



BLACKMOUNTAIN
ENERGY

INTERIM REPORT

Half-year ended 30 June 2025

ABN: 83 652 281 868



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CHAIRMAN'S LETTER

Dear Fellow Shareholders,

I am pleased to take this opportunity to share with you my views and priorities for the future of our Company.

The company is an energy and resources Company focused on natural gas exploration, development and production, which was founded on the premise that unconventional oil and gas reservoirs could be developed safely and commercially in Australia.

Our long-term strategy is to continue to develop the Company's flagship asset in the Canning Basin, Project Valhalla, which remains potentially one of the world's last large scale onshore unconventional undeveloped gas projects.

During the period, the Company's Review Document (ERD) was submitted to the WA Environmental Protection Authority Services (EPA Services) and has been progressing through the prescribed approvals process. The Company has recently received feedback on its Response to Submissions from EPA Services. The Department of Climate Change, Energy, the Environment and Water (DCCEEW) issued a decision on the Company's submitted referral. DCCEEW has decided, under section 75 of the EPBC Act that the proposed action is a controlled action and that under section 87 of the EPBC Act, that the proposed action will be assessed by preliminary documentation. Further clarity has been received from DCCEEW via a Request for Information (RFI) document. The Company is currently preparing a response.

Relations with traditional owners continues to remain strong as the Company builds on established relationships by increasing knowledge

and understanding of the cultural heritage within the region. I would like to recognise the ongoing support of the traditional owners.

Throughout the year, the Company has benefited from strong and consistent support from both the Yungngora and Warlangurru boards and community. The Noonkanbah Community has been waiting over 10 years for the project to progress.

We remain focussed on the ERD and federal referral process, but continue to advance technical geoscience workflows at the same time.

These workstreams, which are utilizing advanced geophysical techniques, have the aim to refine the Exploration Permits potential beyond the Laurel formation and help with the design and planning around acquiring new seismic data and ultimately the drilling of wells.

On behalf of the board, I thank shareholders for their continued patience and support.

As a fellow shareholder, I continue to be excited by the journey that lays ahead of us.

The Company remains well funded with approximately \$4.8m in cash and cash equivalents, including financial assets and we remain focussed on progressing Project Valhalla. Thank you,



Rhett Bennett

Executive Chairman and Chief Executive Officer

8 September 2025

DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity, consisting of Black Mountain Energy Ltd ("the Company", "Black Mountain Energy" or "BME") and the entities it controlled (collectively "the Group" or "the Consolidated Entity") at the end of, or during, the half-year ended 30 June 2025 ("the period").

DIRECTORS

The names of the Directors of the Company in office during the period and until the date of this report are set out below.

Name	Appointed
John Rhett Miles Bennett	26 July 2021
Michael Laurent	9 April 2024
Benjamin Donovan	26 June 2024

COMPANY SECRETARY

Benjamin Donovan

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity consist of seeking investment and development opportunities in oil and gas and deploying capital in exploration. There has been no significant change in those activities during the financial period.

FINANCIAL RESULTS

The net loss for the Consolidated Entity for the period ended 30 June 2025 amounted to \$1,155,000 (30 June 2024: loss of \$740,000).

OPERATING AND FINANCIAL REVIEW

- Focus continues on the development of Project Valhalla in the Canning Basin, which the Company sees as one of the world's last large scale onshore unconventional undeveloped gas projects.
- Valhalla Project EP371 suspend and extend application approved by Department of Mines, Industry Regulation and Safety resulting in a two-year extension, where key workflows now not due before January 2027.
- The Department of Climate Change, Energy, the Environment and Water (DCCEEW) issued a decision on the Company's submitted referral. DCCEEW has decided, under section 75 of the EPBC Act that the proposed action is a controlled action and that under section 87 of the EPBC Act, that the proposed action will be assessed by preliminary documentation. Further clarity has been received from DCCEEW via a Request for Information (RFI) document. The Company is currently preparing a response.
- The Company continues to focus on maintaining strong financial discipline during the financial year.
- The Company remained debt free.

