

29th July 2022

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 June 2022

Top End Energy Limited ("TEE or "the Company") (ASX:TEE) is pleased to present its quarterly activities report for the quarter ended 30 June 2022.

HIGHLIGHTS

- The Company commenced trading on the ASX on 4 April 2022.
- Strongly supported IPO raised \$6.4m (before costs) providing funds to pursue exploration activities on ATP 1069 and prioritised Northern Territory assets.
- Near-term focus on conventional gas potential in ATP 1069 – progressing seismic reprocessing workstreams ahead of a planned seismic acquisition campaign later in the year.
- Targeted near-term grant of prioritised Greater McArthur Basin permits proximate to the highly prospective and active Beetaloo Basin in the Northern Territory.
- The Company has been allotted On Country Meetings in Q3 2022 to pursue agreements for grant and work program approvals with native title holders.
- Strong outlook for natural gas in the wake of continued domestic and international supply concerns.

ATP 1069 (QUEENSLAND)

ATP 1069 is a granted hydrocarbon permit located 130km north-west of Charleville in Central Queensland, covering an area of approximately 4,185km².

The Company has identified multiple plays across the Permit and intends primarily to pursue potential conventional natural gas prospectivity in the deeper Adavale Basin towards the southern part of the Permit. The Gilmore gas field, situated 50 km west of the Permit, has demonstrated commercial conventional gas production from the Lissoy Sandstone and Log Creek Formation of the Adavale Basin. Initial seismic interpretation suggests these formations may be present within ATP 1069, but no wells have been drilled to these depths on the Permit. The Company's ongoing and intended 2022 work program is targeted to better understand this potential conventional gas prospectivity and ultimately high-grade drillable prospects.

The Permit is strategically located in proximity to existing infrastructure and the east coast gas market, which is forecast to face significant near-term supply shortfall. Strong support for natural gas is expected in light of sustained underinvestment in supply, ongoing international geo-political tensions and a refocusing on security of energy supply.

The Company holds a 100% ownership interest in the Permit.

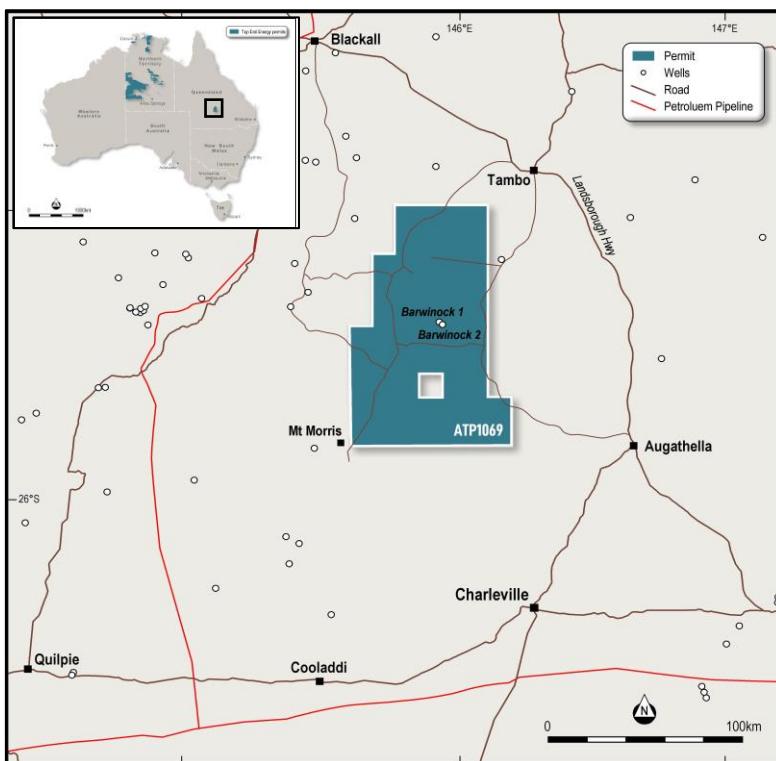


Figure 1: TEE's 100% owned permit in Queensland (ATP 1069)

