

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 March 2024

Top End Energy Limited (Top End or the **Company)** (ASX:TEE) is pleased to present its quarterly activities report for the quarter ended 31 March 2024.

HIGHLIGHTS

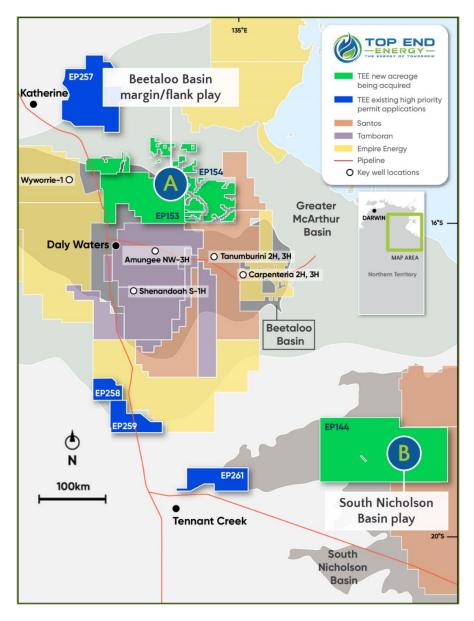
- Binding term sheet executed to acquire granted acreage Exploration Permits (EP) 144, 153 and 154 (the Acquired Permits) in the Northern Territory (NT), Australia.
- Acquired Permits, located on the northern flank of the Beetaloo Basin and in the South Nicholson Basin, present multiple play type potential:
 - EP 153: all key elements in place for natural Hydrogen and Helium.
 - EP 153 and EP 154: Beetaloo Basin margin / flank play, with unconventional hydrocarbon potential identified.
 - EP 144: Frontier South Nicholson Basin play, with conventional natural gas, natural hydrogen, and helium prospectivity and numerous opening targets identified.
- Acquisition fully aligned with Company strategy, offering clear operational and technical synergies with existing Beetaloo / McArthur Basin portfolio.
- Provides four-fold increase in granted license tenure for no upfront consideration and limited near-term expenditure commitments.
- Share placement undertaken in conjunction with acquisition of the Permits, raising gross proceeds of A\$2.1 million with funds to be primarily directed towards generating near-term prospective well targets.
- Transaction completion expected to occur in June quarter.
- Ongoing refinement of near-term work program activities for the Acquired Permits with airborne geophysical surveys and soil gas sampling provisioned to commence following transaction completion.
- Cash balance of A\$3.2 million and zero debt at 31 March 2024.



ACQUIRED ACREAGE OVERVIEW AND PROSPECTIVITY

On 27 February 2024, the Company announced that it had entered into a binding agreement to acquire the Acquired Permits from Minerals Australia Pty Ltd and Jacaranda Minerals Limited (together, the **Vendors**), wholly owned subsidiaries of Hancock Prospecting Pty Ltd (**Hancock**).

The Acquired Permits cover a combined area of 27,885km² across the northern flank of the Beetaloo (A) and South Nicholson (B) basins in the NT (refer Figure 1). The Acquired Permits are underexplored with several independent play types identified representing the opportunity for transformative resource potential. The permits are granted with native title agreements in place.





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EP 153 and EP 154

Of particular focus for the Company is the natural Hydrogen and Helium potential over EP 153 and 154 (refer Figure 2), which is interpreted as a natural extension of the play fairway mapping completed by the Company in 2023 over its existing EP application 257. The presence of granitoid basement geology and the Urapunga Fault Trend provide potential charge and migration focus for natural Hydrogen and Helium. The Cambrian aged limestones present in the area are also interpreted to be conduits for thermal fluids migrating to surface and provide an initial focus area for sampling and other early-stage exploration activities.

Drilling and testing activities currently being undertaken in the core Beetaloo area of the McArthur Basin continue to mature the unconventional natural gas potential of the subbasin. Key well testing result announcements from other basin operators are expected in the coming months, as well as development of plans for respective pilot plants, potentially paving the way for expansion of operations and commercialisation of discovered resources. It has been interpreted that unconventional gas bearing reservoirs extend into the southern margins of EP 153 and 154. Both permits are strategically located to be able to benefit from future development activities and provide an avenue to commercialisation for any discovered resources.