OPERATIONS AND ACTIVITIES

Black Mountain Energy is developing its flagship asset, Petroleum Exploration Permit EP 371, known as Project Valhalla, in Western Australia's Canning Basin region. EP 371 covers more than 3,660km² within the Fitzroy Trough and is situated west of Fitzroy Crossing and south-east of Derby. An Independent Technical Expert has estimated prospective gas resources of 11.8 trillion cubic feet (TCF) and contingent gas resources of 1.5 TCF (best estimates) (refer to prospectus for additional information).

The Company continues to believe Project Valhalla in the Canning Basin is a significantly large undeveloped unconventional onshore gas reservoir and remains focused on progressing the necessary approvals that will ultimately enable appraisal drilling activity. **See figure 1.**

During the period, the Company's Environmental Review Document (ERD) was progressed with the WA Environmental Protection Authority Services (EPA Services) through the prescribed approvals process. The Company has recently received feedback on its Response to Submissions from EPA Services.

In addition, to progressing the ERD and federal referral the Company has been progressing technical workflows utilizing advanced geophysical techniques, which will be used to help with the design and planning around acquiring new seismic data and ultimately drilling wells.

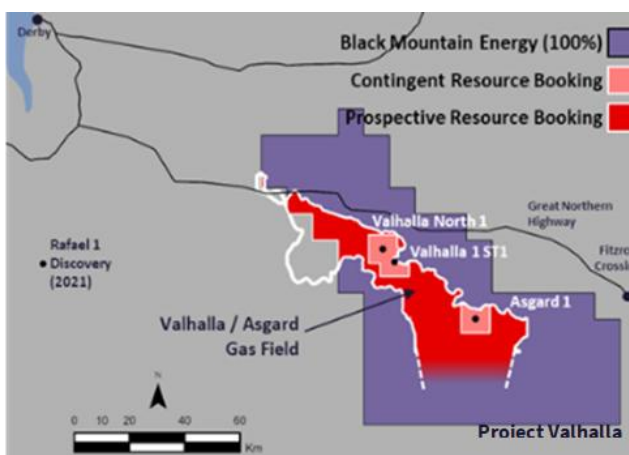


Figure 1: EP 371 within WA's Canning Basin

Further, the Company was successful in achieving a 'suspension & extension' from DEMIRS (Department of Energy, Mines, Industry, Regulation & Safety) on its EP (Exploration Permit) which ultimately means the Company can conclude additional technical geoscience workflows prior to executing a new seismic acquisition, which is now due on or before 30 January 2027.

OUTLOOK

During the remainder of 2025, the Company will conduct its annual well maintenance program and fulfill its reporting requirements. Technical geoscience workflows will continue, responses to the state ERD and federal referral process will be prepared and the environmental approvals progressed. Dependent on the timing of approvals, the Company will ready its 2D acquisition plans later this year in preparation for a 2026 acquisition. Stakeholder engagement will continue to be a regular focus.

ESG

BME recognizes the importance of its environmental and social obligations and being a responsible corporate citizen. All exploration activities are carried out with a focus on maintaining the environment. The Company continues to focus on strong governance with Corporate Governance policies in place and reviewed annually.

On a social front, the Company continues to advance its support of traditional owners by undertaking the following:

- Employment of local contractors and individual Traditional Owners community members;
- Support of Traditional Owner AGM's and Board meetings, regularly providing project updates;
- Facilitated independent community education sessions relating to proposed activities;
- Sponsorship support for community for Traditional Owners;
- Provided catering for various community meetings; support event costs;
- Support of local art community by providing supplies and purchase of paintings.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Directors are not aware of any other significant changes in the state of affairs of the Group occurring during the half-year, other than as disclosed in this report.

EVENTS SINCE THE END OF THE FINANCIAL PERIOD

No matter or circumstance has arisen between 30 June 2025 and the date of this report that will affect the Group's operations, result or state of affairs, or may do so in future years.

