing and level of discretionary exploration and evaluation expenditure should additional funding not be obtained as anticipated.
- The Directors have approved a staged work programme, enabling discretionary exploration expenditure to be deferred or reprioritised if required while the Company pursues additional funding opportunities.

Whilst the Directors have every confidence in the above, should these matters not be completed as anticipated whether the entity is able to continue as a going concern and therefore realise its assets and discharge its liabilities in the normal course of business, is uncertain.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macallum New Energy Limited (the 'Company' or 'parent entity') as at 30 June 2026 and the results of its subsidiary for the year then ended. Macallum New Energy Limited and its subsidiary together are referred to in these financial statements as the 'consolidated entity'.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment.
Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment:	3-7 years

Exploration and evaluation assets
Costs associated with acquiring Petroleum Exploration Permits, including costs of associated options, are capitalised and reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount.

Other exploration and evaluation costs are generally expensed to profit or loss in the period they are incurred.

Capitalised exploration and evaluation expenditure is carried forward where the right to explore an area of interest is current and they are either expected to be recouped through the sale or successful development of an area of interest or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The future recoverability of the carrying amount of capitalised exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively, the sale of an area of interest.

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information is also included for narrative and descriptive information where it is relevant to an understanding of the current period's financial statements.

The comparatives used in this financial report are taken from the financial report dated and approved by the Board on 17 November 2025. Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current financial year. Any such reclassifications have no effect on the previously reported profit or loss or net assets of the consolidated entity.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs

Exploration and evaluation costs, to the extent they have been capitalised, are assessed on the basis that either exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves or alternatively the Company has assessed that it will be able to commence commercial production in the future, from which it will be able to recoup those costs. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. Factors that could impact the future commercial production include the level of reserves and resources, future technology changes, which could impact the cost of extraction, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Further details of capitalised exploration and evaluation costs are set out in Note 11.

Share-based payments

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 becomes entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions and non-market performance conditions are expected to be satisfied. Accordingly, the cumulative amount ultimately recognised is based on the number of awards that satisfy those conditions and ultimately vest.

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 Corporate Finance).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

NOTE 4: OPERATING SEGMENTS

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being petroleum & associated gases exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

NOTE 5: OTHER INCOME

	2026 $	2025 $
Interest Income	31,334	133
R&D refundable offset	99,749	13,200
Total other income	**131,083**	**13,333**

NOTE 6: EXPENSES

	2026 $	2025 $
Profit before income tax from continuing operations includes the following specific expenses:		
Administration expenses		
Professional & Compliance Costs	184,433	54,536
Office & Corporate Overheads	196,471	12,918
IT & Systems	23,217	8,606
Corporate Activities	45,585	1,741
	449,706	77,801
Exploration expenses		
Consultancy fees	96,301	113,210
Exploration Costs	3,696,421	377,996
Travel costs	61,061	16,341
Exploration Permit Fees & Holding Costs	22,672	12,267
	3,876,455	519,814

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2026 $	2025 $
Other expenses	-	5,288
Depreciation expense	15,533	15,533
Employee benefit expenses		
Salaries and superannuation	690,092	393,285
Annual leave accrual	11,712	4,899
Long service leave accrual	50	3,228
Staff recruitment	-	312
Staff amenities	18	434
Workers compensation	-	991
	701,872	403,149
Share-based payments expense		
Share-based payments expense	471,086	361,429
Total other expenses	**6,011,6239**	**1,388,013**

NOTE 7: INCOME TAX

	2026 $	**2025 $**
The components of income tax (expense) income comprise		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax (expense)	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(5,880,540)	(1,374,681)
Tax at the statutory tax rate of 30%	(1,764,162)	(412,404)
Add:		
Tax effect of:		
Expenses subject to R&D tax incentive	-	-
Non-deductible expenses	279,983	145,637
	279,983	145,637
Less:		
Tax effect of:		
R&D Offset	(29,924)	(3,837)
Other deductible expenses	(100,330)	(26,212)
Tax losses not recognised	1,614,433	296,816

Income tax attributable to entity	-	-

Deferred tax assets have not been recognised in respect of these tax losses as the Directors do not consider it probable, at this stage, that sufficient future taxable profits will be available against which the tax losses can be utilised.

