

# Gas, Energy and Carbon Abatement

Foster Stockbroking Natural Gas Conference

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QUEENSLAND  
PACIFIC METALS



QPM  
ENERGY

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# QPME – Already a unique, integrated energy business

- **Gas production and supply**
  - Current production ~10PJ/year (6th largest ASX listed gas producer)
  - 240PJ 2P reserves + 269PJ 2C contingent resources
  - ~110 producing wells, extensive gathering infrastructure
  - Coal mine waste gas supply connections
  - Gas processing & compression – 23.4PJ/year capacity
- **Gas sales**
  - Dyno Nobel – 7PJ/year, CRL 0.3PJ/year
- **Electricity generation and sales**
  - 242MW Townsville Power Station
- **Long duration energy storage**
  - 7,500MWh [30 generation hours] energy storage using North Queensland Gas Pipeline



# Moranbah Project – Capturing Waste Coal Mine Gas



- ✓ The Moranbah Project already collects, processes and transports waste mine gas for beneficial use.
- ✓ The Moranbah Project overlaps and is connected to the following mining operations:
  - ✓ Anglo American's Grosvenor mine
  - ✓ Anglo American's Teviot Brook mine
  - ✓ Anglo American's Moranbah North mine
  - ✓ Fitzroy Resources' Carborough Downs mine
  - ✓ Stanmore's Isaac Plains mine
- ✓ QPME is targeting connection of additional waste gas supply into the Moranbah Project infrastructure to increase gas quantities available for industrial use plus reduce coal mine carbon emissions
- ✓ The Safeguard Mechanism reforms provide strong financial incentives for coal mine operators to supply gas to QPME's infrastructure.
  - ✓ Reforms require Australia's 215 major emitters to reduce baseline emissions by 4.9% per annum