ENVIRONMENTAL REGULATION

The Consolidated Entity is subject to environmental regulations under the Australian Commonwealth or State Law and under local laws in jurisdictions it operates. The Group holds an exploration licence issued by the relevant government authorities which contain conditions which relate to the full rehabilitation of the areas of exploration in accordance with regulatory guidelines and standards. The Directors are not aware of any breaches of the licence conditions or environmental regulations during or since the end of the financial period. The Group is committed to meeting environmental and land use regulations, including native title requirements.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australia Securities and Investments Commission, relating to the 'rounding off'. Amounts in the Directors' report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR'S INDEPENDENCE

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

FORWARD LOOKING STATEMENT

This report may contain certain forward-looking statements and projections regarding estimated, resources and reserves; planned production and operating costs profiles; planned capital requirements; and planned strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors many of which are beyond the control of Black Mountain Energy.

The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. Black Mountain Energy does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward-looking statements/projections based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Black Mountain Energy or any of its directors, officers, agents, employees, or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this report.

Accordingly, to the maximum extent permitted by law, none of Black Mountain Energy, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express, or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this report or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this report.

COMPETENT PERSONS STATEMENT

EP371

Black Mountain Energy has presented the Contingent Resource and Prospective Resource information in this document in accordance with the 2018 Petroleum Resources Management System published by the Society of Petroleum Engineers (SPE-PRMS).

The Contingent Resource estimates and Prospective Resource estimates presented in this document were originally disclosed to the market in the Replacement Prospectus dated 29 October 2021. Black Mountain Energy confirms that it is not aware of any new information or data that materially affects the information included in the aforesaid market announcement and that all the material assumptions and technical parameters underpinning the estimates in the aforesaid market announcement continue to apply and have not materially changed.

The information in this document that relates to Contingent Resource and Prospective Resource information in relation to EP 371 is based on information compiled by technical employees of independent consultants, Molyneux Advisors Pty Ltd, which information was subsequently reviewed by Mr Hong Feng Wu.

Mr Hong Feng Wu has consented to the inclusion of such information in this document in the form and context in which it appears and the resources information in this report is based on, and fairly represents, information and supporting documentation reviewed by, or prepared under the supervision of, Mr Hong Feng Wu. Mr Hong Feng Wu is a Director of Molyneux Advisors Pty Ltd and has a B.Sc. Geology and MS in Sedimentology, University of Petroleum China (Beijing), an MBA from the Sun-Yat-sen University (MIT Sloan School of Business). Hong Feng Wu is a (Full) member of Society of Petroleum Evaluation Engineers (SPEE #1021) and a member of Society of Petroleum Engineers (SPE # 5084882).

Signed in accordance with a resolution of the Directors:



Rhett Bennett

Executive Chairman and Chief Executive Officer

8 September 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Black Mountain Energy Ltd

As lead auditor for the review of Black Mountain Energy Ltd for the half-year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Black Mountain Energy Ltd and the entities it controlled during the period.

William Buck
William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

KY Lau

Kuan Yin Lau
Director
Dated this 8th day of September 2025

FINANCIAL REPORT

These Financial Statements are the consolidated financial statements of the Group, consisting of Black Mountain Energy Ltd and the entities it controlled at the end of, or during, the half-year ended 30 June 2025.

The Financial Statements are presented in Australian currency.

Black Mountain Energy Ltd is a Company Ltd by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is Level 4, 225 St Georges Terrace, Perth, WA 6000.

A description of the nature of the Consolidated Entity's operations and its principal activities is included in the review of operations and activities on pages 4 to 8. These pages are not part of these financial statements.

The financial statements were authorised for issue by the Directors on 8 September 2025. The Directors have the power to amend and reissue the financial statements.

