



**ENERGY WORLD**  
CORPORATION

Energy World Corporation Ltd  
Investor Presentation

March 2021

(ASX: EWC)



# OUR BUSINESS

The development, design, construction and operation of power related infrastructure



Energy World Corporation Ltd (ASX: EWC) (“Energy World” or the “Company”) is an established, integrated energy company with operations in SE Asia & Australia



Our vision is to deliver clean and affordable LNG to the Asian market for power generation, underpinning industrial progress and supporting the growth of renewable energy



Our core operations comprise a profitable gas and power production operation in Sulawesi, Indonesia



Over the next 12-24 months we aim to bring into production a 2mtpa liquefied natural gas (LNG) facility near our existing facilities in Sulawesi and a 650 MW power plant and LNG receiving terminal in the Philippines (the “Projects”)





# CORPORATE SNAPSHOT

## 12-Month Share Price Performance and Volume



ASX Stock Code	EWC
FY20 EBITDA	US\$78.7m
H1 FY21 Revenue	US\$72.9m
H1 FY21 NPAT	US\$9.5m
Share price (18/03/21)	\$0.09
Shares on issue	1.7956bn
Fully diluted market cap	AU\$161.6m

Board and Leadership team	
Stewart Elliott	Chairman, MD and CEO
Brian Allen	Exec Director, Finance Director
Graham Elliott	Exec Director & Co.Sec
K P Wong	Non-Exec Director
Michael O'Neill	Independent Non-Exec Director
Leslie Charles	Independent Non-Exec Director

Enterprise Value Calculation (AUD)	
<b>Market Cap</b>	<b>\$161.6</b>
Debt - Related Parties <sup>1 2</sup>	\$664.9
Debt - Other <sup>2</sup>	\$224.1
Less Cash <sup>2</sup>	-\$102.1
<b>Net Debt</b>	<b>\$786.9</b>
<b>Enterprise Value</b>	<b>\$948.5</b>
Assets Under Construction <sup>2</sup>	\$1,755.0
Total PPE <sup>2</sup>	\$1,846.1
Net Assets <sup>2</sup>	\$981.5

Top Shareholders	
Energy World International Ltd ("EWI") <sup>1</sup>	38.8%
Clermont Group	23.2%
Citicorp Noms Pty Ltd	11.1%
BNP Paribas Noms (NZ) Ltd	3.4%
Neweconomy Com Au Noms Pty Ltd	2.3%
Other Top 20	<u>8.8%</u>
Total Top 20	87.6%



# CAPITAL RAISING

Indicative Timetable	
Trading Halt	Friday, 19 March 2021
Announcement of Rights Issue and Trading Resumes	Tuesday, 23 March 2021
"Ex" date	Thursday, 25 March 2021
Record Date	Friday, 26 March 2021
Rights Offer opens	Wednesday, 31 March 2021
Rights Issue closes	Tuesday, 20 April 2021
Notification of Rights Issue Shortfall	Tuesday, 27 April 2021
Settlement Date Rights Issue Shortfall	Monday, 26 April 2021

	Shares	AUD
Shares on Issue prior to Capital Raising	1,795,631,672	\$125,694,217
Underwritten Rights Offer 1 New share for 2.21 Issued Shares		<u>\$65,000,242</u>
Total Shares Post Money / Market Cap at Offer Price	2,608,134,691	\$208,650,775
<b>Underwriting Structure at Offer Price</b>		
EWI's Holding Pre-Money (38.83%)	697,169,837	\$48,801,888
EWI Firm and Relief Sub-Underwriting Rights	315,461,465	\$25,236,917
Opportunity for other Sub Underwriters	<u>497,041,554</u>	<u>\$39,763,324</u>
Total (sub)/Underwriting	812,503,019	\$65,000,241

A **"Capital Raising"** of circa **\$65m** via an underwritten non-renounceable rights offer as follows

- Shareholders at the Record Date will be offered 1 new fully paid ordinary Share for every 2.21 fully paid ordinary shares held. ("Rights Offer") at **\$0.08 per new Share** ("Offer Price")
- The Rights Offer (or "Capital Raising") will be underwritten by Gleneagle Securities (Aust) Pty Limited ("Gleneagle" or the "Underwriter").
- Gleneagle is inviting Sophisticated and Professional Investors the opportunity to sub-underwrite the Capital Raising.
- Shareholders may sub-underwrite the Rights Offer on a "firm in relief basis" (meaning they have committed to take up their entitlement under the Rights Offer) and also enter into additional general sub-underwriting commitments (i.e. above their pro-rata entitlement).
- Non-Shareholders may only enter into general sub-underwriting commitments (in which respect, there is no guarantee that they will receive any shortfall).
- EWI, the Company's' largest shareholder, has committed to subscribe for its rights pro-rata to its current holding (~38%)

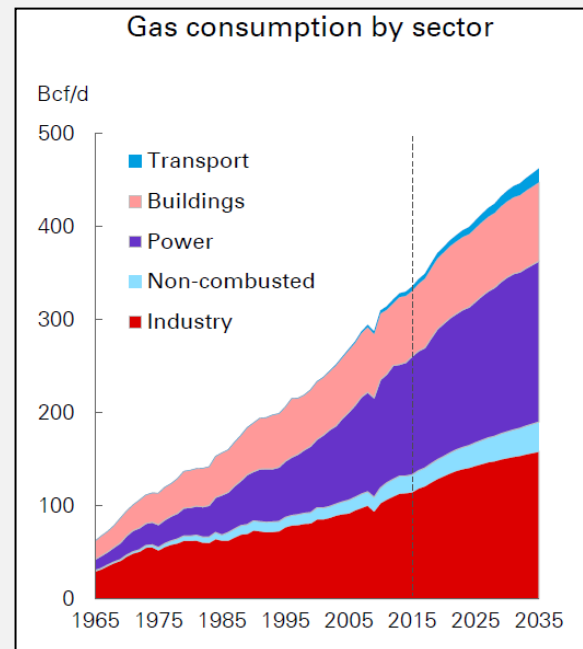
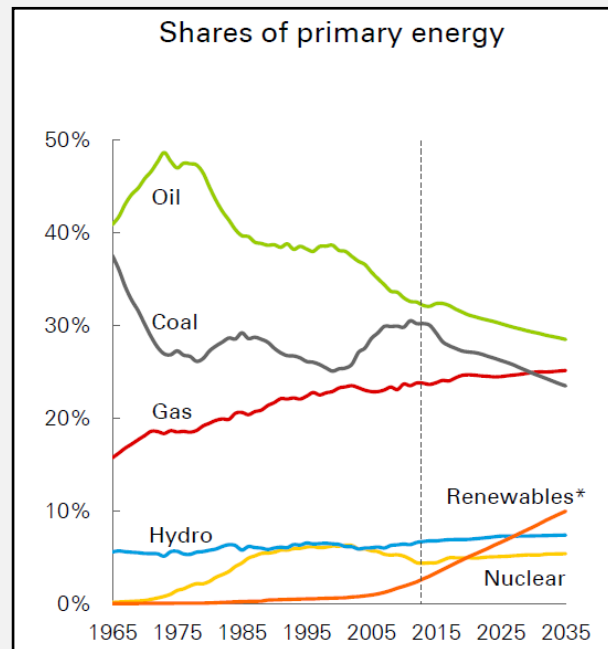


# INVESTMENT HIGHLIGHTS – Need same font throughout

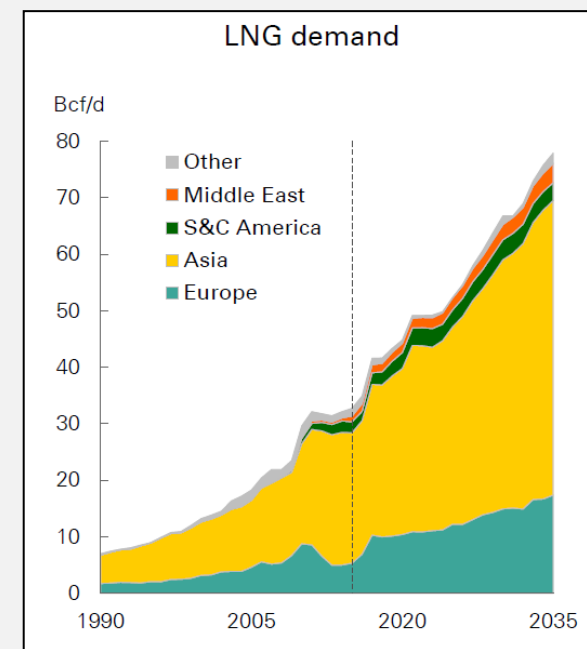
<b>Established key infrastructure</b>	<ul style="list-style-type: none"> <li>Current operation in Sulawesi produces ~315Mw of power using gas from the Company's own gas field. The Company has security of supply of its key resource input and produces approx. 24% of the region's power at full load. EWC has been operating in the region for over 20 years.</li> </ul>
<b>Pipeline of significant projects coming online over the next 12 to 24 months</b>	<ul style="list-style-type: none"> <li>EWC expects the first phase of its Philippines LNG hub and 400 mw power facility will be commissioned in mid 2022. Project is mostly built and the important transmission line and switching station to connect the plant to the main grid are on track for completion by June 2022 with key roadblocks to completion recently resolved. Once commissioned EWC intends to install a 200mw steam turbine.</li> <li>Similarly, final stages of development of its 2 mtpa LNG facility are on track for initial production commencing late 2022.</li> </ul>
<b>Underlying profitable operation</b>	<ul style="list-style-type: none"> <li>The Company is profitable and has consistently delivered gross profit of greater than US\$80m and EBITDA of &gt;US\$50m over the last 5 years.</li> <li>Funds have been directed into project development</li> </ul>
<b>Arguably undervalued equity with significant potential for revaluation of assets</b>	<ul style="list-style-type: none"> <li>Total PPE (31 Dec-2020) of A\$1,846m vs a Enterprise Value of A\$948m</li> <li>Net Assets (31-Dec-2020) of A\$982m vs a Market Cap of A\$161m</li> <li>Assets under construction (31-Dec-2020) of A\$1,755m represents construction cost and expectation is they will be re-valued as/when projects are commissioned</li> </ul>
<b>Experienced board and management</b>	<ul style="list-style-type: none"> <li>Board and management have been working in the region for over 40 years. Their track record of delivering power and other infrastructure projects is significant (over 6,500 MW built)</li> </ul>
<b>Committed and supportive largest shareholder</b>	<ul style="list-style-type: none"> <li>EWI and Slipform, companies related to EWC's Chairman Stewart Elliott, have an ownership interest of ~38% and have provided large amounts of capital (&gt;US\$500m) in the form of sub-ordinated debt to advance the projects during the period when access to capital markets was restricted because of regulatory uncertainty (now resolved)</li> <li>EWI and Slipform remain committed to commissioning the projects for the benefit of all shareholders. EWI will be participating in the Capital Raising pro-rata to its current holding.</li> </ul>



