

ASX ANNOUNCEMENT

3 April 2023

Native Title Holder Approval for EP 258 Exploration Agreement

Top End Energy Limited (**Top End** or the **Company**) (ASX:TEE) is pleased to announce that it has received written notification from the Northern Land Council (**NLC**) that the native title holders of Exploration Permit (**EP**) 258 (the **Permit**) have provided instructions to enter into an exploration agreement with the Company¹. This is the critical path item required for the formal grant of the Permit.

HIGHLIGHTS

- Native title holders of Greater McArthur Basin EP 258 have agreed to enter into an exploration agreement with the Company following third on country meeting
- Critical milestone reached, unlocking path for near-term grant of EP 258 which would represent the first EP to be granted in the NT since 2015
- Post-grant exploration program designed to confirm the extension of the Velkerri Shale, the target for operators in the nearby highly prospective Beetaloo Basin, and presence of the conventional Bessie Sandstone formation on the Permit
- AGG survey to commence post-grant to provide high resolution gravity gradient datasets to aid structural interpretation and optimise acquisition parameters and location of planned 2D seismic survey
- Operators in the Beetaloo Basin remain very active with ongoing drilling campaigns targeting near-term pilot projects

EXPLORATION PERMIT 258

Exploration Agreement with Native Title Holders

The Company attended a third on country meeting (**OCM**) with the native title holders of EP 258 in the Northern Territory (**NT**) on 15 March. The purpose of this meeting was for native title holders to decide whether to agree to the terms of the proposed exploration agreement ancillary to an agreement under section 31(1)(b) of the Native Title Act (the **Exploration Agreement**). Heading into the meeting, the Company had reached an

¹ Territory Gas Aust Pty Ltd, the Company's ~53% owned subsidiary, is the party to the exploration agreement.

agreed position with representatives of the NLC on the in-principle terms of the Exploration Agreement subject to instruction from native title holders.

The Company has been notified by the NLC that, subsequent to the March OCM, it has received instructions from the native title holders for the Top End (Default PBC/CLA) Aboriginal Corporation (**Top End PBC**) to enter into the Exploration Agreement in relation to EP 258. The Top End PBC is the native title body corporate acting as the agent for the native title holders.

Grant Process

Receiving the instruction from the native title holders to enter the Exploration Agreement is the critical milestone for achieving grant of the Permit, which the Company has been working towards since acquiring its NT acreage.

The Company is now working with both the NLC and the Northern Territory Government (**NTG**) to finalise the form of the Section 31 Deed (the **Deed**), to which the Company, the NLC and the NTG will be a party. The Deed is a statutory document, which the NTG relies upon for the consent of the native title party to the grant of the Permit under the Native Title Act. The Company expects this process to be resolved in the coming weeks with execution subject to formal meetings of the relevant signatory bodies.

Subject to execution of the Deed and NTG approval, EP 258 will be the first EP to be granted since 2015.

In response to the notice received from the NLC, the Company's Managing Director Oliver Oxenbridge commented: *"This is a very significant milestone for TEE and its journey to unlock valuable and much required natural gas for Australia as it transitions to a lower carbon energy mix. We are extremely pleased to have reached an agreement with the native title holders of EP 258 and are now on the home stretch to the grant of the first of our prioritised applications in the NT. We look forward to continuing to build strong and mutually beneficial relationships with the native title holders and other important stakeholders as we continue to progress.*

We're very thankful to our shareholders and other stakeholders who have supported us through this process to date and are excited to be approaching the point when we can commence exploration activities on EP 258, kicking off with the gravity gradiometry survey.

We're also pleased to be progressing the native title process for grant of the Company's other prioritised permit applications in the NT, across which we see material prospectivity potential for Hydrocarbons, Helium and Gold Hydrogen."

Forward Work Program

In parallel with the native title process and in anticipation of achieving Permit grant, the Company has dedicated significant time and resources to preparing for its initial exploration activities.

On 1 March 2023, the Company announced the engagement of Xcalibur Aviation to undertake the acquisition of approximately 2,500 line kilometres of Falcon airborne gravity gradiometry (**AGG**) data over the entirety of EP 258, subject to the formal grant of the permit. Subject to receiving grant of the permit, it is intended that the AGG survey be undertaken in Q2 / Q3 2023.

The objective of the AGG survey is to better understand the location and orientation of structural lineaments and basin architecture including basement highs, deep-seated faults and density contrasts between reservoirs and seals across the Permit. Interpretation of the AGG dataset in conjunction with regional magnetic surveys and play fairway mapping will help to optimise the location, orientation and specifications of a planned new shoot 2D seismic survey across the Permit.