# Moranbah Project



*Moranbah site office and stores*



*Moranbah Gas Processing Facility*



# Moranbah Project

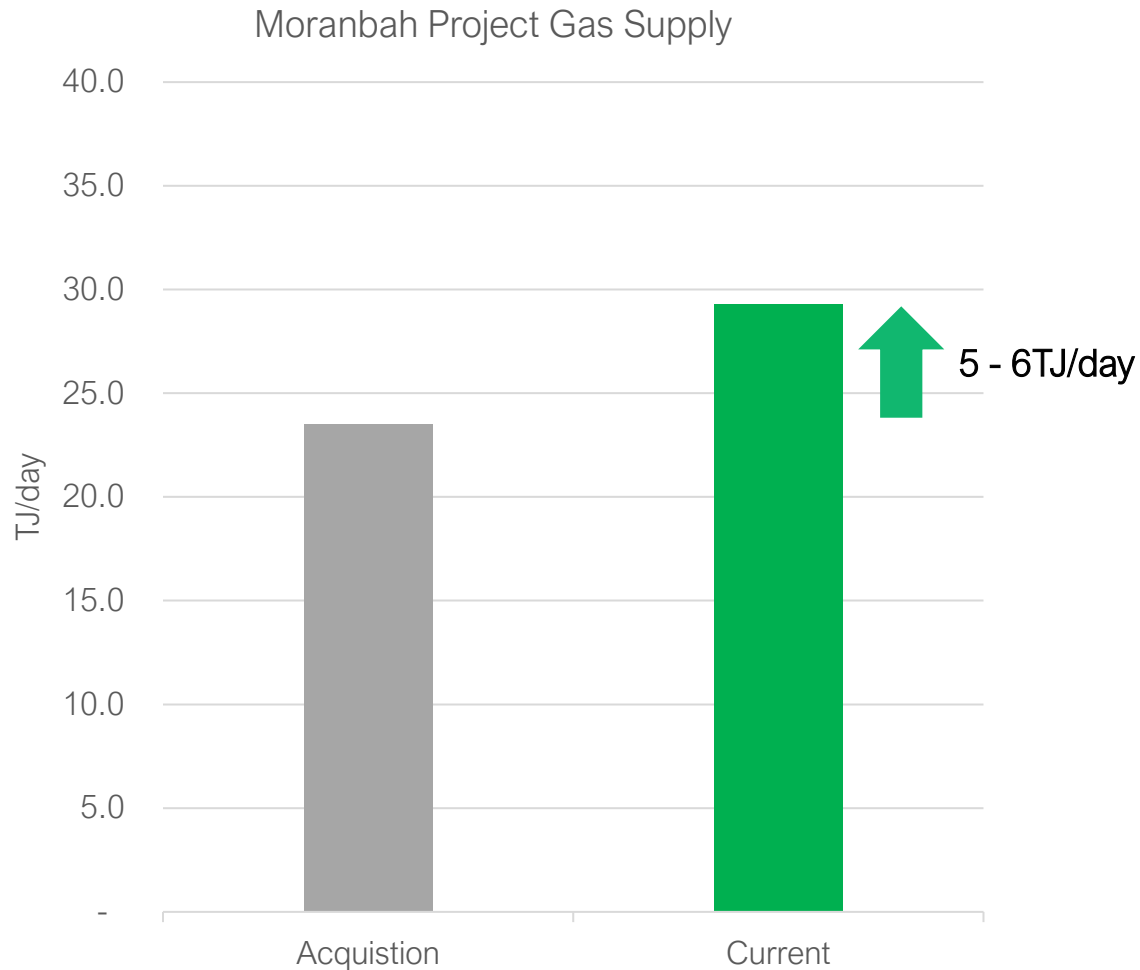


*Moranbah Node 1*



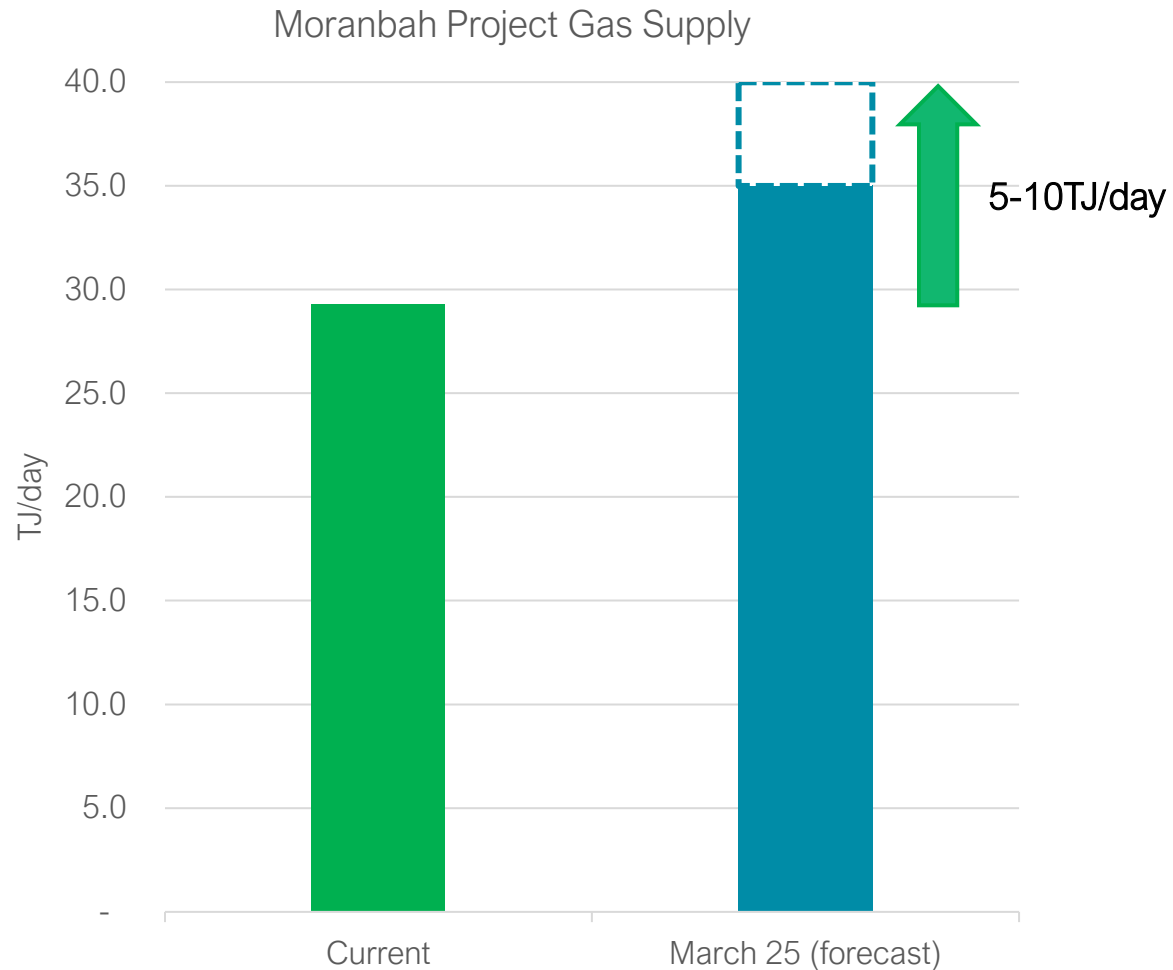
*Moranbah Node 2*

# Moranbah Project Turnaround



- Gas supply +5 - 6TJ/day in 6 months
  - Optimisation of well operating parameters
  - Workovers – producing well count 97 -> 110 wells
  - Gathering system optimisation
  - New 3<sup>rd</sup> party gas supply tie in points
- Jan and Feb 2024 positive operating surplus
- Northern Hub pipeline and facility licences granted.