# GAS AND LNG – A STEP IN THE GREEN DIRECTION



Source: BP Outlook 2017



According to BP, gas will soon overtake coal to become the world's 2<sup>nd</sup> most important source of energy

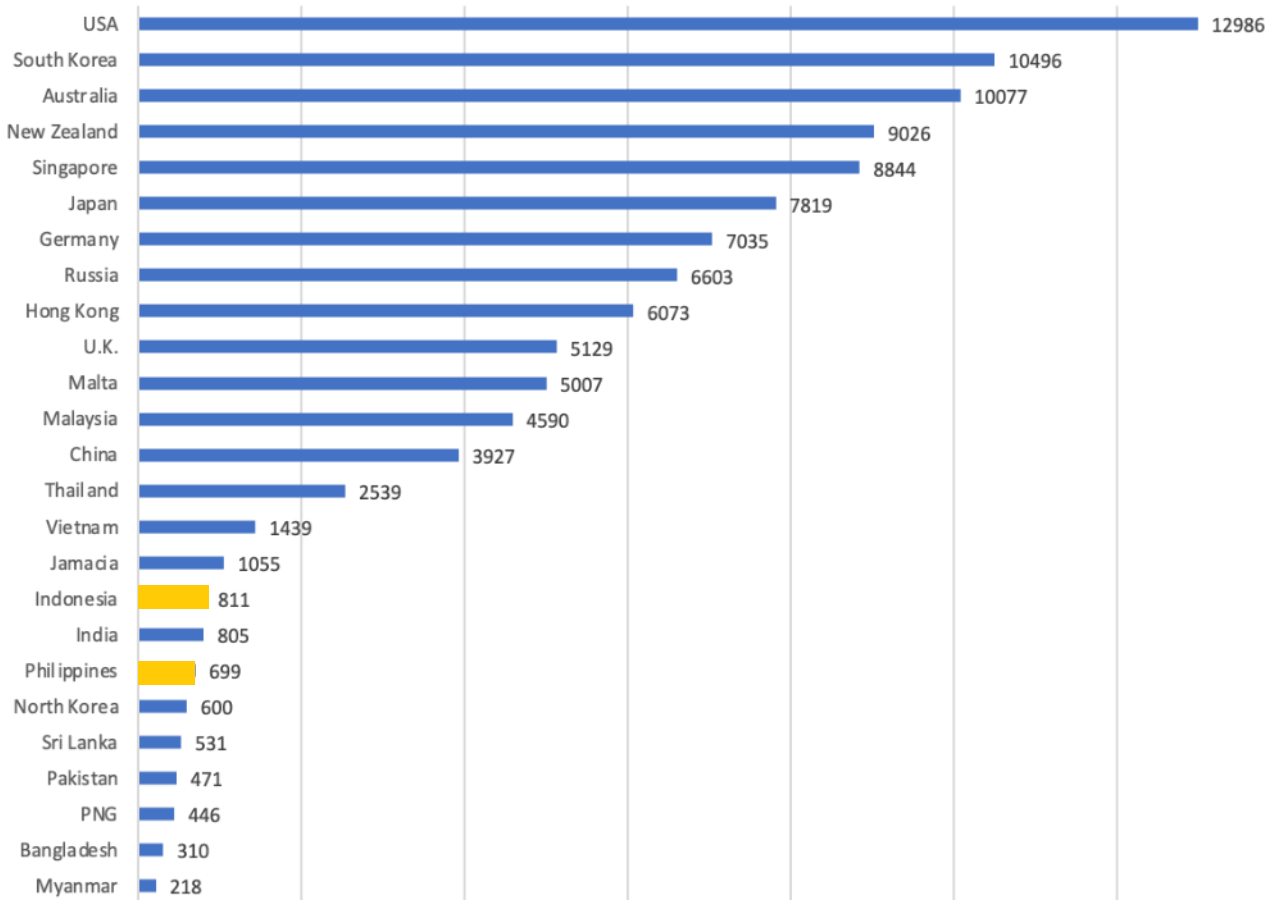
Renewables are growing rapidly, but from a low base: gas is needed to help stabilise the grid, particularly in Asia Pacific

Demand for LNG from Asian consumers is forecast to double over the next 15-20 years, stoked further by demand for gas from industry

