

## MOU with Blue Energy for Supply of Pilot Gas

### Highlights

- ✓ **Blue Energy Limited (“Blue”) is currently flaring gas (with government approval) from pilot test wells which have been drilled on its Sapphire Block PL 1034 located in the Northern Bowen Basin (“NBB”) and in close proximity to the Moranbah Project.**
- ✓ **QPM Energy (“QPME”) and Blue have entered into a Memorandum of Understanding (“MOU”) where the parties have agreed to negotiate and enter into a gas supply agreement from the Sapphire pilot test wells.**
- ✓ **The MOU is consistent with QPME’s objective of achieving carbon abatement by collecting waste gas from the NBB that would have otherwise ended up in the atmosphere and diverting it to productive industrial use.**

Queensland Pacific Metals Limited (**ASX:QPM**) is pleased to announce the details of an MOU between its wholly owned subsidiary QPME and Blue Energy Limited (**ASX:BLU**).

### Background

Blue owns 100% of ATP814 which consists of a number of separate blocks located in the NBB. Within ATP814 is the Sapphire Block PL 1034 which contains:

- 67PJ 2P gas reserves (NSAI certified);
- 253 PJ 3P gas reserves; and
- 154 PJ 1C contingent gas resources.

In 2022, Blue commenced drilling pilot test wells on the Sapphire Block and have successfully demonstrated gas flow rates.

QPME is in the process of completing the acquisition of the Moranbah Project. The Sapphire Block is adjacent to PL191, one of the tenements which makes up the Moranbah Project. This gas that is currently being flared is only 3km from low pressure gathering systems of the Moranbah Project.

### Memorandum of Understanding

QPME and Blue have recognised a mutually beneficial opportunity to commercialise gas from the Sapphire Block pilot wells. The two parties have entered into a non-binding MOU where each party agrees to negotiate and enter into a gas supply agreement (“**GSA**”) with the view of executing this GSA as soon as possible after completion of the Moranbah Project acquisition.



*Figure: Map showing Sapphire pilot wells and tie in to Moranbah Project*

QPME CEO David Wrench commented,

*“This opportunity with Blue is one of several near term opportunities which QPME is working on to get cost-effective gas into the Moranbah infrastructure system to increase overall production. As soon as we take control of the Moranbah Project, we plan to execute and implement these opportunities expeditiously.*

***This announcement has been authorised for release by the Board.***



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