

# Ord Minnett Conference

*Corporate Presentation*

*David Wrench CEO*



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# QPM Energy Ltd

**QPM Energy Ltd (ASX:QPM) is a unique, integrated energy business**

## Integrated

- Gas reserves, production & supply
- Infrastructure – gathering, processing, transport & storage
- Electricity generation
- Market and customer access

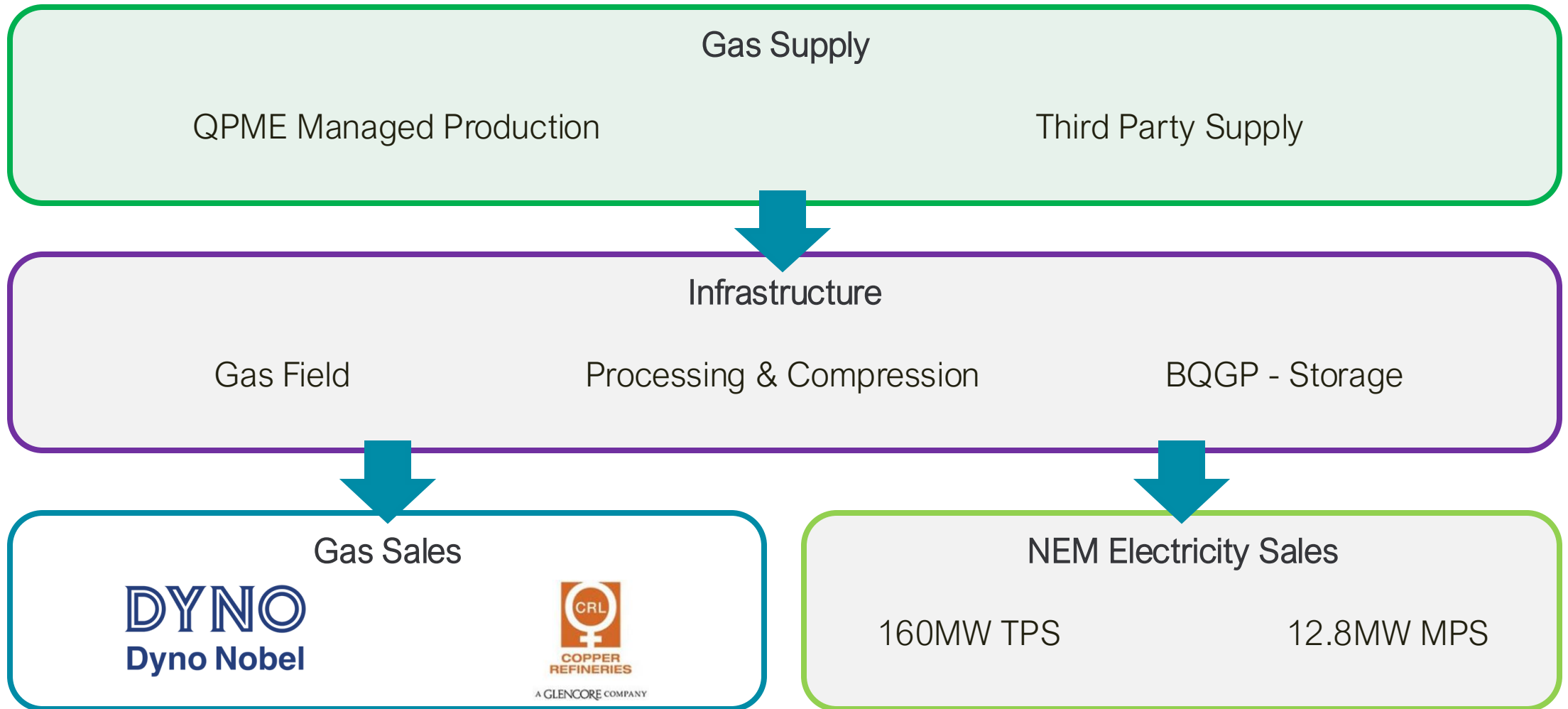
## Energy

- Gas
- Electricity

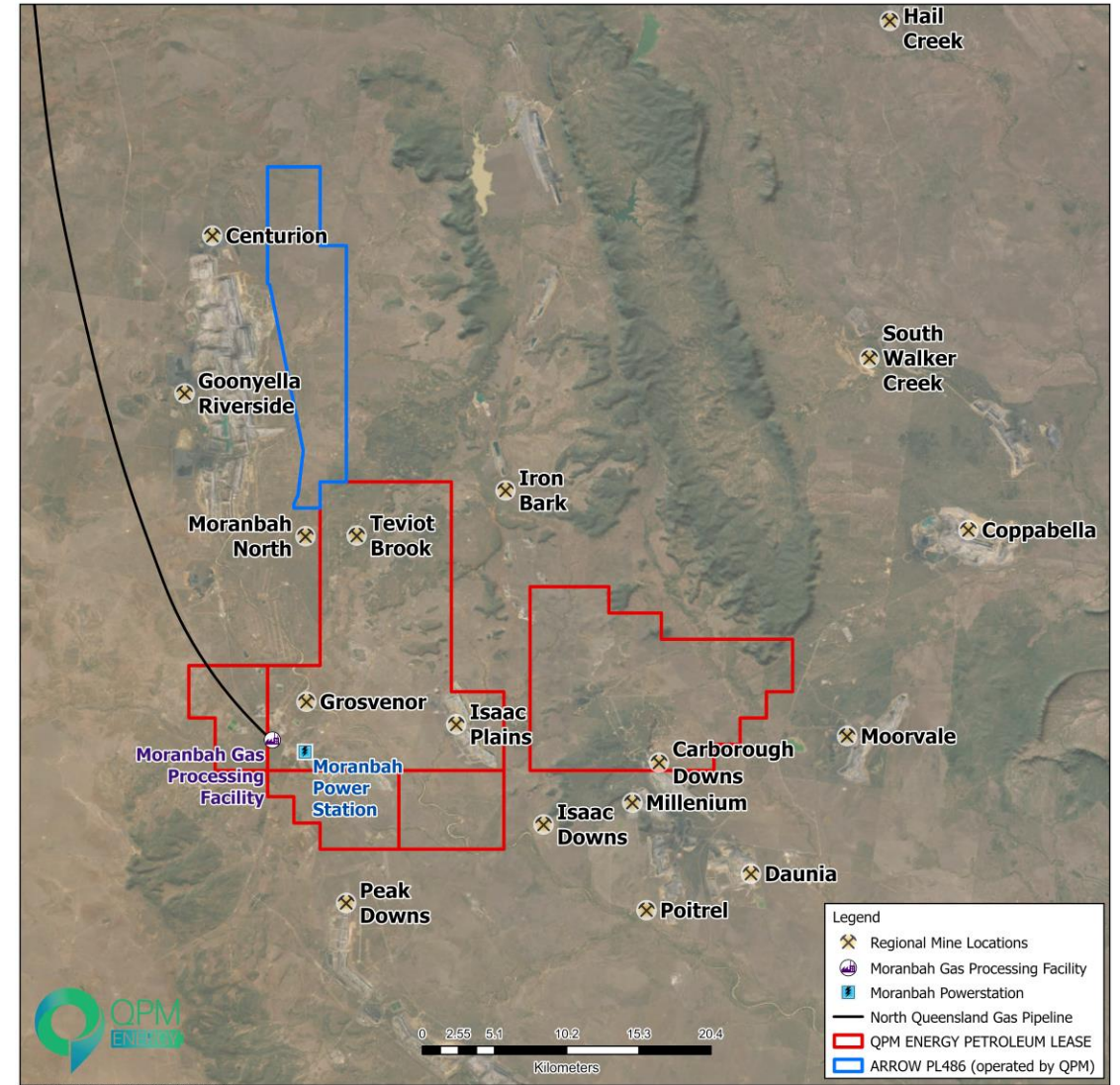
## Business

- Revenue from sale of electricity and gas
- \$75m FY2024
- \$56m 1H FY2025

# Integrated Business Model



# Project Location



# QPM Energy: By the Numbers

## Gas Supply

### Reserves

- 331PJ 2P reserves
- >200PJ uncontracted

### MGP Field

- 22-24TJ/day
- 130+ wells under management
- 7 new wells

### Third Party Supply

- 3-6TJ/day
- Gas from regional coal mines

## Infrastructure

### Field Infrastructure

- 500+km gas gathering / water pipelines
- 150km 11kV electricity distribution network
- Tie in points for third party gas

