Queensland Energy Club Presentation

Queensland's electricity market: The shape of things to come?

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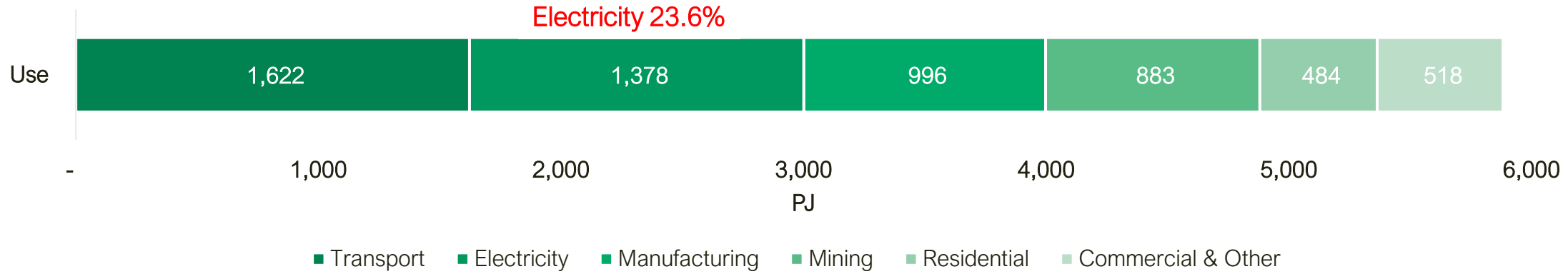
QPM ENERGY

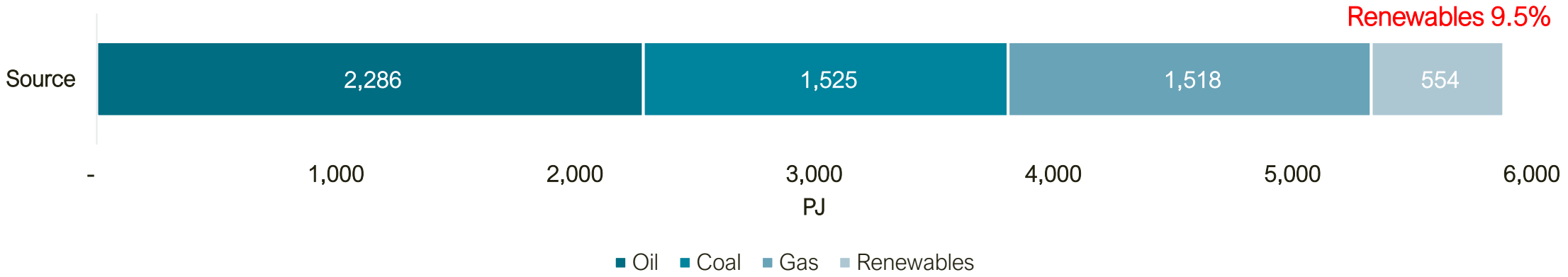
The Australian Energy Market

In 2022/23 Australians consumed 5,822PJ[1] of energy….



[1] *Source: Australian Energy Update – August 2024 (Department of Climate Change, Energy, the Environment and Water)*

This is how it was supplied….



Buildings…..

"We shape our buildings, and afterwards our buildings shape us."

Winston Churchill 1943

The Queensland Electricity Market

"We've shaped our grid, and now our grid is shaping us."

