

23 April 2025

March 2025 Quarterly Activities Report

Summary

- Repeat Purchase Order from Dubai
- Several sales and trials for HCD products and technologies continue
- Assessment of new investment opportunities continue in upstream energy, and broader energy sectors including energy security, technology and storage.

Update on Ongoing Treatments and trials Using HCD Products

Dubai

HCD received payment (post quarter end) of approximately \$165,000 from a repeat Purchase Order of HCD Multi-Flow in November from its Dubai based distributor, Sichem LLC. At Sichem's request HCD has submitted a further quote for a similar sized order which is currently being considered.

Australia – Cooper basin

No new developments since last quarter. HCD and its Australian distributor continue work with an existing Australian customer that has made several repeat orders to treat seasonal paraffin issues that occur during the winter months. In response to a request from HCD's agent, HCD has quoted approximately \$240,000 for a repeat order which is currently under consideration.

Alberta, Canada Ongoing Business

There have been no new updates from the ongoing business in Alberta, Canada where HCD's distributor has been treating 21 wells with a blend that includes HCD Multi-Flow.

Gulf of Mexico

The HCD Multi-Flow treatment on a Gulf of Mexico offshore subsea pipeline, which has proven very successful at removing and inhibiting organic deposition, was placed on hold last quarter while annual line maintenance on the transfer loop was to be carried out. Still no update has been received from the customer since the last quarterly report, possibly as result of staff changes.

North Sea Application

In a previous quarterly report, HCD noted that, after a series of long delays, the application of HCD Multi-Flow on a North Sea platform for a large national oil company had commenced.

The platform being treated suffers from severe paraffin deposition issues resulting in substantial lost production. If this application proves successful, a second platform with comparable issues could follow.

The latest update provided by the operator is that the platform pump will resume operation in the middle of April.

USA

HCD has sold several drums of HCD Multi-Flow to a small Californian company to test paraffin inhibition for onshore production. Should the tests prove successful the producer will consider expanding the use of HCD-Multi Flow to up to 150 wells.

Malaysia

Successful viscosity reduction testing and API increase testing on tank samples from Kuala Lumpur has led to commercial discussions on supplying HCD Multi-Flow.

Advanced discussions are also underway on supplying HCD Multi-Flow to a producer with two offshore platforms for pour point depression and paraffin inhibition.

Other

HCD progressed discussions with other potential customers including tank cleaning opportunities in Brunei, Oman and India. Discussions are also underway with Pertamina for enhanced oil recovery opportunities in Indonesia.

Laboratory Testing Update

HCD conducted COA (Certificate Of Analysis) testing at the request of its North Sea customer to ensure the efficacy of the product they have stored for 3 years. Testing demonstrated the product still meets or exceeds quality specifications in all 5 tests.

Exploration & Corporate Activities

During the Quarter HCD continued to assess opportunities predominantly in the energy and energy technology sectors. Assessment of a remote Australian energy generation opportunity continued as well as discussions with an energy storage and generation group. HCD will also continue to consider options to finance its existing chemical business through joint ventures, private equity, and other avenues.

HCD continues to hold a production based royalty on its former Utah upstream asset. The asset is still in the testing phase and therefore not generating income.

Finance

At the end of the Quarter HCD had \$687,000 in cash reserves and no debt. Post quarter end the Company had received payment of \$165,000 for the delivery of product to SicheM.

Related party transactions during the Quarter were for approximately \$104,000 in royalty payments and \$45,000 in directors' fees.

This release has been approved by the Board of Directors.

For further information please contact:

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Appendix 5B

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

Name of entity

Hydrocarbon Dynamics Limited

ABN

75 117 387 354

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	
1.2	Payments for		
	(a) exploration & evaluation (reallocated to corporate costs)	-	-
	(b) development	-	-
	(c) production	(36)	(36)
	(d) staff costs	(57)	(57)
	(e) administration and corporate costs	(50)	(50)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (royalties)	(104)	(104)
1.9	Net cash from / (used in) operating activities	(245)	(245)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(2)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(2)	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	225	225
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(61)	(61)
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 (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	164	164

4.	Net increase / (decrease) in cash and cash equivalents for the period	(83)	(83)
4.1	Cash and cash equivalents at beginning of period	770	770
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(245)	(245)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	163	163

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	687	687

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	587	587
5.2	Call deposits	100	100
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	687	687

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	(149)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(245)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(245)
8.4 Cash and cash equivalents at quarter end (item 4.6)	687
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	687
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.8
<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:	
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:	
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:	
<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: 23 April 2025

Authorised by: By the Board

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.