### Compression + Storage

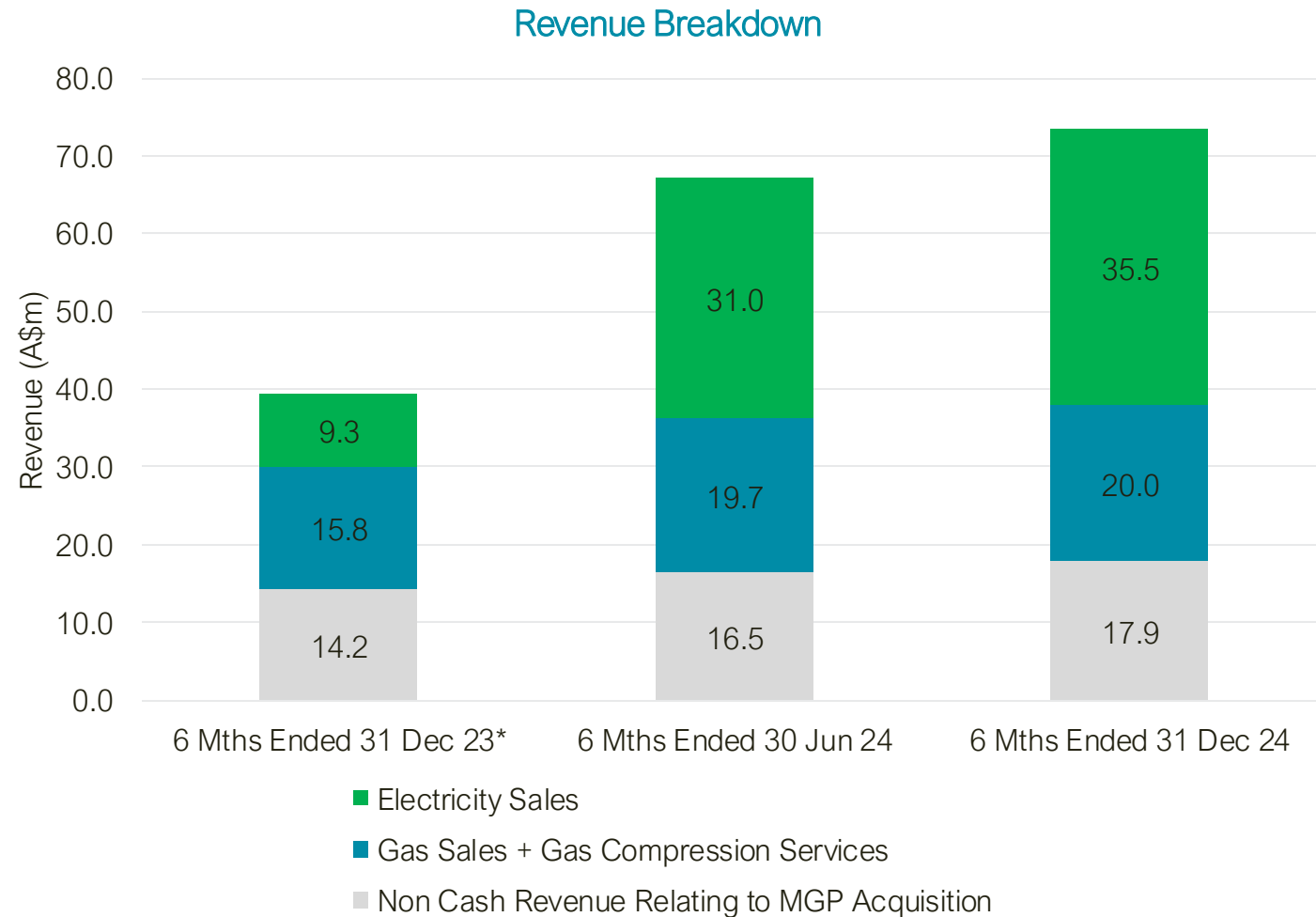
- 64TJ/day compression capacity
- NQGP transport & storage capacity
- Current utilisation ~10%

### Electricity Generation

- 160MW Townsville Power Station
- 12.8MW Moranbah Power Station

# Revenue Breakdown

- Consistent growth in revenue each 6-month period since acquisition of MGP primarily driven by growth in electricity revenues.