NOTE 8: CASH AND CASH EQUIVALENTS

	2026 $	2025 $
Cash at bank and on hand	1,823,712	72,762

NOTE 9: TRADE AND OTHER RECEIVABLES

	2026 $	2025 $
GST Receivable	289,140	-
Prepayments	91,194	-
Loan receivable from Macallum Group Ltd (MGL) [(a)]	-	80,000
	380,334	**80,000**

(a) Loan is receivable from Macallum Group Limited, a related party. Refer to Note 21.

NOTE 10: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2026 $	2025 $
Property, Plant and Equipment		
At cost	77,664	77,664
Accumulated depreciation	(45,782)	(30,249)
Total Property, Plant and Equipment	31,882	47,415
Reconciliation		
Carrying amount at beginning of year	47,415	62,948
Additions	-	-
Depreciation charge for the year	(15,533)	(15,533)
Net carrying amount	31,882	47,415

Accounting Policy
Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The Group's depreciation method applied to Property, plant and equipment is straight-line for useful life of 3-7 years.

NOTE 11: NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

	2026 $	2025 $
Exploration and evaluation assets	8,019,100	7,500,000
Capitalised cost at the beginning of the period	7,500,000	-
Addition	519,100	-
Capitalised cost at end of the period	8,019,100	7,500,000

In the 2023 financial year, Macallum New Energy Limited agreed to acquire petroleum exploration permits from Macallum Group Limited (MGL), which was the Company's ultimate holding entity at the time of the transaction and is a related party. The transaction represented a restructuring of the asset holdings between the entities and was unanimously approved by the boards of directors of both companies as being in the best interests of their 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. Following the Company's admission to the ASX, the Company also made a A$500,000 payment to MGL for the reimbursement of various historical exploration costs paid by MGL. Under the policy of capitalising the acquisition cost of permits this amount was recorded as an exploration asset. Refer to Note 21 for further details.

The number of Performance Rights was reduced from 30,000,000 to 18,900,000 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:

Class	Performance Criteria	Expiry Date	Number of Performance Rights
A	The Company: (a) 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 (b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than $0.20.	Five years from the date of issue	6,300,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B	The Company: (a) 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 (b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than $0.20.	Five years from the date of issue	6,300,000
C	The Company: (a) 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 (b) on the day of, or after the satisfaction of (a), achieving a 20 day VWAP of Shares equal to or greater than $0.20.	Five years from the date of issue	6,300,000

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the continuation of rights to tenure of the interests, results of future exploration and successful development or alternatively, sale of the respective areas of interest.
In the 2026 year, the Directors reviewed the capitalised exploration and evaluation assets and determined that there were no indications of impairment relevant to the carrying value of the exploration asset.

NOTE 12: TRADE AND OTHER PAYABLES

	2026 $	2025 $
Trade creditors	538,592	194,082
Other payables and accruals	86,676	101,254
Loan payable to Macallum Group Ltd (Refer to Note 21)	1,373	-
	626,641	295,336

NOTE 13: EMPLOYEE BENEFITS

	2026 $	2025 $
Provision for annual leave	22,084	10,372

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2026 $	2025 $
Provision for long service leave	4,668	4,618

NOTE 14: CONTRIBUTED EQUITY

a) Share capital

	30 June 2026 $	No.	30 June 2025 $	No.
Issued capital				
Ordinary shares – fully paid	18,808,608	140,198,347	11,557,271	122,224,499

b) Movement Reconciliation

Details	Date	Shares	Issue price	$
Balance	01 Jul 2024	93,296,086		10,506,794
Issue of shares	08 Oct 2024	1,803,507	$0.25	450,877
Issue of shares	12 Nov 2024	1,400,000	$0.25	350,000
Bonus share issue 1:4	25 Apr 2025	24,124,906	-	-
Issue of shares on the exercise of options	29 May 2025	1,600,000	$0.08	120,000
Transfer from option reserve	29 May 2025	-	-	129,600
Closing Balance	**30 Jun 2025**	**122,224,499**		**11,557,271**
Issue of shares	21 Oct 2025	500,000	$0.12	60,000
Conversion of convertible notes into shares	24 Oct 2025	3,626,668	$0.12	435,200
Issue of shares on the exercise of options	29 Oct 2025	800,000	$0.156	124,800
Issue of shares on the exercise of options	03 Nov 2025	100,000	$0.223	22,300
Consolidation of equity on 4:5 basis	20 Nov 2025	(25,450,235)	-	-
IPO Offer Proceeds	12 Feb 2026	36,889,082	$0.20	7,377,816
Conversion of convertible notes into shares	25 Feb 2026	1,133,333	$0.15	170,000
Issue of shares to Greenwood Capital	22 Feb 2026	375,000	$0.152	57,000
Capital Raising Costs	-	-	-	(995,779)
Closing Balance	**30 Jun 2026**	**140,198,347**		**18,808,608**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTE 15: OPTION RESERVES