With the internet, we have ensured that our corporate reporting is timely and complete. Press releases, financial reports and other information are available via the links on our website: www.blackmountainenergy.com

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2025

		30 JUNE 2025 \$'000	30 JUNE 2024 \$'000
	NOTE		
Income			
Interest income		102	149
Other income		17	17
Total income		119	166
Expenses			
Exploration expense		(731)	(711)
Depreciation and amortisation	3	(30)	(33)
General and administrative expenses		(473)	(576)
Share based employment benefits		(30)	(99)
Finance costs		(10)	(10)
Loss before income tax		(1,155)	(1,263)
Income tax benefit		-	523
Net loss for the period		(1,155)	(740)
<i>Other comprehensive income for the period, net of tax</i>			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(11)	(2)
Total comprehensive loss for the period		(1,166)	(742)
Total comprehensive loss attributable to members of the parent entity		(1,166)	(742)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		30 JUNE 2025 \$'000	31 DEC 2024 \$'000
	NOTE		
ASSETS			
Current assets			
Cash and cash equivalents	4	673	1,509
Inventory		35	35
Trade and other receivables	5	149	338
Other financial assets	7	4,200	4,200
Total current assets		5,057	6,080
Non-current assets			
Property, plant and equipment		23	32
Exploration assets	6	42,762	42,762
Right of use asset		59	80
Other financial assets	7	35	35
Total non-current assets		42,879	42,909
Total assets		47,936	48,990
LIABILITIES			
Current liabilities			
Trade and other payables	8	91	84
Provisions	9	87	75
Lease liabilities		46	44
Total current liabilities		224	203
Non-current liabilities			
Provisions	9	3,020	2,935
Lease liabilities		16	40
Total non-current liabilities		3,036	2,975
Total liabilities		3,260	3,177
Net assets		44,676	45,812
EQUITY			
Contributed equity	10	53,227	53,203
Reserves	11	2,114	2,119
Accumulated losses		(10,665)	(9,510)
Total equity		44,676	45,812

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2025

		CONTRIBUTED EQUITY \$'000	RESERVES \$'000	ACCUMULATED LOSSES \$'000	TOTAL \$'000
	NOTE				
Balance at 1 January 2024		53,203	1,929	(7,681)	47,451
Total loss for the period		-	-	(740)	(740)
Other comprehensive income		-	(2)	-	(2)
Total comprehensive loss for the period		-	(2)	(740)	(742)
<i>Transactions with owners in their capacity as owners:</i>		-	-	-	-
Issue of shares		-	-	-	-
Share based payments		-	99	-	99
		-	99	-	99
Balance at 30 June 2024		53,203	2,026	(8,421)	46,808
 Balance at 1 January 2025		 53,203	 2,119	 (9,510)	 45,812
Total loss for the period		-	-	(1,155)	(1,155)
Other comprehensive income		-	(11)	-	(11)
Total comprehensive loss for the period		-	(11)	(1,155)	(1,166)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares	10	24	-	-	24
Share based payments	11	-	6	-	6
		24	6	-	30
Balance at 30 June 2025		53,227	2,114	(10,665)	44,676

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2025

		30 JUNE 2025 \$'000	30 JUNE 2024 \$'000
	NOTE		
Cash flows from operating activities			
Receipts from customers		19	23
Interest received		165	82
Payments for exploration expenditure		(496)	(485)
Payments to other suppliers and employees		(497)	(705)
Income taxes paid		-	(150)
Net cash outflow from operating activities		(809)	(1,235)
Cash flows from investing activities			
Receipts from other financial assets		-	500
Net cash inflow from investing activities		-	500
Cash flows from financing activities			
Payments for leases		(24)	(18)
Net cash outflow from financing activities		(24)	(18)
Net decrease in cash and cash equivalents		(833)	(753)
Cash and cash equivalents at the beginning of the financial period		1,509	2,673
Effect of foreign exchange rate changes		(3)	(3)
Cash and cash equivalents at the end of the financial period	4	673	1,917

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2025

NOTE 1: REPORTING ENTITY

Black Mountain Energy Ltd (the “Company” or “BME”) is a Company domiciled in Australia and was incorporated on 26 July 2021. The address of the Company's registered office is Level 4, 225 St Georges Terrace, Perth WA 6000 Australia.