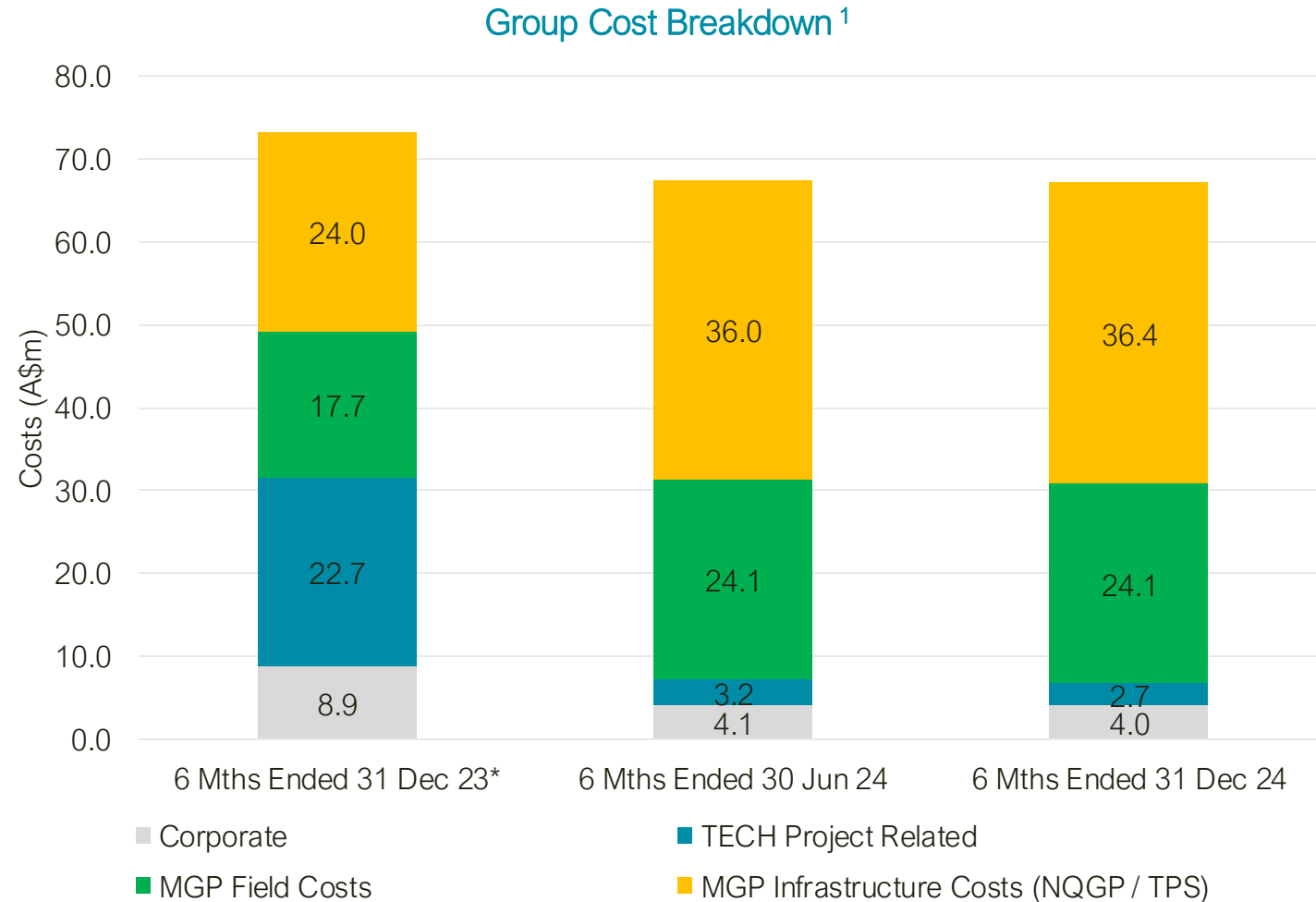


\*MGP was acquired 25<sup>th</sup> Aug 2023



# Group Cost Breakdown

- Total group costs are decreasing driven by reductions in TECH Project and corporate costs.
- Highlights transition to focussing on the QPM Energy business
- A further reduction in costs is expected over the next 12 months due to:
  - Significant reduction in NQGP / TPS costs during the TPS overhaul period from April to June 2025.
  - Commencement of new MQGP and TPS contracts from 1 July 2025.



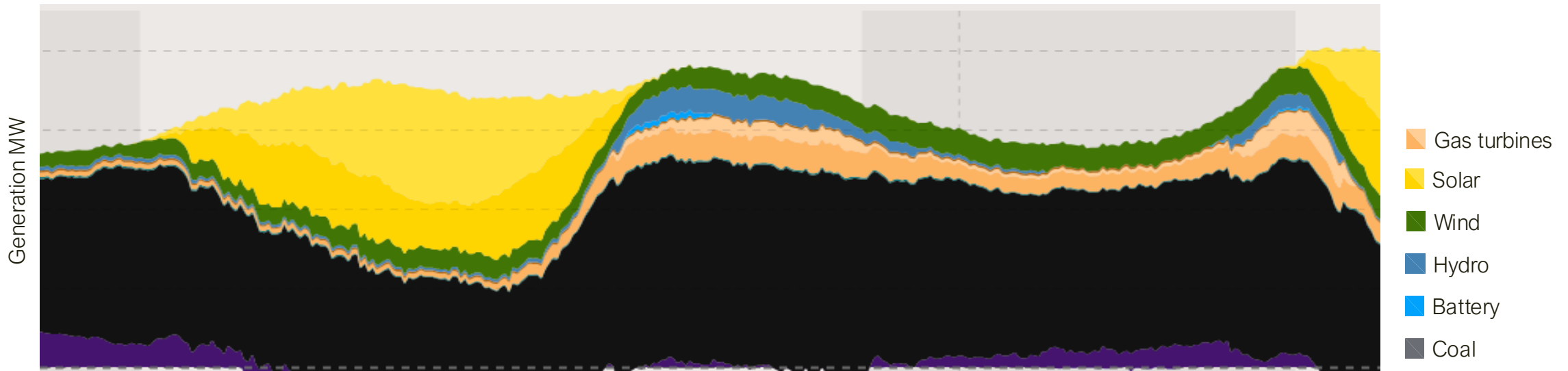
\*MGP was acquired 25<sup>th</sup> Aug 2023

<sup>1</sup> Note – actual costs incurred before accounting adjustments.



# Queensland electricity pricing part 1....

- Solar dominates generation during the day forcing coal and gas to ramp down, but...
- Towards sunset solar disappears and coal, gas and hydro have to ramp up quickly to meet peak demand

