

ASX Announcement

28 January 2025

Quarterly Activities Report

Omega Oil and Gas Limited (ASX: OMA) ("Omega")

For Quarter Ended December 2024

Highlights

- The drilling of the Canyon-1H horizontal well was successfully completed
- A Diagnostic Fracture Injection Test (DFIT) was successfully completed in the Canyon-1H well
- DFIT results were very encouraging confirming high overpressure of 0.79 psi/ft and favourable reservoir and geomechanical properties within the target Canyon Sandstone reservoir
- Fracture stimulation and flowback testing of the Canyon-1H well is on track to commence around the end of February 2025.
- Highly experienced upstream oil and gas executives, Peter Stickland and Milton Cooper were appointed as Non-Executive Director and Chief Commercial Officer respectively
- Cash totalled \$14.7 million as of 31 December 2024.

Trevor Brown, CEO and Managing Director said: *"Appraisal of the Taroom Trough took a major step forward this Quarter with the successful drilling and DFIT testing of the Canyon-1H well. These were significant milestones toward achieving our goal of demonstrating potentially commercial hydrocarbon flow rates from the Canyon Sandstone. Following the Canyon-1H drilling and the encouraging DFIT results, we are now on track to commence the fracture stimulation and flowback test in the current Quarter."*

Operations

Omega operates three tenements 100% in Queensland being, PCA 342 (ATP 2037), PCA 343 (ATP 2038), and PL17. PCA 342 and PCA 343 are collectively known as the Canyon Gas Field project. PL17 is known as the Bennett Oil Field.

Canyon-1H Project

The drilling of the Canyon-1H horizontal appraisal well (located in PCA 342) was concluded during the quarter with the well drilled to a TD of 4,616m, and casing run to TD and cemented. After re-entering the pre-existing Canyon-1 vertical well, 1,147m of new hole was drilled, including 822m in the Canyon Sandstone. This is the deepest horizontal well drilled in the Taroom Trough, the first horizontal well on the Eastern side of the Taroom Trough and the first horizontal well in the Taroom Trough to be drilled without casing the build section.

While drilling in the target section, strong gas shows with fluorescence indicating the presence of condensate were recorded.

The well was drilled safely, and the rig was released on 28 October 2024.

A DFIT (Diagnostic Fracture Injection Test) was commenced during the quarter. The completion of the DFIT was announced on 8 January 2025. A DFIT is a commonly applied industry technique used to determine reservoir properties important for designing fracture stimulation programs. The Canyon-1H DFIT commenced on 21st December 2024 when a small volume of fluid was injected into the reservoir interval through an opening in the casing near the “toe” of the well to create a fracture in the reservoir. Subsequent well pressures have been monitored for over 14 days and analysis has allowed the calculation of formation pressure, reservoir permeability and geomechanical stress. The DFIT data analysis has been positive, indicating higher reservoir pressure (0.79psi/ft) and lower geomechanical stress than previously modelled, with reservoir permeability in line with expectations. These key parameters have very positive implications for lowering the commercial threshold for future development. Higher overpressure means higher flow rates for longer from each development well, and lower geomechanical stress should result in a lower cost per well.

These positive data points further corroborate indications of high-quality reservoir and high formation pressures observed while drilling.

Good indications of reservoir quality were evident while drilling based on high penetration rates, high gas readings, strong fluorescence and the abundance of disaggregated quartz sand grains present throughout the sandstone intervals within the reservoir intervals.

Indications of elevated formation overpressure were observed while drilling with strong gas shows evident in the target gas sands.

Results of the Canyon-1H DFIT provide further confidence in the potential for a continuous, multi-TCF resource development play across Omega's acreage.

The successful completion of the drilling program and DFIT testing has put Omega in a strong position for the upcoming multi-stage hydraulic fracture stimulation, flow back, and well testing program. The program aims to test whether potentially economic flow rates can be achieved from the highly prospective Canyon Sandstone at the base of the Permian Kiangra Formation. It is expected to be conducted in Q1 2025.

Aside from the activities noted above, routine inspections, routine care and maintenance associated with the safe management of infrastructure on the tenements, no other on-ground activities occurred during Q4 2024.

Research and Development Tax Incentive

Omega is currently awaiting the Australian Taxation Office (ATO) to process the Research and Development Tax Incentive (R&DTI) refund for 2022/23. Whilst the ATO has not committed to timing, Omega is currently working closely with its advisors and the ATO to finalise the process in a timely manner.

PL17 Bennett Oilfield

Bennett Oilfield operations remain suspended whilst Omega completes further studies to optimise the performance of the oilfield and engage with industry for farm-in partners.

Corporate

Following the appointment of Trevor Brown as CEO and MD on August 5th, 2024 the Company continued to evolve its leadership team.

On November 21, 2025 Omega announced the appointment of Milton Cooper as Chief Commercial Officer. Mr. Cooper commenced his role with Omega on Monday, January 13th, 2025, and is responsible for Commercial, Finance, Business Development, Investor Relations, Government Relations and other Corporate functions.

