Quarter ended 30 September 2026

Quarterly Report

ASX:ECH

Quarter Highlights

- Completed Cue Energy divestment
- Palm Valley two-well drilling programme continued
  - Palm Valley 14 (PV-14) tied in during quarter
  - Palm Valley 15 (PV-15) spudded post quarter end
- Strong operating cash flows continued, funding the development expenditure for the drilling programme, without the need to draw down any further debt



During the quarter, Echelon continued its two-well drilling programme at Palm Valley as part of the development programme supporting the new long-term gas supply agreement. Palm Valley 14 (PV-14) was drilled and completed, with testing indicating a potential tied-in production rate of 3–4 TJ/d. After being tied-in the rate declined to 0.5 TJ/d, possibly due to water loading. The Joint Venture is currently reviewing plans to improve well performance. Palm Valley (PV-15) was spudded in early October 2026.

Echelon completed the remaining steps during the quarter associated with the divestment of Cue Energy. The final A$1.7 million of consideration was received in July 2026, bringing total cash proceeds from the transaction to more than A$17 million. Echelon now holds a 6.61% shareholding in Horizon Oil. Together with the debt reduction undertaken during FY26, the transaction has strengthened Echelon's balance sheet and provides capacity to fund its existing work programme while considering further opportunities.

During the period, the Australian Government announced proposed changes to domestic gas reservation settings, the potential impacts of which remain under assessment. Echelon's existing contractual arrangements provide a degree of protection from potential changes, while the Company's exposure is lower than that of some industry participants given its position in the Northern Territory market.

Echelon released its 2026 Annual Report and Sustainability Report in September 2026. Following completion of the Cue Energy divestment, the Company remains focused on delivering value from its existing portfolio while retaining the capacity to assess further opportunities where they can add value.

Production volumes were slightly higher than the previous quarter at 250,224 barrels of oil equivalent (boe), with average daily production of 2,720 boe per day.

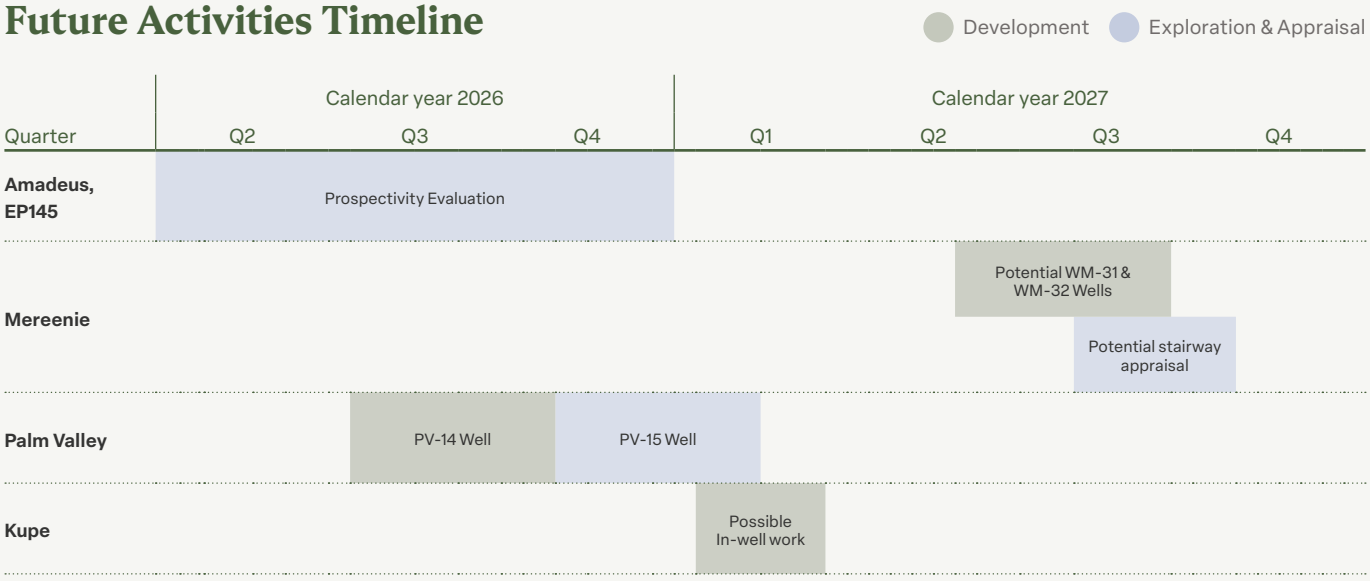


Palm Valley PV-14 flare

The Company's 2026 Annual Report and 2026 Sustainability Report are available on our website.

echelonresources.com/investor-information/company-reports/

Future Activities Timeline



Echelon closed the September quarter with cash of A$25.1 million, compared with A$26.9 million at the end of the previous quarter.

Customer receipts were A$16.1 million, broadly in line with A$16.6 million in the June quarter. The business generated A$7.1 million of operating cash flow, sufficient to fund development expenditure during the quarter.