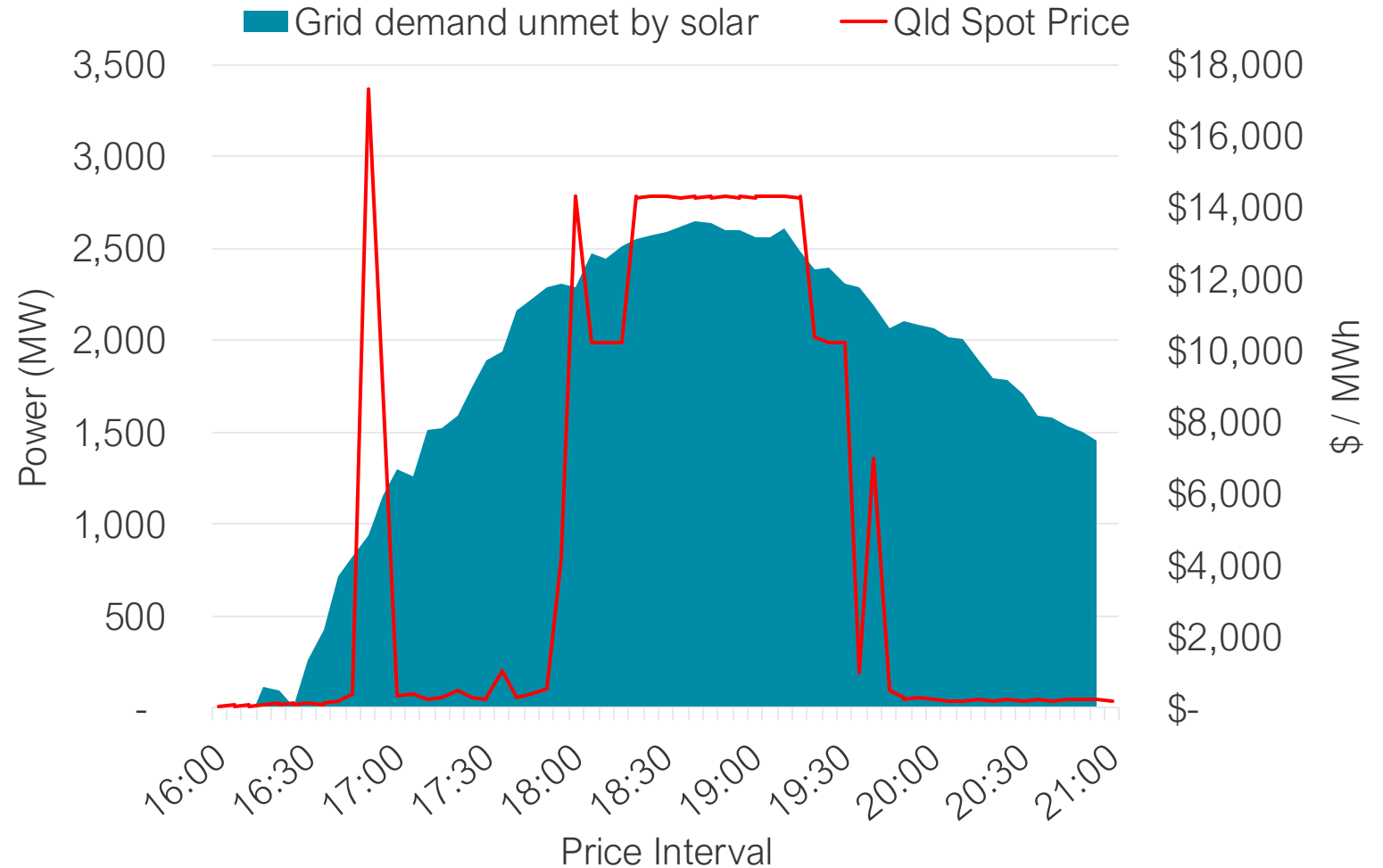


Thursday 7<sup>th</sup> November (source AEMO, OpenElectricity)

# Queensland electricity pricing part 2.....

This is what happened on 22 January 2025:

- In the 90 minutes from 4:30pm, Queensland generators had to ramp up by 2,500MW to meet peak demand plus make up for lost solar.
- QLD NEM prices surged as generation struggled to meet peak demand.



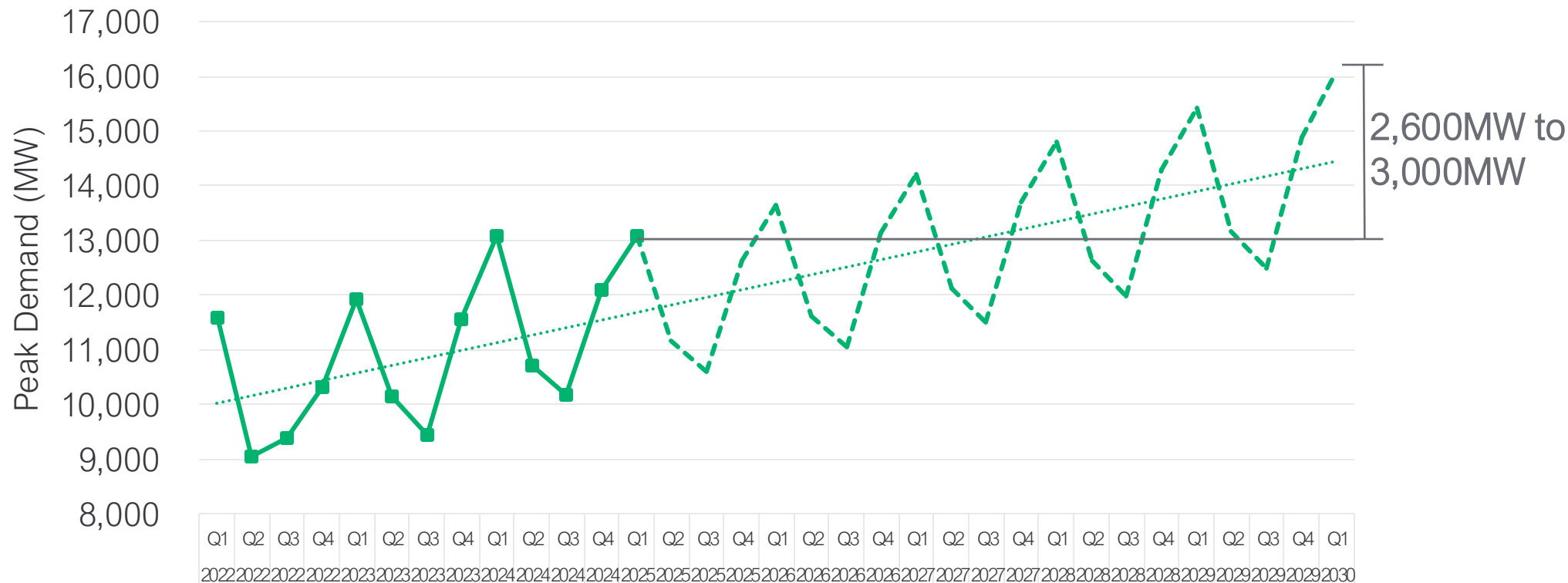
Note 1: "Grid Demand" includes demand served by the grid + exports to NSW

Note 2: Solar generation data used in delta calculation is grid solar generation only

# Queensland electricity pricing part 3.....

- Peak electricity demand in Queensland has been increasing steadily, driven by population growth and increases in residential loads.
- QPME estimates that summer peak demand will increase by 2,600MW to 3,000MW to around 16,000MW by 2030.
- Powerlink forecasts similar peak demand growth.