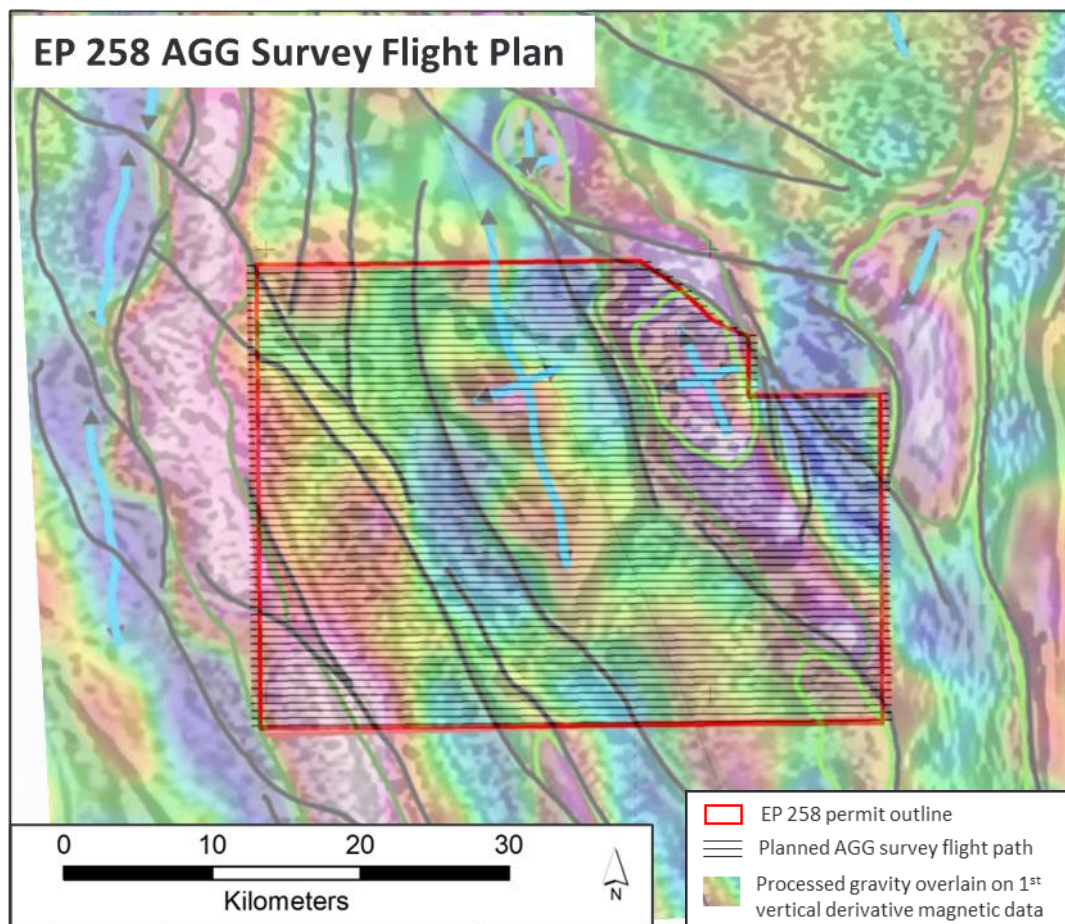


Figure 1: AGG Flight Survey Plan for EP 258 overlain with preliminary interpretation from existing regional gravity and magnetic datasets

The objective of the refined 2D seismic survey, targeted to be undertaken later in the year, will be to confirm the extension of the proven play system that hosts the significant discoveries which have been made in the Beetaloo Basin, including the conventional Bessie Sandstone and unconventional Velkerri Shale reservoirs, into the Company's

application areas on the Southern McArthur Basin margin (Figures 2 and 3), and ultimately aid in the identification of drilling targets.

The Company continues to progress the key approvals and access agreements required for both the AGG survey and the proposed 2D seismic survey.