Development expenditure increased 145% to A$6.6 million, from A$2.7 million in the previous quarter, reflecting drilling activity of the PV-14 and PV-15 wells. The new wells are expected to increase gas production and to add to revenues.

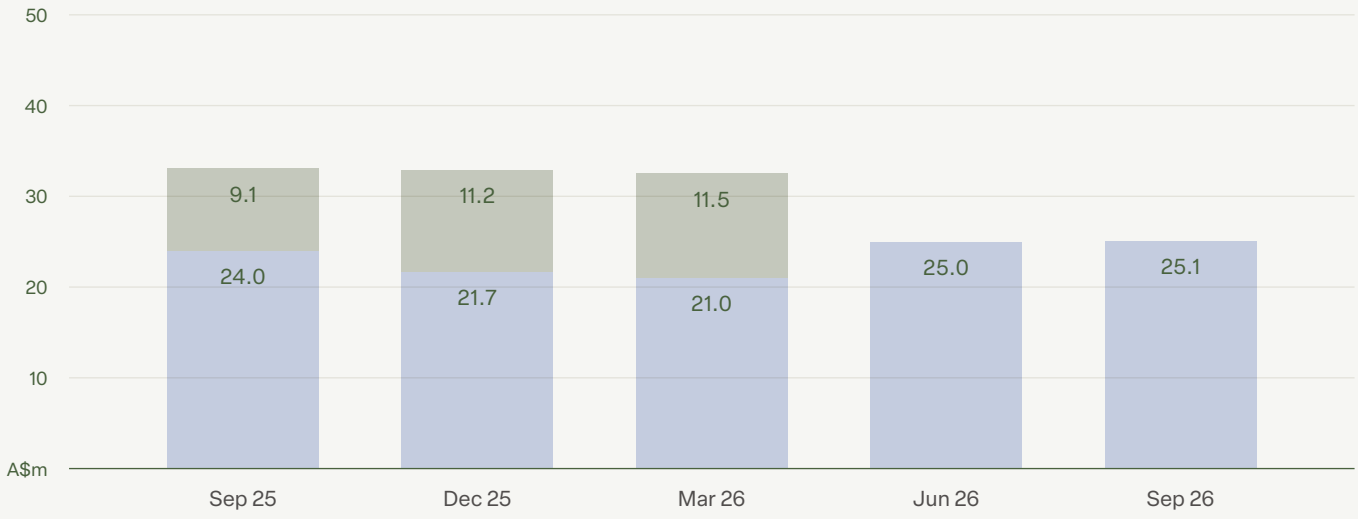
The Group also received A$1.7 million during the quarter in connection with the sale of its Cue shares to Horizon Oil. Post quarter end a dividend of A$1.2 million was received on the Horizon Oil shares.

Financing cash outflows were A$1.3 million, largely reflecting interest payments. The loan balance was unchanged at A$10.5 million at quarter end.

Production receipts by quarter



Cash balance by quarter



Comparative production receipts have been restated to exclude Cue Energy following its disposal.
Cash balances by quarter are not restated; the cash balance attributed to Cue has been separately identified.

Production

Field		Total field this quarter (gross)	Our share previous quarter (net)	Our share current quarter (net)
Kupe Taranaki, New Zealand	Oil Barrels	53,843	2,280	**2,154**
	Gas Petajoules	2.81	0.11	**0.11**
	LPG Tonnes	12,963	492	**519**
	Production receipts A$m		2.1	**1.7**
Mereenie* Amadeus, NT, Australia	Oil Barrels	21,803	6,399	**9,266**
	Gas Petajoules	2.38	0.99	**1.01**
Palm Valley* Amadeus, NT, Australia	Gas Petajoules	0.52	0.18	**0.18**
Dingo* Amadeus, NT, Australia	Gas Petajoules	0.38	0.13	**0.13**
Amadeus Basin*	Production receipts A$m		14.5	**14.4**
Total production receipts A$m equivalent.			16.6	**16.1**
Total production equivalent	Volume in boe		243,691	**250,224**
	Daily equivalent in boe per day		2,678	**2,720**

*Comparative production volumes and receipts have been restated to exclude Cue Energy following its disposal and classification as a discontinued operation.