a) Option Movement

	No of Options	$
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	-	361,429
Balance at 30 June 2025	**40,856,132**	**699,854**
Unlisted options exercised at $0.075 per option	(800,000)	(64,800)
Unlisted options exercised at $0.15 per option	(100,000)	(7,300)
Options cancellation	(1,600,000)	-
Issue of options to CEO	4,500,000	229,310
Issue of options to Lead Manager	3,688,908	472,000
Issue of free attaching loyalty options	25,733,554	-
Share based payment expense on the vesting of unlisted options on issue	-	241,776
Balance at 30 June 2026	**72,278,594**	**1,570,840**

Unissued ordinary shares of Macallum New Energy Limited under option at the date of this report are as follows:

Grant date	Expiry date[3]	Exercise price	Number under option
14/10/2022	31/10/2028	$0.20	3,062,500 [1]
3/10/2023	31/10/2028	$0.30	812,500 [1]
3/10/2023	31/10/2028	$0.23	2,400,000 [1]
15/04/2025	31/10/2028	$0.30	875,000 [1]
15/04/2025	31/10/2028	$0.23	1,050,000 [1]
25/04/2025	31/10/2028	$0.30	30,156,132 [2]
20/11/2025	20/11/2028	$0.25	4,500,000[4]
13/02/2026	13/02/2030	$0.30	3,688,908[5]
13/02/2026	31/10/2029	$0.30	25,733,554[6]
			72,278,594

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(1) Bonus Issue - In April 2025 the Company issued 1 bonus share for every 4 shares held and 1 bonus option for every 4 shares held to the existing ordinary shareholders and as a consequence of this existing ESOP options quantities or exercise prices were adjusted in proportion to adjust these for the issue of the bonus shares.
(2) ESOP options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date.
(3) For the purposes of valuation, the external valuer has adopted 31 October 2028 as expiry date of these options.
(4) CEO Options with an exercise price of A$0.25 per Option and expiry date of 20 November 2028.
(5) Lead Manager Options with an exercise price of A$0.30 per Option and expiry date of four years from the date of Admission.
(6) Loyalty Options with an exercise price of A$0.30 per Option and expiry date of 31 October 2029.

Shares issued on the exercise of options
The following Ordinary Shares of Macallum New Energy Limited were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options granted:

Grant Date	Exercise Price	Number of shares issued
22/06/2022	$0.075	800,000
14/10/2022	$0.15	100,000

Capital risk management

Following the Company's admission to the Official List of the Australian Securities Exchange (ASX) in February 2026, the consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, maintain sufficient funding to support its exploration activities and corporate requirements, and provide the consolidated entity with the flexibility to pursue future growth opportunities.

The consolidated entity manages its capital structure having regard to its current and forecast cash requirements, exploration expenditure commitments and prevailing market conditions. Where appropriate, the consolidated entity may seek additional funding through equity raisings or other funding arrangements to support its exploration programs and ongoing operations. The consolidated entity regularly monitors its cash position and forecast expenditure to ensure that sufficient funding is available to meet its planned activities.

NOTE 16: SHARE-BASED PAYMENT

Share-based payment expense recorded by the Group during the year was $471,086 (2025: $361,429). All share-based payments were accounted for as equity-settled share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, unlisted share options issued as share based payments during the current year:

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Cancelled	Balance at the end of the year
22/06/2022	31/10/2028	$0.08	2,400,000	-	(800,000)	(1,600,000)	-
14/10/2022	31/10/2028	$0.20	3,062,500	-	-	-	3,062,500
14/10/2022	31/10/2028	$0.15	100,000	-	(100,000)	-	-
3/10/2023	31/10/2028	$0.30	812,500	-	-	-	812,500
3/10/2023	31/10/2028	$0.23	2,400,000	-	-	-	2,400,000
15/04/2025	31/10/2028	$0.30	1,925,000	-	-	-	1,925,000
30/11/2025	30/11/2028	$0.25	-	4,500,000	-	-	4,500,000
TOTAL			**10,700,000**	**4,500,000**	**(900,000)**	**(1,600,000)**	**12,700,000**
Weighted average exercise price			$0.215	$0.25	$0.113	$0.075	$0.236

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**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