David Wrench 2025, paraphrasing and apologies to Winston Churchill

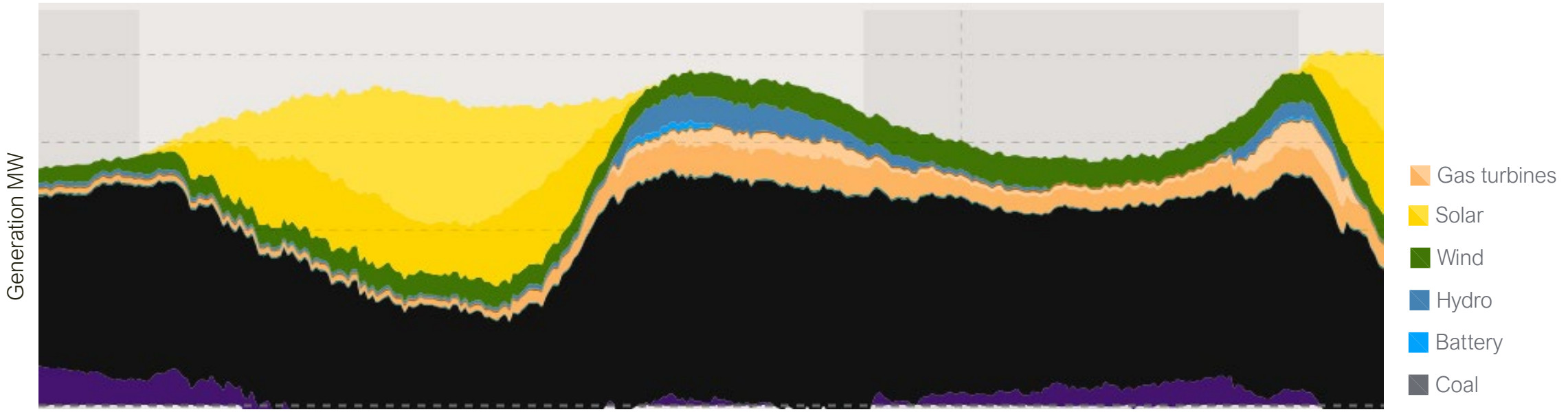
Solar has shaped the grid…

- Queensland's total installed solar PV capacity is now over 11,000MW[1]…with over 9,000MW installed in the last 10 years
  - Large Scale (>100kW) 4,288MW
  - Small Scale (<100kW) 6,900MW
- There are currently over 1,000,000 rooftop solar installations in Queensland, representing 1 in 3 households
- We observe that, in aggregate, Queensland solar systems are currently capable of generating about 6,000MW at maximum solar irradiance.
- The Queensland grid is dominated by this 6,000MW block of generation which cycles on and off every day!

[1] *Source: Clean Energy Regulator*

Solar shapes other generation…

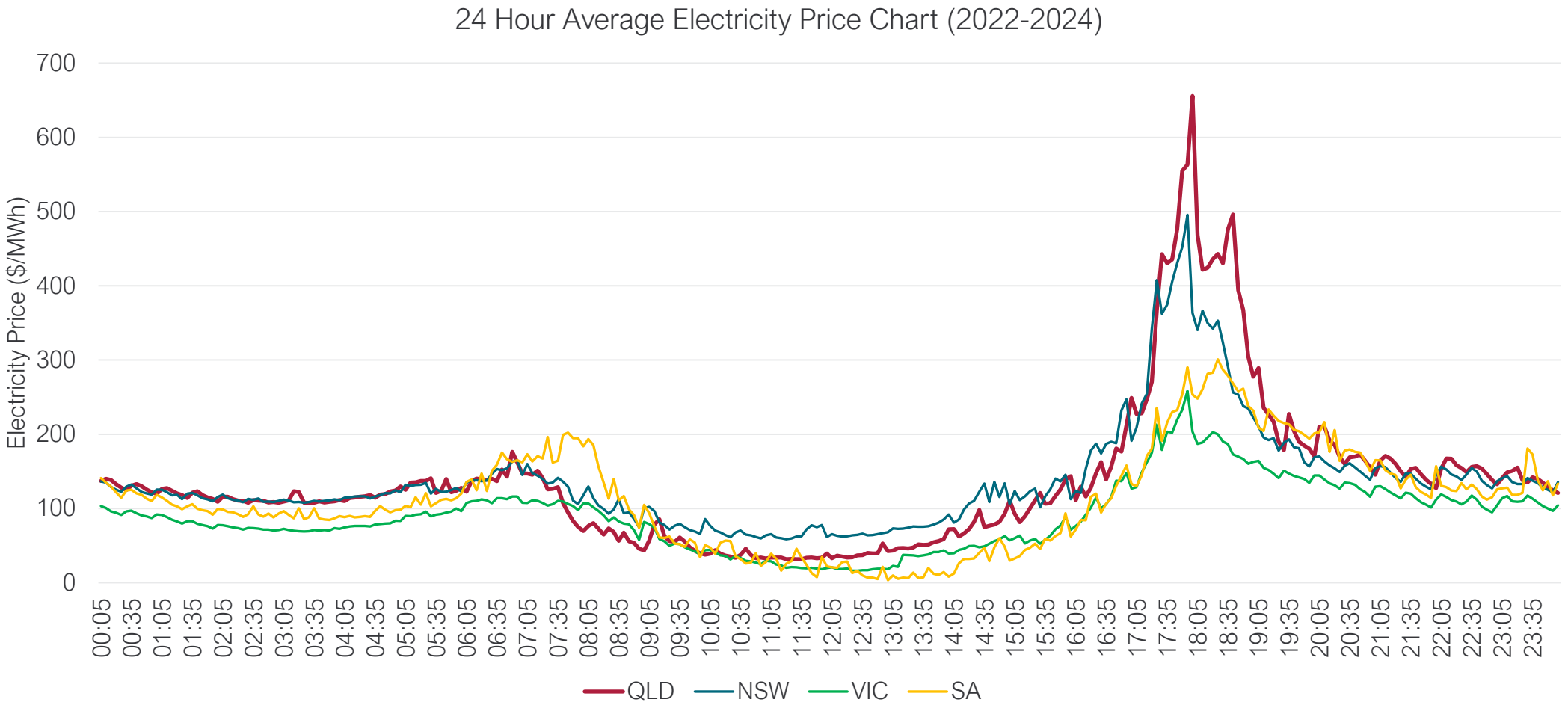
- Solar dominates generation during the day forcing coal and gas to ramp down, but…
- The transition from day to night and back to day forces rapid ramp ups and downs for coal, gas and hydro generators
- Coal fired power stations, which account for ~70% of power supply each night, have had to be modified to manage this flex