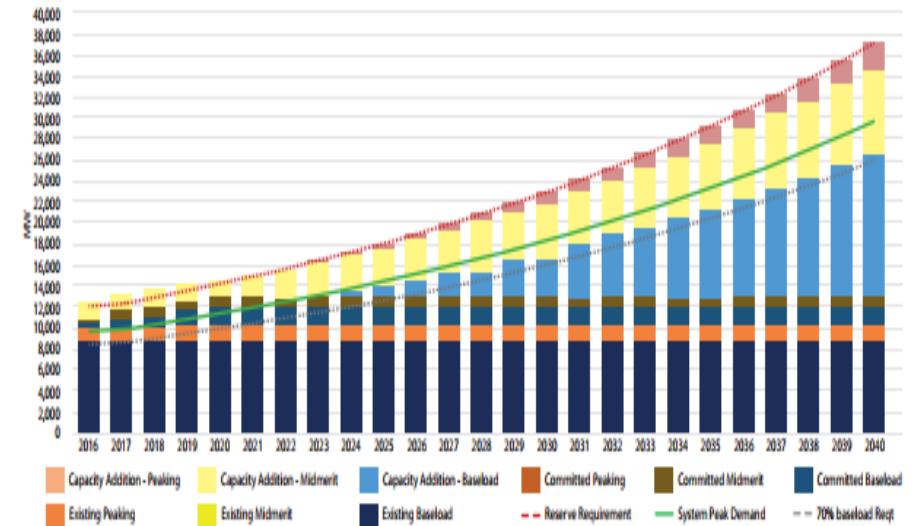


# ELECTRICITY CONSUMPTION – GROWING DEMAND

Kilowatt Hour Consumption Per Capita Per Annum. Source: World Bank



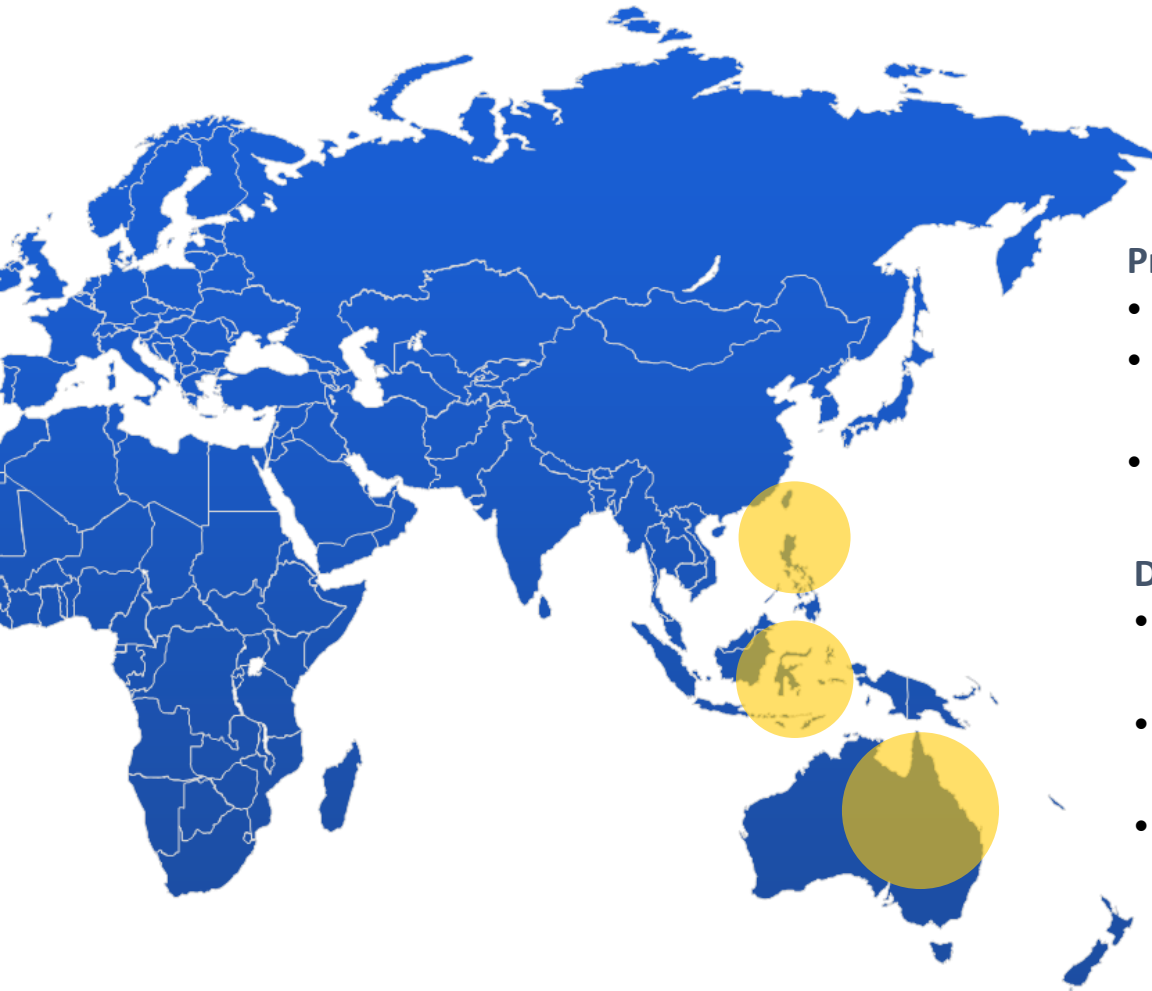
Luzon, Philippines Power Demand Supply Outlook – 2016- 2040



- Indonesian and Philippine energy demand is growing rapidly from a low base.
- The Philippines Department of Energy forecasts that the Philippines will need 43,765 MW of additional power capacity to meet anticipated growth in demand by 2040.
- EWC is ideally positioned to facilitate this growth through its portfolio of advanced energy projects.



# OUR PROJECTS



## Projects Under Development:

- Sengkang 2mtpa LNG (Indonesia)
- Philippines 650MW Power and LNG Hub Terminal
- Gilmore LNG

## Developed Projects:

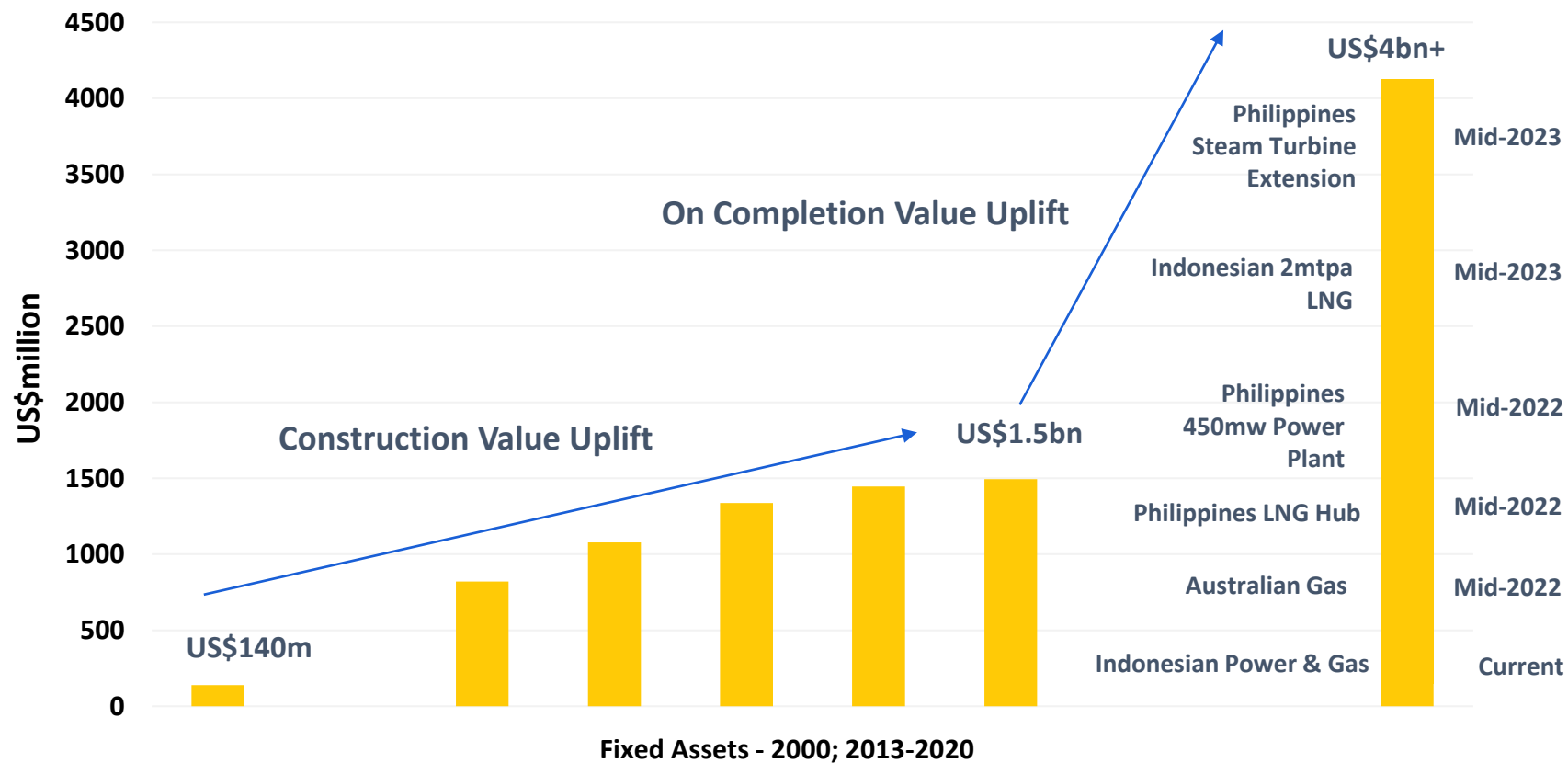
- Sengkang Gas & Power (Indonesia)
- Alice Springs LNG and Gas Power
- Cooper Basin Conventional Gas





# OUR VALUE PROPOSITION

Present Book Value versus Potential Value on Completion



We have developed a clear strategy to deliver a significant value uplift which unlocks as we complete the construction of our portfolio of SE Asian and Australian energy projects over the next 12 to 24 months





## Indonesian Projects:

- Sengkang Gas Production Sharing Contract (PSC)
- Sengkang Power Station
- Sengkang LNG

# SENGKANG GAS FIELD

The Sengkang Production Sharing Contract (PSC) Block is 100% EWC-owned, was recently extended to 2042 and covers 2,925 km<sup>2</sup> in South Sulawesi.

Gas from the PSC is supplied to the 315 MW Sengkang Power Station (PTES), 95%-owned by EWC.

2P reserves: 203 BCF  
Total gas in place: 7-9 TCF based on PT Lapi ITB studies



To Serve for Your Betterment and the Nation

Prospect/Lead	Gas in Place (BCF)		
	P10	P50	P90
Tacipi Prospect	1,778.72	1,567.46	1,376.77
Tacipi Lead	1,855.18	1,645.43	1,456.92
Walanae Lead	383.91	339.42	300.07
Malawa Lead	5,149.37	4,519.18	3,917.85
Total	9,167.18	8,071.40	7,051.61

Following the 20-year extension to the PSC, EWC has identified several opportunities to expand in Sengkang, supported by PT Lapi ITB estimates of 7- 9 TCF of gas in place





# SENGKANG POWER STATION



Aerial view of Sengkang Power Plant



Block 2



Block 1

## Location

Sengkang  
South Sulawesi,  
Indonesia

## Capacity

Block I: 135MW  
Block II: 180MW  
Total Output: 315MW  
(total rated output of 357 MW)

## Performance Metric

Trailing 3 year Avg.  
Availability Factor = 86.3%

## Completion Date

Block I = 1996,  
Block II = 2012

- Using gas produced from our Sengkang gas field the Sengkang Power Station produces 315 MW
- Electricity is sold under a take or pay Power Purchase Agreement (“PPA”) with PLN which runs until October 2022.
- Renewal negotiations have commenced. We expect it will be renewed for a significant period, using gas from our gas field to support this extension.





# SENGKANG LNG



The Sengkang LNG Plant has a design capacity of 2 mtpa, consisting of 4 modular 500,000 tpa trains, an import/export and jetty facilities.

Construction is 80% complete, having been delayed since 2017 due to land zoning claims which have since been fully resolved.