In addition, the Company issued 3,688,908 unlisted broker options to GBA Capital as part of the lead manager fees for the IPO. The fair value of the broker options was determined using the Black-Scholes option pricing model. The key inputs used in the valuation are set out below:

	Inputs
Number of options	3,688,908
Underlying share price	$0.20
Exercise price	$0.30
Volatility	100%
Life of the options	4 years
Expected dividends	Nil
Risk free rate	3.45%
Value per option	$0.1278
Total Fair Value	**$472,000**

NOTE 17: KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2026 **$**	**2025** **$**
Short-term employee benefits	499,445	178,635
Post-employment benefits	-	23,646
Share-based payments	304,305	130,869
	803,305	**333,150**

NOTE 18: FINANCIAL INSTRUMENTS

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2026	%	$	$	$	$	$
Non-interest bearing						
Trade payables	-	538,592	-	-	-	538,592
Other payables	-	88,049	-	-	-	88,049
Total		**626,641**	**-**	**-**	**-**	**626,641**

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2025	%	$	$	$	$	$
Non-interest bearing						
Trade payables	-	194,082	-	-	-	194,082
Other payables	-	101,254	-	-	-	101,254
Total		**295,336**	**-**	**-**	**-**	**295,336**

NOTE 19: EARNING 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 year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Basic and diluted profit/(loss) per share	2026 $	2025 $ (Post-Consolidation)
Basic and diluted profit/(loss) per share (cents per share)	(5.11)	(1.71)
Profit/(Loss)		
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:		
Profit/(Loss) for the period	(5,880,540)	(1,374,681)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	115,015,282	80,584,377

NOTE 19: DIVIDENDS

There were no dividends declared or paid during the financial period.

NOTE 20: COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

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 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.

	2026 **$**	**2025** **$**
No longer than 1 year	2,182,620	2,845,020
Longer than 1 year and shorter than 5 years	5,209,600	-
Longer than 5 years	-	-
	7,394,620	**2,845,020**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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: • 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: • 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: • 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 2026.

NOTE 21: RELATED PARTY DISCLOSURE

In January 2023, the Company entered into a transfer agreement with Macallum Group Limited (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 ; 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 was required within five Business Days from Admission on the ASX to reimburse MGL an amount of up to A$500,000 for any fees and/or expenditure incurred by MGL in connection with their 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 23 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.

On 1 June 2026, the Premises and IT Services Agreement was amended. Under the amended agreement, the annual premises retainer fee was revised to $34,800 (plus GST), and the IT services were 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 A$30,000 loan from the Company. MGL repaid the full A$110,000 loan by 12 December 2025. MGL subsequently provided the Company with a temporary loan of $33,000, which was repaid in full on 14 January 2026. At year end, the net closing position is a loan payable to MGL of $1,373, representing minor administrative costs paid by MGL on behalf of the Company.

Following the Company's admission to the ASX, the Company paid A$500,000 to MGL in satisfaction of its reimbursement obligation under the Transfer Agreement entered into in January 2023.

There are no other related party transactions noted during the period.

NOTE 22: INTERESTS IN SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 2.

Name	Principal place of business / Country of incorporation	Ownership Interest 2026 %	Ownership Interest 2025 %
Edge Natural Energy Pty Ltd	Australia	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 23: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	2026 $	2025 $
Statement of profit or loss and other comprehensive income		
Loss after income tax	(5,876,181)	(1,400,607)
Total comprehensive loss	(5,876,181)	(1,400,607)
Statement of financial position		
Total current assets	2,203,649	150,637
Total assets	10,415,360	7,699,312
Total current liabilities	648,725	334,843
Total liabilities	733,758	339,461
Net Assets/(Liabilities)	**9,681,602**	**7,359,852**
Equity		
Issued capital	18,808,608	11,557,271
Reserve	1,570,840	699,854
Retained profits	(10,697,846)	(4,897,274)
Total	**9,681,602**	**7,359,852**

NOTE 24: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Board of Directors, with the assistance of advisors as required, has responsibility for identifying, assessing, treating and monitoring risks.