Mr Cooper is an energy professional with over 30 years of experience working across Australia, Asia and Europe. He has held a number of senior commercial and business development roles in the upstream sector, including at Galilee Energy in Australia, Santos Ltd in Australia, Indonesia and Vietnam and earlier held senior commercial roles in London and Aberdeen for oil and gas majors.

On December 2, 2024 Omega appointed Peter Stickland as a Non-Executive Director. Mr Stickland holds a Bachelor of Science (Hons) in Geophysics and brings significant executive

and Board experience to Omega, with over 30 years of Australian and international experience in the petroleum and gas industry.

Mr Stickland currently serves as a Non-Executive Director of Melbana Energy Ltd, having previously serving as its CEO and Managing Director. In prior roles, Mr Stickland was CEO and Managing Director of Tap Oil Ltd and held various technical and management roles with BHP Petroleum Ltd.

With Mr Stickland's appointment, Mike Sandy has announced his intention to step down as a Non-Executive Director. Mr Sandy has served on the Omega Board since June 2022 and assisted with the company's IPO in October 2022. His technical and governance experience helped guide the activities of the company through successful capital raises, the drilling of the Canyon-1 and Canyon-2 discovery wells in 2023 and the Canyon-1H horizontal appraisal well in 2024. We wish him success in his future endeavours.

Finance

Cash and cash equivalents as at 31 December 2024 was \$14.7 million compared with \$14.4 million at 30 September 2024. On 28 August 2024, the consolidated entity successfully raised \$6.5 million through the issuance of 30,232,558 fully paid ordinary shares at \$0.215 per share across two tranches. The first tranche of 13,150,466 shares raised \$2.8 million (before costs) and was received in August 2024 and September 2024. The second tranche of \$3.7 million (before costs) was received in November 2024. Other cash inflows during the quarter included \$0.1 million of interest from term deposits.

Exploration and evaluation expenditure on the Canyon-1H horizontal well project (ATP 2037) totalled \$4.3 million. Other cash outflows during the quarter consisted of working capital and administration costs of \$0.4 million, and staff costs of \$0.3 million.

Directors, being related parties of the Company, were remunerated to the amount of \$145k in the December 24 quarter, of which \$112k relates to payments made to the Managing Director and CEO Trevor Brown. An additional \$142k was paid for consulting fees from Tri-Star Admin Pty Ltd, being a related party of the Company.

Refer to Appendix 5B for an overview of the Company's financial activities during the Quarter.

Changes in capital

August 2024 capital raise

The 28 August 2024 capital raise raised \$6.5 million and was settled across two tranches. The second tranche for 17,082,092 shares and \$3,672,650 (before costs) settled on 28 November 2024 following shareholder approval at the Omega's AGM, 22 November 2024.

The total amount raised of \$6.5 million includes the following:

- \$1,840,000 from Ilwella and its associated entities, which takes Ilwella's shareholding to approximately 29.99% (from 28.89%); and
- \$1,287,650 from Tri-Star, which takes Tri-Star's shareholding to approximately 19.48% (from 18.93%).

This capital raise was completed by Prenzler Group Pty Ltd, Omega's Capital Markets Advisor and Lead Manager. Following shareholder approval, 436,416 shares were issued as part of consideration for fundraising services. These shares are in addition to a cash payment of \$202,341 (excluding GST), and they do not form part of the total shares placed in Tranches 1 and 2.

Other changes in capital

The following changes in capital also occurred:

- 3,474,984 unlisted performance rights lapsed (17 October 2024).
- 4,900,000 unlisted options were exercised prior to expiry (21 October 2024) and converted to ordinary shares (25 October 2024) for \$1,470,000 consideration[^].
- 8,719,950 unlisted options lapsed (21 October 2024).
- 10,604,837 ASX Restricted unlisted ordinary shares were released from escrow (25 October 2024).
- 1,650,000 ASX Restricted unlisted options were released from escrow (25 October 2024).
- As approved at the 2024 Annual General Meeting, securities were issued to Mr Trevor Brown, or nominees, (6 December 2024), being 150,000 shares, 450,000 options, 1,200,000 performance rights (two tranches) and 5,000,000 performance rights (five tranches).
- As approved at the 2024 Annual General Meeting, securities were issued to Mr Andrew Hackwood, or nominees, (6 December 2024), being 450,000 options.
- 600,000 of performance rights for Trevor Brown were exercised at \$0.25 per ordinary share (30 December 2024).
- 600,000 of performance rights for Trevor Brown lapsed (30 December 2024).

- ^ The conversion of the 4,900,000 unlisted options was completed by Ilwella Pty Ltd, which takes Ilwella's shareholding from approximately 27.72% to approximately 28.89% (prior to incorporation of any allotments from Tranche 2).