Typical 24 hour Electricity Generation Source Profile Queensland (source AEMO, OpenElectricity)

Solar shapes prices…

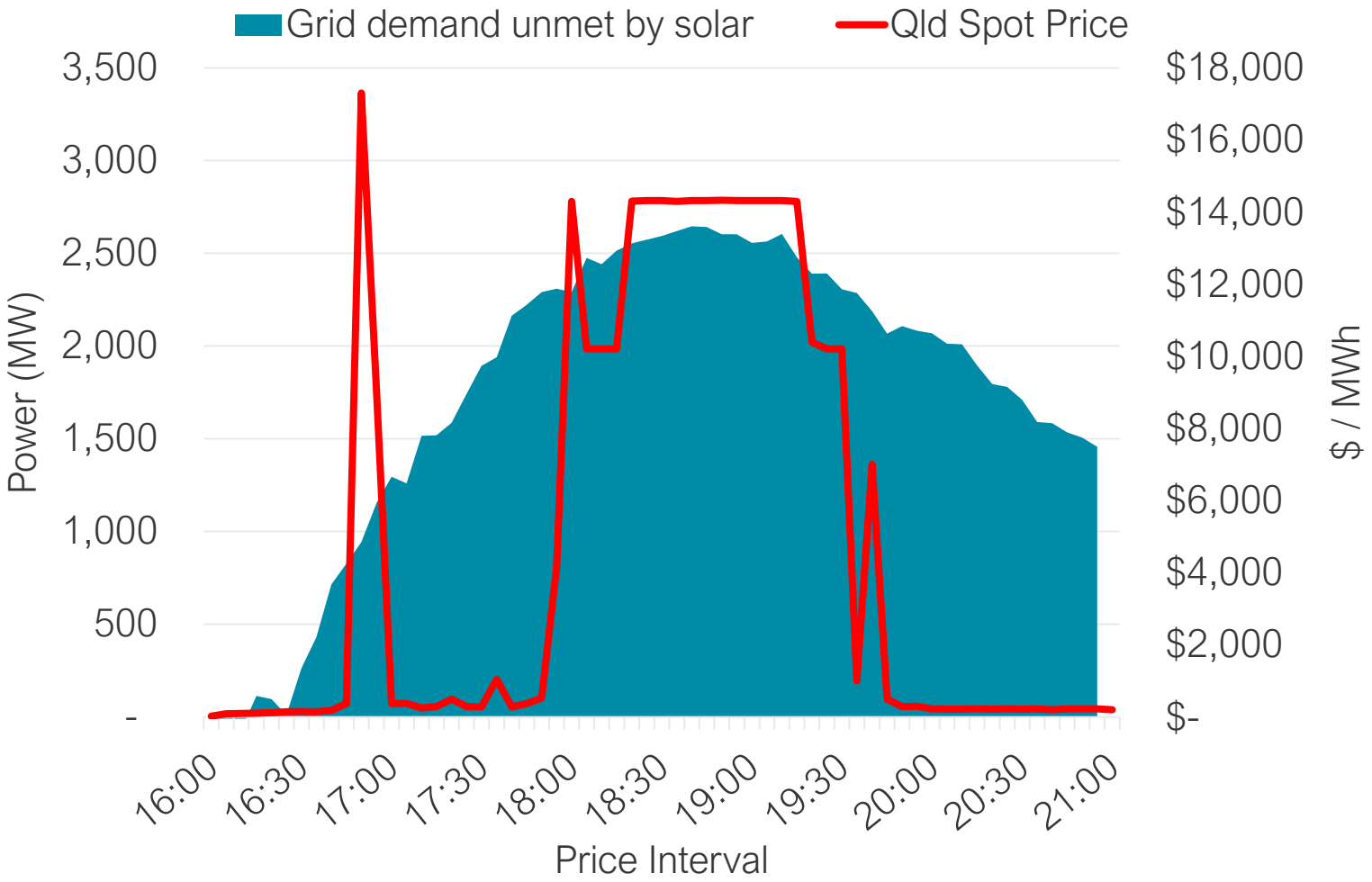
Queensland has the most volatile electricity pricing on the East Coast of Australia