# Moranbah Project Growth Phase Next 12 Months



- Gas supply +5-10TJ/day
  - Workovers – producing well count 110 -> 130 wells
  - Gathering system optimisation and de-bottlenecking
  - Teviot South drilling program – 12 new laterals
- All planned activity within existing granted PLs and all approvals in place
- Planned activity is fully funded

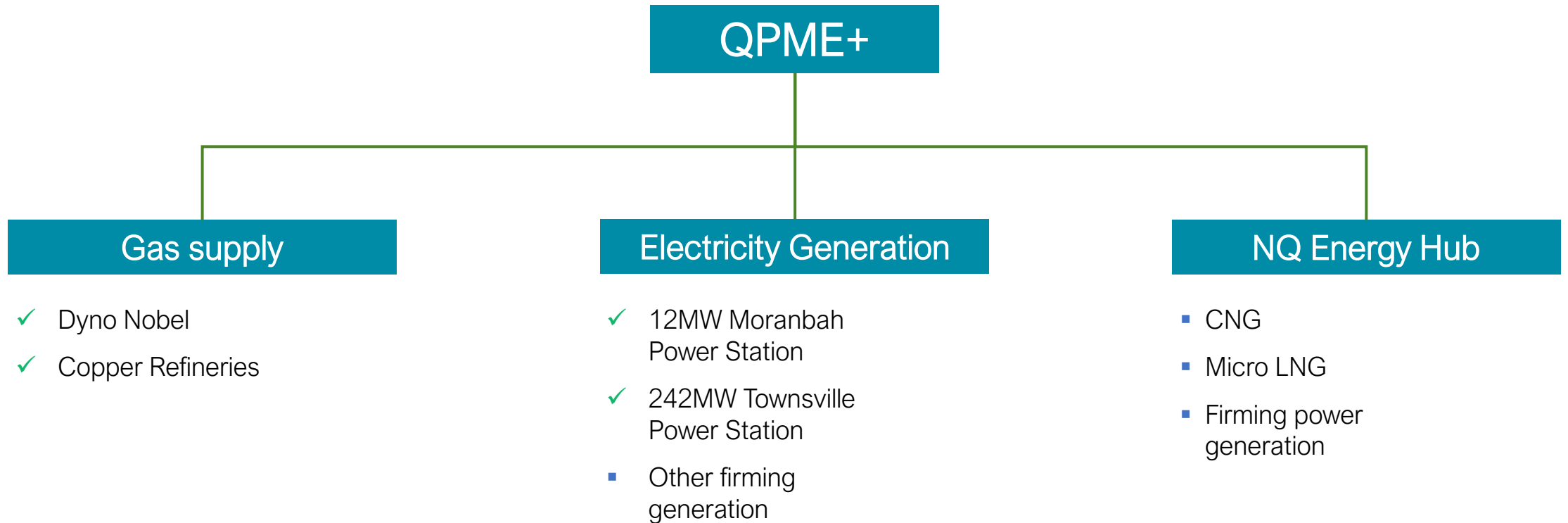


# QPME Revenue Growth



- Increased production is driving revenue growth
- Jan / Feb 24 positive operating surplus
- Total March 24 quarter revenue forecast to be \$30 - 40m