12 of the 13 quarterly peak demands occurred between 5:30pm and 6:30pm (AEST) on a weekday



Note 1: "Demand" includes demand served by the grid and rooftop solar + exports to NSW

Note 2: "Peak Demand" refers to the maximum demand recorded during a pricing interval within the relevant calendar quarter

Note 3: Q1 2025 peak demand is calculated from quarter-to-date (01/01/25 to 06/02/25) data

# Queensland electricity pricing part 4.....

- If the Queensland generators struggle to meet Jan 2025 peak demand what happens when a further **2,600MW to 3,000MW of demand** is required by Jan 2030?
- More generation and storage is needed.....

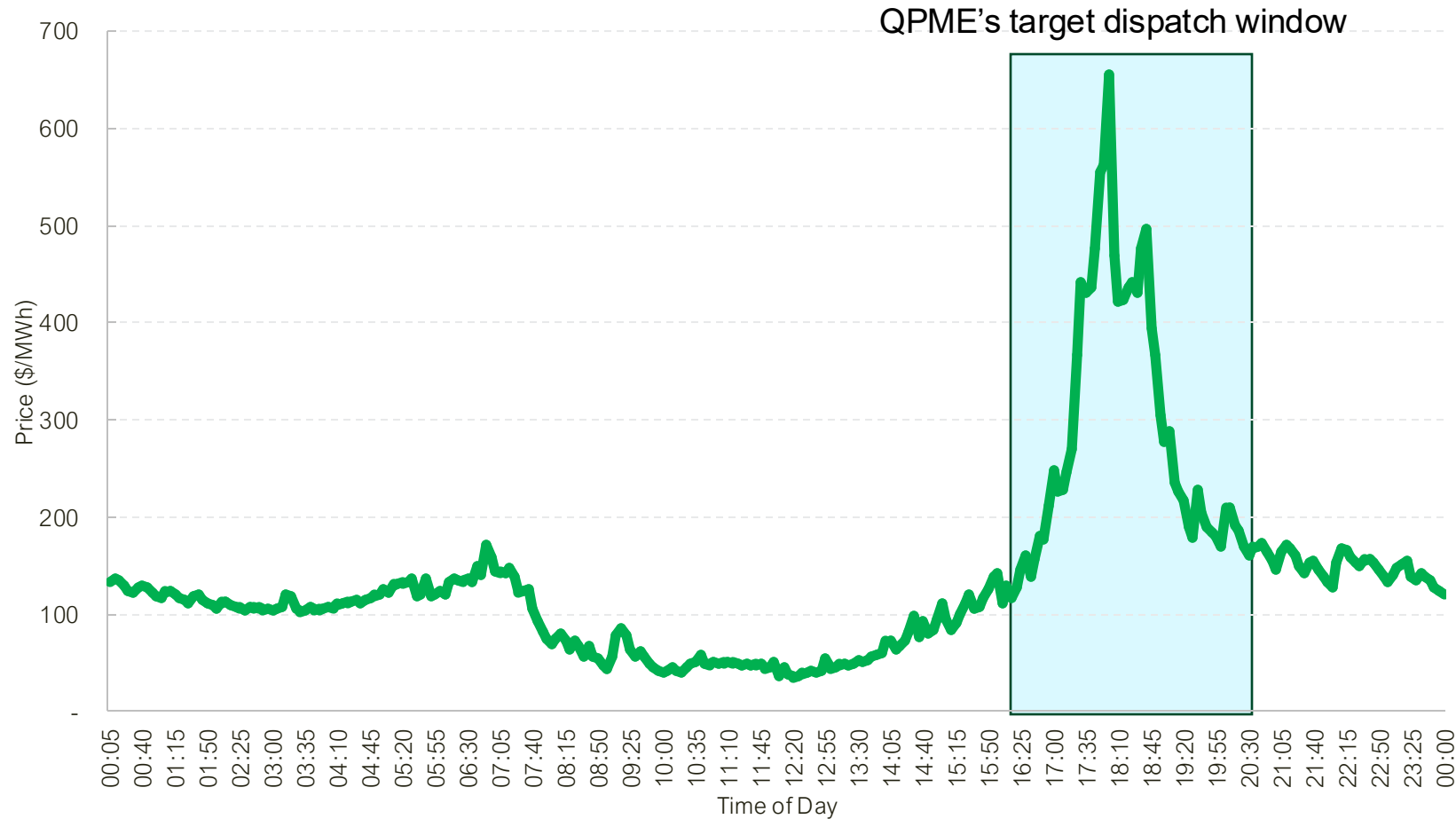
## Source

## Comment

Coal	✗	No new coal generation contemplated in Qld
Solar	✗	No generation at peak demand times
Wind	?	Variable generation, may not coincide with peak demand
Gas	✓	400MW Brigalow 2027, <b>QPM Energy Moranbah</b>
Pumped hydro	✓	250MW Kidston + proposed Borumba?
Batteries	✓	Thousands of MW and MWh needed, but very expensive