How solar shapes prices…

This is what happened on 22 January 2025:

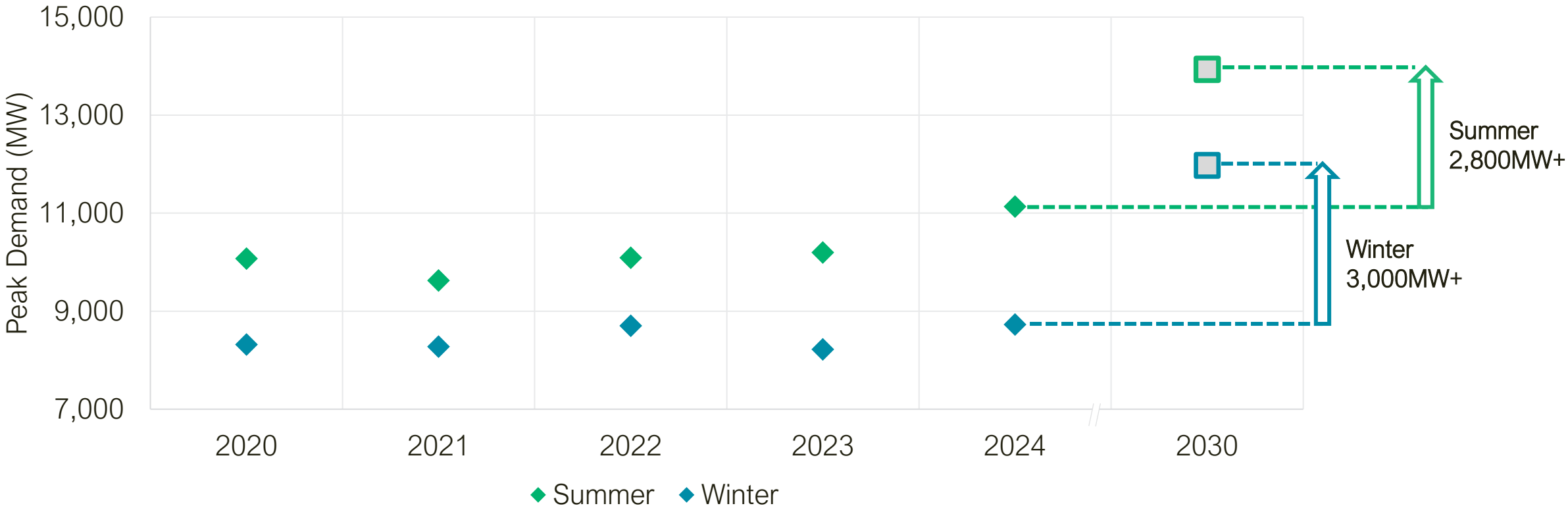
- Over 90 minutes from 4:30pm, Queensland generators had to ramp up by 2,500MW to meet peak demand plus make up for lost solar.
- QLD NEM prices surged as generation struggled to meet peak demand.



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

Demand also shapes the grid...

- Peak electricity demand in Queensland has been increasing steadily, driven by population growth and increases in residential loads (air conditioning).
- Powerlink[1] estimates that summer and winter peak demand could increase by >2,800MW and >3,000MW respectively by 2030



Note 1: "Peak Demand" figures are sourced from Powerlink's 2024 TAPR, forecasts use high 50% POE case

Now we're being shaped…

- If the Queensland generators struggle to meet Jan 2025 peak demand what happens when 2,800MW+ of demand is required by 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, QPM Energy Moranbah
Pumped hydro	✓	250MW Kidston + proposed Borumba 2030+
Batteries	✓	Long duration batteries will likely need CIS support

Now we're being shaped…

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; and
- Increased winter morning peak price events.

