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31 January 2021

ASX : E2E

QUARTERLY ACTIVITIES REPORT

For the period ending December 31, 2020

1 PRODUCTION

The Company, through its US subsidiary, continued to act as operator of the Wyoming (Borie) and California (Round Mountain and Sheep Springs) oilfields while negotiations were finalised with ANB Bank in relation to the workout agreement. All revenue was to the account of the bank and operating expenses, including the US wages for management of these operations, was covered from net operating income. At close of the Workout Agreement, Incremental Oil and Gas USA Holdings, Inc. ceased to be an operator with all field management handed over to a new operator.

2 CORPORATE

After a period of constructive negotiations with the Company's lender, agreement was reached on a Workout Arrangement. In exchange for assignment of the production assets in Wyoming and California, Eon is released of its debt and guarantee obligations under the loan. Following assignment of the assets, Eon no longer has liability for restoration of the oil and gas fields that it previously owned and operated. All expenditure in the US with the exception of a small ongoing administration and accounting function has ceased in USA. Costs in Australia are limited to compliance and administration expenses.

Retained Assets:

Eon has retained two main undertakings that will enable it to continue to operate as a going concern:

1. **PRB exploration project:** The rights to explore and develop leasehold acreage of approximately 9,600 acres in the Powder River Basin in Wyoming for oil and gas. Eon identified opportunities in and around the leasehold acreage that it acquired in 2018 that remain undeveloped and have commercial merit in the right economic circumstances;
2. **Nevada Mineral Lode Claims:** The rights to explore for minerals in its 840 acres of mineral lode claims in the Table Mountain District of Nevada. Preliminary work was carried out by the Company to identify the potential for battery minerals, in particular cobalt when the claims were first pegged in 2018. A review of the initial work that was carried out on the sampling and the substantially different commodity prices (in particular silver which is a metal that has been historically extracted from these claims) provide an opportunity for further exploration for precious metals. The Nevada lode claims lie in a highly mineralised part of the USA with active gold, silver and cobalt exploration currently being carried out in adjacent areas.

Eon has applied to ASX for the voluntary suspension of its securities to be lifted, and awaits ASX's response.

Discussions have been held with parties that have committed to providing additional funding in the near term to provide capital for continued ongoing exploration activities. Further details will be provided once agreement has been reached with the ASX on the path forward for reinstatement of the Company's securities on the ASX.

Related Party Payments –

During the quarter the company made payments of \$75,000 to related parties which were for remuneration under existing agreements for the Managing Director. No remuneration payments have been made to other directors or related parties in the quarter.

By order of the Board

All reference to dollars or \$ refers to USD unless otherwise stated.

For further information, contact:

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Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this press release and are subject to a variety of unpredictable risks, uncertainties, and other unknown factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth to various factors, many which are beyond our ability to control or predict. Some of the risk and other factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological, technical and drilling results; predicted production and reserves estimates; operational delays or unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Eon NRG Ltd, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Press Release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.