

Moranbah Acquisition Update

Highlights

- ✓ Finalisation of remaining Condition Precedents to enable completion of the Moranbah Project acquisition is imminent.
- ✓ Provides QPME with the confidence to finalise key operating agreements that will facilitate transition to full operatorship of gas production assets and electricity generation.
- ✓ QPME has been notified by the Financial Provisioning Scheme Manager that the company will be compliant with its obligations under the Mineral and Energy Resources (Financial Provisioning) Act 2018.

Queensland Pacific Metals Limited (**ASX:QPM**) is pleased to provide an update on the Moranbah Project acquisition by its wholly owned subsidiary QPM Energy (“**QPME**”).

Moranbah Project Update

Acquisition Update

QPME is close to satisfying the remaining condition precedents to enable completion of the Moranbah Project acquisition. QPME is now in the process of finalising key arrangements that will facilitate transition to full operatorship of the upstream gas production assets and downstream electricity generation.

Upstream Gas Operations

QPME has previously announced that it has appointed Upstream Petroleum Services (“**UPS**”) as contract operator for the Moranbah gas field. UPS and QPME have formally notified the Queensland Regulator (Resource Safety and Health Queensland) of their intention to become the operator of the Moranbah Project as at 31 August 2023. Financial close of the acquisition is expected before this date and Arrow will remain operator until then.

Gas Nominations and Electricity Generation

The Moranbah Project assets include a Power Purchase Agreement with Townsville Power Station (“**TPS**”) which gives the right for QPME to generate electricity through the supply of gas to the TPS and sell that electricity into the National Electricity Market (“**NEM**”). QPME is registering as a generator of electricity in respect of the TPS.

QPM has appointed CQ Energy to provide key operational services to QPM that include the bidding and dispatch of electricity generated by TPS into the NEM. CQ Energy has been operating in the electricity and

gas markets since 2008 and acts as a dispatch agent on behalf of clients. It currently manages nearly 2,500MW of generation capacity into the NEM and the WEM in WA. It has a 24/7-day physical trading operations desk that currently utilises seven full time gas and electricity traders to oversee the portfolio management of their clients. CQ Energy is the most experienced trading operational group in Australia outside the major energy market participants.

QPM has also appointed SGM Solutions to run its gas nominations and scheduling services under the various gas agreements that the Moranbah Project has with existing customers (including the TPS). SGM Solutions has a strong track record of delivering commercial operations expertise to its clients and has consistently delivered that since it commenced operation in 2016. It has a team of four full time gas traders providing 24/7 oversight of their client's gas nomination requirements.

Financial Provisioning Scheme

Assets acquired as part of the Moranbah Project include four Petroleum Leases ("PL") and two Petroleum Pipeline Licenses ("PPL").

QPME has provided information to the Queensland Government's Financial Provisioning Scheme ("FPS") Manager for its risk assessment of the Environmental Authorities at time of transfer of ownership from the vendors to QPME.

QPME has since been notified by the Scheme Manager that following completion of its review and successful transfer of the Environmental Authorities to QPME, the company will be compliant with its obligations under the Mineral and Energy Resources (Financial Provisioning) Act 2018.

Moranbah Guidance

In light of the imminent finalisation of the Condition Precedents, there is no change to the preliminary production and financial guidance announced previously for the Moranbah Project (see ASX announcement 17 July 2023)

	Dec 23 Qtr	Mar 24 Qtr	Jun 24 Qtr	Sep 24 Qtr	Dec 24 Qtr
Production					
Gas supply (pre field, compression and system use losses)	2.85 PJ	3.06 PJ	3.40 PJ	3.60 PJ	3.70 PJ
Financial					
Revenue from gas + electricity sales (net of royalties)	\$29.6m	\$34.8m	\$42.0m	\$46.0m	\$48.4m
Opex inc field operating costs + NQGP transportation and TPS electricity generation costs	\$31.2m	\$32.0m	\$32.9m	\$32.2m	\$33.8m
EBITDA	(\$1.6)m	\$2.8m	\$9.1m	\$13.8m	\$14.6m

Table: Moranbah Project Guidance

This announcement has been authorised for release by the Board.



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