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

Shaping QPM Energy

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

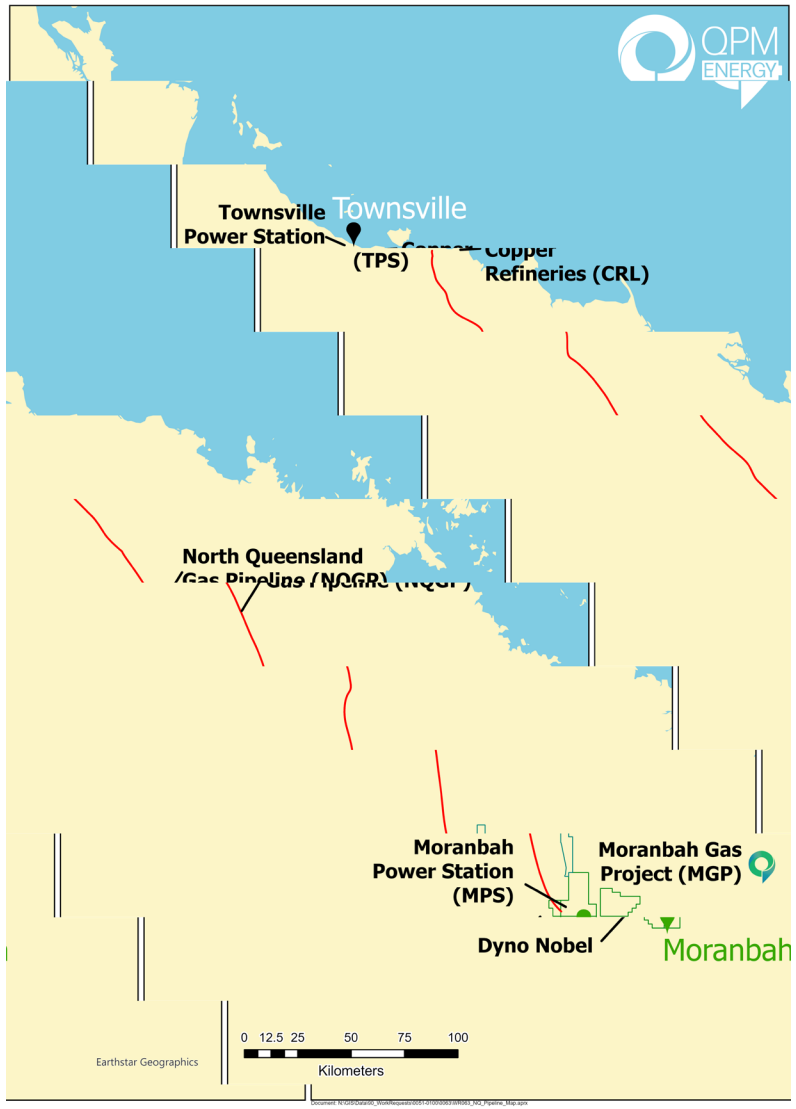
Energy

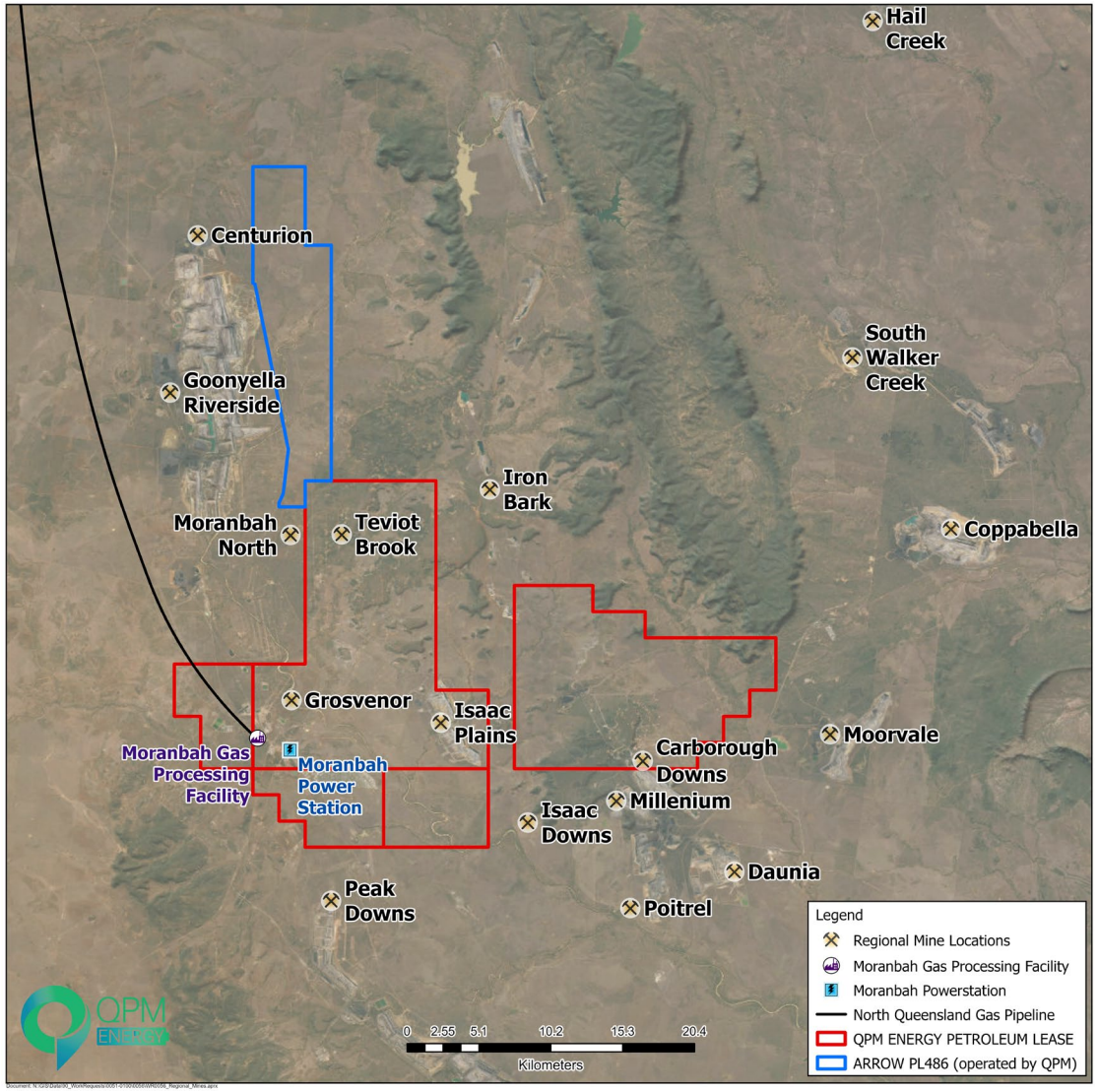
- Gas
- Electricity

Business

- Revenue from sale of electricity and gas
- $75m FY2024
- $57m 1H FY2025

QPM Energy's assets





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 Infra-structure

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

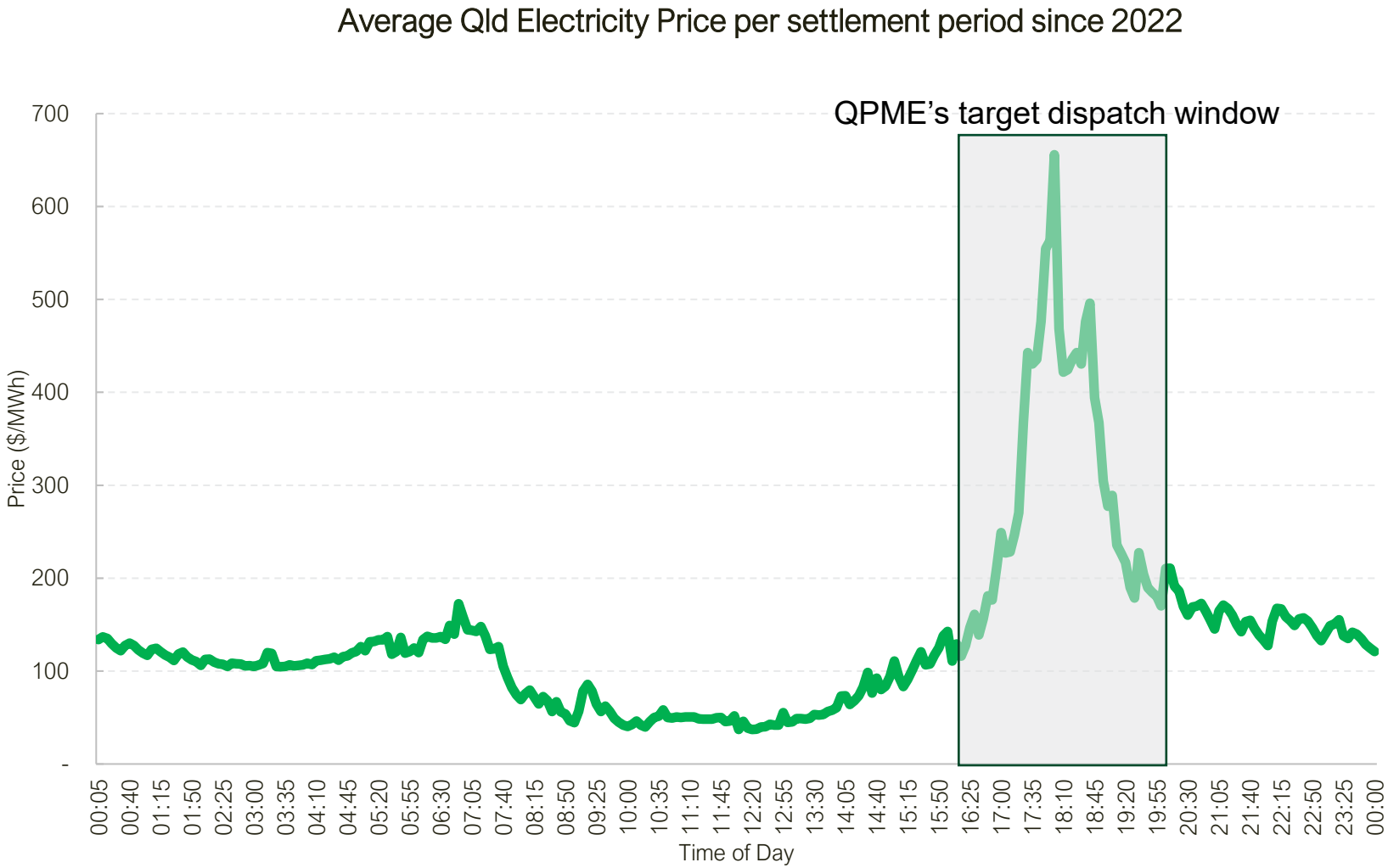
Compression + Storage

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

Electricity Generation

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

QPME's electricity dispatch shape…



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

1. Netback Gas Price, post transmission losses

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)