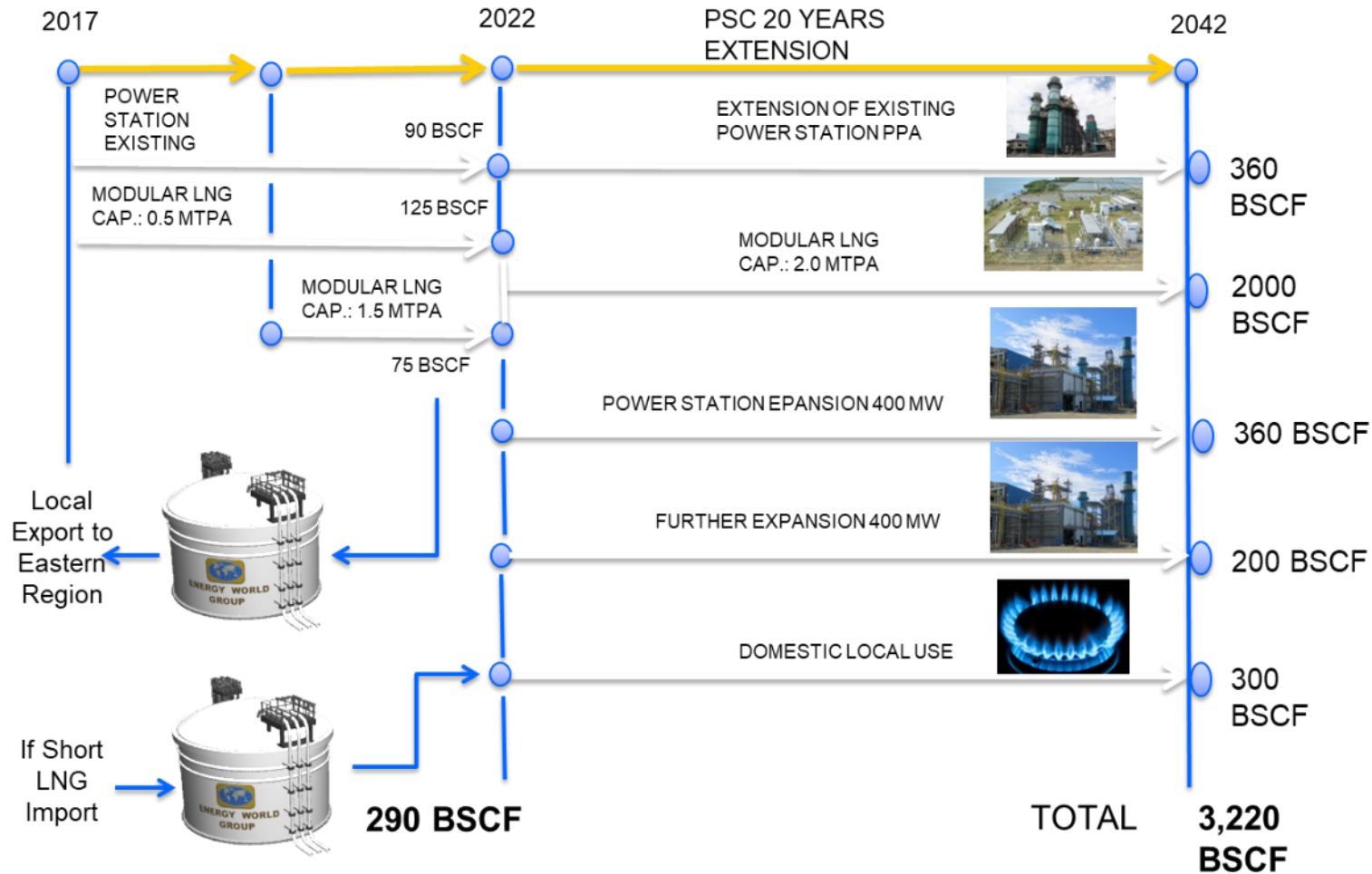
Construction is 80% complete, having been delayed since 2017 due to land zoning claims which have since been fully resolved.

Gas for the LNG plant will be purchased from EWC's Sengkang gas field and the LNG will be sold to industrial users in the region, PLN for power generation and for City Gas.

We also have a license to export LNG, subject to meeting domestic gas obligations, and this could be used to supply our Philippines Hub Terminal.



# INDONESIA – GROWTH OPPORTUNITIES



With an underlying gas resource estimated by PT Lapi ITB of 7-9 TCF gas in place; there are many opportunities for expansion







## Philippines Projects:

- Pagbilao LNG Hub Terminal
- 650 MW Power Plant





# PAGBILAO: 650MW POWER PLANT & PHILIPPINES' 1ST LNG HUB TERMINAL



## Pagbilao Project

Energy World has constructed the first LNG Hub Terminal in the Philippines, which will act as a hub for onward distribution of LNG throughout the Philippines.

We are also developing a 650MW CCGT power plant at this site. Construction of the first 400MW is 80% complete





# PAGBILAO: THE PHILIPPINES' 1ST LNG HUB TERMINAL



130,000 m<sup>3</sup> LNG Hub Terminal is 90% completed

Deep water jetty is capable of handling all sizes of LNG vessels

Facility can handle a throughput of 3 mtpa of LNG with the 1st tank, which can support 3,000 MW of gas fired power generation

This will support our adjacent 650 MW combined cycle gas fired power plant, and provide expansion options for both EWC and third party gas clients

Hub Terminal to be run on a tolling model for third party clients



# PAGBILAO: 650 MW CCGT POWER PLANT

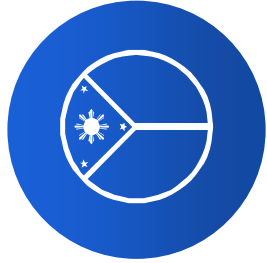


View from Switch Yard

- 650 MW Combined Cycle Gas Turbine Power Plant construction is substantially completed
- Project developed in stages:
  - Block 1 - 200 MW gas turbine (85% complete)
  - Block 2 - 200 MW gas turbine (80% complete)
  - Block 3 - 250 MW steam turbine (foundations complete, equipment ready for delivery)
  - Completion of Block 1 is targeted to coincide with the commercial operation of the New Pagbilao Substation. Block 2 and 3 within 6 months thereafter
- Plant will secure gas from EWC's adjacent LNG hub terminal
- Electricity will initially be sold into the Wholesale Electricity Spot Market (WESM)
- There is sufficient land at site to expand our power generation capacity to cater to forecast growth in Philippine demand