The Group is not subject to any externally imposed capital requirements.

a) Market risk

Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

c) Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2025	%	$	$	$	$	$
Non-interest bearing						
Trade payables	-	194,082	-	-	-	-
Other payables	-	101,254	-	-	-	-
Total		**295,336**	**-**	**-**	**-**	**-**

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2026	%	$	$	$	$	$
Non-interest bearing						
Trade payables	-	538,592	-	-	-	-
Other payables	-	88,049	-	-	-	-
Total		**626,641**	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 25: AUDITOR'S REMUNERATION

	2026 $	2025 $
Audit Services		
Stannards Audit Pty Ltd Audit ("Current Auditor")	15,000	-
Connect National Audit Pty Ltd Audit ("Predecessor Auditor")	11,047	13,500
AMW Audit Group ("Predecessor Auditor")	-	3,000
Non-Audit Services		
No non-audit services during the financial year	-	-
Other Assurance Services		
AMW Audit Group ("Predecessor Auditor")(1)	6,050	-
	32,097	**16,500**

(1) The FY2026 fee paid to AMW Audit Group relates to work performed in resolving audit queries raised by the Current and Predecessor Auditors and correcting the financial report for the year ended 30 June 2024. It does not relate to audit or review services for the current or comparative period.

NOTE 26: CASH FLOW INFORMATION

Reconciliation of Cash flow from operating activities	2026 $	2025 $
Profit (Loss) for the period	(5,880,540)	(1,374,681)
Non-cash flows in profit/(loss):		
- Share based payment	471,086	361,429
- Depreciation and amortisation expenses	15,533	15,533
- Share Issue Cost	515,490	-
- Gain on loan forgiven		-
Changes in assets and liabilities:		
- Decrease/(Increase) in receivables	(380,334)	204,130
- Decrease/(Increase) in GST receivables		-
- Increase/(Decrease) in trade and other payables	329,932	86,098
- Increase/(Decrease) in employee benefits	11,762	8,127
- Increase/(Decrease) in equity	57,000	-
Net cash used in operating activities	(4,860,071)	(699,364)

Reconciliation of Capital raising costs	2026 $	2025 $
Total share issue costs as disclosed at Note 14	(995,779)	-
Total share issue costs as disclosed in the profit and loss	(515,490)	-

Non-cash share issue costs: Options issued to Joint Lead Managers as disclosed at Note 16	472,000	-
Net cash used for capital raising costs	(1,039,269)	-

NOTE 27: SEGMENT INFORMATION

The consolidated entity operates in one geographical segment, being Australia, and in one operating segment, being petroleum exploration. The consolidated entity's principal activities comprise the exploration and evaluation of petroleum and hydrocarbon resources in Western Australia.

Information reported to the chief operating decision maker, being the Board of Macallum New Energy Limited, for the purposes of resource allocation and assessment of performance is focused on the consolidated entity's petroleum exploration activities in Australia.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal information regularly reviewed by the chief operating decision maker and has determined that the consolidated entity has one reportable operating segment, being petroleum exploration in Australia.

NOTE 28: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any other material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

CONSOLIDATED ENTITY STATEMENT AS AT 30 JUNE 2026

		Body Corporates		
Entity Name	**Entity Type**	**Place formed/incorporated**	**% of share capital held**	**Tax residency**
Macallum New Energy Ltd	Body corporate	Australia	N/A	Australia
Edge Natural Energy Pty Ltd	Body corporate	Australia	100%	Australia

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(a) The financial statement and notes are in accordance with the *Corporations Act 2001*, and:

  (i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

  (ii) Give a true and fair view of the financial position as at 30 June 2026 and of the performance for the period ended on that date; and

  (iii) Are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements.

(b) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(d) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A of the *Corporations Act 2001*.

(e) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Phil Thick
Non-Executive Chairman

Perth, Western Australia
31 August 2026

STANNARDS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MACALLUM NEW ENERGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Macallum New Energy Limited (the "Company") and its controlled entity (collectively, the "Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which states that the Group incurred a loss of $5,880,540 and net cash outflows from operating activities of $4,860,071 for the year ended 30 June 2026, and held cash and cash equivalents of $1,823,712 as at that date.

These conditions give rise to a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the Directors believe there are reasonable grounds to expect the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, and that therefore it is appropriate to adopt the going concern basis in the preparation of the annual financial report.

The Directors have prepared a cash flow forecast that indicate that the consolidated group will have sufficient cash flows to meet its commitments for a period of at least 12 months from the date of this report.

Based on the assumptions included in the cash flow forecasts, the Directors are satisfied that, the going concern basis of preparation is appropriate. These forecasts include estimated operating expenses, direct exploration expenses and forecasted human resource costs, as well as additional funding and anticipated outcomes as disclosed below.

The assessment of the going concern assumption is based on the group's cash flow projections which applies a number of judgement and estimates, resulting in a range of reasonably possible scenarios, that maintain a cash positive position.

