



**METGASCO LTD**

**ACN 088 196 383**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2026**

|                                                          |                                                                                                                                                                                                                     |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>                                         | Mr Michael Glennon – Non-Executive Chairman<br>Mr Ken Aitken – Managing Director<br>Mr Robbert Willink – Non-Executive Director<br>Mr Tom Chapman – Non-Executive Director                                          |
| <b>Company secretary</b>                                 | Henko Vos                                                                                                                                                                                                           |
| <b>Registered Office and Principal Place of Business</b> | Level 4 88 William Street, Perth WA 6000<br><br>Telephone: +61 8 6245 0060<br>Email: <a href="mailto:info@metgasco.com.au">info@metgasco.com.au</a><br><a href="http://www.metgasco.com.au">www.metgasco.com.au</a> |
| <b>Share register</b>                                    | Link Market Services Limited<br>1A Homebush Bay Drive<br>Rhodes NSW 2138                                                                                                                                            |
| <b>Auditor</b>                                           | Hall Chadwick Audit (WA) Pty Ltd<br>283 Rokeby Road Subiaco<br>WA 6008                                                                                                                                              |
| <b>Stock exchange listing</b>                            | Metgasco Ltd shares are listed on the Australian Securities Exchange (ASX code: MEL)                                                                                                                                |

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The Directors present their report together with the consolidated financial statements of the Group comprising of Metgasco Ltd ("Metgasco" or the "Company") and its controlled entities ("Group") for the year ended 30 June 2026 and the auditor's report thereon.

## **Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

|                    |                        |
|--------------------|------------------------|
| Mr Michael Glennon | Non-Executive Chairman |
| Mr Ken Aitken      | Managing Director      |
| Mr Robbert Willink | Non-Executive Director |
| Mr Tom Chapman     | Non-Executive Director |

## **Principal activities**

The principal activities of the Group during the financial year were oil and gas exploration, appraisal, development, production and commercialisation of oil and gas assets in the Cooper Eromanga Basin. The Group is also seeking additional investment opportunities.

## **Company Information**

Metgasco is a company limited by shares, which is incorporated and domiciled in Australia. Metgasco was incorporated on 22 June 1999 and converted to a public company on 28 June 2002. On 23 December 2004 Metgasco became a publicly traded company on the Australian Securities Exchange.

## **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

## **Review of operations**

The following is an overview of the Group's activities during the financial year ended 30 June 2026.

### **Southern Flank gas fields**

#### **Cooper/Eromanga Basins, Queensland and South Australia**

### **Production**

Appraisal of the Company's Southern Flank gas fields produced 0.12 PJ equivalent (PJe) of gas and gas liquids during the period, 116.4TJ of which was sales gas and ethane. In comparison, appraisal production in the FY25 produced 0.195 PJe. In the September quarter work started on the production uplift program designed to address opportunities to increase output from Odin and Vali through, investigation and removal of scale found to be inhibiting production and metering and initiate new production from additional producing zones. The work on Odin successfully detected and removed scale however gas production rate improvements were more modest compared with work on Odin-1 in Q3 CY24. In the first half of FY26 production uplift work on Vali wells designed to increase Toolachee gas production were also unsuccessful. Unfortunately planned further de-watering in 2026 of Vali-3 and Vali-2 was unable to be initiated due to field access caused by water logged roads.

### **Sales and production**

Metgasco generates sales revenue from gas and gas liquids produced from the appraisal production program in progress at its Cooper Basin operations. The details, status and activities during the period for these operations is reported below in the discussion of individual licences.

| Production data             | FY26          | FY25         | Year on Year % change |
|-----------------------------|---------------|--------------|-----------------------|
| <b>Total production PJe</b> | <b>0.12</b>   | <b>0.195</b> | -38%                  |
| Sales gas & ethane TJ       | <b>116.4</b>  | <b>187.9</b> | -38%                  |
| LPG tonne                   | <b>34.7</b>   | <b>40.23</b> | -14%                  |
| Condensate bbls             | <b>403.25</b> | <b>412.7</b> | -2%                   |

Metgasco's share of production from its permits during FY26 comprised of:

- sales gas and ethane: 116.4 terajoules
- liquefied petroleum gas: 34.7 tonnes, and
- condensate: 403.25 barrels.

Oil and gas generated sales revenue of \$1,503.3 million received during the period.

### **Vali Gas Field**

Cooper/Eromanga: ATP2021

ATP 2021 (Metgasco Ltd 25%, Vintage Energy Ltd 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%).

### **Asset Overview**

ATP2021 is located in Queensland, adjacent to the Queensland-South Australian border. (See Figure 1).

ATP 2021 contains the Vali gas field, discovered by Vali-1 in January 2020, and successfully appraised by Vali-2 and Vali-3. The field has three cased wells, which have been completed and connected to the Moomba gas gathering network for supply to the eastern Australia domestic energy market. Vali is currently subject to a long-term production appraisal program. The Vali field supplies gas to AGL Energy under a gas sales agreement extending to December 2026.

### **Activity**

The Vali field produced total gross raw gas of approximately 131,530 MMscf during FY26 predominately from Vali-1. In the second half of FY26 Vali-1 well downtime increased due to a combination of lower flowing wellhead pressure and regular monthly higher inlet pressures in the downstream infrastructure not operated by the joint venture.

The Production Uplift Program first phase, completed in August, saw investigation and remediation of potential scale accumulation, opening of additional production intervals in the Toolachee Formation at Vali-1 and re-perforation and swab at Vali-3. Investigation of Vali-1 and Vali-2 via wireline logging indicated scale accumulation was likely to have occurred in both wells.

Exposure of Vali-1's Toolachee intervals via activation of the well's sliding sleeve and isolation of the Patchawarra Formation) yielded no significant gas flows and Vali-1 was returned to Patchawarra interval production. An investigation to determine why the perforated intervals in the gas-bearing Toolachee Formation of Vali-1 did not flow on opening the sliding sleeve concluded that potential deterioration to the perforated intervals from protracted exposure to completion fluid occurred whilst downhole completion equipment defects were being addressed.

Re-perforation of the Toolachee intervals at Vali-3 was followed by encouraging pressure build-up. Swabbing to dewater the well was discontinued in consideration of safety once the presence of gas became evident.

The second phase of the program commenced in late September 2025. Operations conducted include dewatering and initiation of appraisal production from the Toolachee Formation in Vali-2 and Vali-3.

At Vali-2, production from the Toolachee Formation continued after isolation of the Patchawarra Formation Flow. Raw gas production averaging 0.12 MMscfd 40 BWPD in the period from 12 October to 31 December 2025. It is anticipated that cross flowed water from the Patchawarra zone into the Toolachee zone is causing the deviation in well performance from that modelled with well-data acquired at the time of drilling.

At Vali-3, a capillary string was installed in the well to aid in unloading water from the well. Swabbing operations to dewater the well were suspended during the September quarter for safety reasons due to the presence of gas. Dewatering resumed in the December quarter with assistance of nitrogen lift via a newly installed capillary string. The well was flowing-back a combination of hydrocarbon gas and water, directed to the holding ponds at the Vali metering facility. Planned further de-watering could not be initiated due to significant rain events throughout the 2<sup>nd</sup> half of FY26 resulting in denial of road access.

The joint venture is considering well workover opportunities in FY27 to improve Vali production.

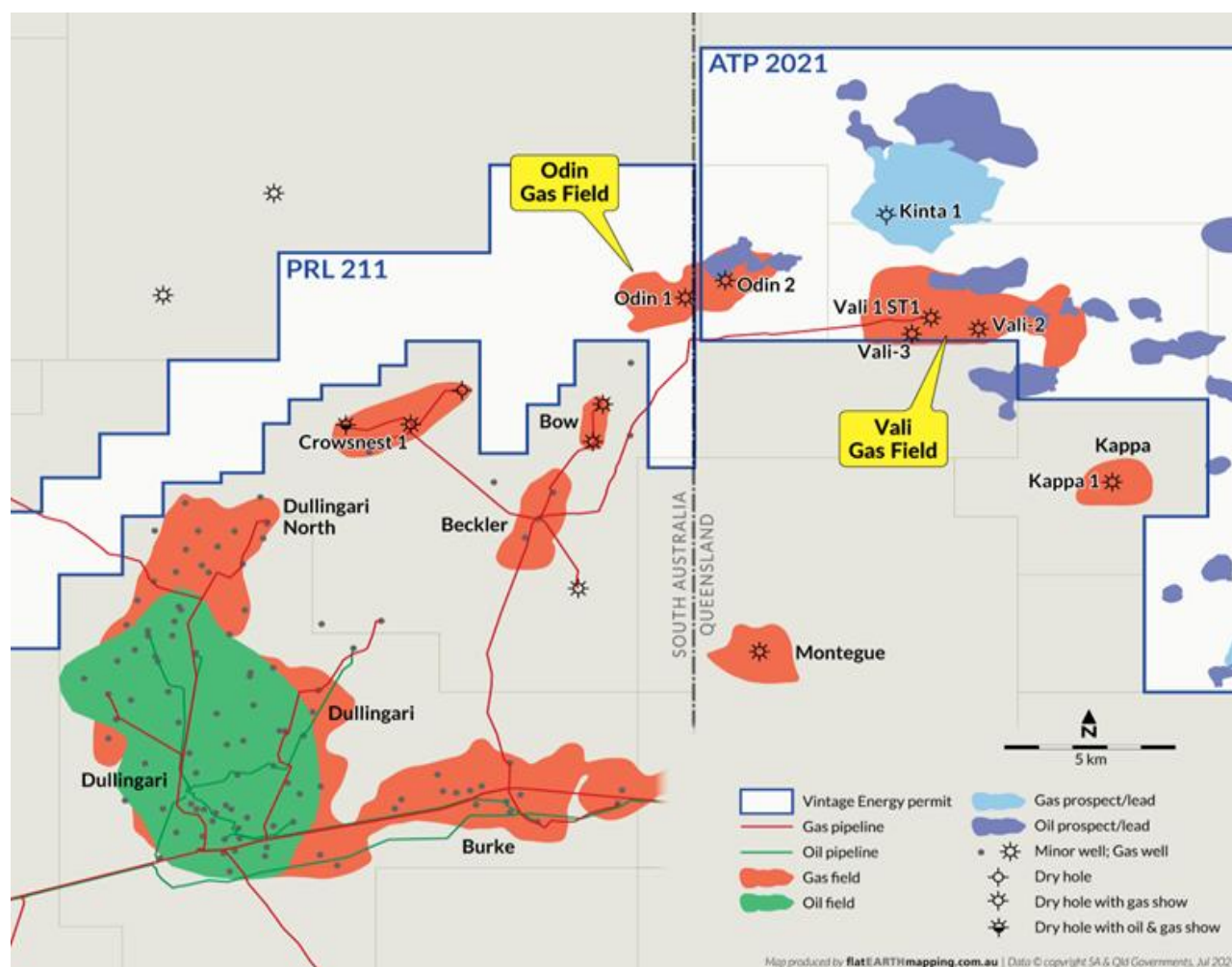


Figure 1: Cooper Basin permits PRL 211 and ATP 2021 including well locations Odin-1, Odin-2, Vali-1 ST1, Vali-2 and Vali-3 Source: Vintage

### Odin Gas Field

Cooper/Eromanga: PRL 211 & ATP2021

(Metgasco Ltd 25%, Vintage Energy Ltd 50% and operatorship, Bridgeport (Cooper Basin) Pty Ltd 25%).

### Asset Overview

The Odin gas field straddles the South Australian – Queensland border, falling within PRL 211 in South Australia and ATP 2021 in Queensland (See Figure 1). ATP 2021 has identical joint venture composition to PRL 211. Odin is located in close proximity to the South Australian Cooper Basin Joint Venture's gas production infrastructure at Beckler, Bow and Dullingari. The field was discovered by the PRL 211 joint venture in 2021 and commenced appraisal production from Odin-1 in September 2023. Odin-1 initially was completed to produce from the Epsilon and Toolachee formations. In September 2024 perforations were added in the deeper Patchawarra Formation to enable appraisal of unstimulated gas flows from this formation.

A second well, Odin-2, successfully appraised the north-eastern section of the field in ATP 2021 in June 2024. The Odin-2 appraisal well was completed for gas production from the Epsilon, Toolachee and Patchawarra formations. Odin-2 was completed and connected in October 2024. The Odin-1 and 2 wells are supplying gas to Pelican Point Power a wholly owned subsidiary of ENGIE Australia) under contract to December 2026.