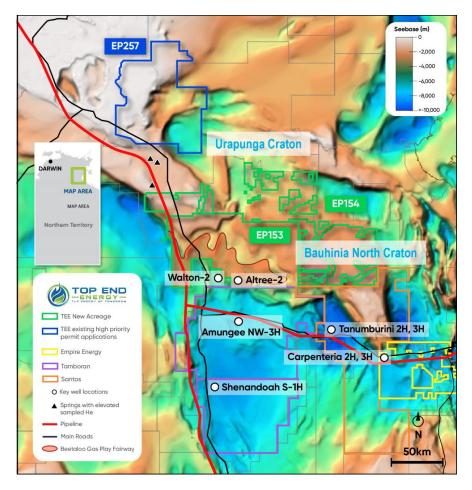


Figure 2: Multiple play potential on the northern flank of the Beetaloo Sub-Basin.

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EP 144

EP 144 covers the Southern Nicholson Basin and includes a Paleoproterozoic aged Wonarah Basement High, where historical remote sensing geophysical data interpretation identified basement related lineaments and structural trends that could provide migration focus for both natural Hydrogen and Helium, as well as conventional hydrocarbons. The regional structural trends identified are largely underexplored and all key play system elements have been interpreted to exist, providing a focus for near-term, on-ground exploration.

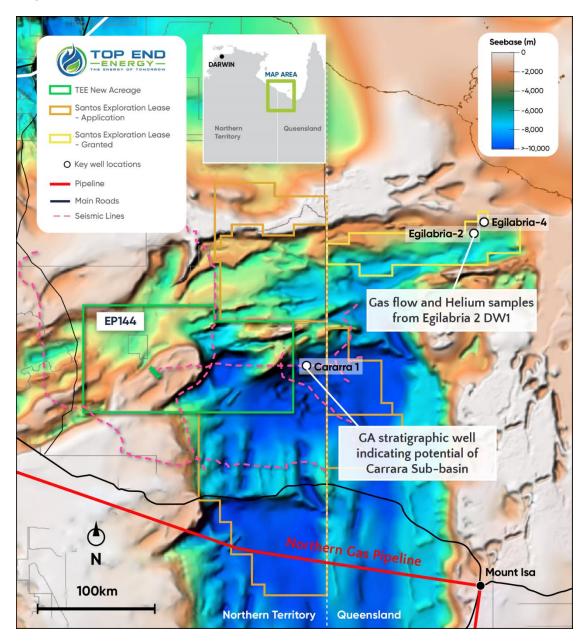


Figure 3: EP144 location covering the South Nicholson Basin, proximate to pipeline infrastructure.

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KEY TRANSACTION TERMS

Consideration for Top End's acquisition of the Acquired Permits is:

- (a) the grant of a royalty to the Vendors equal to 2.5% of any gross revenue (measured and determined at the wellhead) received by Top End from sale, removal, or other disposal of any petroleum from the Acquired Permits; and
- (b) the assumption of the Vendor's obligations under an existing royalty deed with Jacaranda Coal Pty Ltd (ACN 131 388 942) (formerly Jacaranda Coal Limited) for a royalty equal to 1% of the gross revenue (measured and determined at the wellhead) received by Top End from sale, removal, or other disposal of any petroleum from the Acquired Permits.

Completion of the acquisition remains conditional upon and subject to:

- (a) parties entering definitive documents;
- (b) receipt of regulatory approval for the transfer of title to the Acquired Permits; and
- (c) obtaining all other consents or approvals required in connection with the transaction.

Top End is also required to replace existing bank guarantees in connection with the Acquired Permits on and from completion.

Land access agreements and Aboriginal Areas Protection Authority certificates are already in place across parts of the recently acquired acreage and Environmental Management Plans and Well Operations Management Plans have been submitted and approved for both EP 144 and EP 153. The advanced status of approvals allows Top End to fast-track on-ground activities. The Company intends to undertake additional geological and geophysical workstreams before finalising any potential drilling decisions and the Company is engaging with the NT regulator regarding variations to the current work program requirements to accommodate forward plans.

EP 258 UPDATE

Top End continues to wait for the Ministerial grant of its existing EP application 258. The Company was advised during the quarter that EP 258 has been re-notified by the NT regulator under section 18 of the *Petroleum Act 1984* for a 60 day period given the age of the application and change in the shape of the permit. This is not a notification under the *Native Title Act 1993*, requirements under this act having already been satisfied by the Company. All other requirements for grant have been met by the Company and Top End awaits the formal grant of the permit following the re-notification process.

During the quarter Top End was awarded a sacred site clearance certificate by the Aboriginal Areas Protection Authority covering the area of EP 258 on which the Company ultimately intends to undertake on-ground activities, subject to formal grant of the permit.