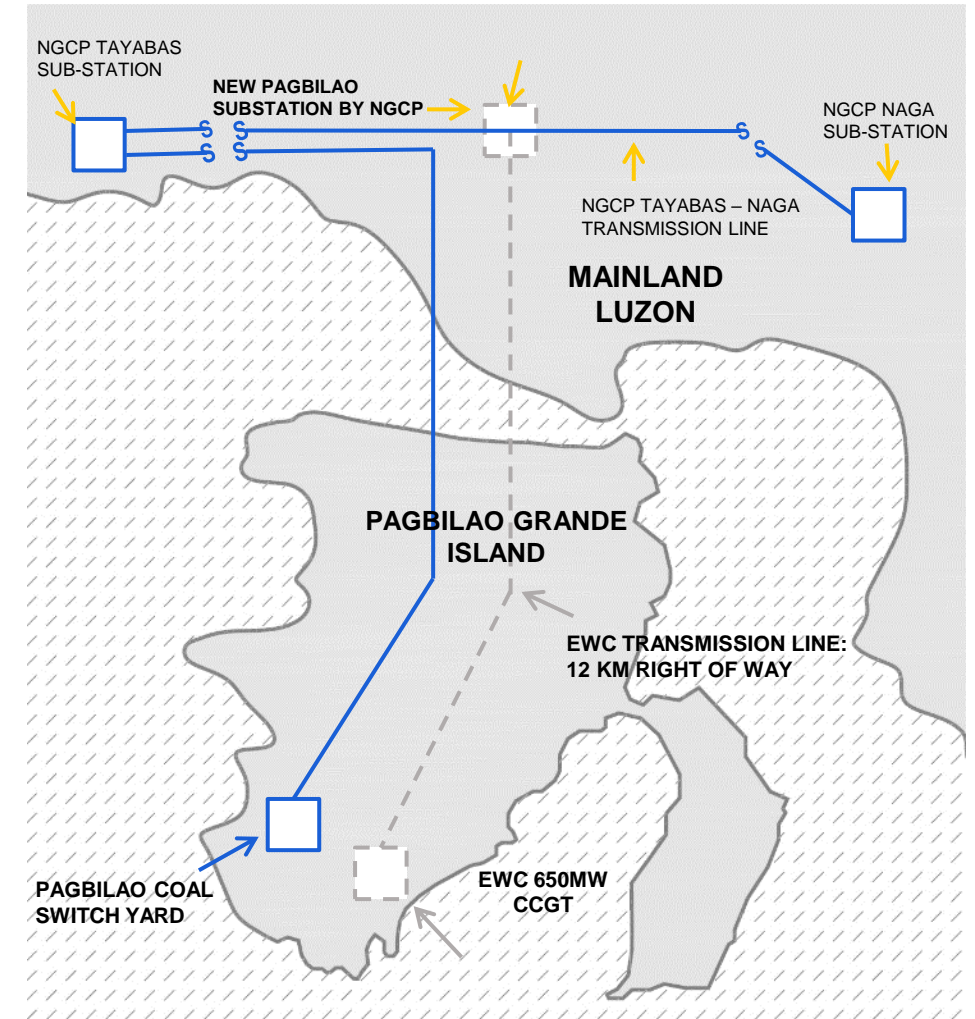
# THE FINAL LINK – CONNECTION AGREEMENT SECURED



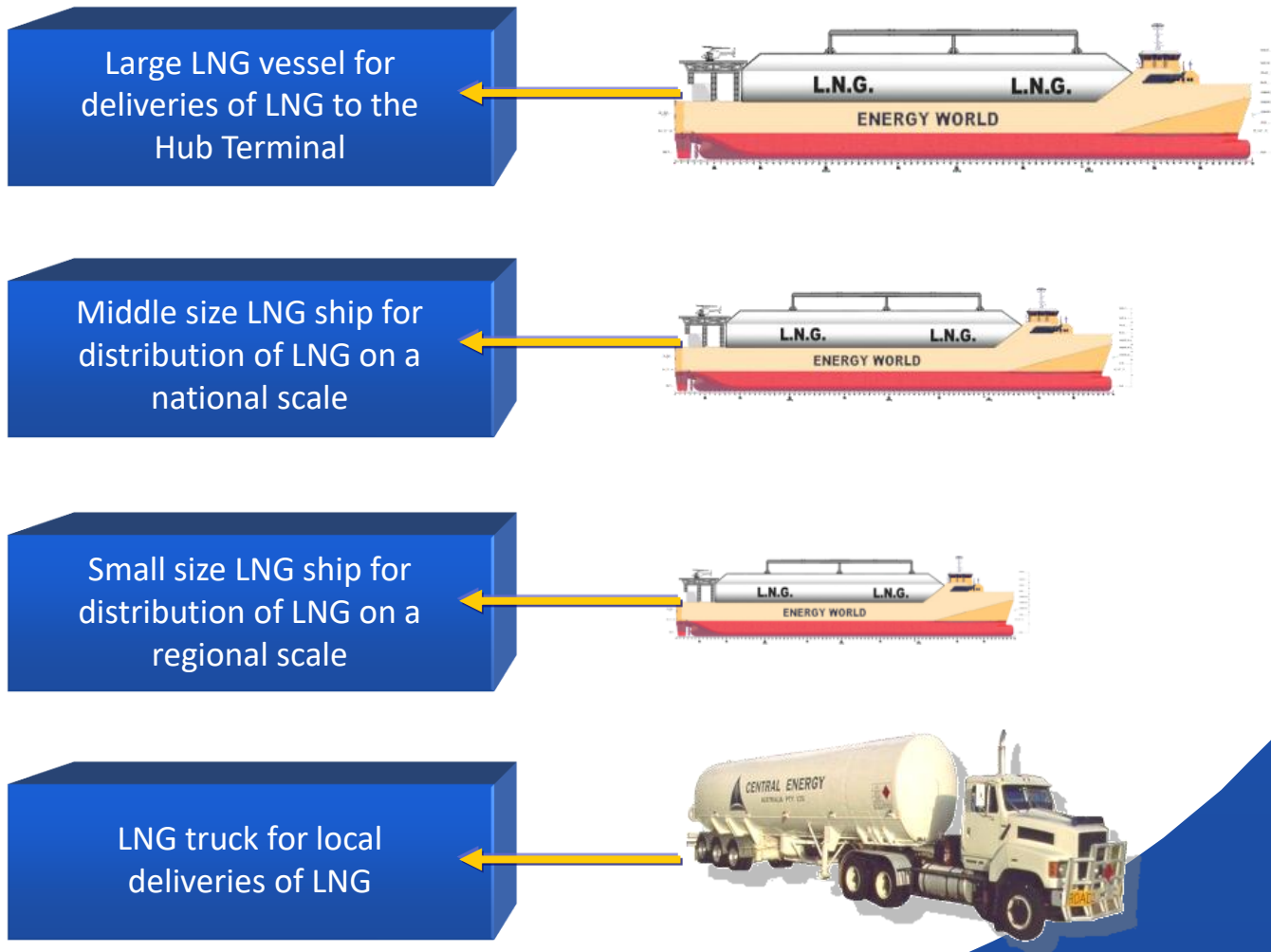
Main grid access is to be secured once the National Transmission Corporation (Transco) and National Grid Corporation of the Philippines (NGCP) complete construction of the new Pagbilao Sub Station. This is scheduled for completion and commercial operation between March and June 2022.



EWC has signed a connection agreement and is proceeding with the land purchases associated with the 12km Right of Way needed to construct transmission facilities and connect EWC's power station to the grid.



# LNG DISTRIBUTION: KEY LINK IN THE VALUE CHAIN



*Ocean Quest (pictured above), owned by our major shareholder EWI, will be used to ship LNG to the Hub Terminal*

The Pagbilao LNG Hub Terminal will provide multiple distribution options including pipelines, shipping and land transport solutions.

We foresee significant demand for LNG once it becomes available in the Philippines. EWC has received approaches and is in initial discussions with several provinces, islands and industry players wishing to secure LNG supplies.





# POLITICAL SUPPORT: PHILIPPINES DEPARTMENT OF ENERGY SITE VISIT

Pagbilao LNG Hub Terminal on 26 July 2017



(From Left  
to Right)

**Donato Marcos**  
Undersecretary  
of DOE

**Redentor Delola**  
Assistant  
Secretary of DOE

**Felix William**  
Fuentebella  
Undersecretary  
of DOE

**Stewart W.G. Elliott**  
Chairman, M.D. & C.E.O  
Energy World Group

**Alfonso Cusi**  
Secretary of  
DOE

**Admiral Lista**  
President of  
PNOC

**Brian Allen**  
Executive Director  
Energy World  
Group

**Jesus Posadas**  
Undersecretary  
of DOE

**Matthias Weber**  
Senior Sales Manager  
Siemens







## Australian Projects



## AUSTRALIA – FIELDS AND LNG FACILITIES



Australian domestic gas prices have increased significantly over the past few years.

EWC's 100%-owned gas fields have proven reserves and are connected by existing pipelines to the Australian market.

Importantly, they also have existing gas processing facilities connected to pipelines. These facilities are currently being brought back online.

In addition, we have previously commenced construction of a 56,000 TPA LNG facility utilising gas from petroleum lease PL65



# AUSTRALIAN PROJECTS



EWC has a 1/3 share of the Strike Energy (ASX: STX) operated PEL 96 in South Australia and 2% interest in the Santos (ASX: STO) operated Naccolwah JV.



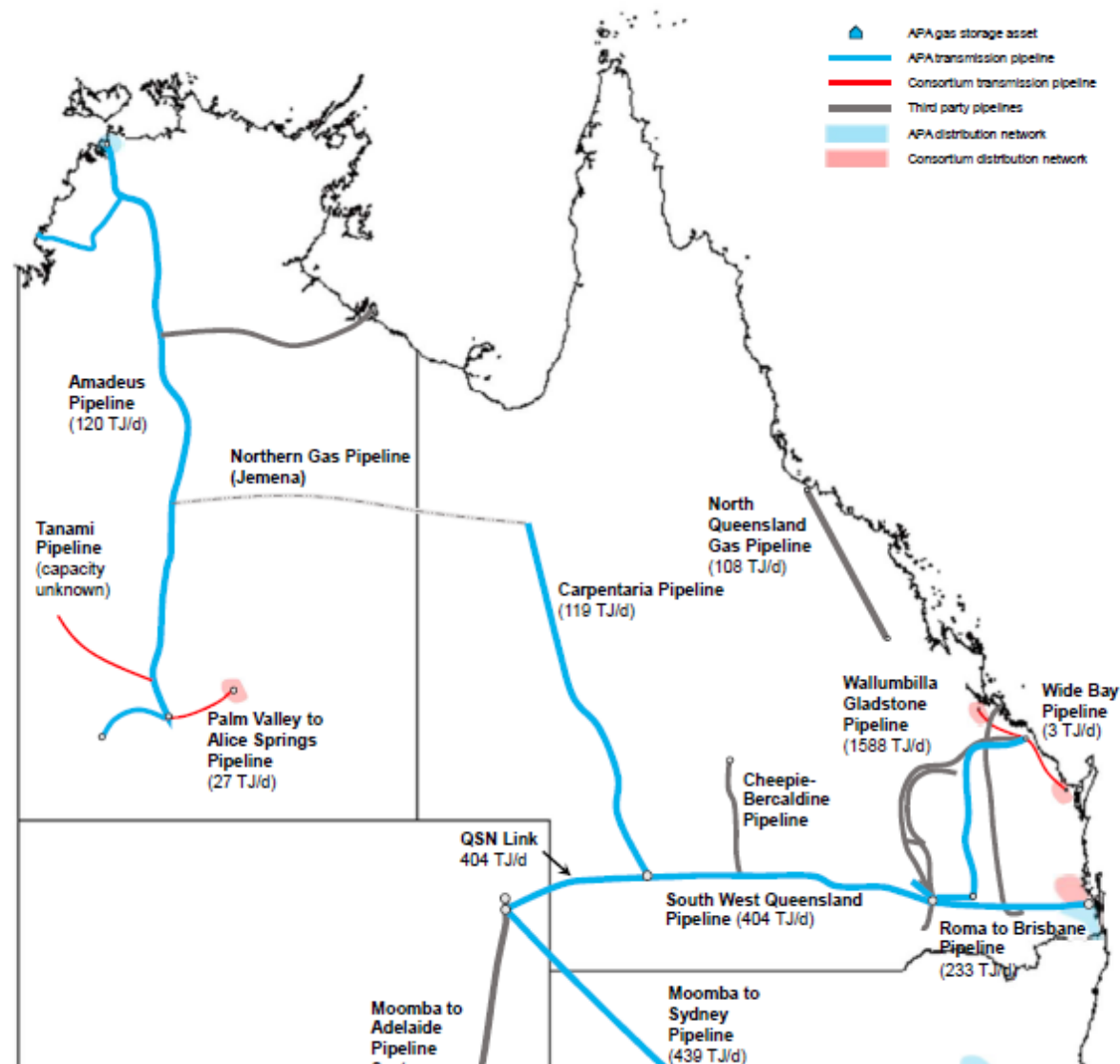
EWC's 100%-owned petroleum leases (PLs) 115, 116 and 117 are progressing through the approval process. Once approved, EWC will gain an extension of 7 years on each lease tenure.