### Activity

The Odin field accounted for 81% of the years output from the Southern flank , with the large majority being sourced from Odin-1. The Odin field produced total gross raw gas of approximately 551,095 MMscf during FY26 predominately from Odin-1. A low-cost investigation and production optimisation program (Production Uplift Program (PUP) to address the downhole scaling issues in Odin-1 and Odin-2 was designed and approved by the joint venture. The Odin PUP program was initiated in July/August 2025 and successfully detected and removed scale however gas production rate improvements were more modest compared with work on Odin-1 in Q3 CY24.

### South Australia Government Grant

Grant agreements with the Government of South Australia for the two grants announced 20 February were executed. The \$2.5 million grants, to the PRL 211 and ATP 2021 Joint Ventures (Metgasco share 25%), have been made to provide cornerstone funding for the drilling of the Odin-3 and Vali-4 gas appraisal wells. It is expected the grants will be sufficient to fund up to 50% of the cost of drilling the wells. The timing of the drilling is subject to JV approvals and rig availability. The total grant of \$5 million was received on 24 June and Metgasco's total cash and cash equivalents at quarter-end includes its \$1.25M share of the grant funds. The funds are recognised as restricted cash, as the grant funds are reserved for the purpose of drilling Odin-3 and Vali-4.

### Queensland Exploration Gazettal Application

During the September 2025 quarter the Company submitted a joint bid with Vintage to the Queensland government for an onshore Cooper Basin exploration gazettal. The licence was directly adjacent to the Eastern Boundary of ATP2021, in close proximity to Vali gas production hub. In December 2025, the Company was informed by the Queensland government that the joint application gazettal application was unsuccessful.

### Perth Basin: L14 Cervantes –1 Environmental Rehabilitation

Metgasco continued to fund the Cervantes-1 environmental drilling pad and road rehabilitation obligation. During the financial year the company spent net \$38,500 on Cervantes-1 rehabilitation expenses. The rehabilitation work is expected to be complete in CY 2028.

### Strategic Review

Metgasco conducted a comprehensive strategic review of its business operations and future growth opportunities. The purpose of the review is to ensure that all available options are thoroughly evaluated to maximise value creation for shareholders. This strategic review resulted in the company entering into a Petroleum Title Sale Agreement in November 2025 with Vintage Energy Limited (see paragraph below). This sale agreement lapsed on 1 April 2026. Metgasco remains in active discussions with a number of parties for potential farm-in /acquisition of new oil and gas assets and/or other corporate opportunities with a view to recapitalise the Company.

### Corporate Activities

#### Petroleum Title Sale Agreement

Metgasco entered into a conditional Heads of Agreement on 17 November 2025 followed by a Petroleum Title Sale Agreement (PTSA) on 12 December 2025 to sell the Company's 25% non-operated interest in licences at the Odin Gas Field (PRL 211 & ATP 2021) and Vali Gas Field (ATP2021) for \$5.9 Million (**Proposed Transaction**) to Vintage. The Proposed Transaction was approved by Metgasco shareholders at an extraordinary general meeting (EGM) held on 14 January 2026. The target date for the proposed transaction was originally 31 December 2025 and was subsequently extended on three occasions to 31 March 2026.

The completion of the Sale Agreement was subject to the following pre-conditions being met:

- Vintage securing funding commitments to fulfil its obligations under the agreement; and
- Vintage completing the purchase of Bridgeport's 25% interest in the sale tenements.

On 1 April 2026 the Proposed Transaction was terminated by Vintage as it has not satisfied the pre-conditions by the sunset date of 31 March 2026. Under the key terms of the **PTSA**, **Vintage** Energy funded Metgasco's December 2025 January and February 2026 ATP2021 and PRL211 Asset Cash Calls (Total \$255,000 net MEL). On 1 April 2026 the PTSA agreement was terminated by Vintage and consequently the interest free loan of \$255,000 was repaid to Vintage in May 2026.

### **2025 Annual General Meeting**

All resolutions put to shareholders were approved at the 2025 Annual Shareholder Meeting. This included a shareholder resolution to consolidate the Company's securities at a ratio of 50 to 1.

### **Significant changes in the state of affairs**

The Company entered into a Petroleum Title Sale Agreement with Vintage Energy Ltd ACN 609 200 580 ('Vintage') dated 12 December 2025 (Sale Agreement) to sell the Company's 25% non-operated interest in licences at the Odin Gas Field (PRL211 & ATP 2021) and Vali Gas Field (ATP2021). The Sale Agreement was subject to certain pre-conditions. On 1 April 2026, the Company announced that the Sale Agreement had been terminated by Vintage as it had not satisfied the pre-conditions by the sunset date of 31 March 2026.

There were no other significant changes in the state of affairs of the Company during the financial year.

### **Matters subsequent to the end of the financial year**

Subsequent to the reporting date, the repayment dates of the Loan Note Deed dated on or about 9 March 2023, Convertible Loan Agreement dated 19 August 2024 (as amended) and Bridging Facility Loan advance on or about 19 May 2026 with Glennon Small Companies Ltd were extended to 30 December 2026. All other terms of the facilities remain unchanged.

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

### **Likely developments and expected results of operations**

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

### **Environmental regulation and performance**

Exploration and development activities are subject to State and Federal laws, principally the Petroleum (Onshore) Act and Environmental Protection Act and associated regulations in QLD, WA & SA. Metgasco is committed to full compliance with all environmental performance obligations.

The Company recognises that its operations are subject to a number of environmental and regulatory risks, including:

| <b>RISK</b>                                   | <b>DESCRIPTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding                                       | The company's main activity is exploration and production of oil and gas. To continue its programme, the company may be required to raise additional capital. There is no assurance the company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such funding will be acceptable to the company, this may have an adverse effect on the company's ability to achieve its strategic goals and have a negative effect on its financial results.                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Government Regulation                         | The oil and gas industry are highly regulated by all levels of Government. Changes to regulation including Government taxes and charges may affect the viability of the company's projects either because of access or technology restrictions or increased costs. The company has maintained communications with relevant parties to mitigate the effect of regulation change including membership of industry bodies. The company has also adopted internal compliance monitoring solutions to maintain currency with legislation and regulatory obligations within the jurisdictions it operates.                                                                                                                                                                                                                                                                                                                                                              |
| Changes to restoration obligations provisions | Metgasco has certain restoration obligations with respect to its exploration and development licenses, facilities, and related infrastructure. These liabilities are derived from legislative and regulatory requirements, which are subject to change. Metgasco's balance sheet incorporates estimates for such decommissioning and abandonment activity, with those estimates included within provisions. Metgasco conducts a review of restoration provisions on a semi-annual basis. This includes a review of the assumptions included in the estimation, such as changes to the legislative and/or regulatory requirements for decommissioning and abandonment, future remaining reserves estimates, timing and costs and resultant production from the commercialisation of contingent resources, current prevailing market rates and costs to undertake decommissioning and abandonment activity, future inflation rates, and appropriate discount rates. |
| Environmental                                 | The company has environmental liabilities and obligations associated with its exploration licenses which arise as a consequence of its activities, including waste management, chemical management, water management and energy efficiency. The company monitors its ongoing environmental obligations and risks, and implements preventative, rehabilitation and corrective actions as appropriate, through compliance with the Environmental Protection Act and other governing regulations associated.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| JV Partnership alignment                      | The ability to execute growth in a joint venture ("JV") can be impacted by the strategy and appetite for capital investment by its JV partners. The joint operating agreements ("JOAs") covering each of the company's JV detail operating and voting procedures for activities within the relevant licenses.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

**Information on directors**

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                                | Michael Glennon                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Title:                               | Independent Non-Executive Interim Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Qualifications:                      | Bachelor of Commerce degree from the University of Western Sydney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Experience and expertise:            | Michael Glennon founded Glennon Capital in 2008 to offer investors the opportunity to co-invest along with the principals of the firm for long-term capital appreciation and income. Michael is an awarded Equities Investment Analyst with 28 years of experience with ASX companies known and respected for managing investments for high profile institutional, corporate and private Investors within Australia. Michael is currently chair of Benjamin Hornigold, Glennon Small Companies and Metgasco along with several unlisted companies.                                                                                                                                                                                                                                                                                                                                                                                                        |
| Other current directorships:         | Glennon Small Companies Limited (GC1) and Benjamin Hornigold Limited (BHD)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Former directorships (last 3 years): | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Special responsibilities:            | Member of the Audit and Risk Management Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Interests in shares:                 | 7,346,620 (Indirect)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Interests in options:                | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Name:                                | Ken Aitken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Title:                               | Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Qualifications:                      | Mr. Aitken holds a BSc in Mechanical Engineering from Heriot-Watt University, Scotland, and is a Graduate Member of the Australian Institute of Company Directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Experience and expertise:            | Mr Aitken has been Chief Executive Officer of Metgasco since September 2018 and then became Managing Director on 23 July 2021. His strategic contribution and operational leadership have been pivotal in progressing the Company's Cooper Basin portfolio and the Cervantes-1 L14 drilling in the Perth Basin. Mr Aitken brings over 40 years worldwide experience in large and small independent operating oil and gas companies. He has a successful track record in Asset / Sub-Surface/Production leadership and operational roles across companies such as Origin Energy, Mitsui, Amerada Hess, Enterprise Oil and Apache. Prior to his role at Metgasco, as Western Australian Asset Manager for Origin, where his team led the Redback, Beharra Springs and Jingemia projects, and as senior (non-director) executive at Empire Oil & Gas, he developed a strong working knowledge of Perth Basin onshore exploration and development operations. |
| Other current directorships:         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Former directorships (last 3 years): | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Special responsibilities:            | Member of the Audit and Risk Management Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Interests in shares:                 | 332,532 shares (Indirect)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Interests in options:                | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

Name: Robbert Willink  
Title: Independent Non-Executive Director  
Qualifications: BSc Hons from the University of Tasmania and a PhD in Geology from the Australian National University  
Experience and expertise: Dr. Willink has 40 years of experience in the Oil & Gas industry. Following graduation with a first-class honour's degree and the completion of his PhD in Geology, Dr. Willink embarked on a career in exploration that led through various overseas assignments to executive appointments in leading Australian Oil & Gas companies. Dr. Willink has worked for companies such as Shell, Sagasco Resources, Origin Energy and Central Petroleum. Among other executive roles, Dr. Willink held the position of Executive General Manager, Geoscience & Exploration New Ventures with Origin Energy from 2005 to 2011. Dr. Willink has held executive and non-executive director positions of other ASX listed companies in the past and was previously an Exploration Advisor of the privately-owned company Timor Resources. Since retirement from fulltime work, Dr. Willink has returned to advisory and consulting work.

Other current directorships: None  
Former directorships (last 3 years): Nil  
Special responsibilities: Member of the Audit and Risk Management Committee and a member of the New Business and Investment Committee.  
Interests in shares: 153,035 shares (Indirect), 301,790 shares (Direct)

Name: Tom Chapman  
Title: Independent Non-Executive Director  
Qualifications: MSc in Reservoir Engineering from Imperial College London (1992)  
Experience and expertise: Mr Chapman has over 30 years' experience across onshore and offshore projects with companies including BHP, Santos, and Cairn India, where he served as Chief Reservoir Engineer from 2008 to 2011 during the successful ramp-up of the Rajasthan development. Based in Adelaide, he has since continued to provide reservoir and production engineering services to Cairn India and, more recently, consulted to Beach Energy on Cooper Basin projects. His extensive experience in field management and optimisation will support the Company's ongoing Vali and Odin production enhancement efforts, ATP2021 exploration evaluation, and broader strategic review initiatives.

Other current directorships: None  
Former directorships (last 3 years): Nil  
Special responsibilities: Member of the New Business and Investment Committee.  
Interests in shares: Nil

**Company secretary**  
**Henko Vos**  
Company Secretary

Mr Vos is a member of the Australian Institute of Company Directors (AICD), the Governance Institute of Australia (GIA), and the Chartered Accountants in Australia and New Zealand (CAANZ) with more than 20 years' experience working within public practice, specifically within the area of corporate services and audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. He is a Director at Nexia Perth, a mid-tier corporate advisory and accounting practice.