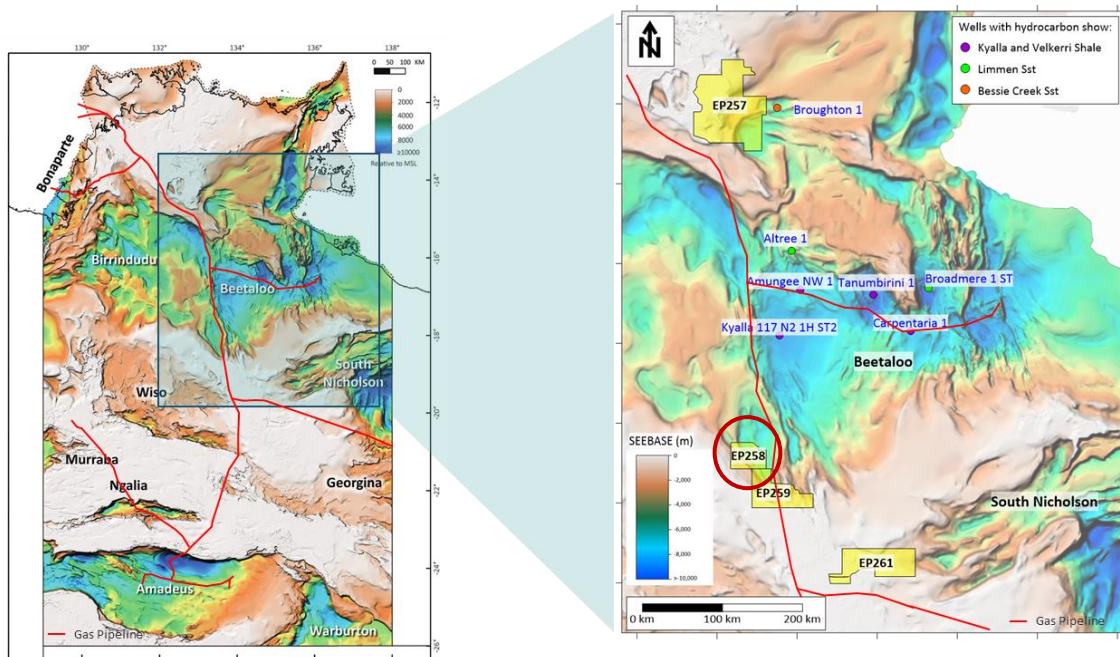


Figure 2: Top End's key permits in the Greater McArthur Basin

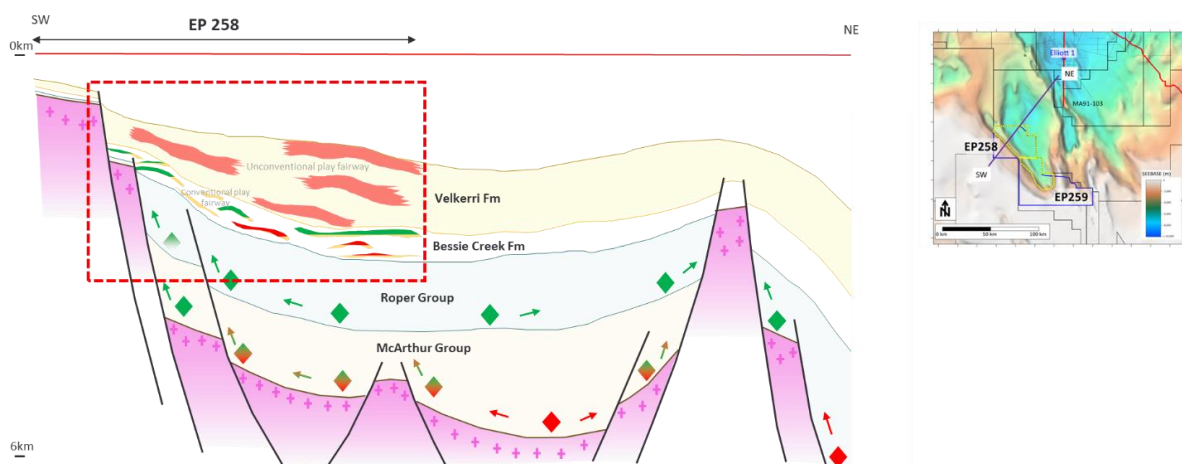


Figure 3: Regional schematic highlighting the potential of the untested southern margin of the Greater McArthur Basin and EP 258

NT REGIONAL UPDATES

The Company also notes the recent updates from operators in the very active Beetaloo Basin, a sub-basin of the Greater McArthur Basin:

- on 29 March 2023, Empire Energy Group announced that its Carpentaria-2H well has achieved a new average flow rate over 30 days of 2.81 mmscf per day, equating to a normalized flow rate of over 3 mmscf per day per 1,000m of horizontal section, representing an increase of approximately 17% over the initial 30-day rates announced in September 2022 despite partial reservoir depletion following the initial 51-day flow testing program; and
- on 22 March 2023, Tamboran Resources announced that a total of 25 stages were successfully stimulated across a 1,020-metre horizontal section within the Mid-Velkerri "B Shale" at its Amungee 2H well, and that Tamboran expects to announce 30-day initial production flow rates during the second quarter of 2023.

The significant developments and optimisations that regional operators are continuing to make will be instructive for the Company as it prepares for its own exploration activities in the NT.

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This announcement was authorised for release by the Board of Directors of Top End Energy Limited.

For more information please contact:

Michelle Kennedy and Kelly Moore
Joint Company Secretaries
+61 8 6245 9836
info@topendenergy.com.au

About Top End Energy Limited

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 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.

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