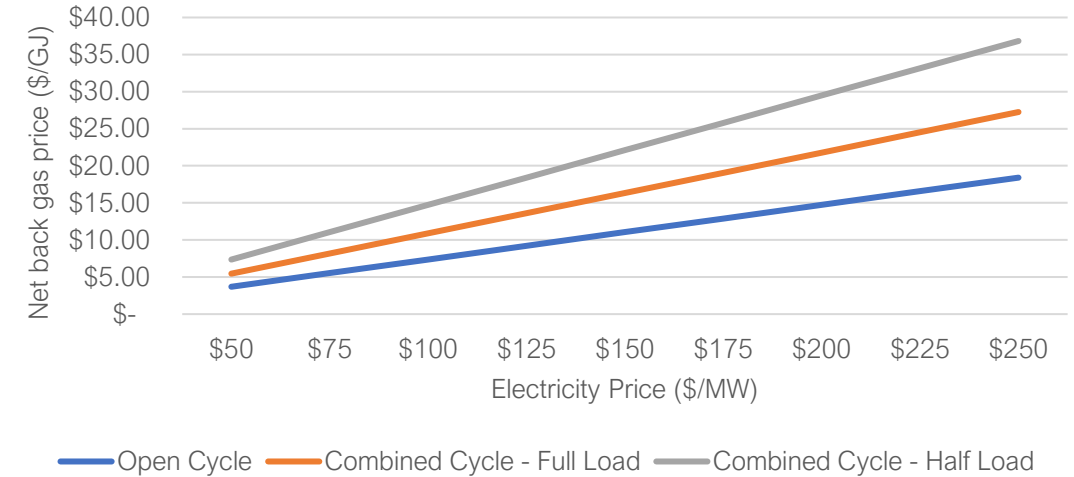
# QPME+ – Energy to Industry



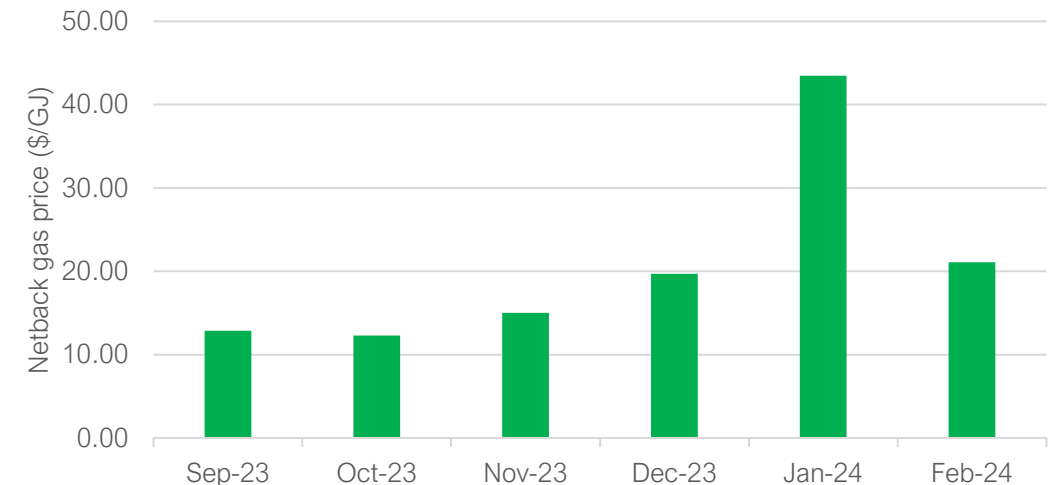
# Unique Exposure to Queensland Electricity Market