**Flynn Blackburn**  
Company Secretary  
Appointed: 3 September 2024  
Resigned: 15 January 2026

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

|            | Full Board |      | Nomination and<br>Remuneration Committee |      | Audit and Risk Committee |      |
|------------|------------|------|------------------------------------------|------|--------------------------|------|
|            | Attended   | Held | Attended                                 | Held | Attended                 | Held |
| M. Glennon | 12         | 13   | -                                        | -    | 2                        | 2    |
| K. Aitken  | 13         | 13   | -                                        | -    | 2                        | 2    |
| R. Willink | 13         | 13   | -                                        | -    | 2                        | 2    |
| T. Chapman | 11         | 13   | -                                        | -    | 2                        | 2    |

No Nomination & Remuneration Committee meetings were held during the year.

### Committee membership

As at the date of this report, the Company had an Audit & Risk Committee, a sub-committee of the Board of Directors. Members acting on the committee of the board during the year were:

M Glennon  
K Aitken  
R Willink

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, 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*

#### Policy

Metgasco has a structured remuneration framework which provides a competitive base pay coupled with short- and long-term incentives (incentives subject to board discretion) to reward employees for above average performance and to create incentive over time to build value in the Company.

### Use of Remuneration Consultants

Metgasco has neither sought nor received any recommendations from remuneration consultants during the year.

### Non-Executive Directors

Remuneration for non-executive directors is normally determined at market rates by conducting an annual benchmarking exercise against a pool of comparable companies.

The structure of remuneration for Non-Executive Directors comprises a Base Fee inclusive of superannuation plus, where applicable, Committee Fees for participation as a member of a Board Committee. Fees to Non-Executive Directors are approved by the Board and set in aggregate within the maximum amount approved by shareholders. The maximum amount of fees approved to be paid to Non-Executive Directors by shareholders on 16 November 2010 was \$500,000.

### **Executive Team**

Remuneration for the executive team is determined at market rates by conducting at the boards discretion a benchmarking exercise against a pool of comparable companies. All employees are classified into a job band and the mix of remuneration between base pay, short term incentives and long-term incentives is applied within the framework of the job band. The combination of these is considered to be the Total Remuneration for each executive team member.

Given the stage of development of the Company, financial performance conditions, which would encompass KPI measures such as revenue, profit or EBITDA are not considered to be appropriate for assessing performance. Instead, an assessment of each individual's performance against individual and team objectives is undertaken.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

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

The Company has a current STI plan linked to the fulfilment of key performance indicators (KPIs). The KPIs are designed to promote shareholder value creation and include financial and non-financial measures. The financial and non-financial KPIs include base and stretch targets related to, but not limited to health and safety results, exploration outcomes and share price appreciation. All STI bonuses are subject to Board approval. An STI incentive was not implemented for FY26 given the stage of company development.

The Company has a current LTI program linked to share price appreciation, with the purpose to align the interests of employees with shareholders and to reward, over the medium term, employees for delivering value to shareholders through share price appreciation. An STI incentive was not implemented for FY26 given the stage of the company development.

In the case of options, once they are granted, the conditions required to ensure vesting are a service condition and a volume weighted share price condition. Future performance of an individual is therefore not a condition affecting the vesting of options granted in past periods.

The current LTI program is based on the issuance of Performance Rights, which may be converted into fully paid ordinary shares on a one for one basis. Each Performance Right contains a vesting hurdle which must be overcome before the Performance Right can be exercised. The vesting hurdle is linked to a certain share price of a value higher than the current share price and has a time limit to expiry.

### **Details of remuneration**

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

The key management personnel of the Company consisted of the following directors of the company:

- Michael Glennon - Non-Executive Chairman
- Ken Aitken - Managing Director
- Robbert Willink - Non - Executive Director
- Tom Chapman - Non -Executive Director

|                        | 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       | Total          |
|                        | \$                   | \$         | \$           | \$                       | \$                 | \$                   | \$             |
| <b>2026</b>            |                      |            |              |                          |                    |                      |                |
| <i>Directors:</i>      |                      |            |              |                          |                    |                      |                |
| M Glennon <sup>1</sup> | -                    | -          | -            | -                        | -                  | -                    | -              |
| R Willink              | 40,179               | -          | -            | 4,821                    | -                  | -                    | 45,000         |
| K Aitken               | 165,000              | -          | -            | 19,800                   | -                  | -                    | 184,800        |
| T Chapman              | 33,482               | -          | -            | 4,018                    | -                  | -                    | 37,500         |
|                        | <u>238,661</u>       | <u>-</u>   | <u>-</u>     | <u>28,639</u>            | <u>-</u>           | <u>-</u>             | <u>267,300</u> |

<sup>1</sup> M Glennon has elected to not receive financial compensation for his role as Interim Chairman.

|                        | 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       | Total          |
|                        | \$                   | \$         | \$           | \$                       | \$                 | \$                   | \$             |
| <b>2025</b>            |                      |            |              |                          |                    |                      |                |
| <i>Directors:</i>      |                      |            |              |                          |                    |                      |                |
| M Glennon <sup>1</sup> | -                    | -          | -            | -                        | -                  | -                    | -              |
| P Amery <sup>2</sup>   | 6,726                | -          | -            | 1,863                    | -                  | -                    | 8,589          |
| R Willink              | 53,812               | -          | -            | 7,220                    | -                  | -                    | 61,032         |
| K Aitken               | 263,683              | -          | -            | 32,200                   | -                  | -                    | 295,883        |
| P Lansom <sup>2</sup>  | 5,605                | -          | -            | 1,553                    | -                  | -                    | 7,158          |
| T Chapman              | 3,738                | -          | -            | 429                      | -                  | -                    | 4,167          |
|                        | <u>333,564</u>       | <u>-</u>   | <u>-</u>     | <u>43,265</u>            | <u>-</u>           | <u>-</u>             | <u>376,829</u> |

<sup>1</sup> M Glennon has elected to not receive financial compensation for his role as Interim Chairman.

<sup>2</sup> P Amery and P Lansom resigned 19 August 2024.

### 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:                | Ken Aitken                                                                                                                                                                                                                   |
| Title:               | Managing Director                                                                                                                                                                                                            |
| Agreement commenced: | 23 July 2021                                                                                                                                                                                                                 |
| Term of agreement:   |                                                                                                                                                                                                                              |
| Details:             | Under the service agreement, the Executive receives a base salary of \$300,000 per annum, together with statutory superannuation contributions. Remuneration is prorated based on the number of days worked during the year. |
| Name:                | Tom Chapman                                                                                                                                                                                                                  |
| Title:               | Non-Executive Director                                                                                                                                                                                                       |
| Agreement commenced: | 3 June 2025                                                                                                                                                                                                                  |
| Term of agreement:   | Rolling contract renewed via shareholder approval at AGM's every 3 years                                                                                                                                                     |
| Details:             | Under the terms of the Non-Executive Director contract, annual remuneration is \$50,000. From 1 January 2026, the Director agreed to receive 50% of this amount in consideration of the Company's financial circumstances.   |

Name: Robbert Willink  
Title: Non-Executive Director  
Agreement commenced: 5 February 2018  
Term of agreement: Rolling contract renewed via shareholder approval at AGM's every 3 years  
Details: The Non-Executive Director's service agreement provides for annual remuneration of \$60,000. From 1 January 2026, the Director agreed to receive 50% of this amount in consideration of the Company's financial circumstances.

### **Share-based compensation**

#### *Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026.

#### *Options*

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2026.

### **Additional information**

The Corporations Act requires disclosure of the Company's remuneration policy to contain a discussion of the Company's earnings and performance and the effect of the Company's performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five-year financial summary to 30 June 2026.

| <b>12 months ended</b>                            | <b>June-26</b> | <b>June-25</b> | <b>June-24</b> | <b>June-23</b> | <b>June-22</b> |
|---------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Net (loss) after tax (\$million)                  | (1.281)        | (3.270)        | (13.200)       | (1.530)        | (6.110)        |
| EPS (loss) (cents) Basic <sup>1</sup>             | (3.490)        | (11.140)       | (60.500)       | (8.000)        | (40.000)       |
| EPS (loss) (cents) Diluted <sup>1</sup>           | (3.490)        | (11.140)       | (60.500)       | (8.000)        | (40.000)       |
| Share Price (\$) - start of the year <sup>1</sup> | 0.100          | 0.250          | 0.750          | 1.200          | 1.400          |
| Share Price (\$) - end of the year <sup>1</sup>   | 0.011          | 0.100          | 0.250          | 0.750          | 1.200          |
| Share on Issue (million) <sup>1</sup>             | 36.742         | 36.650         | 27.950         | 21.280         | 18.600         |
| Market Capitalisation (\$million)                 | 0.404          | 3.670          | 6.990          | 15.960         | 22.320         |

<sup>1</sup>On 8 December 2025, the Company completed a share consolidation on a 1-for-50 basis. Current year and prior year updated to reflect the impact of the consolidation of capital.

For the reporting period, the Board determined a set of Company KPIs, reflecting the Company's strategies, business plan and budget. The KPIs and the performance set against them are set out below.

### **Performance against key strategic objectives set for the year**

This measure is concerned with the Company's strategic and qualitative objectives, which are subjective to measure. Some of the key objectives include:

- Delivering asset gas production, operating cost and capital spend as per agreed joint venture budgets.
- As part of the strategic review process reviewing value adding opportunities which are in line with the Company's core strategies and future growth plans.

### **Performance against financial targets**

Under this measure, the Board set specific financial management targets for the year which included cost reductions throughout the organisation including minimising overall corporate costs and ensuring appropriate funding is in place to enable the Company strategy to be delivered.

**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 company, including their personally related parties, is set out below:

|                        | Balance at<br>the start of<br>the year | Received<br>as part of<br>remuneration | Additions | Disposals/<br>other <sup>1</sup> | Balance at<br>the end of<br>the year |
|------------------------|----------------------------------------|----------------------------------------|-----------|----------------------------------|--------------------------------------|
| <b>30 June 2026</b>    |                                        |                                        |           |                                  |                                      |
| <i>Ordinary shares</i> |                                        |                                        |           |                                  |                                      |
| M Glennon              | 367,330,978                            | -                                      | -         | (359,984,358)                    | 7,346,620                            |
| R Willink              | 22,741,189                             | -                                      | -         | (22,286,364)                     | 454,825                              |
| K Aitken               | 16,626,595                             | -                                      | -         | (16,294,063)                     | 332,532                              |
| T Chapman              | -                                      | -                                      | -         | -                                | -                                    |
|                        | <u>406,698,762</u>                     | <u>-</u>                               | <u>-</u>  | <u>(398,564,785)</u>             | <u>8,133,977</u>                     |

<sup>1</sup>On 8 December 2025, the Company announced the consolidation of the Company's issued capital on the basis of every fifty shares be consolidated into one share, with a corresponding consolidation of options on issue, as approved by shareholders at the Company's Annual General Meeting on 26 November 2025.

|                        | Balance at<br>the start of<br>the year | Received as<br>part of<br>remuneration | Additions          | Disposals/<br>other | Balance at<br>the end of<br>the year |
|------------------------|----------------------------------------|----------------------------------------|--------------------|---------------------|--------------------------------------|
| <b>30 June 2025</b>    |                                        |                                        |                    |                     |                                      |
| <i>Ordinary shares</i> |                                        |                                        |                    |                     |                                      |
| M Glennon*             | 216,478,208                            | -                                      | 150,852,770        | -                   | 367,330,978                          |
| P Amery**              | 15,034,479                             | -                                      | -                  | -                   | 15,034,479                           |
| R Willink              | 13,090,629                             | -                                      | 9,650,560          | -                   | 22,741,189                           |
| K Aitken               | 8,226,470                              | -                                      | 8,400,125          | -                   | 16,626,595                           |
| P Lansom**             | 2,211,500                              | -                                      | -                  | -                   | 2,211,500                            |
|                        | <u>255,041,286</u>                     | <u>-</u>                               | <u>168,903,455</u> | <u>-</u>            | <u>423,944,741</u>                   |

\* M Glennon joined Metgasco's board as Interim Chairman on 19 August 2024

\*\* P Amery and P Lansom resigned 19 August 2024. Closing balance represents the balance at the date of resignation.