PL 184 lease renewal and later development plan are due September 2021. This is in forward planning and will be submitted in coming months.



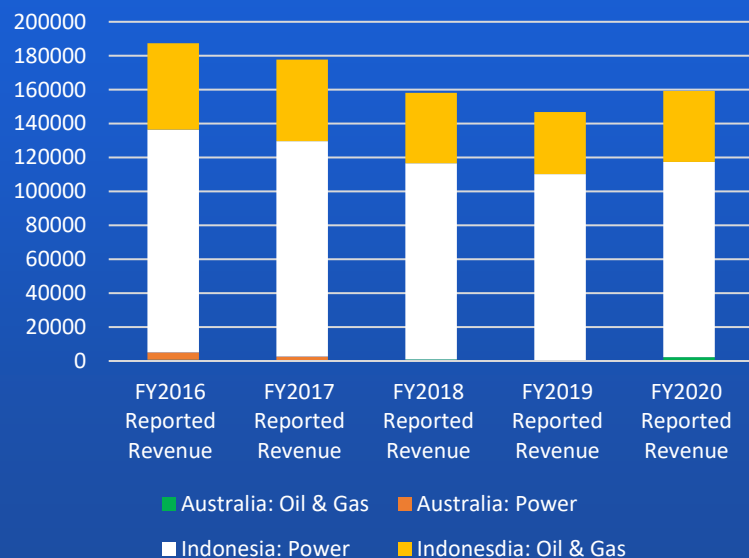
EWC achieved regulatory acceptance in February 2021 of its applications for PL1111-PL1114 (formerly PL1030-PL1033) and an additional application (Arima). We now await Department of Natural Resources, Mines and Energy (DNRME) approval in granting the 30-year leases, greatly increasing EWC's Australian acreage and production potential.



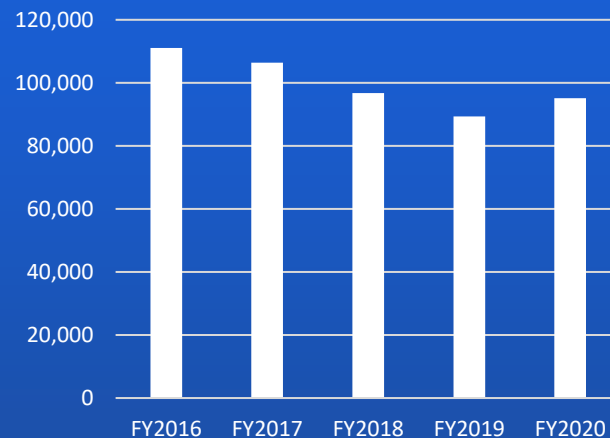


# FINANCIALS

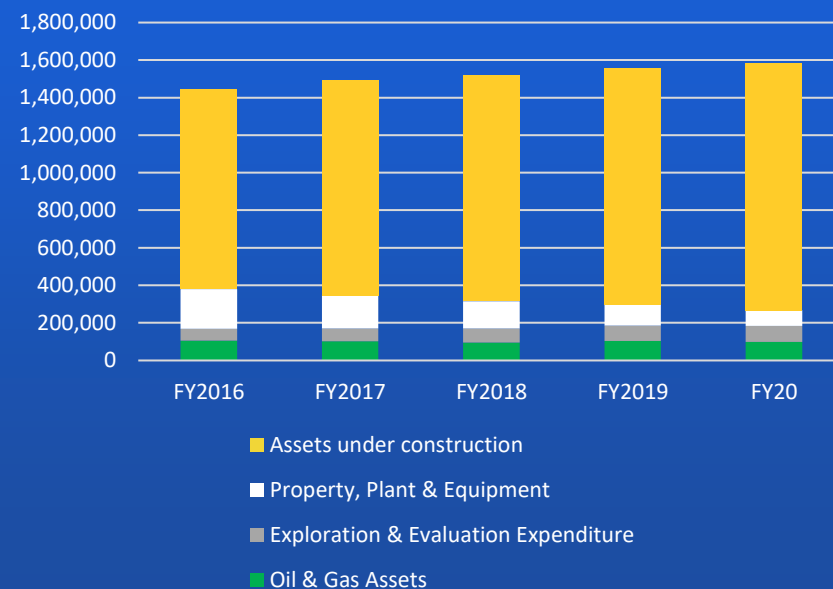
Revenue by Segment



Gross Profit (US\$ '000s)



Oil & Gas Assets, PP&E, Assets Under Construction and Exploration & Evaluation Assets



Substantial funding has been obtained by deferring payments to Slipform, a related party construction company

Current profitability is principally derived from the Sengkang power station

The Company's asset base has increased as a result of construction of the projects in the Philippines and Indonesia



## EXPERIENCED AND INVESTED MANAGEMENT



Mr. Elliott has built over 6,500 MW of electricity generating capacity in Asia. He was previously with the Hopewell Group, where Mr. Elliott was the MD who built and listed CEPA in Hong Kong and subsequently sold 80% to Southern Electric for US\$2.7b in 1997. Mr. Elliott then founded Energy World International in 2000 and took control of what is now known as Energy World Corporation in Australia. Mr. Elliott has pioneered the development of modular LNG and the Hub and Spoke concept to distribute LNG to developing countries.

Philippines Power Projects Developed by Stewart Elliott		
Location	Capacity (MW)	Contract Amount (USD)
Navotas - 1	200	\$150 Million
Navotas - 2	105	
Pagbilao Coal	735	\$930 Million
Sual	1200	\$1,300 Million
O & M Barges	270	
LNG Hub Terminal		\$300 Million
Power Plant	650	\$600 Million
<b>Total Amount:</b>	<b>3,170</b>	<b>\$3.28 Billion</b>



Mr. Stewart Elliott with President Ramos inspecting the Pagbilao Coal Fired Power Plant



# PORTFOLIO SUMMARY AND ROADMAP TO VALUE UPLIFT

	INDONESIA			PHILIPPINES	
	Gas	Power	LNG	LNG Hub	Power
Overview Status	<ul style="list-style-type: none"> <li>2P reserve: 203 BCF</li> <li>Gas in Place: 7-8 TCF</li> <li>PSC secured to 2042</li> </ul>	<ul style="list-style-type: none"> <li>350 MW capacity</li> </ul>	<ul style="list-style-type: none"> <li>4x500 ktpa modules = 2 mtpa</li> <li>80% complete</li> <li>\$340m invested</li> </ul>	<ul style="list-style-type: none"> <li>First of two 130,000 m<sup>3</sup> tanks is 90% complete</li> <li>~3 mtpa LNG capacity</li> <li>~ 3,000 MW power</li> <li>\$130m invested</li> </ul>	<ul style="list-style-type: none"> <li>Phase 1: 2x 200MW gas turbines ~80% complete</li> <li>250 MW steam turbine foundations ready for delivery</li> <li>\$355m invested</li> </ul>
Off-Take Status	<ul style="list-style-type: none"> <li>EWC's power plant</li> <li>Excess capacity to facilitate power expansions and LNG project</li> </ul>	<ul style="list-style-type: none"> <li>PPA with PLN, due for renewal Oct 2022</li> <li>Given importance to region, and that the gas field is secured to 2042, EWC expects it to be extended for a significant period</li> </ul>	<ul style="list-style-type: none"> <li>Earlier discussions with City Gas and regional industrials are expected to resume now that forestry issue is resolved</li> <li>Could potentially service LNG Hub</li> </ul>	<ul style="list-style-type: none"> <li>EWC's adjacent power plant</li> <li>Tolling to third parties</li> </ul>	<ul style="list-style-type: none"> <li>Spot prices into grid</li> </ul>
Next Steps		<ul style="list-style-type: none"> <li>Renew PPA</li> <li>Scope potential expansion for further 650 MW capacity</li> </ul>	<ul style="list-style-type: none"> <li>Complete engineering including internal membrane of tank (longest lead time)</li> <li>Renewal of permits, authorisations and gas allocation</li> <li>Restart discussions with lenders</li> <li>Revise LNG off-take agreements with PLN and industrial users</li> </ul>	<ul style="list-style-type: none"> <li>Install tank membrane and pumping</li> <li>Otherwise linked to delivery of power plant</li> </ul>	<ul style="list-style-type: none"> <li>Construct 12 km transmission line to connect to Grid</li> <li>Land required purchased and/or right of ways secured.</li> <li>NGCP must complete Substation. Key components manufactured on site and/or waiting for delivery</li> </ul>
Time to complete		<ul style="list-style-type: none"> <li>Plant is operational and primary driver of EWC's US\$73m EBITDA</li> </ul>	<ul style="list-style-type: none"> <li>12-24 months</li> </ul>	<ul style="list-style-type: none"> <li>In line with power plant</li> </ul>	<ul style="list-style-type: none"> <li>Substation March-June 2022</li> </ul>
Cost to Complete	Gas and Power operations in Indonesia are in operation and the primary source of the Company's revenue and EBITDA		<ul style="list-style-type: none"> <li>First 500KTPA: US\$35-50m</li> <li>Second 500KTPA: US\$2m</li> <li>Remaining 1MTPA: US\$8m</li> <li>Project finance</li> </ul>	<ul style="list-style-type: none"> <li>Stage 1: US\$10m</li> <li>Stage 2: US\$14m</li> <li>Project finance</li> </ul>	<ul style="list-style-type: none"> <li>Transmission Line: US\$7m</li> <li>Phase 1: US\$30m</li> <li>Steam: US\$80-100m</li> <li>Project finance</li> </ul>





# Delivering Clean and Green Energy to Asia Pacific

---

## Contact Us

For investor, partner and  
media enquiries, please contact:

+852 2528 0082



**ENERGY WORLD**  
CORPORATION

# Appendix: Risk Factors

This section sets out some of the key risks associated with:

- (a) the Company and its existing business; and
- (b) participation in the Entitlement Offer and share ownership.