PLANNED ACTIVITES FOR Q2 2024

During the June 2024 quarter, the Company's key focus will be the following:

- Completion of the transaction with Hancock the parties are progressing the satisfaction of the conditions precedent, and the Company anticipates transaction completion within the June quarter.
- Refinement of forward work programs for the Acquired Permits and engagement of key contractors for geophysical activities to commence following completion of the transaction with Hanock, near-term activities likely to include airborne geophysical surveys and soil gas sampling. The key objective of these work programs is to generate near-term prospective well targets by rapidly maturing:
 - (i) the identified natural Hydrogen and Helium potential along the northern margins of both the Beetaloo / McArthur and South Nicholson basins; and
 - (ii) the hydrocarbon potential of the Beetaloo Basin unconventional play.
- Receiving the formal grant of EP 258 from the Minister for Mining and Industry following completion of permit re-notification process.
- Assessment of options for ATP 1069 in Queensland following feedback from the regulator regarding the submission of a Potential Commercial Area application.
- Ongoing negotiation of Heritage Protection Agreements with the traditional owner groups of EP 501 in the Amadeus Basin, required ahead of the Company commencing on-ground activities.
- Submission of applications for grant funding to support planned exploration activities on the Acquired Permits.
- Ongoing portfolio rationalisation and engagement of potential strategic partners to optimise the Company's resource and capital allocation. The Company will also continue to evaluate further growth opportunities in key focus areas.

CORPORATE

- On 27 February 2024 Top End announced it had received firm commitments from sophisticated investors to raise circa A\$2.1 million (before costs) via a placement of 17,406,250 fully paid ordinary shares at an issue price of \$0.12 per share.
- Funds raised from the placement will be applied to near-term exploration activities on the Permits, holding costs and ongoing corporate working capital.
- The placement was managed by Inyati Capital Pty Ltd (Inyati). Pursuant to the mandate with Inyati, the Company will pay Inyati a 6% commission on funds raised under the placement and issue Inyati 2,610,938 options to purchase Shares (Broker Options). The Broker Options will be issued subject to shareholder approval and will be exercisable at \$0.25 each on or before 3 years from the date of issue.



- On 5 February 2024, Top End announced the resignation of Mr Gregory Lee as an Executive Director of the Company.
- During the quarter, 25,087,500 fully paid ordinary shares were released from escrow.
- As per ASX Listing Rule 5.4.1, a summary of the Company's substantive oil and gas exploration activities undertaken during the quarter is contained herein, with exploration expenditure during the quarter totalling circa A\$127k.
- As per ASX Listing Rule 5.4.2, there were no substantive oil and gas production and development activities undertaken during the quarter.
- Section 6.1 of the Appendix 5B provides for an amount paid to related parties of circa A\$135k being circa A\$127k for directors' fees and salaries and circa A\$8k for rent of the corporate office.
- The Company remains well-funded with cash of circa A\$3.2m at 31 March 2024.
- In accordance with Listing Rule 5.4.4, as the 31 March 2024 quarter was in a period covered by a 'use of funds' statement in the IPO Prospectus, below is a comparison of the Company's actual expenditure to 31 March 2024 against the estimated expenditure in the 'use of funds' statements:

Use of Funds (A\$)⁴	Per IPO Prospectus (2-year period)	Investment Since Listing
Exploration Budget - ATP 1069 ⁵	2,808,000	1,315,515
Exploration Budget - TG Project6	1,000,000	1,057,432
Project generation and feasibility – Green Energy and / or Carbon Abatement Projects ⁷	450,000	22,245
Corporate and administration costs ⁸	1,463,250	1,463,250
Expenses of the Offer ⁹	778,206	567,826
Unallocated Working capital ¹⁰	465,544	945,564
Total funds	6,965,000	5,371,832



⁴The Company remains on track in terms of meeting its business objectives in accordance with the proposed use of funds.

⁵ The funds spent by the Company relate to seismic reprocessing and interpretation activities, the planning and preparation of work programs, and the 2D seismic acquisition of approximately 109 line kilometres.

⁶ The funds spent by the Company relate to progressing application grant for prioritised permits, including attending multiple on-country meetings with the native title holders of EP 258, preparation for the post-grant work program, upfront permit grant payments and Northern Land Council administrative costs (including environmental management plan preparation, AAPA Authority Certificate process, approvals and deposit on the planned gravity gradiometry survey) and corporate overhead allocation.

⁷ Preliminary expenditure on exploring opportunities for green energy and / or carbon abatement projects have been included in "Corporate and administration costs".