*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 company, including their personally related parties, is set out below:

|                                     | Balance at<br>the start of<br>the year | Granted | Expired <sup>1</sup> | Other | Balance at<br>the end of<br>the year |
|-------------------------------------|----------------------------------------|---------|----------------------|-------|--------------------------------------|
| <b>30 June 2026</b>                 |                                        |         |                      |       |                                      |
| <i>Options over ordinary shares</i> |                                        |         |                      |       |                                      |
| M Glennon                           | 64,000,000                             | -       | (64,000,000)         | -     | -                                    |

<sup>1</sup>This relates to 1,280,000 listed options exercisable at \$1.25 each and expiring on 22 March 2026 which expired unexercised during the period. These options previously reflected 64,000,000 options prior to the 50:1 capital consolidation completed in December 2025.

|                                     | Balance at<br>the start of<br>the year | Granted | Exercised | Expired/<br>forfeited/<br>other | Balance at<br>the end of<br>the year |
|-------------------------------------|----------------------------------------|---------|-----------|---------------------------------|--------------------------------------|
| <b>30 June 2025</b>                 |                                        |         |           |                                 |                                      |
| <i>Options over ordinary shares</i> |                                        |         |           |                                 |                                      |
| M Glennon                           | 134,718,179                            | -       | -         | 70,718,179                      | 64,000,000                           |
| P Amery**                           | 4,500,000                              | -       | -         | 4,500,000                       | -                                    |
| R Willink                           | 2,500,000                              | -       | -         | 2,500,000                       | -                                    |
| K Aitken                            | 12,500,000                             | -       | -         | 12,500,000                      | -                                    |
| P Lansom**                          | 2,500,000                              | -       | -         | 2,500,000                       | -                                    |

\* M Glennon joined Metgasco's board as Interim Chairman on 19 August 2024.

\*\* P Amery and P Lansom resigned 19 August 2024. Closing balance represents the balance at the date of resignation.

### **Options Exercised by Directors or other Key Management Personnel during the year**

During the year no options were exercised by Directors or other Key Management Personnel.

### **Other key remuneration disclosures**

During the year, there were no transactions of any kind between the Company and Directors, Key Management Personnel or parties related to these Companies other than what has been disclosed in this remuneration report. This includes loans, dividends, and consulting services. Any shares issued to Directors or other Key Management Personnel throughout the year were issued as a component of disclosed remuneration, through a rights issue, on-market transactions or through the exercise of options.

There were no payments received or receivable by Key Management Personnel of the Company or related parties of the Company other than as disclosed in this remuneration section of the Directors' Report.

***This concludes the remuneration report, which has been audited.***

### **Shares under option**

Unissued ordinary shares of the company under option at the date of this report are as follows:

| Grant date  | Expiry date | Exercise price | Number under option |
|-------------|-------------|----------------|---------------------|
| 4 June 2024 | 4 June 2027 | \$0.01         | 40,000              |
| 5 July 2024 | 4 June 2027 | \$0.01         | 100,000             |
|             |             |                | <u>140,000</u>      |

### **Shares issued on the exercise of options**

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

### **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.

### **Indemnity and insurance of officers**

Throughout the reporting period, the Company has maintained Directors' and Officers' insurance for the purpose of covering any loss which Directors and Officers may become legally obligated to pay on account of any claim first made against him/her during the policy period and for a wrongful act committed before or during the period of insurance. The amount paid by way of premium is unable to be disclosed due to confidentiality provisions in the insurance contract.

### **Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### **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.

### **Non-audit services**

There was no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former partners of Hall Chadwick Audit (WA) Pty Ltd**

There are no officers of the company who are former partners of Hall Chadwick Audit (WA) Pty Ltd.

**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 immediately after this directors' report.

**Auditor**

Hall Chadwick Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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



Michael Glennon  
Non-Executive Chairman

30 September 2026

To the Board of Directors,

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

As lead audit director for the audit of the financial statements of Metgasco Ltd and its controlled entities for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully



**HALL CHADWICK AUDIT (WA) PTY LTD**  
**ABN 42 163 529 682**



**Nikki Shen CA**  
**Director**

Dated this day of 30<sup>th</sup> September 2026  
Perth, Western Australia

**Metgasco Ltd**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2026**



|                                                                                                  | <b>Note</b> | <b>2026<br/>\$</b> | <b>2025<br/>\$</b> |
|--------------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>Revenue</b>                                                                                   |             |                    |                    |
| Revenue                                                                                          | 4           | 1,354,057          | 2,158,081          |
| Production Cost                                                                                  |             | (1,974,942)        | (2,032,216)        |
| Other income                                                                                     | 5           | 351,786            | 910,003            |
| <b>Expenses</b>                                                                                  |             |                    |                    |
| Finance costs                                                                                    | 5           | (2,990,209)        | (3,315,394)        |
| Employee benefits expense                                                                        |             | (261,792)          | (376,830)          |
| Depreciation                                                                                     |             | -                  | (450)              |
| Consulting fees                                                                                  |             | (100,410)          | (134,870)          |
| Impairment of oil and gas properties                                                             | 11          | (1,561,853)        | -                  |
| Exploration costs expensed                                                                       |             | (10,607)           | (33,150)           |
| Write off of exploration and evaluation assets                                                   |             | -                  | (11,228)           |
| Investor relations                                                                               |             | (69,598)           | (115,593)          |
| Other administrative                                                                             |             | 1,558              | (134,861)          |
| Accounting, compliance, legal & professional costs                                               |             | (282,005)          | (181,306)          |
| Gain/loss on modification of convertible loan                                                    | 14          | 4,262,866          | -                  |
| <b>Loss before income tax expense</b>                                                            |             | (1,281,149)        | (3,267,814)        |
| Income tax expense                                                                               | 6           | -                  | -                  |
| <b>Loss after income tax expense for the year attributable to the owners of Metgasco Ltd</b>     | 22          | (1,281,149)        | (3,267,814)        |
| Other comprehensive income for the year, net of tax                                              |             | -                  | -                  |
| <b>Total comprehensive income/(loss) for the year attributable to the owners of Metgasco Ltd</b> |             | <u>(1,281,149)</u> | <u>(3,267,814)</u> |
|                                                                                                  |             | <b>Cents</b>       | <b>Cents</b>       |
| Basic earnings per share                                                                         | 23          | (3.49)             | (11.14)            |
| Diluted earnings per share                                                                       | 23          | (3.49)             | (11.14)            |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

|                                                      | Note | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|------------------------------------------------------|------|----------------------------|----------------------------|
| <b>Assets</b>                                        |      |                            |                            |
| <b>Current assets</b>                                |      |                            |                            |
| Cash and cash equivalents                            | 7    | 1,616,525                  | 1,118,293                  |
| Trade and other receivables                          | 8    | 144,803                    | 243,133                    |
| <b>Total current assets</b>                          |      | <u>1,761,328</u>           | <u>1,361,426</u>           |
| <b>Non-current assets</b>                            |      |                            |                            |
| Exploration and evaluation expenditure               | 9    | -                          | -                          |
| Trade and other receivables                          | 10   | 40,452                     | 40,452                     |
| Oil and gas properties in development and production | 11   | 6,314,507                  | 8,363,070                  |
| <b>Total non-current assets</b>                      |      | <u>6,354,959</u>           | <u>8,403,522</u>           |
| <b>Total assets</b>                                  |      | <u>8,116,287</u>           | <u>9,764,948</u>           |
| <b>Liabilities</b>                                   |      |                            |                            |
| <b>Current liabilities</b>                           |      |                            |                            |
| Trade and other payables                             | 12   | 264,568                    | 512,838                    |
| Contract liabilities                                 | 13   | 167,000                    | 167,000                    |
| Borrowings                                           | 14   | 2,537,557                  | 4,304,095                  |
| Provisions                                           | 15   | 93,313                     | 93,313                     |
| Deferred revenue liability                           | 16   | 1,250,000                  | -                          |
| <b>Total current liabilities</b>                     |      | <u>4,312,438</u>           | <u>5,077,246</u>           |
| <b>Non-current liabilities</b>                       |      |                            |                            |
| Contract liabilities                                 | 17   | 2,007,928                  | 2,361,688                  |
| Derivative financial instruments                     | 18   | 4,358,031                  | 3,615,975                  |
| Provisions                                           | 19   | 1,291,906                  | 1,291,906                  |
| <b>Total non-current liabilities</b>                 |      | <u>7,657,865</u>           | <u>7,269,569</u>           |
| <b>Total liabilities</b>                             |      | <u>11,970,303</u>          | <u>12,346,815</u>          |
| <b>Net liabilities</b>                               |      | <u>(3,854,016)</u>         | <u>(2,581,867)</u>         |
| <b>Equity</b>                                        |      |                            |                            |
| Issued capital                                       | 20   | 125,772,947                | 125,763,947                |
| Share option reserve                                 | 21   | 6,600                      | 17,015                     |
| Accumulated losses                                   | 22   | (129,633,563)              | (128,362,829)              |
| <b>Total deficiency in equity</b>                    |      | <u>(3,854,016)</u>         | <u>(2,581,867)</u>         |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

**Metgasco Ltd**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2026**



|                                                              | <b>Issued<br/>capital<br/>\$</b> | <b>Share Option<br/>Reserve<br/>\$</b> | <b>Accumulated<br/>losses<br/>\$</b> | <b>Total equity /<br/>(deficit)<br/>\$</b>       |
|--------------------------------------------------------------|----------------------------------|----------------------------------------|--------------------------------------|--------------------------------------------------|
| Balance at 1 July 2024                                       | 124,783,023                      | 549,876                                | (125,624,692)                        | (291,793)                                        |
| Loss after income tax expense for the year                   | -                                | -                                      | (3,267,814)                          | (3,267,814)                                      |
| Other comprehensive income for the year, net of tax          | -                                | -                                      | -                                    | -                                                |
| Total comprehensive income for the year                      | -                                | -                                      | (3,267,814)                          | (3,267,814)                                      |
| <i>Transactions with owners in their capacity as owners:</i> |                                  |                                        |                                      |                                                  |
| Issue of new share capital net of issue costs                | 980,924                          | -                                      | -                                    | 980,924                                          |
| Share based payment expenses                                 | -                                | 10,700                                 | -                                    | 10,700                                           |
| Shares issued as a result of the exercise of options         | -                                | -                                      | -                                    | -                                                |
| Issue of broker options                                      | -                                | -                                      | -                                    | -                                                |
| Issue of debt facility options                               | -                                | (13,884)                               | -                                    | (13,884)                                         |
| Lapse of expired employee options                            | -                                | (529,677)                              | 529,677                              | -                                                |
| <b>Balance at 30 June 2025</b>                               | <b>125,763,947</b>               | <b>17,015</b>                          | <b>(128,362,829)</b>                 | <b>(2,581,867)</b>                               |
|                                                              | <b>Issued<br/>capital<br/>\$</b> | <b>Reserves<br/>\$</b>                 | <b>Accumulated<br/>losses<br/>\$</b> | <b>Total<br/>deficiency in<br/>equity<br/>\$</b> |
| Balance at 1 July 2025                                       | 125,763,947                      | 17,015                                 | (128,362,829)                        | (2,581,867)                                      |
| Loss after income tax expense for the year                   | -                                | -                                      | (1,281,149)                          | (1,281,149)                                      |
| Other comprehensive income for the year, net of tax          | -                                | -                                      | -                                    | -                                                |
| Total comprehensive income for the year                      | -                                | -                                      | (1,281,149)                          | (1,281,149)                                      |
| <i>Transactions with owners in their capacity as owners:</i> |                                  |                                        |                                      |                                                  |
| Contributions of equity, net of transaction costs (note 20)  | 9,000                            | -                                      | -                                    | 9,000                                            |
| Transfer on expiry of options                                | -                                | (10,415)                               | 10,415                               | -                                                |
| <b>Balance at 30 June 2026</b>                               | <b>125,772,947</b>               | <b>6,600</b>                           | <b>(129,633,563)</b>                 | <b>(3,854,016)</b>                               |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Metgasco Ltd**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2026**



|                                                                   | <b>Note</b> | <b>2026</b><br>\$       | <b>2025</b><br>\$       |
|-------------------------------------------------------------------|-------------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>                       |             |                         |                         |
| Receipts from customers (inclusive of GST)                        |             | 1,579,475               | 2,241,895               |
| Payments to employees and suppliers (inclusive of GST)            |             | (1,906,530)             | (2,644,279)             |
| Exploration and evaluation                                        |             | (19,093)                | -                       |
| Interest received                                                 |             | -                       | 235                     |
| Government grants and tax incentives                              |             | 1,250,000               | -                       |
| Interest paid                                                     |             | (235,737)               | (249,662)               |
| <b>Net cash flow provided by / (used in) operating activities</b> | <b>28</b>   | <u>668,115</u>          | <u>(651,811)</u>        |
| <b>Cash flows from investing activities</b>                       |             |                         |                         |
| Expenditure on exploration and evaluation                         |             | (249,595)               | (1,988,413)             |
| Expenditure on oil and gas development assets                     |             | (373,798)               | (95,161)                |
| Refund of rehabilitation security                                 |             | -                       | 69,450                  |
| <b>Net cash flow (used in) investing activities</b>               |             | <u>(623,393)</u>        | <u>(2,014,124)</u>      |
| <b>Cash flows from financing activities</b>                       |             |                         |                         |
| Proceeds from issue of shares (net of issue costs)                | 20          | 9,000                   | 855,616                 |
| Proceeds from borrowings (net of transaction costs of borrowings) |             | (45,490)                | 3,048,000               |
| Proceeds from borrowings                                          |             | 500,000                 | -                       |
| Transaction costs related to loans and borrowings                 |             | (10,000)                | -                       |
| Repayment of borrowings                                           |             | -                       | (1,000,000)             |
| <b>Net cash flow provided by financing activities</b>             |             | <u>453,510</u>          | <u>2,903,616</u>        |
| Net increase in cash and cash equivalents                         |             | 498,232                 | 237,681                 |
| Cash and cash equivalents at the beginning of the financial year  |             | 1,118,293               | 880,612                 |
| Cash and cash equivalents at the end of the financial year        | <b>7</b>    | <u><u>1,616,525</u></u> | <u><u>1,118,293</u></u> |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Material accounting policy information**