The Company is a for-profit entity and primarily is involved in the acquisition and development of natural resource projects and exploration for, and production of oil and gas.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Black Mountain Energy Ltd (“the Company”) and its subsidiaries (collectively “the Group” or “the Consolidated Entity”).

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going Concern

The Directors have prepared the financial statements on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group recorded a net loss for the period of \$1,115k, had a net cash operating outflow of \$801k and had an overall net current asset position at 30 June 2025 of \$5,057K (which includes \$673k of Cash and \$4,200k of Term Deposits). The Board and management monitor the Group's cash flow requirements to ensure it has sufficient funds to meet its contractual commitments and adjusts its spending, particularly with respect to discretionary exploration activity and corporate expenditures. The Group forecasts that over at least the next 12 months, it will have sufficient funds to meet its commitments and continue to pay its debts as and when they fall due.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Black Mountain Energy Ltd (“the Company” or “Parent Entity”) as at 30 June 2025 and the results of all subsidiaries for the period then ended. Black Mountain Energy Ltd and its subsidiaries together are referred to in this financial report as “the Group” or “the Consolidated Entity”.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method is used to account for business combinations by the Group.

Intercompany transactions, balances, and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Financial Risk Management

During the period ended 30 June 2025, the Group's financial risk management objectives and policies were consistent with that disclosed in the consolidated financial report as at and for the period ended 31 December 2024.

Foreign Currency Translation

(i) Functional and Presentation Currency

The financial statements are presented in Australian dollars, which is Black Mountain Energy Ltd's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Foreign operations

The functional currency of the foreign operation, Seven Rivers Operating LLC, is US dollars, "USD". The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards, Amendments and Interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no resulting impact on the financial report.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. EXPENSES

Loss before income tax includes the following specific expenses:

	30 JUNE 2025 \$'000	30 JUNE 2024 \$'000
Depreciation		
Plant and equipment	8	11
Right of use asset	22	22
Total depreciation	30	33

4. CASH AND CASH EQUIVALENTS

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Cash at bank and in hand	673	1,509

5. TRADE AND OTHER RECEIVABLES

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Other receivables	83	145
Prepayments	66	193
	149	338

Due to the nature of the Group's receivables, their carrying values are considered to approximate their fair values.

6. EXPLORATION ASSETS

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Acquisition costs of right to explore	42,762	42,762
Balance at the beginning of the period	42,762	42,762
Balance at the end of the period	42,762	42,762

The Group capitalises and carries forward mineral acquisition costs that are expected to be recouped through sale or successful development and exploitation of the area of interest or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

7. OTHER FINANCIAL ASSETS

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Current		
Term deposits	4,200	4,200
Non-Current		
Term deposits	35	35

The Non-Current Term deposit is a condition of the Level 4, 225 St Georges Terrace, Perth lease arrangement.

8. TRADE AND OTHER PAYABLES

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Trade payables	31	5
Other payables	14	13
Accruals	46	66
	91	84

Trade payables are usually non-interest bearing provided payment is made within the terms of credit.

9. PROVISIONS

	CURRENT \$'000	NON-CURRENT \$'000	TOTAL \$'000
30 JUNE 2025			
Employee entitlements (a)	87	18	105
Restoration and rehabilitation (b)	-	3,002	3,002
	87	3,020	3,107
31 DECEMBER 2024			
Employee entitlements (a)	75	14	89
Restoration and rehabilitation (b)	-	2,921	2,921
	75	2,935	3,010

- a) The current provision for employee entitlements includes accrued short term incentive plans, severance entitlements, accrued annual leave and the unconditional entitlements to long service leave where employees have completed the required period of service. The amounts are presented as current since the Consolidated Entity does not have an unconditional right to defer settlement for these obligations.