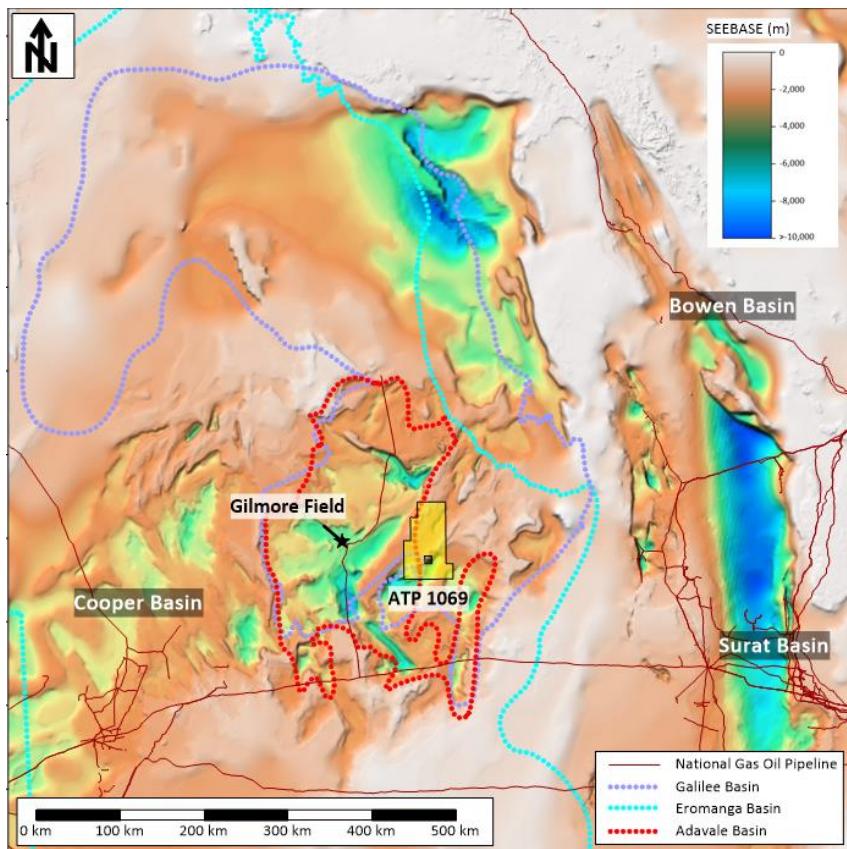


Figure 2: Location of ATP 1069 and underlying Galilee, Eromanga and Adavale Basins

Key activities undertaken on ATP 1069 during the quarter included:

- Ongoing assessment of prospectivity potential and refinement of forward work program to pursue conventional gas potential in the Adavale Basin portion of the permit.
- Scoping and preparation of existing 2D seismic data for reprocessing and interpretation ahead of engaging a third-party contractor to provide reprocessing services.
- Planning for a potential seismic acquisition of up to 120 km to be undertaken in H2 2022 subject to the outcome of the reprocessing and interpretation, including determination of seismic line locations and initiation of land access agreements and other approval workstreams.

TG PROJECT (NORTHERN TERRITORY)

The Company holds a 50% beneficial interest in 30 permit applications across the Northern Territory, covering ~160,000 km². The Company has prioritised key permits based on initial technical assessments of the available data. Of these key permits, the Company is engaging with the Northern Land Council ("NLC"), native title holders and traditional owners to reach exploration agreements ahead of the formal grant and work program approvals for EP 258 and potentially EP 259.

EP 258 and EP 259 are located on the edge of the Greater McArthur Basin, south of discoveries within the Velkerri and Kyalla Shales and the conventional Moroak and Bessie Creek Sandstone reservoirs. Although there are no seismic data on the permits, seismic lines ending north of the permits suggest that both the conventional Bessie Sandstone and unconventional Velkerri Shale may be present within the deeper basin sections of the permits. The Velkerri Shale is a shale gas target for operators such as Santos, Origin and Empire Energy across the Beetaloo sub-basin.

The primary objective of the intended initial exploration activities, subject to receiving formal grant of permits, is to confirm the presence of the conventional Bessie Sandstone and unconventional Velkerri Shale formations.

While EP 258 and EP 259 are the near-term focus in the NT, the Company also continues to pursue other prioritised permit applications, targeting the formal grant of additional applications in 2023.