The Directors have taken the following into consideration in preparing these cash flow forecasts:

- The Company has sufficient cash resources to fund its planned activities in the near term, including committed exploration and corporate expenditure.
- The Company has demonstrated its ability to successfully raise capital, including through its Initial Public Offer completed in February 2026, and believes it will be able to access additional equity funding if and when required to support the continued advancement of its projects.
- The Directors have the ability to manage the timing and level of discretionary exploration and evaluation expenditure should additional funding not be obtained as anticipated.
- The Directors have approved a staged work programme, enabling discretionary exploration expenditure to be deferred or reprioritised if required while the Company pursues additional funding opportunities.

Whilst the Directors have every confidence in the above, should these matters not be completed as anticipated whether the entity is able to continue as a going concern and therefore realise its assets and discharge its liabilities in the normal course of business, is uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Capitalisation and recoverability of exploration and evaluation assets

Refer to Note 11

Why the matter was considered to be one of most significance

The Group recognised exploration and evaluation assets of $8.019 million at 30 June 2026, including additions of $519,100 during the year. The accounting treatment of exploration expenditure and the assessment of whether facts and circumstances indicate impairment require judgement, including consideration of rights to tenure, planned exploration activity and the recoverability of the respective areas of interest.

How the matter was addressed in the audit

- We assessed the Group's accounting policy against the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources;
- We agreed the carrying amount and movement in exploration and evaluation assets to the general ledger and financial report;
- We tested the FY26 additions to contractual, reimbursement and payment support and assessed whether the expenditure related to the relevant exploration rights;
- We verified current tenure and considered planned substantive work for EP494 and EP511;
- We evaluated management's impairment assessment using work programmes, budgets, Board evidence and subsequent technical information; and
- We assessed the adequacy of the related disclosures in the financial report.

Valuation and recognition of share-based payments

Refer to Note 16 and the Remuneration Report

Why the matter was considered to be one of most significance

The Group recognised share-based payment expense of $471,086 during FY26 and granted 4.5 million CEO incentive options with a grant-date fair value of approximately $531,000. Valuation of the unlisted options involves judgement over assumptions including volatility and expected life, while recognition requires judgement concerning service and non-market performance conditions and expected vesting periods. Legacy awards, amended performance rights and broker/adviser instruments also increased the complexity of the accounting and disclosures.

How the matter was addressed in the audit

- We inspected grant, employment and service terms and agreed awards and movements to the equity instrument registers;
- We reperformed the Black-Scholes valuation using the final valuation inputs;
- We recalculated the expense over the relevant service and performance vesting periods;
- We assessed expected vesting using budgets, Board evidence and post-year-end information;
- We evaluated modifications, exercises, cancellations and forfeitures and assessed the classification of broker/adviser instruments; and
- We reviewed the related financial-report and remuneration-report disclosures.

Other Matter

The financial report of the Group for the year ended 30 June 2025 was audited by another auditor who expressed an unmodified opinion on that financial report on 19 November 2025.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and, except to the extent otherwise explicitly stated in our report with respect to the Remuneration Report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report, other than the consolidated entity disclosure statement, that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001,

and for such internal control as the directors determine is necessary to enable the preparation of the financial report, other than the consolidated entity disclosure statement, that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the preparation of the consolidated entity disclosure statement that is true and correct and is free from misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Macallum New Energy Limited for the year ended 30 June 2026 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report based on our audit conducted in accordance with Australian Auditing Standards.

Stannards Audit

STANNARDS AUDIT PTY LTD

Authorised Audit Company No. 571846

ROBIN KING HENG LI CA RCA

Director

Melbourne, Victoria

Date: 31 August 2026

CORPORATE GOVERNANCE STATEMENT

The Company's 2026 Corporate Governance Statement has been released as a separate document and is located on the Company's website at: Corporate Governance – Macallum New Energy.