# QPME's electricity dispatch strategy

Average Qld Electricity Price per settlement period since 2022



Electricity Price (\$/MWh)	QPME Netback Gas Price <sup>1</sup> (\$/GJ)
100	8
200	16
500	40
1,000	80
10,000	800
17,500	1,400

1. Netback Gas Price, post transmission losses

Source: AEMO

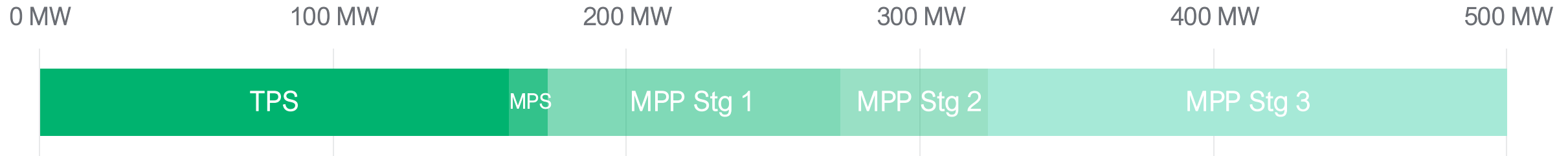
# Implications

Over at least the next 5 years the drivers of the Queensland electricity generation / demand mix is likely to support:

- Continued volatility of the daily price curve with lower daytime pricing and stronger peak demand pricing;
- More frequent extreme price events;
- Increased winter morning peak price events; and
- Stronger overnight pricing.

The era of coal fired generation retirement starts in the 2030s.....

# .....QPM Energy's Strategy



## Existing Generation Assets

### Townsville Power Station (TPS)

- 160MW Gas Turbine
- New agreements with Ratch (Asset Owner) and Palisade (Pipeline Owner) to reduce fixed costs by 83% from 2025 onwards
- Generating into the NEM at peak pricing periods

### Moranbah Power Station (MPS)

- 12.8MW of gas-powered engines recently acquired
- Approximately 3MW used to power the upstream gas operations and 9MW generating into the NEM at peak pricing periods

## Proposed Generation Asset Development

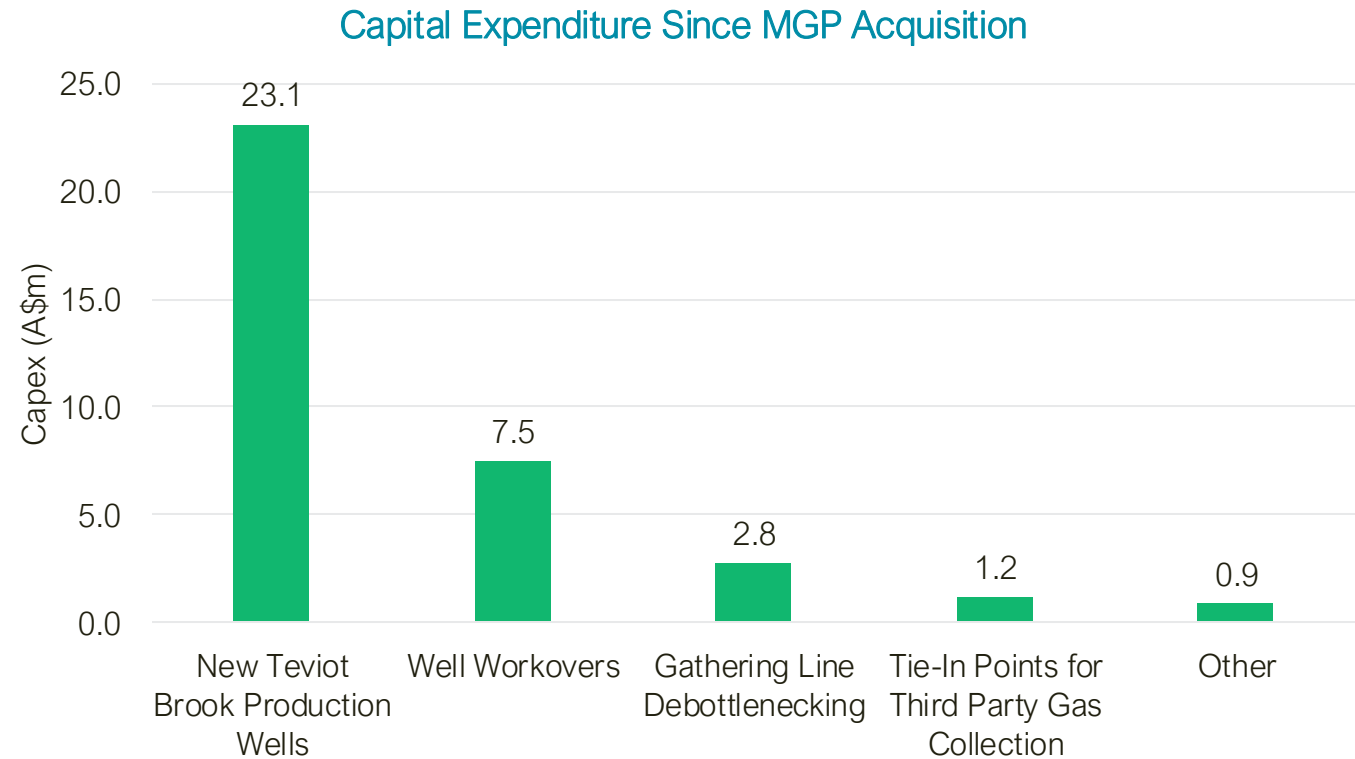
### Moranbah Power Project (MPP)