⁸ Includes legal, consulting, accounting, audit and directors' fees, new business costs and other general corporate costs. The Company has incurred costs in relation to project due diligence, progressing its business activities and indirect administrative costs in preparation of the IPO Prospectus.

⁹ Expenses of the offer totalled \$1,064,387. Additional legal, consulting, accounting and audit costs were incurred between the IPO Prospectus dated 24 November 2021 and the completion of the IPO in April 2022 as a result of the Company having to issue a replacement prospectus and a supplementary prospectus. The Company continues to expect the IPO funds raised to enable two years of full operations.

¹⁰ Includes legal, consulting, accounting, audit and directors' fees, new business costs and other general corporate costs. The Company has incurred costs in relation to project due diligence, progressing its business activities and indirect administrative costs in preparation of the IPO Prospectus.



2024 MARCH QUARTER – ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from the following ASX market announcements:

Director Resignation	5 February 2024
Acquisition of Granted NT Acreage and \$2.1m Capital Raising	27 February 2024
Application for Quotation of Securities	6 March 2024
Upcoming Release from Escrow	26 March 2024

- END -

This release is authorised by the Board of Directors of Top End Energy Limited For

further information contact:

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ABOUT TOP END ENERGY

Top End aims to be a leading Australian diversified energy provider at the forefront of the energy transition. Combining an attractive portfolio of granted and in-application petroleum permits across Australia, intending to pursue complementary clean energy solutions and achieve a target of net zero (Scope 1 and 2) emissions.

For further information on Top End Energy Limited please visit <u>www.topendenergy.com.au</u>

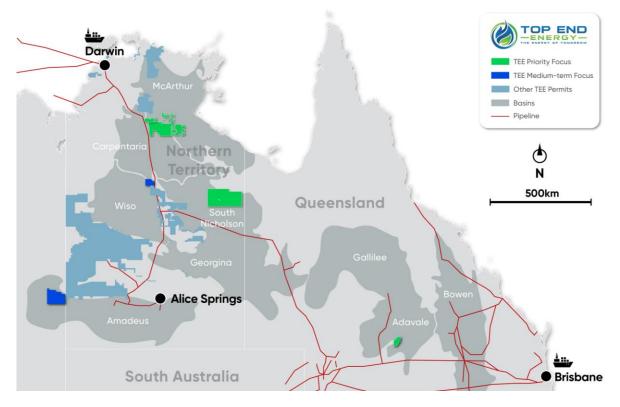


Figure 4: Top End's asset portfolio¹.

¹ Transfer of title for EP 153, EP 154 and EP 144 included in *Figure 4* is pending completion of the transaction with wholly owned subsidiaries of Hancock.

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Appendix 1: Tenement Schedule (ASX Listing Rule 5.4.3)

Petroleum tenements held by the Company and its subsidiaries at the end of the quarter and their location.

Permit / Application ¹¹	Location	Interest %	Holder
ATP 1069	Queensland	100.00	Tomorrow Energy Corporation Pty Ltd
EP 501	Western Australia	100.00	Tomorrow Energy Corporation Pty Ltd
EP(A) 254	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 256	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 257	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 258	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 259	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 260	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 261	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 262	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 263	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 264	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 265	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 274	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 275	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 276	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 277	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 278	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 279	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 280	Northern Territory	57.68	NT Gas Aust Pty Ltd

¹¹ The Company's petroleum tenements in the Northern Territory are permit applications. Grant of applications is subject to reaching agreements with traditional owners and native title holders pursuant to the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) and the Native Title Act 1993 (Cth).

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EP(A) 281	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 282	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 283	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 284	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 285	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 294	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 295	Northern Territory	57.68	NT Gas Aust Pty Ltd
EP(A) 312	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 313	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 314	Northern Territory	57.68	Territory Gas Aust Pty Ltd
EP(A) 315	Northern Territory	57.68	Territory Gas Aust Pty Ltd
NTC/P(A) 14	Northern Territory	57.68	NT Gas Aust Pty Ltd

During the quarter, the Company announced the execution of a binding term sheet to acquire EP 144, 153 and 154 in the Northern Territory from wholly owned subsidiaries of Hancock. The transaction is anticipated to complete in Q2 2024, following which title of these permits will transfer to the Company.



Appendix 2: Summary of cash expenditure per project

Project	Cash Expenditure A\$'000
Exploration Budget - ATP 1069	49
Exploration Budget - TG Project	75
Exploration Budget – EP 501	3
Green Energy and / or Carbon Abatement Projects	-