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Group 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

### **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. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

### *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, 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 Group'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 2.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metgasco Ltd ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Metgasco Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

**Note 1. Material accounting policy information (continued)**

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Going Concern**

The Group's financial statements are prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the ordinary course of business. During the period ended 30 June 2026, the Group recognised a loss of \$1,281,149 (30 June 2025: loss of \$3,267,814) and had net cash inflows from operating and investing activities of \$44,722 (30 June 2025: outflow of \$2,665,935). At 30 June 2026, the Group had a net liability position of \$3,854,016 (30 June 2025: \$2,581,867) and a working capital deficit of \$2,551,110 (30 June 2025: \$3,715,820) with a cash balance at the reporting date of \$1,616,525, including restricted cash of \$1,250,000.

The Directors have reviewed the business outlook, cash flow forecasts, and immediate capital requirements of the Group. At the date of signing this report, the Directors have reasonable grounds to believe that the Group will be able to meet its obligations as they fall due.

The Directors believe that the going concern basis of accounting remains appropriate based on the following:

- Glennon Small Companies ("GSC"), as the primary entity providing the funding facility to the Company, has confirmed that it would not call upon some or all of the obligations or debt owing (\$7 Million at 30 June 2026) to the extent that Metgasco maintains sufficient working capital in order to pay its debts as and when they fall due and payable and for a period of at least 13 months from the date of this report, or to such earlier time that Metgasco is able to satisfy its commitments and obligations to its suppliers and employees without such assistance. The debt repayment dates may be extended by mutual agreement.
- The Company is in active discussions with regards to the potential acquisition of new asset(s) and/or other corporate opportunities with a view to recapitalise the business.
- The Company's cash flow forecast anticipates capital raising initiatives. The Company has relevant placement capacity and the ability to utilise alternative raising methods along with a successful track record of raising capital or new funding as and when required.
- The Managing Director and the Board of Metgasco have reduced their respective remuneration since 1 January 2026 to assist with cash flow requirements. Furthermore, the Managing Director will not require payment of his accrued salary if Metgasco does not have the financial capacity to do so.

Further, the Company's net liability position includes the following items of a non-cash nature:

- \$1.25 Million of deferred revenue related to the receipt of the South Australia government grant which will be recognised as revenue as the associated activity is undertaken. (See note 16)
- A derivative financial instrument of \$4.358 Million related to the conversion feature under the Secured Loan Deed which represents the Company's obligation to issue shares at a fixed price should the noteholder exercise their conversion option (see note 18).

## Note 1. Material accounting policy information (continued)

Should the Company be unsuccessful in achieving the matters set out above, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Revenue recognition

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue from contracts with customers is recognised based on volumes sold under contracts with customers, at the point in time where performance obligations are considered met. Generally, regarding the sale of hydrocarbon products, the performance obligation will be met when the product is delivered to the specified measurement point (gas) or point of loading/unloading (liquids).

A contract liability for deferred revenue is recorded for obligations under sales contracts to deliver natural gas in future periods for which payment has already been received.

### Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

**Note 1. Material accounting policy information (continued)**

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The Company has not formed a tax consolidated group.

**Current and non-current classification**

Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand and short, fixed term deposits with banks. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Contract assets**

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

## Note 1. Material accounting policy information (continued)

### Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

The Group accounts for its assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

### Investment and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

#### *Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

## Note 1. Material accounting policy information (continued)

### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

### *Financial assets at fair value through profit or loss (FVPL)*

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category.

### *Debt instruments at fair value through other comprehensive income (Debt FVOCI)*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI. Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

### *Equity instruments at fair value through other comprehensive income (Equity FVOCI)*

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

### *Impairment of financial assets*

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

## Note 1. Material accounting policy information (continued)

### *Trade and other receivables and contract assets*

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

All financial assets, except for those at fair value through profit or loss (FVPL) and equity investments at fair value through other comprehensive income (equity FVOCI), are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

### *Financial assets at fair value through other comprehensive income*

The Group recognises 12 months expected credit losses for financial assets at FVOCI. As most of these instruments have a high credit rating, the likelihood of default is deemed small. However, at each reporting date the Group assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Group relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Group only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Group would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Group considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results.

Should any of these indicators imply a significant increase in the instrument's credit risk, the Group recognises for this instrument or class of instruments the lifetime expected credit losses.

### *Classification and measurement of financial liabilities*

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

### *Derivative financial instruments and hedge accounting*

Financial liabilities that contain embedded derivative components are assessed upon initial recognition to determine whether those embedded derivatives must be separated from the host contract and accounted for as a standalone derivative. Separation is required if all of the following criteria are met:

1. The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
2. A separate instrument with the same terms as the embedded derivative would satisfy the definition of a derivative under AASB 139; and
3. The combined (hybrid) instrument is not measured in its entirety at fair value with changes in fair value recognised in profit or loss.

## Note 1. Material accounting policy information (continued)

Derivatives are initially measured at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss. Where an embedded derivative is separated, it is measured at fair value on separation, with subsequent changes in fair value recognised in profit or loss (unless hedge accounting is applied under applicable standards).

The Group reviews contracts containing embedded derivatives at least each reporting date, but reassessment is required only where there is a significant modification to the terms of the contract or when there is a reclassification of a financial asset out of the fair value through profit or loss category that affects the embedded derivative separation criteria.

### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### **Property, plant and equipment**

Each class of property, plant and equipment is carried at historic cost less accumulated depreciation and impairment losses, where applicable. Plant and equipment is measured on the historic cost basis less depreciation and impairment losses.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of assets constructed within the Company includes the cost of materials, direct labour, borrowing costs, and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the carrying value of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

The carried value of an asset is written down immediately to its recoverable amount if the asset's carried value is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing proceeds with the carried value. These gains and losses are included in the profit or loss.

All fixed assets are depreciated on a straight-line basis over their useful lives to the Company. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Plant and equipment are depreciated at rates from 4% to 40%. The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at the end of the reporting period. Depreciation charged on assets which are employed exclusively in the Company's exploration activities is capitalised. This is consistent with the treatment of other exploration related expenses.

## **Note 1. Material accounting policy information (continued)**

### **Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

In accordance with AASB 6, exploration expenditure is carried forward as an asset provided that the rights to the area of interest are current and such expenditure was expected to be recouped by: -

- Successful development of the area of interest; or
- By sale of the area of interest.

Exploration and evaluation activities had not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the interests are continuing.

Exploration expenditure which fails to meet at least one of the conditions outlined above is written off. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated expenditure applicable to such area of interest is written off to the profit or loss account in the year in which such decision is made. Qualifying Research and Development tax offsets received from the Australian Taxation Office are offset against the deferred exploration expenditure. Other Government grants which may be received from time to time are also offset against deferred exploration expenditure.

Amortisation is not charged on costs carried forward in respect of areas of interest on the basis that the Company is not able to assess with certainty the chances of the recoupment of expenditure through successful development or the rate at which the yet to be determined resources would be depleted. A regular review is undertaken of each area of interest to determine the appropriateness of carrying forward costs in relation to the area of interest. Charges for depreciation of equipment used in exploration and evaluation activities are included as indirect costs of exploration and evaluation.

### **Oil and gas properties**

#### **Assets in development**

When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated and approval of commercial development occurs; the field enters its development phase from the exploration and evaluation phase. Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines, and the drilling of development wells, as well as exploration and evaluation costs, are capitalised as tangible assets within oil and gas assets. When commercial operation commences, the accumulated costs are transferred to oil and gas producing assets.

#### **Assets in production**

Expenditure carried within each field is amortised from the commencement of production on a unit of production basis, over the estimated useful life of the field determined by reference to probable reserves, on a field-by-field basis. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively. Amortisation is charged to profit or loss.

### **Impairment of non-financial assets**

Assets that are not subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

## Note 1. Material accounting policy information (continued)

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

### Restoration and rehabilitation

Estimates of the cost of restoration and rehabilitation represent the anticipated cost to decommission the Company's existing wells. Site restoration costs include: the dismantling and removal of infrastructure, removal of residual materials and remediation of disturbed areas. Such costs are determined using estimates of future costs, current legal requirements and technology and updated for present value.

### Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured as the amounts expected to be paid when the liability is settled, plus related on-costs and booked as an accrual. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits and booked as a provision.

#### (i) Long service leave

The non-current liability for long service leave is recognised in the provision for employee benefits and estimated as future cash outflows to be made by Metgasco resulting from employees' services provided up to the reporting date. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(ii) Share based payments Share based compensation benefits are provided to employees via an employee and officer's equity plan.

- The fair value of options and share rights granted under an employee and officer's equity plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options and share rights.

- The fair value at grant date is determined by using a Black-Scholes option or Monte Carlo pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk-free rate, vesting and performance criteria, the impact of dilution and the fact that the options and share rights are not tradable.

## Note 1. Material accounting policy information (continued)

### (iii) Superannuation

The Company contributes to the personal superannuation funds of employees in accordance with the prevailing Federal legislation. Contributions of superannuation are recognised as expenses when they become payable. The cost of superannuation for employees employed exclusively in exploration and evaluation activities are carried forward in the statement of financial position.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the Financial Assets at FVOCI reserve, which comprises gains and losses from the revaluation of exchange traded bonds.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Metgasco Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

#### *Diluted earnings per share*

Diluted earnings (loss) per share adjusts the basic earnings used in determining earnings per share by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares noted is adjusted by the weighted average number of shares assumed to have been issued for no consideration. At the end of the reporting period, options over unissued shares are not considered to be dilutive and have not been used to calculate diluted loss per share.

### Convertible notes

Convertible notes are accounted for as follows:

- Contracts that exhibit the characteristics of equity (i.e. – they pass the ‘fixed-for-fixed test’) are accounted for as equity;
- Contracts that exhibit characteristics of a liability are recognised as a liability in the statement of financial position, net of transaction costs;
- Compound contracts – the embedded derivative is separated from the host contract. The derivative liability is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured to its fair value at each reporting date. The host contract is accounted for at amortised cost with the effective interest being the difference between the face value of the contract less the embedded derivative. If the contract contains one or more embedded derivatives, the Group may designate the entire contract at fair value through profit or loss.

### 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.

## **Note 1. Material accounting policy information (continued)**

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2026. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

#### *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 Company 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.

### **Comparative financial information**

Comparative financial information is reclassified where applicable to aid comparability with the current year, and more appropriately reflect the nature of the items concerned. None of the adjustments affect the loss before or after tax or net assets

## **Note 2. 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 have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. 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. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, 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.