- Up to 300MW of gas-powered generation to be situated on QPM's existing site in Moranbah
- To be powered with low spec gas, significantly reducing operating costs
- Project to be rolled out over several stages
- Currently in Front End Engineering and Design (FEED)



# Capital Expenditure

- Since acquisition of the MGP, QPM has invested \$35.5m in new wells, workovers of existing wells and other infrastructure improvements.
- This investment sets the foundation for further growth at MGP.
- Majority of the operating benefits relating to capital programs are yet to be realised.



# Outlook

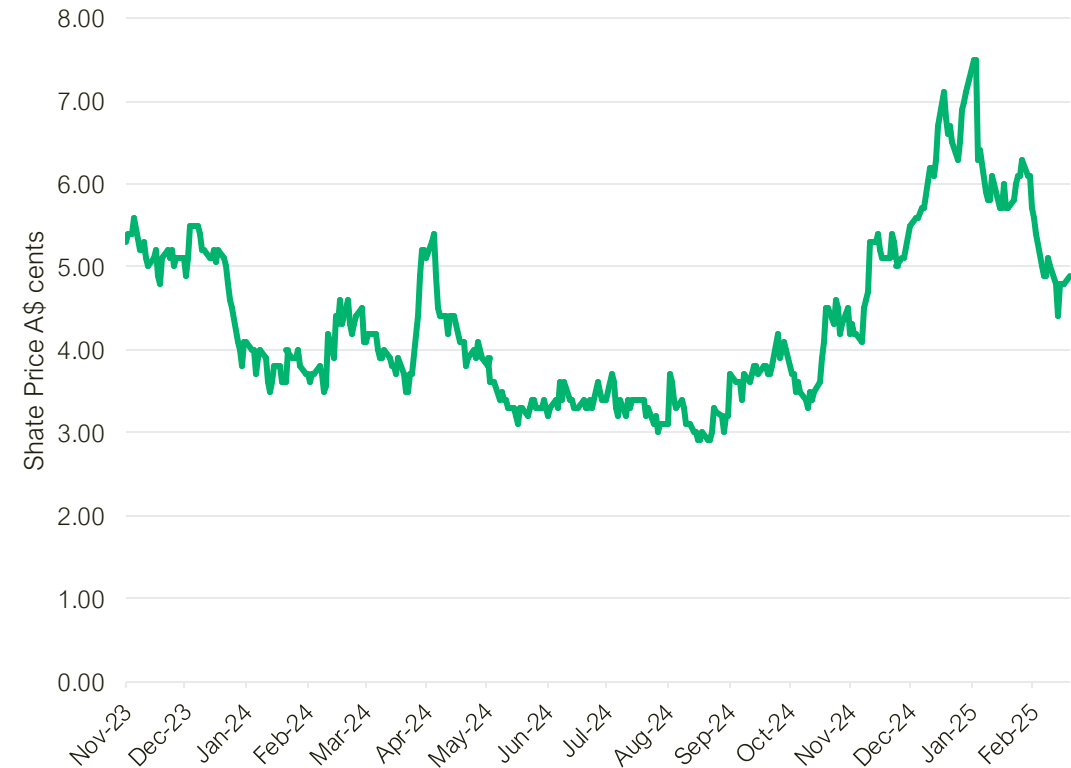
- The 6 month period to 30 June 2025 will continue to be a period of transition for QPM with operating and financial results impacted by:
  - Planned overhaul of TPS, commencing late March through to the end of June
  - Management of gas field production levels ahead of and during TPS overhaul
  - Completion of Teviot Brook and Grosvenor coal mines sales process
- However, from 1 July 2025 the company will be well positioned to benefit from:
  - Commencement of new TPS and NQGP capacity and dispatch agreements resulting in substantial reductions in operating costs
  - Managed production growth through:
    - Continued dewatering of new production wells
    - Gathering system debottlenecking works
    - Additional workovers of existing wells
- In parallel QPME continues to work to:
  - Secure additional third-party gas supply
  - Upgrade resource and reserves
  - Develop new power generation capacity

# Company Snapshot

Company Metrics	
Market Capitalisation	A\$123.5m
Debt <sup>1</sup>	\$42.7m
Cash	\$23.3m
Enterprise Value	\$142.9m
Shares Outstanding	2,520.8m
Options Outstanding	177.9m
Performance Rights	104.2m

1 – Majority relates to Dyno Nobel prepayment facility, which is repaid through future gas deliveries rather than cash

**QPM share price – 12 months**



Source: IRESS