Use of Funds

The Company provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 21 October 2022 against the 'Use of Funds' statement in its Supplementary Prospectus dated 20 October 2022. Estimated expenditure for each quarter is calculated by pro-rating the Use of Funds statement across the 2-year period post-IPO. This period concluded in this quarter.

Funds Available	Note	Use of funds statement (\$000s)	Actual (\$000s)	Variance (\$000s)
Existing cash reserves	1	2,300	686	1,614
Funds raised from the public offer		15,070	15,070	-
Ordinary shares issued to Tri-Star E&P Pty Ltd		-	4,906	(4,906)
Total		17,370	20,662	(3,292)

Allocation of funds	Note	Estimated expenditure to 30 June 2024 (\$000s)	Actual expenditure to 31 December 2024 (\$000s)	Variance (\$000s)	Comments
Exploration expenditure	2	12,000	15,090	(3,090)	Complete
Development expenditure	3	25	793	(768)	Complete
Working capital, administration costs and other	4	3,735	4,682	(947)	Complete
Contingency for overrun and unexpected costs		1,610	97	1,513	Complete
Total		17,370	20,662	(3,292)	

Funds expended post-2023 Canyon drilling campaign	Note	Estimated expenditure to 31 December 2024 (\$000s)	Actual expenditure to 31 December 2024 (\$000s)	Variance (\$000s)
Exploration expenditure	5	N/A	11,860	N/A
Development expenditure	5	N/A	22	N/A
Working capital, administration costs and other	5	N/A	2,974	N/A
Total		N/A	14,856	N/A

Table 1 – Use of Funds Summary

- The actual opening cash balance as at 20 October 2022 was lower than the balance used in the prospectus due to exploration costs brought forward to pre-IPO.
- Exploration expenditure costs exceeded the estimated amount due to the programs, which included the successful drilling of both Canyon-1 and Canyon-2. Cash outflows for compliance with ASX Listing Rule 5.3.4. are projected to be evenly distributed over the 2 years post-IPO, however, actual exploration was performed in a more compressed timeframe. As such, the timing of the exploration activities, coupled with adjustments to the drilling program, led to the variance at the end of the quarter. This variance between estimated and actual expenditure will reduce over future quarters as the 2-year period post-IPO approaches completion.
- The overspend incurred was to bring wells into a state ready for production once resources are available.
- Working capital and administration costs include initial drilling project and planning costs, professional fees, consulting fees and transaction costs relating to the issuance of securities incurred pre-IPO. Refer to Appendix 5B for itemised costs.
- Working capital, administration costs and other costs have been segmented between expenditures funded from the public offer and through the ordinary share issuance from Tri-Star E&P Pty Ltd,

and expenditures funded from subsequent capital raises after the completion of the canyon drilling campaigns. This expenditure will continue to be disclosed separately until the 2-year period post-IPO lapses following the supplementary prospectus.

Information relating to ASX Listing Rule 5.4.3

On 31 December 2024, the Company held a:

- 100% interest in PL-17 in the Surat Basin, Queensland;
- 100% interest in PCA 342 (ATP 2037) in the Surat Basin, Queensland; and
- 100% interest in PCA 343 (ATP 2038) in the Surat Basin, Queensland.

Omega did not acquire or dispose of any other tenements during the quarter.

This release has been authorised on behalf of the Omega Board.

For further information contact:

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This announcement may contain certain “forward-looking statements”. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. The forward-looking statements included in this announcement involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Omega. Forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors set out in section 5 of the Prospectus lodged with Australian Securities and Investment Commission on 22 August 2022 and in Omega’s subsequent announcements and presentations. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward-looking statements. Omega disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise. Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Omega Oil & Gas Limited

ABN

45 644 588 787

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(268)	(477)
	(e) administration and corporate costs	(333)	(820)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	53	257
1.5	Interest and other costs of finance paid	(7)	(8)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(555)	(1,048)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(10)	(10)
	(d) exploration, evaluation and mine development	(4,377)	(9,358)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4,387)	(9,368)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,673	6,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,620	1,620
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(89)	(278)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Repayment of Lease Liabilities	(9)	(18)
3.10	Net cash from / (used in) financing activities	5,195	7,824

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,435	17,280
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(555)	(1,048)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,387)	(9,368)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,195	7,824

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	14,688	14,688

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,688	10,435
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)*	9,000	4,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,688	14,435

* Item 5.4 comprises investments in term deposits with maturity periods of 3 months or less.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	145
6.2	Aggregate amount of payments to related parties and their associates included in item 2	142

Item 6.1 comprises \$33,000 (excluding GST) of Director fees paid during the quarter and \$111,500 paid to Trevor Brown as CEO and Managing Director salaries and wages.

Item 6.2 comprises \$141,698 (excluding GST) of payments to Tri-Star Admin Pty Ltd, for consulting fees capitalised as exploration, evaluation and mine development.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(555)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(4,377)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(4,932)
8.4 Cash and cash equivalents at quarter end (item 4.6)	14,688
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	14,688
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.98
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:28 January 2025.....

Authorised by:By Order of the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.