ASX ADDITIONAL INFORMATION

TOP 20 SHAREHOLDERS

The names of the twenty largest holders of Ordinary Shares (including escrow shares) as at 4 August 2026 are listed below:

Position	Holder Name	Holding	% Issued Capital
1	Macallum Group Ltd	14,750,000	10.52%
2	Labonne Enterprises Pty Ltd <Mcintyre Family A/C>	13,628,765	9.72%
3	S G J Investments Pty Ltd <The Sikirich Family A/C>	12,600,716	8.99%
4	HSBC Custody Nominees (Australia) Limited	10,999,238	7.85%
5	Labonne Enterprises Pty Ltd <Mcintyre Super Fund A/C>	6,473,804	4.62%
6	Kincardine (Qld) Pty Ltd <Main Family Trust One A/C>	5,484,516	3.91%
7	Silverlode Pty Ltd	5,439,435	3.88%
8	Proserpine Capital Partners Pty Ltd <Proserpine Resources A/C>	5,092,705	3.63%
9	Sikirich Super Pty Ltd <Sikirich Superannuation A/C>	4,248,936	3.03%
10	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	3,134,640	2.24%
11	Citicorp Nominees Pty Limited	2,891,056	2.06%
12	Westrade Resources Pty Ltd <Sheppard Super Fund A/C>	2,859,914	2.04%
13	Rance John Dorrington	2,741,101	1.96%
14	Greatside Holdings Pty Ltd <Adl A/C>	2,149,539	1.53%
15	Phil Thick	1,499,247	1.07%
16	Reef Investments Pty Ltd <T D Nairn Super Fund A/C>	1,318,846	0.94%
17	BNP Paribas Noms Pty Ltd	1,247,580	0.89%
18	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient>	1,230,692	0.88%
19	Three Zebras Pty Ltd <The Judd Family A/C>	1,110,322	0.79%
20	Taylor Equity Partners Pty Ltd	1,040,466	0.74%
	Total	**99,941,518**	**71.29%**
	Total issued capital	**140,198,347**	**100%**

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

Ordinary Shares: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands basis.

The Company is listed on the Australian Securities Exchange under the code “MNE”.

DISTRIBUTION OF EQUITY SECURITIES AS AT 4 AUGUST 2026

Analysis of numbers of shareholders by size of holding:

FULLY PAID ORDINARY SHARES (Including escrow shares)

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	11	1,104	0.00
above 1,000 up to and including 5,000	43	141,238	0.10
above 5,000 up to and including 10,000	79	729,863	0.52
above 10,000 up to and including 100,000	163	7,758,442	5.53
above 100,000	129	131,567,700	93.84
Totals	**425**	**140,198,347**	**100.00**

UNLISTED OPTIONS – MNEUESOPV02 Exercisable at $0.20 and expiring on 31/10/2028

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	5	3,062,500	100.00
Totals	**5**	**3,062,500**	**100.00**

UNLISTED OPTIONS – MNEUESOP04 Exercisable at $0.30 and expiring on 31/10/2028

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	2	1,687,500	100.00
Totals	**2**	**1,687,500**	**100.00**

UNLISTED OPTIONS – MNEUESOP05 Exercisable at $0.225 and expiring on 31/10/2028

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	2	3,450,000	100.00
Totals	**2**	**3,450,000**	**100.00**

UNLISTED INCENTIVE OPTIONS – MNEUIOPT1-6 Exercisable at $0.25 and expiring on 20/11/2028

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	1	4,500,000	100.00
Totals	**1**	**4,500,000**	**100.00**

UNLISTED OPTIONS – MNELMOPT Exercisable at $0.30 and expiring on 23/02/2030

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	1	3,688,908	100.00
Totals	**1**	**3,688,908**	**100.00**

UNLISTED OPTIONS – MNEUOPTE Exercisable at $0.30 and expiring on 31/10/2029

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	1	56	0.00
above 1,000 up to and including 5,000	2	7,390	0.02
above 5,000 up to and including 10,000	3	18,544	0.06
above 10,000 up to and including 100,000	59	2,433,742	8.07
above 100,000	37	27,696,400	91.84
Totals	**102**	**30,156,132**	**100.00**

UNLISTED LOYALTY OPTIONS – MNELOPT1E Exercisable at $0.30 and expiring on 31/10/2029

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	0	0	0.00
above 1,000 up to and including 5,000	4	13,064	0.05
above 5,000 up to and including 10,000	4	35,908	0.14
above 10,000 up to and including 100,000	67	2,967,584	11.53
above 100,000	31	22,716,998	88.28
Totals	**106**	**25,733,554**	**100.00**

PERFORMANCE RIGHTS – MNEUPRA-C Nil Exercise Price and expiring on 22/05/2030

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	1	18,900,000	100
Totals	**1**	**18,900,000**	**100**

Unmarketable parcels

The number of shareholdings that are less than marketable parcels is 1,104.