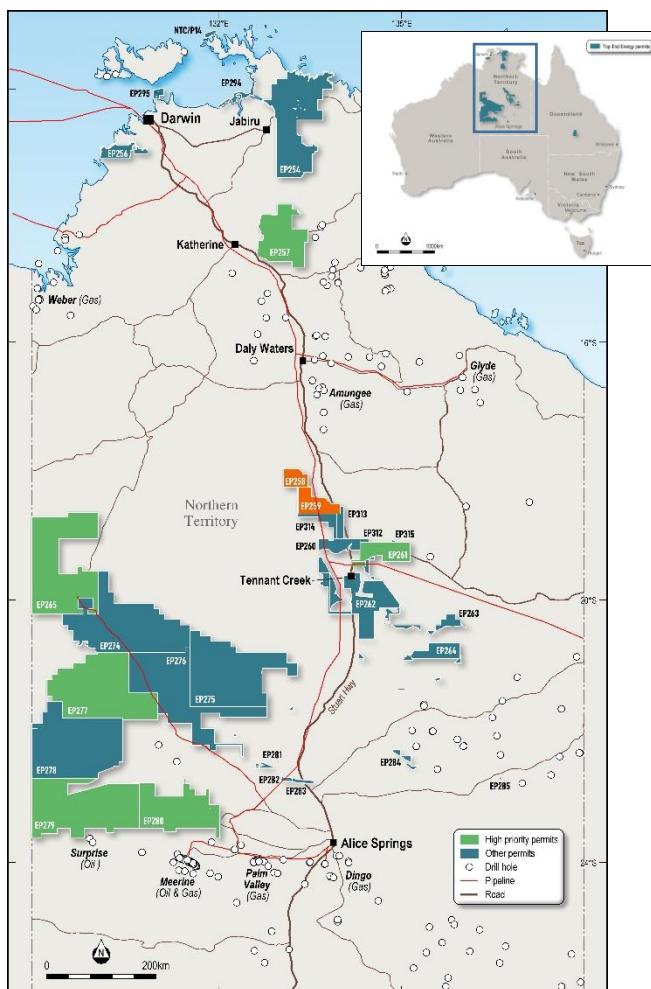


Figure 3: TEE's portfolio in the NT and prioritised permit applications

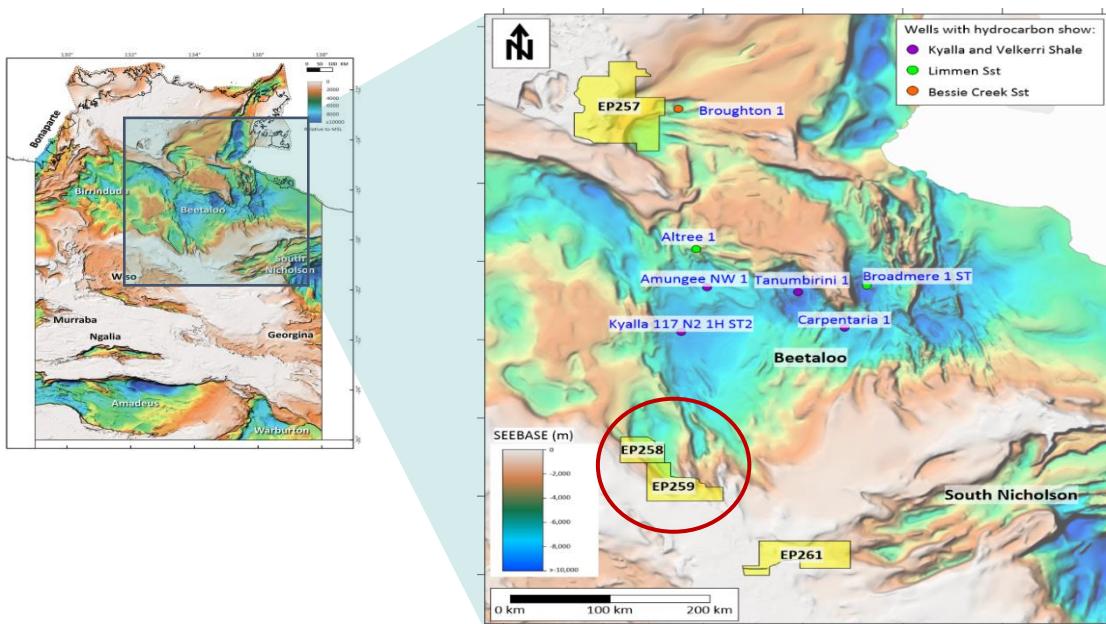


Figure 4: TEE's key permits in the Greater McArthur Basin

Key activities undertaken on the TG Project during the quarter included:

- Securing placeholder dates for on country meetings ("OCM") with the native title holders of EP 258 in Q3 2022.
- Ongoing negotiation with the NLC, on behalf of the native title holders of EP 258, of the terms of an exploration agreement ancillary to an agreement under section 31(1)(b) of the Native Title Act, to be agreed for the grant of the permit.
- Determination of seismic line location for the seismic acquisition campaign proposed to be undertaken in H1 2023 subject to achieving formal grant on EP 258.
- Initiated work on the environmental management plan and other approvals necessary for undertaking exploration activities post-grant.

IPO COMPLETION

On 1 April 2022, TEE was admitted to the Official List of the ASX and official quotation of TEE's securities commenced on 4 April 2022.

The Company's Initial Public Offering ("IPO") to raise \$6.4 million (before costs), through the issue of 32,000,000 new shares at an issue price of \$0.20 per share, was strongly supported.

PLANNED ACTIVITIES FOR Q3 2022

During the September quarter, the Company intends to undertake the following activities on its assets:

- Reprocessing and interpretation of existing 2D seismic data and additional geological and geophysical studies to further define the conventional gas prospectivity in the Adavale Basin on ATP 1069.
- Subject to the outcome of the reprocessing and interpretation, the Company intends to acquire up to 120 km of additional 2D seismic survey and will look to agree a contract with a seismic services provider in the September quarter.
- Undertake OCMs with native title holders of EP 258 with the intention of agreeing an exploration agreement ancillary to an agreement under section 31(1)(b) of the Native Title Act for the grant of the permit and approval of the proposed 2023 work program.
- Undertake initial consultation with the traditional owners of EP 259 subject to agreement with the NLC and scheduling ability.
- Initiate process for negotiation of land access agreements for the proposed seismic acquisition campaign on EP 258 (and potentially EP 259) subject to grant of permit(s).
- Continue to explore opportunities for leveraging the Company's existing asset footprint to develop clean energy solutions.

CORPORATE

- As per ASX Listing Rule 5.4.1, there were no substantive oil and gas exploration activities undertaken during the quarter.
- 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 \$224k being circa \$153k for directors' fees and salaries (including accrued fees from prior quarter) and circa \$68k for corporate advisory fees in relation to pre-IPO management services and IPO advisory services paid to director, Emmanuel Correia in accordance with his consultancy agreement.
- TEE remains well-funded with cash of circa \$5.4m at 30 June 2022.
- In accordance with Listing Rule 5.4.4, as the 30 June 2022 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 30 June 2022 against the estimated expenditure in the 'use of funds' statements:

| Use of Funds (A\$) ¹ | Per IPO Prospectus (2-year period) | YTD 30 June 2022 |
|---|---------------------------------------|------------------|
| Exploration Budget - ATP 1069 ² | 2,808,000 | 40,888 |
| Exploration Budget - TG Project ³ | 1,000,000 | 31,417 |
| Project generation and feasibility – Green Energy and / or Carbon Abatement Projects ⁴ | 450,000 | - |
| Corporate and administration costs ⁵ | 1,463,250 | 640,131 |
| Expenses of the Offer ⁶ | 778,206 | 1,064,387 |
| Unallocated Working capital | 465,544 | - |
| Total funds | 6,965,000 | 1,776,823 |

¹ The Company remains on track in terms of meeting its business objectives in accordance with proposed use of funds.

² The funds spent by the Company relate to the planning and preparation of the future work programs, with reprocessing and interpretation workstreams to be undertaken in Q3 and a potential seismic acquisition of up to 120 km to be undertaken in H2 2022.

³ The funds spent by the Company relate to progressing application grant for prioritised permits and preparation for the future work program.

⁴ Preliminary expenditure on exploring opportunities for green energy and / or carbon abatement projects have been included in "Corporate and administration costs". The Company is yet to commission any studies or commit spending to specific projects, however, the Company will continue exploring opportunities in the space in accordance with its business objectives.