- b) Provisions for future removal and restoration costs are recognised where there is a present obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells, and restoring the affected areas.

Movements in each class of provision during the financial period are set out below:

30 JUNE 2025	EMPLOYEE ENTITLEMENTS \$'000	RESTORATION & REHABILITATION \$'000	TOTAL \$'000
Carrying amount at start of period	89	2,921	3,010
Provision made during the period	26	81	107
Provision reductions during the period	(10)	-	(10)
Carrying amount at end of period	105	3,002	3,107

10. CONTRIBUTED EQUITY

- (a) Share capital

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
386,224,186 (2024: 383,224,186) fully paid ordinary shares	53,227	53,203

Movements in Ordinary Share Capital

30 JUNE 2025	DATE	NUMBER OF SHARES	ISSUE PRICE \$	\$'000
Balance at start of period	1 Jan 2025	383,224,186		53,203
Shares issued	17 Jun 2025	3,000,000	0.008	24
Balance at end of period	30 June 2025	386,224,186		53,227

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

No dividend was paid or declared during the period.

11. RESERVES

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Share-based Payments Reserve	1,915	1,910
Foreign Currency Translation Reserve	199	210
Balance	2,114	2,120

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign subsidiary accounts.

Movements in the Foreign Currency Translation Reserve

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Balance at 1 January	210	166
Foreign currency exchange differences	(11)	44
Balance at the end of the period	199	210

Share-based Payments Reserve

This reserve is used to record the value of equity benefits provided to employees, Directors and service providers.

Movements in the Share-based Payments Reserve

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Balance at 1 January	1,909	1,762
Share-based payment costs	6	146
Balance	1,915	1,909

Share based payments are provided to Directors and employees as part of their remuneration agreement with the Company.

Black Mountain Energy share options are used to reward Directors and Employees for their performance and to align their remuneration with the creation of shareholder wealth. Options are granted at the discretion of the Board of Directors and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The options are not listed and carry no dividend or voting right. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Rights over shares (options and performance rights) are measured at fair value using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of the options granted is adjusted to, exclude the impact of any non-market and service vesting conditions. Non-market vesting and service conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Shares issued in lieu of payment are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

The following table shows the movements in options over ordinary shares during the period:

Grant Date	Expiry Date	Exercise Price	Balance at Start of Period	Issued During the Period	Lapsed/Can celled During the Period	Exercised During the Period	Balance at the End of Period
23 Dec 2021	23 Dec 2025	\$0.286	13,311,782	-	-	-	13,311,782
15 Jun 2022	15 Jun 2025	\$0.30	3,750,000	-	(3,750,000)	-	-
19 Apr 2023	19 Apr 2026	\$0.08	3,739,250	-	-	-	3,739,250
Total			20,801,032	-	(3,750,000)	-	17,051,032

The following table shows the movement in options over ordinary shares during the year ended 31 December 2024:

Grant Date	Expiry Date	Exercise Price	Balance at Start of Year	Issued During the Year	Lapsed/Can celled During the Year	Exercised During the Year	Balance at the End of the Year
23 Dec 2021	23 Dec 2025	\$0.286	13,311,782	-	-	-	13,311,782
15 Jun 2022	15 Jun 2025	\$0.30	3,750,000	-	-	-	3,750,000
19 Apr 2023	19 Apr 2026	\$0.08	3,739,250	-	-	-	3,739,250
Total			20,801,032	-	-	-	20,801,032

The number exercisable options at the end of the financial period is 17,051,032 (31 December 2024: 20,801,032).