The risks set out in this section are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Energy World.

Before investing in Energy World shares, you should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on Energy World (such as that available on the ASX website), and consult their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.

Nothing in this presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

## 1. Energy World risks

### *Economic conditions*

Energy World's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and exchange rates and government fiscal, monetary and regulatory policies. A prolonged deterioration in domestic or general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Energy World's financial and operating performance.

### *Loss of key personnel or skilled workers*

Energy World's board and management comprise its founders who are significant shareholders and debt holders and on whose experience the company strategy has been built. The Company is listed on the ASX and good quality external executives are available in the international market.

Energy World's ability to remain productive, profitable, and competitive and to implement planned growth initiatives depends on the continued employment and performance of senior executives and other key members of management. Energy World's performance also depends on its ability to attract and retain skilled workers with the relevant industry and technical experience.

There can be no assurance that Energy World will be able to attract and retain skilled and experienced employees and, should it lose any of its key management personnel or fail to attract qualified personnel, its business may be harmed, and its operational and financial performance could be adversely affected.

### *Competition in energy markets*

In the energy retailing market, electricity, gas, and LNG customers may change providers, which, in turn, can affect Energy World's future financial performance. High levels of competition can result in lower margins, customer account losses and increased costs of acquiring and maintaining customers, which can have an adverse impact on future financial performance. There are many power generators which compete for generation capacity and sources of fuel, and that activity impacts the cost of energy supply. Future generating technologies may also impact the electricity market.

### *Competition for sale and purchase of gas*

The potential discovery or commissioning of significant new gas resources could have a significant impact on the supply of gas and demand. This could result in changes in gas prices and therefore Energy World's future revenue and purchase costs could be impacted. LNG as a fuel source is becoming increasingly competitive.

### *Demand for energy*

The volume of electricity, gas and LNG the Company sells depends on each customers' energy usage. Reductions in energy demand from [price changes, consumer perception of energy affordability, operational closures across energy intensive industries, technological advancement, mandatory energy efficiency systems, weather] and other factors can impact Energy World's revenues and adversely affect Energy World's future performance.





# Risk Factors.....continued

## ***Construction and new production facilities***

Energy World is constructing two significant new projects. Construction and commissioning of any new facility is dependent on a number of contingencies, some of which are beyond the Company's control. These contingencies include but are not limited to:

- (a) obtaining all necessary licenses and permits;
- (b) accessing additional labour;
- (c) drilling programmes running over time and budget; and
- (d) securing the delivery of production machinery from third party manufacturers of the scale required in a cost and time effective manner.

Should significant unanticipated costs or delays arise, this could have a material adverse impact on Energy World's business, financial performance, and operations.

## ***Operational risk***

Energy World is subject to operational risks resulting from inadequate or failed internal processes, systems, policies or policies, in addition to potential hazards normally encountered with the involvement of large scale operating activities in oil and gas projects, power generation and LNG facilities. If these risks materialise, Energy World's operations could be disrupted which may have a material adverse effect on future financial performance and position.

Energy World is involved in large scale operating activities including oil and gas projects, power generation and LNG facilities throughout Australia and in the Asia Pacific. There is a risk that Energy World's operating equipment and facilities may not operate as intended and suffer outages or significant damage. This includes interruptions to any fuel supply required to operate the assets including gas, water and power which may negatively impact production. In addition, any failure or unavailability of third party infrastructure and providers such as transmission, distribution and pipeline infrastructure, could adversely impact the ability of Energy World to conduct business and production operations.

## ***Technological developments***

The energy industry is the subject of considerable research and development in respect of electricity generation technologies, delivery of energy and electricity to customers, management of energy usage throughout buildings and industrial sites and development of new business models that utilise technology. There is a risk that technological developments may result in Energy World's existing equipment and assets becoming redundant or may result in Energy World incurring customer losses. This could have an adverse impact on Energy World's equipment, assets, earnings and cash flows.

## ***Supply chain***

Energy World is a party to various supply agreements. There is a risk that goods or services under these agreements may not be delivered or supplied to in accordance with the specified contracted price, time or quality or in accordance with Energy World's [anti-bribery and corruption or health, safety and environmental requirements]. Changes to the supply chain both internally and externally may have an adverse impact on Energy World's financial prospects.

## ***Project delivery risk***

Energy World has several projects including gas, energy, electricity generation and operational systems. There is a risk that its projects could be subject to events outside Energy World's control, such as unforeseen weather events, natural disasters or regulatory intervention or other factors which are not within Energy World's control and which could result in the projects costing more than expected or not proceeding as planned including delays on completion. This could have an adverse impact on Energy World's future financial performance.



# Risk Factors.....continued

## ***Contractual risk***

Energy World's revenues are subject to underlying contracts associated with power, gas and LNG services with varying terms and conditions. There is a risk that these contracts may be cancelled or may not be renewed if there is a change in the market or if customers decide to reduce their levels of spending, potentially reducing their revenue. Moreover, the Company still needs to negotiate a number of contracts such as the LNG off take agreement which will need to be completed before revenue from projects can be earned. Energy World's power purchase agreement (**PPA**) is in Indonesia (Sengkang) and expires on 22 October 2021. This is the primary source of revenue of the Company. The Company has commenced negotiations to extend the PPA. The Company's gas supply contract has been extended to 2042.

If Energy World does not perform its obligations under a contract in accordance with the terms of the contract, there is a risk that the contract will be terminated. Any such performance issue may result in contract guarantees being relied upon by that entity's customers and could also adversely affect the reputation of Energy World in the marketplace, which could adversely impact its ability to secure new contracts.

In addition, certain of Energy World's contracts may be subject to termination for convenience by customers without cause.

## ***Reliance on Key Contracts***

Energy World's primary revenue is derived through a contract (PPA) with one party. Energy World is economically dependent on the revenue received from this contract. The Company is currently progressing expansion and development plans to mitigate this but no assurance can be made that these plans will mitigate the risk entirely.

## ***Litigation and disputes***

Energy World may become involved in litigation or disputes, which could adversely affect financial performance and reputation.

## ***Financing arrangement risk***

Energy World's financing arrangements may be impacted by the risks identified in this section and new sources of financing may be required.

Energy World will need to raise additional capital to complete its Projects. Energy World expects to be able to secure capital in the form of non-recourse project finance. Contact has been established with lenders however, negotiations are at early stage. A delay in funding could result in a delay in completion of any particular project which could have an adverse impact on the Company's financial prospects and operations.

## ***Foreign exchange risk***

Energy World is exposed to foreign exchange risk as fluctuations in the foreign exchange rate may affect the cost of running its overseas operations, price of capital equipment or materials.

Energy World reports in US dollars and Australian dollars. The Company's expenses are mainly in United States dollars or Australian dollars. Energy World sources capital goods internationally and costs are generally denominated in United States dollars. The Company is exposed to fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. These risks may affect Energy World's financial performance.

## ***Geopolitical risk***

Given Energy World's global footprint, with projects in the Philippines, Indonesia and Australia, geopolitical risk can affect Energy World through various channels, including commodity prices, capital flows, macroeconomics indicators and general confidence and sentiment, among others.





# Risk Factors.....continued

## ***Commodity risk***

The price that Energy World achieves and/or may achieve for its products and services may be impacted by global commodity prices. Historically, commodity prices have fluctuated and are affected by numerous factors beyond the Company's control, including global demand and supply, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, the cost of freight, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the long term, may adversely impact the returns from the Company's investments. International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Sustained downward movements in oil and gas prices could render less economic, or wholly uneconomic, some or all of the exploration and the existing, and potential future, oil production related activities to be undertaken in respect of those assets in which the Company has an interest. Any material decline in oil and gas prices could result in a reduction of the Company's net production revenue and overall value. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes produced from the Company's assets. All of these factors could result in a material decrease in the Company's net production revenue causing a reduction in its acquisition and development activities. A substantial material decline in prices from historical average prices could also reduce the Company's ability to borrow future funds.