#### *Development assets*

The Company has determined that certain tenements have entered the commercial development phase and has started to incur expenditure on planning and design, construction and installation of infrastructure necessary to bring the oil or gas field into production. When a decision is made to develop an oil or gas field, all prior cost associated with exploration and evaluation of related tenements are transferred and reclassified as development assets.

## Note 2. Critical accounting judgements, estimates and assumptions (continued)

### *Impairment of oil and gas properties*

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows. For oil and gas properties, expected future cash flow estimation is based on reserves, future production profiles, commodity prices and costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of the oil & gas properties.

### *Provision for site restoration*

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and that the obligation can be measured reliably.

The Company estimates the future restoration costs of wells and associated infrastructure at the time of a development installation. In most instances removal of these assets occurs many years into the future once the asset has ceased providing economic benefits to the Company. The calculation of this provision requires management to make assumptions regarding removal date, application of environmental legislation, the extent of restoration activities required and available technologies.

## Note 3. Segment Information

The Directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the board) in allocating resources and have concluded at this time there are no separately identifiable segments, as Metgasco operates predominantly in the oil and gas industry in Australia.

## Note 4. Revenue

|                   | 2026<br>\$       | 2025<br>\$       |
|-------------------|------------------|------------------|
| Oil and gas sales | <u>1,354,057</u> | <u>2,158,081</u> |

During the year, the Group made gas sales to AGL Whole Gas Limited and Pelican Point Power Limited (refer to note 13).

## Note 5. Finance costs and Other income

|                                                         | 2026<br>\$       | 2025<br>\$       |
|---------------------------------------------------------|------------------|------------------|
| <b>Finance costs - external</b>                         |                  |                  |
| Bank charges                                            | 520              | 2,581            |
| Debt establishment fees                                 | 10,000           | 117,726          |
| Foreign exchange loss                                   | 644              | 488              |
| Interest                                                | 1,053,578        | 953,767          |
| Unwinding transaction cost                              | 1,183,415        | 1,679,994        |
| Fair value adjustments - Derivative financial liability | 742,052          | 560,838          |
|                                                         | <u>2,990,209</u> | <u>3,315,394</u> |
|                                                         | <b>2026</b>      | <b>2025</b>      |
| <b>Other income</b>                                     |                  |                  |
| Unwinding transaction cost - contract liabilities       | 320,441          | 901,164          |
| Other miscellaneous income                              | 31,345           | 8,839            |
|                                                         | <u>351,786</u>   | <u>910,003</u>   |

**Note 6. Income tax benefit**

|                                                                                             | 2026<br>\$  | 2025<br>\$  |
|---------------------------------------------------------------------------------------------|-------------|-------------|
| <i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>         |             |             |
| Loss before income tax expense                                                              | (1,281,149) | (3,267,814) |
| Tax at the statutory tax rate of 25%                                                        | (320,287)   | (816,954)   |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income:        |             |             |
| Non-deductible expenses                                                                     | 60          | (796)       |
| Adjustments recognised in the current year in relation to the current tax of previous years | 68,496      | (633,401)   |
| Temporary differences not recognised                                                        | 251,731     | 1,514,945   |
| Effect of temporary differences that would be recognised directly in equity                 | -           | (63,794)    |
| Income tax benefit                                                                          | -           | -           |

|                                                                                                   | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|---------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Deferred tax assets/(liabilities) not recognised comprises temporary differences attributable to: |                            |                            |
| Oil and gas properties in development                                                             | (1,025,703)                | (1,384,902)                |
| Financial assets                                                                                  | (673,755)                  | -                          |
| Trade and other receivables                                                                       | (19,701)                   | -                          |
| Prepayments                                                                                       | (2,125)                    | (48,659)                   |
| Trade and other payables                                                                          | 6,777                      | 8,336                      |
| Provisions                                                                                        | 346,305                    | -                          |
| Employee benefit                                                                                  | 27,036                     | 13,002                     |
| Financial liabilities                                                                             | 351,315                    | -                          |
| Rehabilitation provision                                                                          | -                          | 346,305                    |
| Borrowings                                                                                        | 1,651                      | 165,801                    |
| Borrowing costs                                                                                   | -                          | 23,062                     |
| Business related costs                                                                            | -                          | 87,341                     |
| Capital losses                                                                                    | -                          | 168,931                    |
| Tax losses                                                                                        | 30,182,091                 | 29,793,183                 |
| Other future deductions                                                                           | 219,630                    | -                          |
| Total deferred tax assets not recognised                                                          | 29,413,521                 | 29,172,400                 |

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the consolidated statement of financial position as the recovery of this benefit is uncertain.

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

**Note 7. Current assets - cash and cash equivalents**

|                     | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|---------------------|----------------------------|----------------------------|
| Cash at bank        | 366,525                    | 1,118,293                  |
| Restricted cash (i) | 1,250,000                  | -                          |
|                     | <u>1,616,525</u>           | <u>1,118,293</u>           |

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows as follows:

|                                                     |                  |                  |
|-----------------------------------------------------|------------------|------------------|
| Balances as above                                   | 1,616,525        | 1,118,293        |
| Balance as per consolidated statement of cash flows | <u>1,616,525</u> | <u>1,118,293</u> |

(i) Amount is restricted and reflects the Company's 25% share of the \$5,000,000 government grants received (refer ASX announcement dated 15 June 2026) and held in separate bank accounts in Vintage's name on behalf of the joint venture, that can only be used on drilling projects specified in the grant agreements once matching funds have been sourced and joint venture approvals and other necessary approvals are obtained. The Company is required to approve the well drilling budget before the related expenditure can be incurred. Accordingly, Metgasco participates in the decision-making process in respect of drilling activities and retains the contractual right to elect not to participate in, or fund, drilling activities. The funds are quarantined and cannot be utilised for operating activities except as specified in the grant agreements. Refer to Note 16 for the associated deferred liability.

**Note 8. Current assets - Trade and other receivables**

|                        | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|------------------------|----------------------------|----------------------------|
| Prepayments            | 8,499                      | 16,365                     |
| Trade receivables      | -                          | 14,751                     |
| Accrued Income         | 78,804                     | 178,273                    |
| Security Bonds         | 54,598                     | 42,919                     |
| Cash call contribution | 2,902                      | (9,175)                    |
|                        | <u>144,803</u>             | <u>243,133</u>             |

No receivables are past due or impaired. Security bonds are held in favour of the Queensland Department of Natural Resources and Mines.

**Note 9. Non-current assets - exploration and evaluation**

|                                   | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|-----------------------------------|----------------------------|----------------------------|
| Exploration and evaluation assets | <u>-</u>                   | <u>-</u>                   |

**Note 9. Non-current assets - exploration and evaluation (continued)**

|                                    | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|------------------------------------|----------------------------|----------------------------|
| Opening balance                    | -                          | 5,158,862                  |
| Additions                          | -                          | 1,191,235                  |
| Write off of assets                | -                          | (11,228)                   |
| Transfer to oil and gas properties | -                          | (6,338,869)                |
| Closing balance                    | -                          | -                          |

All exploration and evaluation assets were transferred to oil and gas properties in the prior year.

**Note 10. Non-current assets - Other Receivables**

|                | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|----------------|----------------------------|----------------------------|
| Security Bonds | 40,452                     | 40,452                     |

Security bonds are held in favour of the Queensland Department of Natural Resources and Mines.

**Note 11. Non-current assets - Oil and Gas Properties in Development and Production**

|                                                      | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>AUD |
|------------------------------------------------------|----------------------------|-----------------------------|
| Oil and Gas properties in Development and Production | 6,314,507                  | 8,363,070                   |

***Expenditure for the entity's operations***

Movement during the financial period (at cost):

|                                                     |                  |                  |
|-----------------------------------------------------|------------------|------------------|
| Opening balance                                     | 8,363,070        | 2,799,002        |
| Additions                                           | 539,588          | 161,081          |
| Add: Transfer from Exploration and Evaluation Asset | -                | 6,338,869        |
| Less: Amortisation                                  | (1,026,298)      | (935,882)        |
| Less: Impairment loss on oil and gas properties     | (1,561,853)      | -                |
| <b>Carrying amount at end of year</b>               | <b>6,314,507</b> | <b>8,363,070</b> |

**Note 11. Non-current assets - Oil and Gas Properties in Development and Production (continued)**

During the year ended 30 June 2026, the Company recognized amortization of \$1,026,298 on its oil and gas properties in the Vali and Odin gas fields, reflecting the cost allocation of the asset over its useful life based on production levels. This amortization was calculated using the units-of-production method, which amortizes the cost proportionally to the actual production during the period relative to the estimated total recoverable reserves.

All development assets as of 30 June 2026 are located within the Vali field, situated in the ATP2021 permit area. The recognized amortization and impairment are reflected in the consolidated statement of profit or loss and other comprehensive income.

Impairment testing is performed for all non-financial assets, at each reporting date, where there is an indication that an asset may be impaired. If an asset does not generate independent cash inflows and its value in use (VIU) cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs. The CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group's CGUs are comprised of Vali and Odin within the properties in development and production assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

On the basis that an updated CDRI reserve report was not available at the date of approval of the financial statements, management's impairment assessment as at 30 June 2026 was based on the reserve identified in the previous report, issued in 2024. The carrying value of the asset has been assessed by reference to the 2024 reserves, adjusted for production in the intervening period, prevailing gas prices and expected future operating costs. Arising from this process an impairment loss of \$1,561,853 has been recognised in the current period to reflect management's assessment of the fair value of the assets at 30 June 2026.

**Note 12. Current liabilities - trade and other payables**

|                              | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|------------------------------|-------------------------------------|-------------------------------------|
| Trade payables               | 63,388                              | 180,815                             |
| Accrued charges and expenses | 91,020                              | 137,476                             |
| Employee benefits (a)        | 110,160                             | 69,547                              |
| Contingent consideration (b) | -                                   | 125,000                             |
|                              | <u>264,568</u>                      | <u>512,838</u>                      |

(a) Amounts classified above as employee benefits are expected to be settled within 12 months of the end of the reporting period.

(b) During FY2023, an additional stake in PRL211 asset was acquired. The consideration terms for this acquisition included a contingent consideration based on the achievement of the following milestones:

- Payment of \$187,500 upon 15 Business Days following First Production from the Odin Field.
- Payment of \$125,000 upon 15 Business Days following production of 1.06 Petajoules of sales gas or equivalent from the Odin Field.

The Company settled the \$187,500 contingent consideration during the FY24 financial year and paid the final milestone payment of \$125,000 in August 2025.

**Note 13. Current liabilities - Contract liabilities**

|                      | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|----------------------|-------------------------------------|-------------------------------------|
| Contract liabilities | <u>167,000</u>                      | <u>167,000</u>                      |

Refer to note 17 for more details.

**Note 14. Current liabilities - borrowings**

|                                                            | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Borrowings                                                 | <u>2,537,557</u>                    | <u>4,304,095</u>                    |
|                                                            | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
| Opening balance of loan                                    | 4,304,094                           | 5,180,020                           |
| Additions during the year                                  | 500,000                             | -                                   |
| Transaction costs and interest                             | 813,669                             | (2,545,679)                         |
| Unwinding of transaction cost                              | 1,182,659                           | 1,669,753                           |
| Gain/loss on modification of convertible loan <sup>1</sup> | (4,262,866)                         | -                                   |
| Closing balance                                            | <u>2,537,556</u>                    | <u>4,304,094</u>                    |

<sup>1</sup>The modification of the convertible note constituted a substantial modification under AASB 9. Consequently, the existing financial liability was derecognised, and a new financial liability was recognised. This resulted in a modification gain of approximately \$4.2 million arising by virtue of the fact that the embedded derivative represents the majority of the instrument's value due to the highly discounted conversion price.

Refer to note 24 for further information on financial instruments.

The Company's senior secured debt facility with Glennon Small Companies Ltd, first announced on 13 March 2023, remains fully drawn at A\$2.0 million.

On 19 August 2024, Metgasco Ltd secured an \$880,000 debt funding agreement (Loan Agreement) with Glennon Small Companies (Glennon). The Loan Agreement contemplated the ability to increase the facility amount on the same debt terms. On 27 September 2024 the Loan Agreement was increased by \$2,000,000 (received 4 October 2024) to a total of \$2,880,000.

