



ENERGY WORLD CORPORATION LTD.

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The Manager
ASX Company Announcements
ASX Limited

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BUSINESS UPDATE

On 31 May 2023 the Company lodged its 4D for the half year December 2022 with the ASX. The lodgement is 3 months late, and led to the Company's share being suspended from trade for the period. It is our expectation that with the 4D now lodged ASX will allow trading to re-commence.

On behalf of the Board and Management we would like to provide some "colour" as to what led to the delay, the suspension and importantly, an update on our progress during the period.

We also offer an apology to shareholders and thank them for their ongoing support.

Events Leading to the Delay in Filing and the Suspension.

As previously announced, in September 2022, the Power Purchase Agreement (PPA) under which we had been selling electricity into the Sulawesi market reached the end of its term. Along with it so did the Gas Sales Agreement (GSA) which governed the sale of gas to the power plant. These were our two main revenue sources.

Without these key revenue sources, this meant that the emphasis of our Company's valuation was now entirely on development projects which led to a requirement that we test and independently verify their respective values.

Independent experts from a shortlist provided by our auditors were appointed to review our asset valuations for our projects in Indonesia, the Philippines and Australia. From the reports we received the assumptions contained in the reports, were then tested under the guidance of our auditors.

We are pleased to advise that this review (which has taken much of the year) confirmed the asset values as reported historically; and there were no impairments required on our largest projects, (Indonesia LNG and Philippines Power and LNG); the only impairment, approx. \$US30 million was on Australian gas assets linked to the Gilmore project.

On an asset base of \$US1.4 billion this impairment is approximately 2%.

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Philippines Progress: \$US165 million Term Sheet Received.

As detailed in the 4D, we have received a Term Sheet from Landbank of the Philippines for approximately \$US165 million in funding which is sufficient to complete the construction of the LNG terminal, two gas turbines and also the proposed steam turbine in Phase 2. We have been facilitating the due diligence requirements and working through various issues with Landbank in connection with the loan and expect to provide further updates in the near term.

The LNG Hub Terminal will act as an alternative gas source for the Philippines as the Malampaya gas field is depleted. At full capacity, our LNG terminal can support up to 6,000 MW of Power Generation. There is room at the site for future expansion beyond this subject to necessary permitting.

In the Power Development Plan (PDP) 2017-2040 of the Philippines Department of Energy (DOE), 43,765MW new capacity is needed before end 2040. According to a report presented by the DOE at the 27 May 2014 LNG conference, the Philippines as of 2012 was generating 72,922 GWh with approximately 26.9% of that coming from Natural Gas. Under the DOE's preferred "Low Carbon Scenario" they are forecasting a need for 147,111 GWh in 2030 with 34.3% of that coming from Natural Gas. This represents a growth of more than 150% of power generation coming from Natural Gas or over 4,200 MW of new Natural Gas power generation based on their estimates. As the current indigenous gas supply in the Philippines is being fully utilized by existing plants, this increase in demand will have to be met by imported LNG. We are therefore working closely with the Department of Energy to help them realize their long-term goals of economical, clean and green power generation and gas-based industries.

Indonesian Update. Power Plant Sold. New GSA. LNG Development

Also detailed within the 4D is an update and report on the ongoing developments within Indonesia in connection with our gas field and related power and LNG developments.

We are in the process of securing a new interim Gas Supply Agreement (GSA) for the Joint Operating Venture we have with PT EMA. Our share is 51%. We will operate under the interim agreement whilst a longer term GSA is concluded. Gas is currently being delivered to the power plant.

Whilst largely beyond our control we apologize to Shareholders for the late filing that led to the suspension. We realise it creates uncertainty however, please be assured we have continued to advance our projects to the best of our ability during the period, and believe that shareholders can take some comfort, that despite the disruption we have experienced, and given the depth of the review process that has been undertaken, the Company still has a reported Net Tangible Asset Value of US27c.

Yours faithfully,
For and on behalf of
ENERGY WORLD CORPORATION LTD.



Brian Allen
Executive Director