⁵ Includes legal, consulting, accounting, audit and directors' fees and other general corporate costs. Since 1 July 2021, 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.

⁶ 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



2022 JUNE QUARTER – ASX ANNOUNCEMENTS

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

| | |
|---------------------------|------------|
| Northern Territory Update | 31/05/2022 |
| ATP 1069 Update | 28/04/2022 |
| IPO Announcement | 6/04/2022 |

- END -

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

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ABOUT TOP END ENERGY

Top End Energy 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 in Queensland and the Northern Territory, with intentions to pursue complementary clean energy solutions and achieve a target of net zero (Scope 1 & 2) emissions.

The Company currently holds interests in circa 166,000 km² (gross) granted and in-application permits, with prioritised permits in proximity to existing pipeline infrastructure. The Company's near-term activities are focused on working towards de-risking the prospectivity potential the Company has identified across these assets.

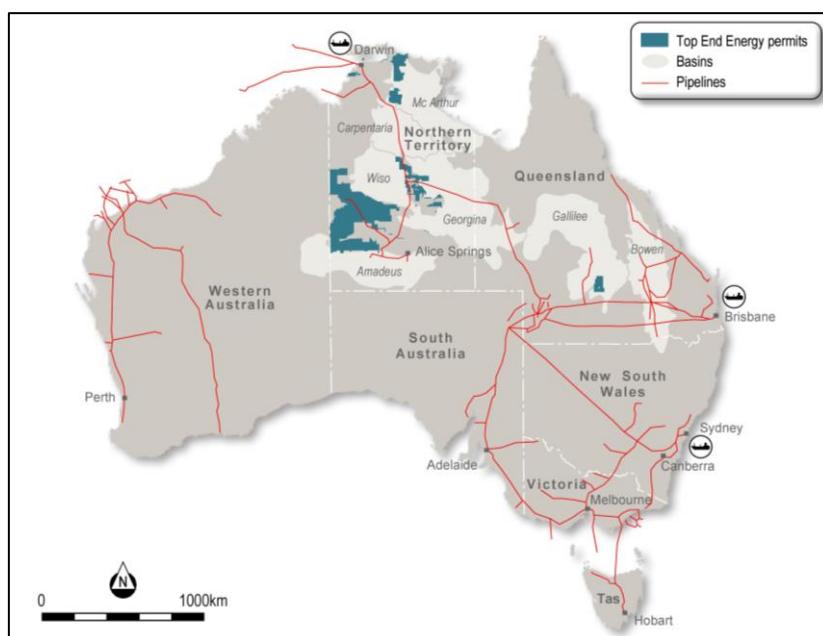


Figure 5: TEE's asset portfolio

For further information on Top End Energy Limited please visit www.topenenergy.com.au

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 ⁷ | Location | Interest % | Holder |
|-----------------------------------|--------------------|------------|----------------------------|
| ATP 1069 | Queensland | 100 | Tomorrow Energy Pty Ltd |
| EP(A) 254 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 256 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 257 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 258 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 259 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 260 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 261 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 262 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 263 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 264 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 265 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 274 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 275 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 276 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 277 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 278 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 279 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 280 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 281 | Northern Territory | 50 | NT Gas Aust Pty Ltd |

⁷ 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)

| | | | |
|-------------|--------------------|----|----------------------------|
| EP(A) 282 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 283 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 284 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 285 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 294 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 295 | Northern Territory | 50 | NT Gas Aust Pty Ltd |
| EP(A) 312 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 313 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 314 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| EP(A) 315 | Northern Territory | 50 | Territory Gas Aust Pty Ltd |
| NTC/P(A) 14 | Northern Territory | 50 | NT Gas Aust Pty Ltd |

The Company neither acquired nor disposed of any petroleum tenements in the quarter. No farm-in or farm-out agreements were entered into during the quarter.

Appendix 2: Summary of cash expenditure per project

| Project | Cash Expenditure A\$'000 |
|---|--------------------------|
| Exploration Budget - ATP 1069 | 41 |
| Exploration Budget - TG Project | 31 |
| Green Energy and / or Carbon Abatement Projects | - |