On 27 November 2024, the debt consideration under the 19 August 2024 Loan Agreement was increased by a further \$300,000, to a total of \$3,180,000. The total debt being provided by Glennon to Metgasco was therefore \$5.18m, inclusive of the \$2m debt agreed in March 2023, with the blended interest rate on the combined Glennon loan facilities being 16.1%, with the vast bulk of the debt being unsecured.

On 20 May 2026, Metgasco Ltd entered into a \$500,000 bridging loan facility with Glennon Small Companies Limited. The facility bears interest at 10% per annum and was obtained to fund short-term capital requirements and general working capital pending the restructuring of the Company's existing debt facilities.

As at 30 June 2026, the total outstanding debt related to the \$3,680,000 Glennon loan including capitalised interest is \$5,007,927.

Metgasco had also entered a royalty agreement with Glennon Small Companies Ltd to pay 12.5% of revenue earned, following repayment of the loan. Following repayment of existing debt by Metgasco, royalties will be terminated.

On 2 July 2026, Metgasco's loans with Glennon Small Companies Ltd were extended to 30 December 2026, with all other terms remaining unchanged.

**Note 15. Current liabilities - Provisions**

|                        | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|------------------------|-------------------------------------|-------------------------------------|
| Restoration obligation | <u>93,313</u>                       | <u>93,313</u>                       |

**Note 15. Current liabilities - Provisions (continued)**

As disclosed under note 2, the Company is obliged to complete restoration activities where site areas have been disturbed. Estimates have been calculated and provisions made for the activities on the Vali, Odin, and Cervantes projects.

**Note 16. Current liabilities - Deferred revenue liability**

|                                                       | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|-------------------------------------------------------|-------------------------------------|-------------------------------------|
| Deferred Revenue Liability (Government Grant Funding) | 1,250,000                           | -                                   |

During the year, Vintage Energy and its joint venture partners, including Metgasco Ltd, became entitled to receive government grant funding of \$5,000,000 in respect of approved drilling and exploration activities. As at 30 June 2026, Metgasco's 25% participating interest in the grant funding amounted to \$1,250,000, which has been recognised as a deferred revenue liability as the associated funding conditions had not yet been satisfied at reporting date.

The grant funds are held in designated bank accounts and are restricted in use. The funds may only be applied to drilling and exploration activities specified in the relevant grant agreements and are contingent upon the Group and its joint venture partners providing the required matching funding and obtaining all necessary joint venture, regulatory and other approvals.

As at 30 June 2026, the conditions required for recognition of the grant as income had not been met. Accordingly, the funding has been recognised as a deferred revenue liability and will be recognised in profit or loss on a systematic basis as the related eligible expenditure is incurred and the grant conditions are satisfied. The funds are quarantined and cannot be utilised for the Group's general operating activities other than for the specific purposes permitted under the grant agreements.

**Note 17. Non-current liabilities - contract liabilities**

|                      | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|----------------------|-------------------------------------|-------------------------------------|
| Contract liabilities | 2,007,928                           | 2,361,688                           |

In FY22 Company executed a Gas Supply Agreement (GSA) for its interest in the Vali Gas Field with AGL Whole Gas Limited. The GSA provided that an amount of \$15M (\$3.75M - Metgasco share) would be advanced to Metgasco and its partners prior of first gas production to assist with the costs to bring the Vali Gas Field into Production.

The GSA allows for the delivery of 9PJ of gas up to 31 December 2027. Delivery commenced in February 2023 after initially scheduled to commence in FY2022 for 1PJ and 2PJ per year from 2023-2027. Any amounts not delivered within the production year are rolled forward into the next calendar year.

The Company has recognised a contract liability for the deferred revenue (in accordance with accounting policy as stated on note 1) under the GSA to deliver natural gas in future periods for which payment has already been received. Deferred revenue liabilities unwind as revenue from contracts, upon satisfaction of the performance obligation.

**Note 18. Non-current liabilities - derivative financial instruments**

|                                 | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|---------------------------------|-------------------------------------|-------------------------------------|
| Derivative financial instrument | 4,358,031                           | 3,615,975                           |

**Note 18. Non-current liabilities - derivative financial instruments (continued)**

|                                                                    | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|--------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Opening balance                                                    | 3,615,975                           | 89,600                              |
| Embedded derivative portion from new convertible loan at inception | -                                   | 2,965,537                           |
| Fair value adjustment                                              | 742,056                             | 560,838                             |
| Closing balance                                                    | <u>4,358,031</u>                    | <u>3,615,975</u>                    |

On 13 March 2023, the Company entered into a Secured Loan Deed (note 14) with Glennon Small Companies Limited ("Glennon") and part of this agreement included 64 million options. In accordance with AASB 9 Financial Instruments, the Group accounts for convertible security financing on a fair value basis.

The conversion feature represents the Company's obligation to issue shares at a fixed price should the noteholders exercise their conversion option. The conversion feature was deemed to be an embedded derivative liability. On initial recognition, the fair value of the conversion rights granted was included in the transaction costs, as detailed in note 14. The conversion rights will be recognised as equity on extinguishment of the convertible note if shares are issued, or they will be derecognized in profit or loss if not converted.

The derivative liability is measured at fair value, with changes in fair value recognised in profit or loss. Refer to further details in note 14 related to the modification of the convertible note, extending the term to 31 December 2026.

Refer to note 25 for further information on fair value measurement.

**Note 19. Non-current liabilities - provisions**

|                                      | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Restoration obligation (non-current) | <u>1,291,906</u>                    | <u>1,291,906</u>                    |

As disclosed under note 2, the Company is obliged to complete restoration activities where site areas have been disturbed. Estimates have been calculated and provisions made for the activities on the Vali, Odin, and Cervantes projects.

**Note 20. Equity - issued capital**

|                              | <b>Consolidated<br/>2026<br/>Shares</b> | <b>Consolidated<br/>2025<br/>Shares</b> | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------------|
| Ordinary shares - fully paid | <u>36,742,276</u>                       | <u>1,832,586,744</u>                    | <u>125,772,947</u>                  | <u>125,763,947</u>                  |

*Movements in ordinary share capital*

|                                                            | <b>30 June 2026<br/>No. of shares</b> | <b>30 June 2025<br/>No. of shares</b> | <b>30 June 2026<br/>\$</b> | <b>30 June 2025<br/>\$</b> |
|------------------------------------------------------------|---------------------------------------|---------------------------------------|----------------------------|----------------------------|
| Opening balance                                            | 1,832,586,744                         | 1,397,586,745                         | 125,763,947                | 124,783,023                |
| Issue of new share capital net of issue costs <sup>2</sup> | 4,500,000                             | 434,999,999                           | 9,000                      | 980,924                    |
| Consolidation of capital <sup>1</sup>                      | (1,800,344,468)                       | -                                     | -                          | -                          |
| Closing balance                                            | <u>36,742,276</u>                     | <u>1,832,586,744</u>                  | <u>125,772,947</u>         | <u>125,763,947</u>         |

## Note 20. Equity - issued capital (continued)

<sup>1</sup> On 8 December 2025, the Company announced the consolidation of the Company's issued capital on the basis of every fifty shares to be consolidated into one share, with a corresponding consolidation of options on issue, as approved by shareholders at the Company's Annual General Meeting on 26 November 2025.

<sup>2</sup> Metgasco Ltd issued 4,500,000 fully paid ordinary shares on 22 July 2025. The Shares were issued pursuant to section 708(1) of the Corporations Act 2001 (Cth), as part of a small-scale offer raising \$9,000.

### 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.

### Capital risk management

The Company considers its capital to comprise its ordinary shares. In managing its capital, the Company's primary objective is to effectively utilise its capital resources to deliver on its operational objectives and deliver returns to shareholders. The issue of new shares is one of the Company's means of achieving its long term operational and strategic objectives. As the Company is involved in exploration, the use of various gearing ratios is not employed.

## Note 21. Equity - reserves

|                              | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|------------------------------|----------------------------|----------------------------|
| Share-based payments reserve | 6,600                      | 17,015                     |

## Note 22. Equity - accumulated losses

|                                                           | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|-----------------------------------------------------------|----------------------------|----------------------------|
| Accumulated losses at the beginning of the financial year | (128,352,414)              | (125,095,015)              |
| Loss after income tax expense for the year                | (1,281,149)                | (3,267,814)                |
| Accumulated losses at the end of the financial year       | <u>(129,633,563)</u>       | <u>(128,362,829)</u>       |

## Note 23. Earnings per share

|                                                                                                      | 2026<br>\$         | 2025<br>\$         |
|------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <i>Earnings per share for loss from continuing operations</i>                                        |                    |                    |
| Loss after income tax attributable to the owners of Metgasco Ltd                                     | <u>(1,281,149)</u> | <u>(3,267,814)</u> |
|                                                                                                      | <b>Number</b>      | <b>Number</b>      |
| Weighted average number of ordinary shares used in calculating basic earnings per share <sup>1</sup> | <u>36,736,310</u>  | <u>29,333,121</u>  |
| Weighted average number of ordinary shares used in calculating diluted earnings per share            | <u>36,736,310</u>  | <u>29,333,121</u>  |

<sup>1</sup>Current year and prior year updated to reflect the impact of the consolidation of capital completed in 2025.

**Note 23. Earnings per share (continued)**

|                            | Cents  | Cents   |
|----------------------------|--------|---------|
| Basic earnings per share   | (3.49) | (11.14) |
| Diluted earnings per share | (3.49) | (11.14) |

**Note 24. Financial instruments**

Activities undertaken by Metgasco and its former subsidiary may expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Group's risk management policies and objectives are designed to recognise and minimise the potential impacts of these risks, where such impacts may be material. At the present stage, the Group has exposure to market, credit risk and liquidity risk.

The carrying amount of financial instruments by categories is as follows:

|                                | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|--------------------------------|-------------------------------------|-------------------------------------|
| Cash and cash equivalents      | 1,616,525                           | 1,118,293                           |
| Receivables                    | 144,803                             | 243,133                             |
| Other receivables              | 40,452                              | 40,452                              |
| Borrowings                     | (2,537,557)                         | (4,304,095)                         |
| Derivative financial liability | (4,358,031)                         | (3,615,975)                         |
| Trade and other payables       | (264,568)                           | (512,838)                           |

Market risk arises from the use of interest bearing and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

*i) Interest rate risk and equity securities or other financial securities price risk.*

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities. The Group has short and long-term debt with fixed interest rates at 10% and 20%. Thus, interest rate risk is deemed minimal. The weighted average interest rate on cash balances at the end of the year was 2.75%. As an indication of possible sensitivity to changes in interest rates a 1% movement in interest rates, assuming a mean cash balance of \$366,525 (excluding the restricted cash) would increase/decrease the annual amount of interest received by \$3,665.

Directors consider that there is no significant credit risk in respect of cash balances as those balances are all held with major Australian banks.

## Note 24. Financial instruments (continued)

### **Credit risk**

Credit risk arises from the potential failure of a counterparty to meet its contractual obligations, leading to financial loss for the Group. Previously, the Group was primarily in the exploration and appraisal stage and not exposed to significant counterparty credit risk due to the absence of sales contracts.

However, during the financial year 2024 reporting period, the Company entered into a Gas Supply Agreement (GSA) with AGL Wholesale Gas Limited for its interest in the Vali Gas Field. Under the GSA:

- An advance of A\$15 million (A\$3.75 million attributable to Metgasco) was provided to fund production costs prior to first gas delivery.
- The agreement allows for the delivery of 9PJ of gas through to 31 December 2027, with delivery commencing in February 2023.
- The Company has recognised a contract liability for deferred revenue, which will unwind as the gas is delivered, fulfilling the performance obligations.

The Group is exposed to credit risk under the GSA to the extent of non-performance by AGL in making timely payments or adhering to the contract terms.

### **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's ability to raise equity funding in the market is paramount in this regard.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Refer to note 1 Going Concern with respect to current liquidity risk.

### **Remaining contractual maturities**

The financial liabilities of the Group include trade and other payables and borrowings as disclosed in the statement of financial position.