The following table shows the movement in performance rights over ordinary shares during the period:

Grant Date	Expiry Date	Exercise Price	Balance At Start of Period	Issued During the Period	Lapsed During the Period	Converted During the Period	Balance at the end of the Period
12 Jun 2025	12 Jun 2030	nil	-	30,000,000	-	-	30,000,000

30,000,000 Performance Rights were issued on 12 June 2025 (approved at 2025 AGM), with vesting hurdles related to commercial outcomes over 10 tranches as follows:

- State Environmental Review Document is approved with a ministerial statement;
- Federal assessment is approved with a ministerial statement;
- Seismic work program is successfully executed;
- Award of the retention licence connected to Project Valhalla;
- Project Valhalla partner is secured enabling an appraisal well to be drilled;
- Successfully drill & fracture stimulate Project Valhalla's first appraisal well;
- Delivering to the approved budget;
- No safety or compliance infractions –corporate, project or otherwise;
- Exploration Permit (EP 371) maintained in good standing against commitments; and
- Accomplishing additional (new) indigenous land use agreements.

The valuation assumptions are as follows:

Number	30,000,000
Valuation date	30 May 2025 (AGM date)
Share price at valuation date	\$0.008
Risk free rate	3.334
Volatility	100%
Fair value per performance right	\$0.0073
Total value	220,446

The following table shows the movement in performance rights over ordinary shares during the year ended 31 December 2024:

Grant Date	Expiry Date	Exercise Price	Balance At Start of Year	Issued During the Year	Lapsed During the Year	Converted During the Year	Balance at the end of the Year
19 Jan 2023	19 Jan 2027	nil	3,599,117	-	(3,599,117)	-	-

The 3,599,117 Performance Rights issued on 3 February 2023 were cancelled on 30 January 2024 due to a lapse of conditional right to the rights because the conditions had not been or had become incapable of being satisfied.

12. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent Entity

The ultimate parent entity and ultimate controlling party is Black Mountain Energy Ltd.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Black Mountain Energy Ltd and the subsidiaries listed in the following table:

NAME OF ENTITY	PLACE OF INCORPORATION	CLASS OF SHARES	2025 %
Black Mountain Exploration Australia Pty Ltd	Western Australia	Ordinary	100
Black Mountain Exploration Pty Ltd	Western Australia	Ordinary	100
Bennett Resources Pty Ltd	Western Australia	Ordinary	100
Seven Rivers Operating LLC	Texas, USA	Ordinary	100

(c) Transactions with other related parties

The Company and Argus Corporate Partners (a related party to Mr Donovan) have entered into a sublease agreement for part of the office of Level 4, 225 St Georges Terrace, Perth WA 6000. In addition, the Company and Argus Corporate Partners (a related party to Mr Donovan) have entered into a Services Agreement for the provision of company secretarial services and accounting services by Mr Donovan's company. Mr Donovan was appointed Director on 26th June 2024.

	30 JUNE 2025 \$'000	30 JUNE 2024 \$'000
Sublease Net Income	17	17
Consultancy fees	(72)	(82)
Balance receivable / (payable) at 30 June	-	-

13. CONTINGENCIES

The Group had no contingent assets or liabilities as at 30 June 2025 (31 December 2024: Nil).

14. COMMITMENTS

The Consolidated Entity has the following minimum expenditure commitments:

	30 JUNE 2025 \$'000	31 DEC 2024 \$'000
Exploration expenditure committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	-
Later than one year but not later than five years	9,100	9,100
	9,100	9,100

The exploration commitments reflect the Project Valhalla Suspend and Extend application that the Company submitted to the Department of Mines, Industry Regulation and Safety, which was approved by the Department on 13 June 2024.

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has arisen between 30 June 2025 and the date of this report that will affect the Group's operations, result or state of affairs, or may do so in future years.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Rhett Bennett
Executive Chairman and Chief Executive Officer

Fort Worth, TX USA

8 September 2025

Independent auditor's review report to the members of Black Mountain Energy Ltd

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Black Mountain Energy Ltd (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other matter

The financial report of the Group for the half-year ended 30 June 2024 was reviewed by another auditor who expressed an unmodified conclusion on that financial report on 13 September 2024.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124



Kuan Yin Lau
Director

Dated this 8th day of September 2025