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2 November 2020 **ASX : E2E**

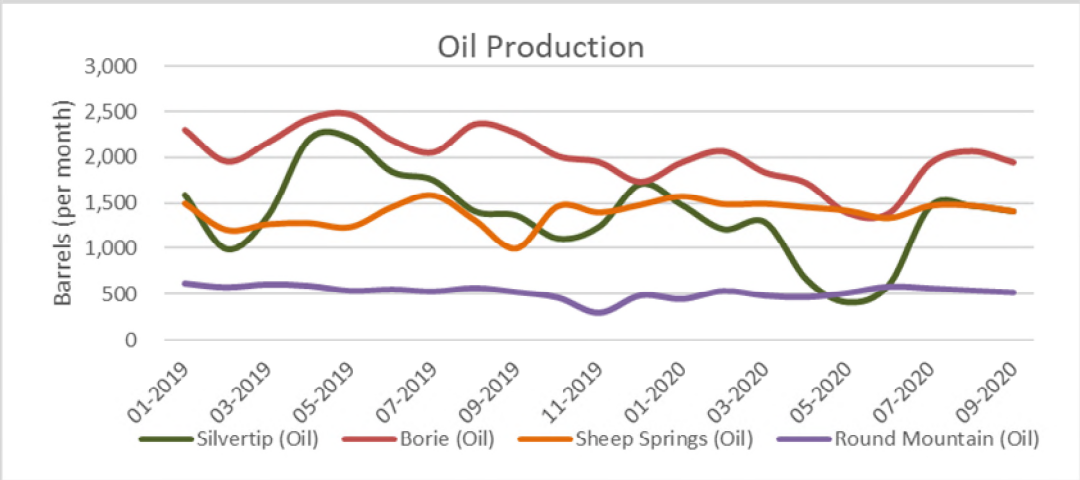
QUARTERLY ACTIVITIES REPORT
For the period ending September 30, 2020

1 PRODUCTION

Gross production for the last two quarters (Q3-2020 and Q2-2020) and corresponding prior-year quarter (Q3-2019) are shown in Table 1 below.

TABLE 1	**Q3 2020**	**Q2 2020**	**Q3 2019**
Gross Production			
Oil production (Bbls)	14,658	10,401	15,114
Gas production (BOE) [1]	1,328	3,249	21,290
NGL production (Bbls)	0	0	5,953
Total barrels of oil equivalent (BOE)	15,986	13,649	42,357
Average BOEPD	174	150	460

After the significant decrease in oil and gas production in Q2-2020 as a result of the global demand slowdown from COVID-19 which resulted several fields and wells were shut-in, there was an increase in production in Q3-2020 after most of the oil wells were back on production by the end of June.



[1] Gross gas production includes fuel gas used in the field and processing plant. In Q2-20 there was no gas production from the Silvertip Field (all from Sheep Springs, CA). Gas is converted to barrels of oil equivalent (BOE) using a conversion rate of 6 MCF of gas to 1 barrel of oil.

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2 SALES REVENUE

Table 2 below shows **net** volumes of oil, gas, and NGL's sold and **net** sales revenue for the last two quarters (Q3-2020 and Q2-2020) and the corresponding prior-year quarter (Q3-2019). **All revenue is in US Dollars**.

TABLE 2	**Q3 2020**	**Q2 2020**	**Q3 2019**
Oil Sold[2] (Bbls)	10,102	8,280	12,918
Oil Revenue[2] (US$)	$382,813	$216,310	$711,235
Average Sale Price (US$/Bbl)[3]	$37.90	$26.13	$55.06
Gas Sold[2] (MCF)	1,129	2,629	52,699
Gas Revenue[2] (US$)	$1,191	$2,282	$108,493
Average Sale Price (US$/MCF)[3]	$1.05	$0.87	$2.06
NGL Sold[2] (Bbls)	0	0	4,867
NGL Revenue[2] (US$)	$0	$0	$67,699
Average Sale Price (US$/Bbl)[3]	$0	$0	$13.91
Total Net Barrels of Oil Equivalent Sold[4]	10,290	8,718	26,568
Total Net Sales Revenue (US$)	$384,003	$218,592	$887,428

3 CORPORATE

In Q2-2020, the Company went into voluntary suspension in order to reach settlement with its bankers in relation to default on the bank loan covenants. After a period of constructive negotiation and with due diligence completed on the Company's assets by ANB Bank ("ANB"), agreement has been reached with ANB and a privately owned E&P consortium for the Company to divest of assets that were pledged as security for the loan in consideration for the release of Eon and its subsidiaries from all of its US bank debt obligations.

Assignment of California Oilfields, Borie Oilfield and Govt Kaehne well, PRB to ANB Bank:
ANB has exercised its right under the security arrangement to take an assignment of various assets that were being used as collateral for the debt obligations from the Company and its US subsidiaries. The producing oilfields of Sheep Springs and Round Mountain in California and Borie in Wyoming, along with Eon's working interest in the Govt. Kaehne well that was drilled in Q4-2019 are being assigned to ANB. Included in this assignment are the oil field leases, production equipment and the associated cash deposits that are linked to the operating bonds to state and federal authorities. Upon completion of the settlement arrangement, Eon and its subsidiaries will have no further obligations or liabilities under the credit agreement with ANB. The assignment of these assets will take place as soon as documentation has been completed and approved by the Board. Documentation for this arrangement is being finalised and this assignment is expected to be effective from November 1.

Eon (via its wholly owned subsidiary IOG USA), will remain as the operator of the oilfields that are assigned to ANB (Sheep Springs, Round Mountain and Borie and the Government Kaehne well) in the short term and will receive a fee for providing these services. Incremental Oil and Gas (USA) no longer

[2] Net volume and revenue

[3] Average Sale Price is net of refinery and transportation deductions.

[4] Gas volume (MCF) is converted to Barrels of Oil Equivalent Sold (BOE) on a ratio of 6 MCF of gas per barrel of oil. NGL's are sold in gallons and converted to BOE on a ratio of 42 US gallons of NGL's per barrel of oil.

has a permanent city office in Denver and its operating costs have been reduced to a level that will be paid from the fees that it receives from ANB for operating the oilfields.

Sale of Silvertip Field, Wyoming:
As part of the settlement terms with ANB, the Company reached agreement with ANB for the sale of the Silvertip oil and gas field in Wyoming to a third party, unrelated private exploration and production consortium. Consideration for this sale was $10 for the field, with all of its operating equipment and infrastructure included as part of the transaction, as well as all liabilities, including the entirety of rehabilitation provisions and obligations. The sale of the Silvertip field closed on 30 September 2020 (USA time).

Retained Assets:
Eon will retain 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. The Company has shown that after the workout arrangement, its balance sheet will be significantly improved. Discussions have been held with parties that have committed in principle to providing additional funding in the near term to provide sufficient 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.

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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.

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