#### **Contractual Maturities**

The following are the contractual maturities of financial liabilities of the Group:

|                                              | Within 1 year<br>2026 | Within 1 year<br>2025 | Greater than<br>1 year<br>2026 | Greater than<br>1 year<br>2025 | Total<br>2026    | Total<br>2025    |
|----------------------------------------------|-----------------------|-----------------------|--------------------------------|--------------------------------|------------------|------------------|
| <i>Financial liabilities due for payment</i> |                       |                       |                                |                                |                  |                  |
| Trade and other payables                     | 264,568               | 512,838               | -                              | -                              | 264,568          | 512,838          |
| Borrowings                                   | 2,537,557             | 4,304,095             | -                              | -                              | 2,537,557        | 4,304,095        |
| Total contractual outflows                   | <u>2,802,125</u>      | <u>4,816,933</u>      | <u>-</u>                       | <u>-</u>                       | <u>2,802,125</u> | <u>4,816,933</u> |

**Note 24. Financial instruments (continued)**

|                                               | Within 1 year<br>2026 | Within 1 year<br>2025 | Greater than<br>1 year<br>2026 | Greater than<br>1 year<br>2025 | Total<br>2026      | Total<br>2025      |
|-----------------------------------------------|-----------------------|-----------------------|--------------------------------|--------------------------------|--------------------|--------------------|
| <i>Financial assets</i>                       |                       |                       |                                |                                |                    |                    |
| Cash and cash equivalents <sup>1</sup>        | 366,525               | 1,118,293             | -                              | -                              | 366,525            | 1,118,293          |
| Trade and other receivables                   | 144,803               | 243,133               | 40,452                         | 40,452                         | 185,255            | 283,585            |
| Total anticipated inflows                     | <u>511,328</u>        | <u>1,361,426</u>      | <u>40,452</u>                  | <u>40,452</u>                  | <u>551,780</u>     | <u>1,401,878</u>   |
|                                               |                       |                       |                                |                                |                    |                    |
|                                               | Within 1 year<br>2026 | Within 1 year<br>2025 | Greater than<br>1 year<br>2026 | Greater than<br>1 year<br>2025 | Total<br>2026      | Total<br>2025      |
| Net (outflow)/inflow on financial instruments | <u>(2,290,797)</u>    | <u>(3,455,507)</u>    | <u>40,452</u>                  | <u>40,452</u>                  | <u>(2,250,345)</u> | <u>(3,415,055)</u> |

<sup>1</sup> It excludes restricted cash.

**Note 25. Fair value measurement**

*Fair value hierarchy*

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

|                                | Level 1<br>\$ | Level 2<br>\$    | Level 3<br>\$    | Total<br>\$      |
|--------------------------------|---------------|------------------|------------------|------------------|
| <b>Consolidated 2026</b>       |               |                  |                  |                  |
| <i>Liabilities</i>             |               |                  |                  |                  |
| Derivative financial liability | -             | 4,358,031        | -                | 4,358,031        |
| Borrowings                     | -             | -                | 2,537,557        | 2,537,557        |
| Contingent consideration       | -             | -                | -                | -                |
| Total liabilities              | <u>-</u>      | <u>4,358,031</u> | <u>2,537,557</u> | <u>6,895,588</u> |
|                                |               |                  |                  |                  |
|                                | Level 1<br>\$ | Level 2<br>\$    | Level 3<br>\$    | Total<br>\$      |
| <b>Consolidated 2025</b>       |               |                  |                  |                  |
| <i>Liabilities</i>             |               |                  |                  |                  |
| Derivative financial liability | -             | 3,615,975        | -                | 3,615,975        |
| Borrowings                     | -             | -                | 4,304,095        | 4,304,095        |
| Contingent consideration       | -             | -                | 125,000          | 125,000          |
| Total liabilities              | <u>-</u>      | <u>3,615,975</u> | <u>4,429,095</u> | <u>8,045,070</u> |

**Note 26. Key management personnel disclosures**

*Compensation*

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

|                              | <b>2026</b>    | <b>2025</b>    |
|------------------------------|----------------|----------------|
|                              | <b>\$</b>      | <b>\$</b>      |
| Short-term employee benefits | 238,661        | 333,564        |
| Post-employment benefits     | 28,639         | 43,265         |
| Total compensation           | <u>267,300</u> | <u>376,829</u> |

**Note 27. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Hall Chadwick Audit (WA) Pty Ltd, the auditor of the company:

|                                                          | <b>2026</b>   | <b>2025</b>   |
|----------------------------------------------------------|---------------|---------------|
|                                                          | <b>\$</b>     | <b>\$</b>     |
| <i>Audit services - Hall Chadwick Audit (WA) Pty Ltd</i> |               |               |
| Audit or review of the financial statements              | <u>54,892</u> | <u>49,000</u> |
| <i>Audit services - Grant Thornton Audit Pty Ltd</i>     |               |               |
| Audit or review of the financial statements              | <u>-</u>      | <u>23,039</u> |

**Note 28. Reconciliation of loss after income tax to net cash from/(used in) operating activities**

|                                                                          | <b>2026</b>    | <b>2025</b>      |
|--------------------------------------------------------------------------|----------------|------------------|
|                                                                          | <b>\$</b>      | <b>\$</b>        |
| Loss after income tax expense for the year                               | (1,281,149)    | (3,267,814)      |
| Adjustments for:                                                         |                |                  |
| Depreciation                                                             | -              | 450              |
| Impairment of oil and gas properties                                     | 1,561,853      | -                |
| Impairment of exploration and expenditure                                | -              | 11,228           |
| Amortisation                                                             | 1,026,298      | 935,882          |
| Unwinding transaction costs                                              | 1,182,659      | 1,669,753        |
| Unwinding transaction cost - contract liabilities                        | 332,900        | 901,164          |
| Fair value adjustments - Derivative financial liability                  | 409,156        | (571,314)        |
| Gain arising from substantial modification of convertible note liability | (4,262,866)    | -                |
| Interest and other finance costs                                         | 804,208        | 1,921,705        |
| Change in operating assets and liabilities:                              |                |                  |
| Decrease in trade and other receivables                                  | 122,084        | 34,170           |
| Decrease in trade and other payables                                     | (172,762)      | (1,334,933)      |
| Increase/(decrease) in contract liabilities                              | 896,241        | (960,852)        |
| Increase in provisions                                                   | 49,492         | 8,750            |
| Net cash from/(used in) operating activities                             | <u>668,115</u> | <u>(651,811)</u> |

**Note 29. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

**Note 30. Interests in subsidiaries**

The consolidated financial statements include the financial statements of Metgasco Ltd and the subsidiary listed in the following table.

| Name                                       | Principal place of business /<br>Country of incorporation | Ownership interest     |                        |
|--------------------------------------------|-----------------------------------------------------------|------------------------|------------------------|
|                                            |                                                           | Consolidated 2026<br>% | Consolidated 2025<br>% |
| Richmond Valley Power Pty Ltd <sup>1</sup> | Australia                                                 | 100.00%                | 100.00%                |

<sup>1</sup>Metgasco applied to ASIC to de-register Richmond Valley Power in June 2025. De-registration was confirmed by ASIC in early September 2025.

**Note 31. Contingent assets**

The parent entity had no contingent assets during the current or prior periods.

**Note 32. Contingent liabilities**

|                                     | Consolidated 2026<br>\$ | Consolidated 2025<br>\$ |
|-------------------------------------|-------------------------|-------------------------|
| Security Bonds to State governments | 39,900                  | 39,900                  |

Should the Company fail to satisfactorily rehabilitate well sites after their abandonment, amounts secured by securities lodged with the Queensland Department of Natural Resources and Mines, and Western Australia Environmental Protection Authority could be forfeited. No other contingent liabilities as at 30 June 2026 and 30 June 2025.

**Note 33. Commitments**

The current estimated expenditure for approved commitments and minimum work program commitments on ATP2021, PRL211 and PRL237 are as follows.

|                                                                                     | Consolidated 2026<br>\$ | Consolidated 2025<br>\$ |
|-------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Minimum expenditure for exploration &amp; evaluation, and development assets</b> |                         |                         |
| Within one year                                                                     | 124,167                 | 116,250                 |
| One to five years                                                                   | 800,505                 | 794,688                 |
| More than five years                                                                | 25,000                  | 50,000                  |
|                                                                                     | <u>949,672</u>          | <u>960,938</u>          |

Metgasco's strategy in meeting the above Exploration & Evaluation, and Development expenditures involves:

- I. generating a cash inflow through the sale of gas; or
- II. raising capital.

The Company may also consider farming out, divestment or relinquishment of certain assets if appropriate and acceptable to stakeholders.

**Note 34. Events after the reporting period**

Subsequent to the reporting date, the repayment dates of the Loan Note Deed dated on or about 9 March 2023, Convertible Loan Agreement dated 19 August 2024 (as amended) and Bridging Facility Loan advance on or about 19 May 2026 with Glennon Small Companies Ltd were extended to 30 December 2026. All other terms of the facilities remain unchanged.

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

| Entity name                                                       | Entity type    | Country of incorporation | Ownership interest | Tax residency |
|-------------------------------------------------------------------|----------------|--------------------------|--------------------|---------------|
|                                                                   |                |                          | %                  |               |
| Metgasco Limited<br>Richmond Valley<br>Power Pty Ltd <sup>1</sup> | Body Corporate | Australia                | 100%               | Australian    |
|                                                                   | Body Corporate | Australia                | -%                 | Australian    |

### **Basis of Preparation**

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

<sup>1</sup>Metgasco applied to ASIC to de-register Richmond Valley Power in June 2025. De-registration was confirmed by ASIC in early September 2025.

### **Determination of Tax Residency**

Section 295 3(A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, each of the consolidated entity has applied the following interpretations: Australian tax residency The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

### **Foreign tax residency**

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Glennon  
Non-Executive Chairman

30 September 2026

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METGASCO LTD

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Metgasco Ltd ("the Company") and its controlled entities ("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 Group disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:
  - (i) 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
  - (ii) 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 and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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 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 in the financial report which indicates that the Group incurred a net loss of \$1,281,150 during the year ended 30 June 2026. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in this 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.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Oil and Gas Properties in Development – Note 11</b></p> <p>At 30 June 2026, the carrying value of oil and gas properties in development and production was \$6,314,507. Management as prescribed in AASB 136 <i>Impairment of Assets</i> is required to undertake impairment testing if an impairment trigger is identified.</p> <p>Management tested the assets of Vali and Odin gas wells for impairment comparing their carrying value against their recoverable amount, determined by modelling the net present value of future cashflows. As a result, there was an impairment of \$1,561,853 recognised during the year.</p> <p>The value of Oil and Gas Properties in Development was considered to be a key audit matter due to the size of the asset and level of estimates and judgements used by management in determining a value in use calculation. These assumptions included forecasts of production volumes, gas prices and production costs and application of a discount rate.</p> | <p>Our procedure included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining managements reconciliation of oil &amp; gas properties in development and testing the accuracy of the carrying amount and comparing to the general ledger;</li> <li>• Enquiring with management to obtain and document an understanding of management's process relating to the assessment of impairment, including the consideration of valuation techniques applied to determine the recoverable amount;</li> <li>• Evaluating whether there had been significant changes in the external or internal factors considered by the Group in assessing whether indicators of impairment or reversal of impairment existed.</li> <li>• Considered the adequacy of the financial report disclosures regarding the assumptions, key estimates and judgements applied by management for the Group's assessment of indicators of impairment of non-current assets. These have been disclosed in Note 11.</li> </ul> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                           | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Revenue and related risk of fraud – Note 4</b></p> <p>The Group's revenue are primarily from the sale of Oil and Gas sales revenue recognised for the year amounts to \$1,354,057 (2025: \$2,158,081).</p> <p>Revenue recognition was a key audit matter due to the associated fraud risk (overstatement and/or misappropriation), importance and materiality of the matter to the users' understanding of the financial report.</p> | <p>Our procedures included, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Ensuring that accounting policies comply with Australian Accounting Standards;</li> <li>• Performing testing over a sample of revenue to supporting evidence;</li> <li>• Ensuring adequacy of disclosures made within the financial report;</li> <li>• Comparing sales recorded to external information, including production volumes and commodity prices to determine the reasonableness of revenue recognized.</li> </ul> |

## 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 accordingly 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the Group disclosure statement that is true and correct and is free of 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 has 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 the 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **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 Metgasco Ltd, 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 s 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.



**HALL CHADWICK AUDIT (WA) PTY LTD**  
**ABN 42 163 529 682**



**Nikki Shen CA**  
**Director**

Dated this day of 30<sup>th</sup> September 2026  
Perth, Western Australia