

28 October 2025

September 2025 Quarterly Activities Report

Summary

- North Sea trial back online
- Small sales to Californian operator
- New JV entered into to assess Montney oil and gas opportunities in Canada
- New opportunities in Indonesia and Pakistan being progressed
- Fully underwritten Rights Issue completed
- Several sales and trials for HCD products and technologies continue
- Assessment of new investment opportunities continue in the broader energy sector (including uranium and associated minerals)

Update on Ongoing Treatments and trials Using HCD Products

Australia – Cooper Basin

Use of HCD Multi-Flow in Australia's Cooper continued in the cooler months. The product has been used by an Australian based operator for several years now for seasonal paraffin control treatment that takes place in winter months.

Dubai

At the request of HCD's Dubai based distributor, Sichem, HCD submitted a further quote for approximately \$240,000 for what would be a repeat order that, if given, would be expected in the December 2025 quarter.

USA

HCD sold approximately \$8,000 of HCD Multi-Flow to a small Californian company to test paraffin inhibition for onshore production. The first test on one well was successful, leading to the recent order in July to expand the trial to two wells. The producer has approximately 400 wells that HCD and its agent will target should the current applications continue to succeed.

Alberta, Canada

One of HCD's Canadian distributors, Quadra Chemical, had identified 3 new opportunities among their new clients in the Alberta Oil Fields that they believe would benefit from the use of HCD Multi-Flow. Two of these are paraffin affected well opportunities and one an oil transfer line opportunity. Oil samples from one of these projects was received by Quadra for testing with HCD Multi-Flow.

North Sea Application

After a series of long delays, the application of HCD Multi-Flow on a North Sea platform for a large national oil company re-commenced. Early reports from the operator indicate that the well is back online and producing strongly with 100ppm of HCD Multi-Flow being applied. At this early stage it is yet to be determined if the improved results are attributable to the use of HCD Multi-Flow, flush production or both.

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.

Malaysia

As reported last quarter, successful viscosity reduction testing and API increase testing on tank samples from Kuala Lumpur has led to commercial discussions on supplying HCD Multi-Flow.

This work has led to HCD returning to the area of its largest commercial success being the offshore PENARA Puteri Cluster development. Discussions with HCD's distributor, Jadestone Energy, have focussed on a possible field trial at East Piatu Platform in late 2025.

In the past HCD was very successful treating this cluster for 5 years and believes, if awarded the trial, HCD's technology should produce a similar successful result.

Indonesia

Discussions with PT AIM (HCD's distributor in Indonesia) continued on a potential application at the Puyuh Block onshore Indonesia involving 8 wells. The field operator, SSY Petroleum, are providing crude oil and water samples for further analysis aiming to ensure the oil can be pumped at room temperatures using HCD Multi-Flow.

PT AIM (Indonesia) have provided HCD with a well data sheet, photos, and videos of the crude samples when blended with HCD Multi-Flow with promising initial results performed in bench tests with HCD Multi-Flow and the Indonesian crude samples.

Pakistan

HCD's distributor in Pakistan, Technical Supplies and Services Pvt Ltd, is continuing to lead discussions with PARCO (Pak Arab Refinery LTD) in regards to a Pakistan oil field transfer line. The opportunity relates to three 30-inch pipelines, approximately 2.5km long that require flow assurance treatment. The opportunity seems well suited to HCD technology given its similarity with the successful Petronas application in Malaysia.

Discussions have concentrated on a 4-week trial treating the lines at 250 PPM. Should the trial proceed the approximate number of drums required is estimated to be in excess of 2,000 drums of HCD Multi-Flow.

HCD Soil Remediation – Existing HCD Technology

HCD has received 8 drums of its environmentally friendly organic chelant known as HCD Salt Reducer utilised for soil remediation and cleanup. HCD will seek to use this product in small scale trials.

In old field tests (predating HCD's acquisition) this product had reportedly been successful in increasing product yield and improving soil quality, while reducing the amount of water required. This product is utilised as a soil nutrient and soil chelant that is designed to increase crop yield and plant strength by removing salts in the ground which prevent the plant from having a healthy deep root structure. The product is comprised of 72 naturally occurring minerals that are necessary to feed plants and make them strong and productive as well as deepen their root structure, resulting in less water required and higher crop yield.

Exploration & Corporate Activities

During the Quarter HCD continued to assess opportunities predominantly in the energy and energy technology sectors. This includes a uranium and associated minerals project in Canada.

HCD also entered a non-incorporated joint venture with Arrow Exploration (TSX.V AXL) (AIM.X AXL) to lease and appraise an extension of the Montney play in Alberta, Canada. Arrow Exploration currently has 4 sections (2,560 acres) in the Montney play that are attributable to the Joint Venture, and will seek to increase this land position should a detailed review of existing data prove promising. There are no work commitments associated with the joint venture at this stage.

Finance

During the quarter a fully underwritten non-renounceable Entitlement Offer, that closed on 15 August 2025, raised \$718,741 before costs through the issue of 359,370,318 New Shares. Shareholder subscriptions were received for 106,658,888 New Shares totalling \$213,318 with the balance fully underwritten by Mr Mitchell, Mr Shorrocks and Peloton Capital Pty Ltd.

At the end of the Quarter HCD had \$987,000 in cash reserves, \$80,000 in listed shares and no debt.

Related party transactions during the Quarter were for approximately \$74,000 in royalty payments.

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")

30 September 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	15	410
1.2	Payments for		
	(a) exploration & evaluation (reallocated to corporate costs)	-	-
	(b) development	-	-
	(c) production	(34)	(251)
	(d) staff costs	(31)	(141)
	(e) administration and corporate costs	(130)	(254)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	7
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (royalties)	(74)	(228)
1.9	Net cash from / (used in) operating activities	(253)	(459)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation	-	-
	(e) investments	-	(100)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	(102)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	719	945
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 (adjustment)	(65)	(118)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(20)	(45)
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	634	782

4.	Net increase / (decrease) in cash and cash equivalents for the period	381	221
4.1	Cash and cash equivalents at beginning of period	607	770
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(253)	(460)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(102)

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 (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	633	782
4.5	Effect of movement in exchange rates on cash held	(1)	(4)
4.6	Cash and cash equivalents at end of period	987	987

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	887	507
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)	987	607

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	(74)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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)	(253)
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)	-
8.4 Cash and cash equivalents at quarter end (item 4.6)	987
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	987
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.9
<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: 28 October 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.