Substantial Shareholders

An extract of the Company's substantial shareholders (who held 5% or more of the issued capital) is set out below:

Substantial Holder Name	Holding	% Issued Capital
Macallum Group Limited	14,750,000	10.52%
Labonne Enterprises Py Ltd	36,338,793	25.99
S.G.J Investments Pty Ltd	17,432,598	12.47

The number of equity securities on issue, and number of holders, for each class of unquoted equity security are listed below:

Security Code	Security	Exercise Price	Expiry Date	Number of Securities	Number of Holders
MNEUOPTE	Unlisted Options	$0.30	31/10/2029	13,030,866	84
MNEUOPTE24	Unlisted Options	$0.30	31/10/2029	17,125,266	18
MNEUESOPV02	Unlisted Options	$0.20	31/10/2028	1,250,000	1
MNEUESOPV02E	Unlisted Options	$0.20	31/10/2028	1,812,500	1
MNEUESOPU04	Unlisted Options	$0.30	31/10/2028	1,687,500	2
MNEUESOPU05	Unlisted Options	$0.225	31/10/2028	3,450,000	1
MNEUIOPT1 – MNEUIOPT6	Unlisted Options	$0.25	20/11/2028	4,500,000	1
MNELOPT1E24	Loyalty Options	$0.30	31/10/2029	16,340,321	18
MNELOPT1E	Loyalty Options	$0.30	31/10/2029	9,393,233	88
MNELMOPT	Brokers Options	$0.30	23/02/2030	3,688,908	1
MNEUPR	Performance Rights	Nil	22/05/2030	18,900,000	1

Unquoted security holders with greater than 20% of an individual class:

Holder	MNEUESOP02 Option @ $0.20 Exp 31/10/2028	MNEUESOP04 Option @ $0.30 Exp 31/10/2028	MNEUESOP05 Option @ $0.225 Exp 31/10/2028	MNEUIOPT1-6) Option @ $0.25 Exp 31/10/2028	MNELMOPT Option $0.30 Exp 23/02/2030
Rance Dorrington	1,500,000	-	-	-	-
Martin Spivey	750,000	-	-	-	-
Trinity Nofal	-	1,500,000	-	-	-
Jeff Schrull	-	-	2,400,000	-	-
Philip Thick	-	-	1,050,000	-	-
Furniss Futures Pty Ltd	-	-	-	4,500,000	-
Bowden Minerals Pty Ltd					3,688,908
Total number of holders	**4**	**2**	**2**	**1**	**1**
Total holdings over 20%	**2**	**1**	**2**	**1**	**1**
Other holder	**2**	**1**	**-**	**-**	**-**
TOTAL	**4**	**2**	**2**	**1**	**1**

Holder	MNEUPRA PRs @ $0.00 Exp 20/05/2030
Macallum Group Ltd	18,900,000
Total number of holders	**1**
Total holdings over 20%	**1**
Other holder	**-**
TOTAL	**1**

RESTRICTED SECURITIES SUBJECT TO ESCROW PERIOD

Security Code	Security	Exercise Price	Expiry Date	Number of Securities	Number of Holders
MNEESC24	Ordinary Shares	Nil	Nil	54,384,920	21
MNEESCA	Ordinary Shares	Nil	Nil	475,335	12
MNEESCB	Ordinary Shares	Nil	Nil	100,000	1
MNEUOPTE	Unlisted Options	$0.30	31/10/2029	13,030,866	84
MNEUOPTE24	Unlisted Options	$0.30	31/10/2029	17,125,266	18
MNEUESOPV02E	Unlisted Options	$0.20	31/10/2028	1,812,500	1
MNEUESOPU04	Unlisted Options	$0.30	31/10/2028	1,145,833	2
MNEUESOPU05E	Unlisted Options	$0.225	31/10/2028	1,050,000	1
MNELOPT1E24	Loyalty Options	$0.30	31/10/2029	16,340,321	18
MNELOPT1E	Loyalty Options	$0.30	31/10/2029	9,393,233	88
MNELMOPT	Brokers Options	$0.30	23/02/2030	3,688,908	1
MNEUPR	Performance Rights	Nil	22/05/2030	18,900,000	1

ON-MARKET BUYBACK

There is currently no on-market buyback program for any of Macallum New Energy’s listed securities.

PERMIT SCHEDULE AS AT 30 JUNE 2026

Permit	Registered Holder	Basin	Play	Gross Area (km^2)	Interest
EP-494	Macallum New Energy Ltd	Perth Basin	Permian & Jurassic	2,577	100%
EP-511	Macallum New Energy Ltd	Perth Basin	Jurassic	73	100%