Amadeus Basin

Mereenie (OL4 & OL5)

42.5% Echelon
7.5% Cue Energy Resources
25% Horizon Oil
25% Central Petroleum [Operator]

Palm Valley (OL3)

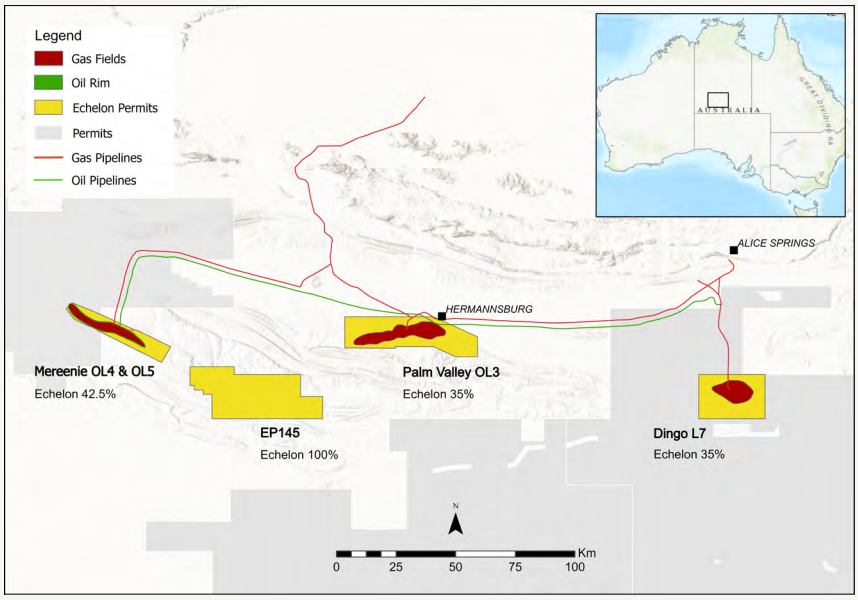
35% Echelon
15% Cue Energy Resources
50% Central Petroleum [Operator]

Dingo (L7)

35% Echelon
15% Cue Energy Resources
50% Central Petroleum [Operator]

Goanna (EP145)

100% Echelon [Operator]



Gas sales for the quarter were marginally higher than the prior quarter.

During the quarter, drilling continued on the PV-14 well. Subsequent to quarter end, PV-14 completion activities were finalised and the rig moved to PV-15, the second well in the drilling programme, which was subsequently spudded in early October 2026. Flow tests conducted earlier this month, prior to completion, indicated that PV-14 would be capable of producing at rates of 3–4 TJ/d. After being tied-in, the well initially demonstrated a higher potential gas rate, however the rate has subsequently declined to around 0.5 TJ/d, possibly due to water loading. The ultimate production rate from PV-14 cannot be confidently assessed at present and the Joint Venture is considering options to improve well performance. Drilling of PV-15 is expected to continue through the current quarter, with first production expected early in 2027.

At Dingo, a planned short shutdown (4 days) was successfully completed during the quarter.

At Mereenie, the review of opportunities to replicate the success of the previously drilled WM-29 and WM-30 wells continues. A short shutdown (5 days) is planned for November 2026.

During the quarter, activity at EP145 focused on integrating the various technical workstreams to finalise the prospectivity review and develop a consistent, permit-wide geological model to inform next steps. Engagement with Northern Territory regulators, local stakeholders and the seismic contractor also progressed in support of planning for the next phase.

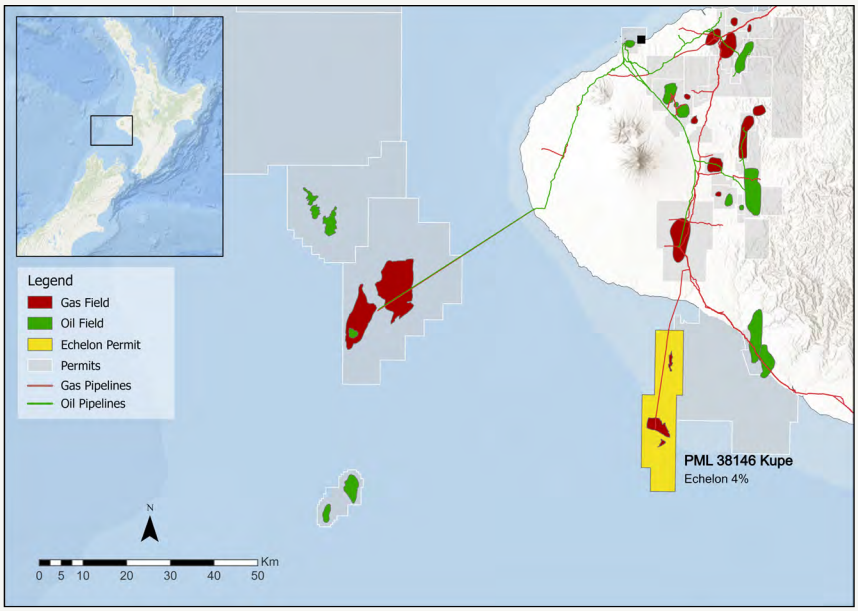
Kupe oil and gas field

Kupe oil and gas field (PML 38146)

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

Kupe production was steady despite an unplanned one-day shutdown in September 2026. There is a planned shutdown (7 days) in November 2026 to undertake optimisation works.

The previously announced new Gas Sales Agreement takes effect from 1 October 2026.



Quarterly Activities Report, for quarter ended 30 September 2026.

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

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