- TPS is a 242MW power station consisting of a 160MW gas turbine and 82MW heat recovery steam generator (HRSG)
- TPS can operate in 3 modes
  - Open cycle (turbine only) – gas consumption 1.8-1.9TJ/hour
  - Combined cycle full load (turbine + HRSG) – gas consumption 1.8-1.9TJ/hour
  - Combined cycle minimum load (turbine + HRSG) – gas consumption 1.1TJ/hour
- Increased gas supply allows QPME to optimise dispatch of the power station to suit electricity market conditions
- Strong netback gas price generates significant margin over cost of delivering gas to Townsville

Net back Gas Price at Various Electricity Prices



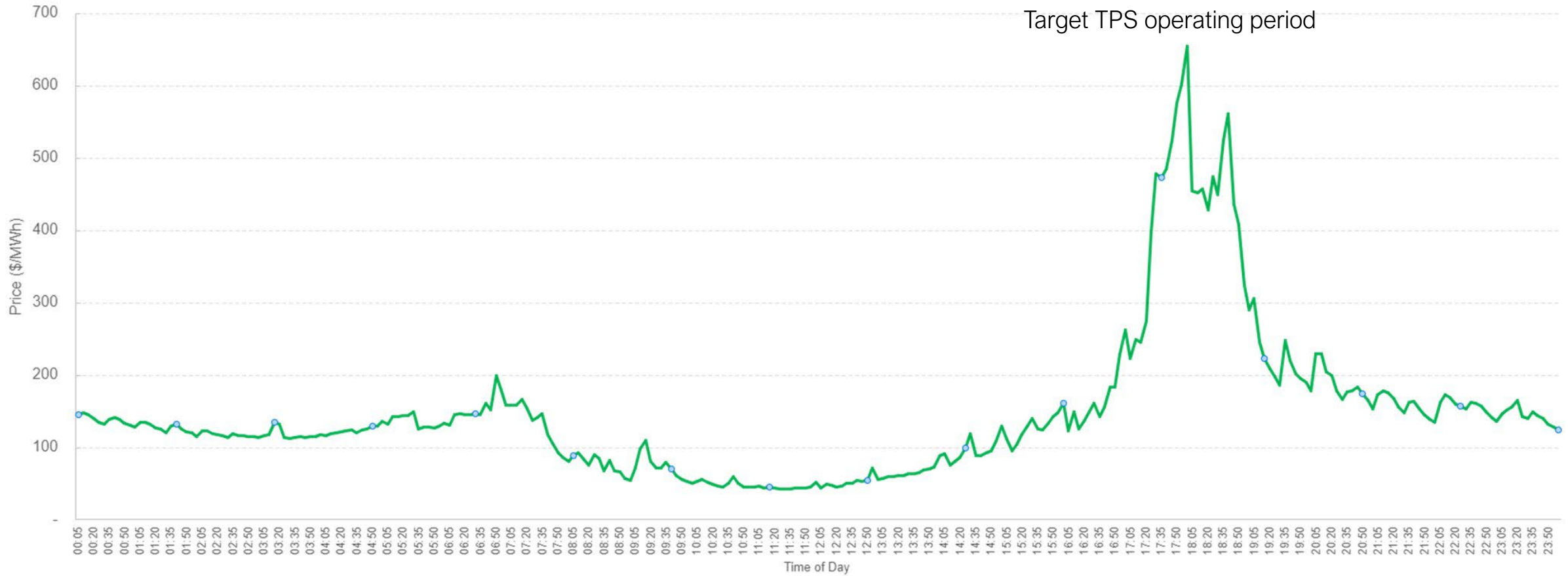
Monthly Netback Gas Price from TPS





# Unique Exposure to Queensland Electricity Market

Average Electricity price per settlement period since 2022



# Problem ..... Or Opportunity

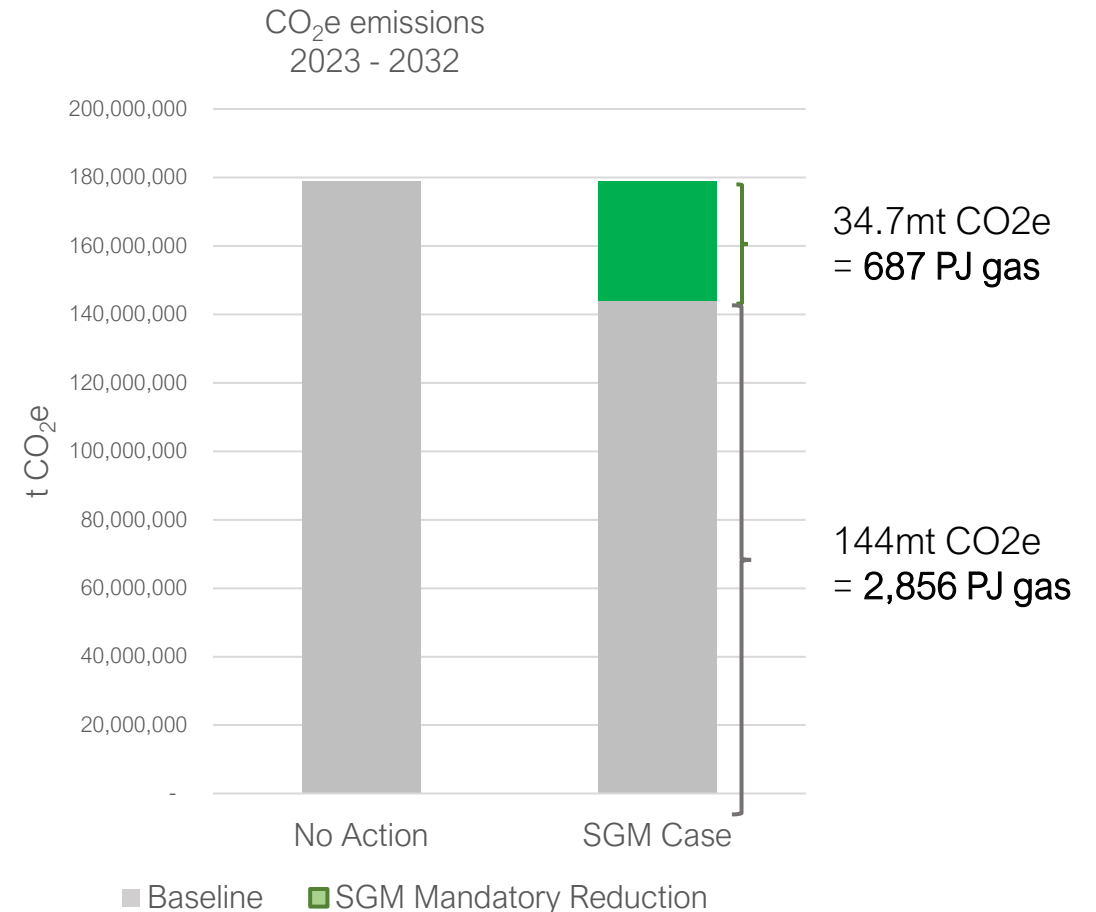
## Safeguard Mechanism

There are 25 coal mines within 150km of Moranbah which reported CO<sub>2</sub>e emissions of 17.4 million tonnes in 2021.

Under the proposed Safeguard Mechanism Reforms (“SGM”), these sites will need to reduce emissions by 4.9% per year = 34.7 m tonnes CO<sub>2</sub>e over the next 10 years.

This emission reduction target can be met by abatement of 687 PJ of mine waste gas that would otherwise be flared.

QPME’s Carbon Abatement Facilities are the only currently planned facilities that will have the capacity to manage this scale of abatement.



# Company Snapshot

Company metrics	
Market capitalisation	A\$76.5m
Debt <sup>1</sup>	Nil
Pro Forma Cash <sup>1</sup>	A\$27.5m
Enterprise Value	A\$47.0m
Shares outstanding <sup>2</sup>	2,013m
Options outstanding <sup>2</sup>	175.9m
Performance rights <sup>2</sup>	66.1m

1 – as at 31 December 2023

2 – as at 14 November 2023

QPM share price – 12 months



Source: Yahoo Finance