Moranbah Project Reserves

	Gas Reserves[1]			
	Gross (100%)		Net[2]	
Category/Subclass	(BCF)	(PJ)	(BCF)	(PJ)
Proved				
Developed Producing	54.7	56.8	52.5	54.6
Developed Non-Producing	1.5	1.6	1.5	1.5
Undeveloped Justified for Development	161.5	167.8	155.0	161.1
Total Proved (1P)	217.7	226.2	209.0	217.2
Probable				
On Production	13.3	13.8	12.8	13.3
Justified for Development	87.7	91.1	84.2	87.5
Total Proved + Probable (2P)	318.7	331.2	306.0	318.0

1. As at 31 March 2024. Totals may not add because of rounding.
2. Net gas reserves are after a 4 percent deduction for shrinkage due to system use gas.

The estimated proved and probable reserves, evaluated as of 31 March 2024, are contained within granted Petroleum Leases PLs 191, 196, 223 and 224, referred to as the Moranbah Project, located in the Bowen Basin of Queensland, Australia.

The volumes included in the estimate are attributable to the coals in the LH seams from the Rangal Coal Measures and the GU, P, GM and GL seams from the Moranbah Coal Measures. Economic analysis was performed only to assess economic viability and determine economic limits for the properties, using price and cost parameters specified by QPM.

The estimate was prepared by Richard B. Talley, Jr., P.E., Michelle L. Burnham, P.E. and John G. Hattner P.G. in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers ("SPE"). These technical persons meet the requirements regarding qualifications, independence, objectivity and confidentiality set forth in the SPE standards. NSAI are independent petroleum engineers, geologists, geophysicists and petrophysicists who do not own an interest in the properties and are not employed on a contingency basis.