## ***Financing risk***

Energy World is exposed to financing risk in relation to obtaining sufficient capital to fund its current and future projects. There may be situations where Energy World is unable to maintain its current credit rating due to changes in its operating or business performance, changes in capital structures, changes in market conditions or through other strategic decisions. This may impact on Energy World's access to debt funding and its ability to fund growth and operational plans which may have an adverse effect on its financial prospects and its business.

## ***Environmental risk***

Energy World's operations are subject to a number of environmental laws and regulations. The complexity, scale and geographical location of Energy World's projects and operations, including energy and LNG exploration and production give rise to a range of environmental risks including carbon emissions, water and brine management, waste management, environmental contamination and biodiversity risks. These risks have the potential to harm the environment, increase operating costs and pose regulatory risks such as the loss of operating licences which in turn, may incur monetary damages, suspension of operations and damage to Energy World's reputation. The Company's current and future operations may also become subject to additional regulatory requirements beyond those currently applicable, such as more stringent environmental or other licensing and reporting obligations, which would increase the costs and resources associated with regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's revenues. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices, and the imposition of a pecuniary penalty or even withdrawal of operating permissions. This could lead to significant damage to the Company's reputation or ability to operate, and consequently an adverse impact on its business and financial performance. As environmental laws and regulations become more complex and stringent, Energy World's environmental management plans and/or programmes and other environmental licences may be the subject of increasingly strict interpretation or enforcement or become more comprehensive and could result in increased capital or operating expenditure or financial or other penalties and/or the suspension or loss of its production rights. The occurrence of any of these risks could have a material adverse effect on the Company's business, financial condition and operations.

## ***Investment in emerging markets***

The Indonesian and Philippines markets are vulnerable to market downturns, currency fluctuation and economic slowdowns elsewhere in the world, and, generally, investing in emerging markets such as Indonesia and the Philippines involves greater risk than investing in more developed markets, including in some cases significant legal, economic and political risks. Emerging markets such as Indonesia and the Philippines are subject to rapid change. Global financial or economic crises in any large emerging market country tend to adversely affect prices in equity markets of most or all emerging market countries as investors move their money to more stable, developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Indonesia and the Philippines and adversely affect the economy. In addition, during such times, businesses that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn.



# Risk Factors.....continued

## ***Social risk***

Energy World's projects and operations interact with a range of community stakeholders who have an interest in the impacts of Energy World's activities and the manner in which economic benefits are shared from such activities. These interactions pose a number of social risks including land access, reduced community support and opposing public perception of Energy World and the industries in which it operates. These risks have the potential to have an adverse impact on Energy World's reputation and increase operating costs including from the costs of complying with changes in laws and regulations.

## ***Regulatory risk***

Energy World's operations are subject to governmental regulation, approvals and licensing including native title, competition, employment, environmental and safety laws which may change in ways that could have a material adverse effect on Energy World's business and financial performance. The business is subject, in each of the countries in which it operates, to various national, regional and local laws, regulations and approvals relating to its current and future operations.

Energy World has projects outside Australia, including in developing countries such as Indonesia and the Phillipines, which are subject to various risks inherent in developing markets with evolving legal, regulatory and political systems and where the geopolitical climates are changing. These risks may affect Energy World's exploration activities and its operation of projects in such countries and may include, among other things, loss of revenue, property and equipment as a result of certain hazards such as expropriation, war, insurrection, acts of terrorism and other political risks, increases in taxes and governmental royalties, forced renegotiation of contracts with governmental entities, changes in laws and policies governing operations of foreign-based companies, trade sanctions, currency restrictions and exchange rate fluctuations which could have a material adverse effect on its business and financial performance.

## ***Taxation***

Changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted, may impact the tax liabilities of Energy World. In addition, the ability of Energy World to obtain the benefit of any tax losses and claim other beneficial tax attributes will depend on future circumstances and may be adversely affected by changes in ownership, business activities, levels of taxable income and any other conditions relating to the use of the tax losses or other attributes.

## ***Cyber risk***

The failure of Energy World's information technology systems and / or security could result in financial loss, disruption or damage to the reputation of the business.

## ***Change in accounting or financial reporting standards***

Changes in accounting or financial reporting standards may adversely impact the reported financial performance of Energy World.

## ***COVID-19 risk***

The COVID-19 pandemic continues to pose a risk to Energy World. Energy World has implemented all of the necessary and suggested recommendations of the national and local governments in all areas where it is working to ensure the safety of its personnel and to ensure compliance with government directives. However, it is possible that Energy World will be required to implement further measures to manage COVID-19. These measures have the potential to disrupt or delay Energy World's operations and business and could require a total shut down of operations for a period of time. Any such measure implemented by Energy World could increase operating costs, impact revenue and/or effect the profits of the Company.



# Risk Factors.....continued

## 2. Risks relating to the Entitlement Offer and share ownership

### *Trading price of Energy World shares*

There are risks associated with any share market investment. It is important to recognise that share prices and dividends might rise or fall. Factors affecting the operating and financial performance of Energy World and the ASX trading price of Energy World shares include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and inflation rates, the announcement of new technologies, fluctuations in commodity prices and variations in general market conditions and / or market conditions which are specific to a particular industry.

Furthermore, share prices of many companies are affected by factors which might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of Energy World shares.

No assurances can be given that the new shares will trade at or above the Offer price. Neither Energy World, its directors nor any other person guarantees the market performance of the new shares.

### *Underwriting and sub-underwriting risk*

Energy World has entered into an underwriting agreement under which the Underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between the parties. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the underwriting agreement. Termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Entitlement Offer. If the underwriting agreement is terminated, Energy World would need to find alternative funding, which could materially adversely affect Energy World's business, cash flow, financial condition and results of operations.

Energy World has also entered into a sub-underwriting agreement under which the Sub-Underwriter has agreed to fully sub-underwrite the Entitlement Offer, subject to the terms and conditions of the sub-underwriting agreement between the parties.

### *Risk of dilution*

You should also note that if you do not take up all of your entitlement under the Entitlement Offer, then your percentage security holding in Energy World will be diluted by not participating to the full extent in the Entitlement Offer.





# DISCLAIMER

## NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OF AMERICA

This investor presentation (Presentation) has been prepared by Energy World Corporation Ltd (Energy World or the Company). This Presentation has been prepared in relation to a non-renounceable entitlement offer of new fully paid ordinary shares (Shares) in Energy World (Rights Offer). The Rights Offer is to be made under section 708AA of the Corporations Act 2001 (Cth) (Corporations Act). The Rights Offer will be made to eligible shareholders of Energy World.

This Presentation contains summary information about Energy World and its activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Energy World or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

This Presentation should be read in conjunction with Energy World's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au). Certain information in this presentation has been sourced from persons other than Energy World. While steps have been taken to review that information, Energy World, the Underwriter (Gleneagle Securities (Aust) Pty Limited ABN 58 136 930 526 (AFSL 337 985)), and their affiliates are not in a position to warrant its accuracy.

This Presentation is not an offer or an invitation to acquire securities or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation.

The Rights Offer will be made on the basis of the information to be contained in the offer booklet to be prepared for eligible shareholders in Australia, New Zealand, Hong Kong, Singapore and the British Virgin Islands (BVI) (Offer Booklet), and made available following its lodgment with ASX. Any eligible shareholder in Australia, New Zealand, Hong Kong, Singapore and BVI who wishes to participate in the Rights Offer should consider the Offer Booklet in deciding to apply under that offer. Anyone who wishes to apply for Shares under the Rights Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the entitlement and application form.

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire entitlements or Shares and does not and will not form any part of any contract for the acquisition of entitlements or Shares. Each recipient of the Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Energy World and the impact that different future outcomes might have on Energy World. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Energy World is not licensed to provide financial product advice in respect of the Shares. Cooling off rights do not apply to the acquisition of Shares.

This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and the Shares may not be offered or sold, directly or indirectly, in the United States or to persons that are acting for the account or benefit of persons in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.



# Important Notice

## Shares are being offered and sold as part of the Capital Raising only to:

- a) sophisticated investors, experienced investors or professional investors (as those terms are defined in sections 708(8), (10) and (11) of the Corporations Act 2001 (Cth) ("Corporations Act")) in Australia; and
- b) certain institutional investors in countries listed in, and to the extent permitted under, the international selling restrictions set out in the investor presentation (those countries being: New Zealand, Hong Kong, Singapore and the United Kingdom), in each case, that are outside the United States and that are not acting for the account or benefit of a person in the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S

## Eligible Purchasers

- 1) **Australia:** Subscribers must be (i) "sophisticated investors" pursuant to section 708(8) of the Corporations Act (ii) "professional investors" pursuant to section 708(11) of the Corporations Act or (iii) experienced investors pursuant to section 708(10) of the Corporations Act.
- 2) **New Zealand:** Subscribers must be a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the FMC Act), (i) meets the investment activity criteria specified in clause 37 of Schedule 1 of the FMC Act (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.
- 3) **Hong Kong:** Subscribers must be "professional investors" as defined under the Securities and Futures Eligible Purchasers Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.
- 4) **Singapore:** Subscribers must be (i) an existing holder of the Issuer's shares (ii) "institutional investors" or (iii) "accredited investor" as such terms are defined in the Securities and Futures Act of Singapore.
- 5) **United States:** Subscribers must not be in the United States and must be purchasing the Shares in an "Offshore Transaction" (as defined in Rule 902(h) under the U.S. Securities Act of 1933).

**This document has been provided to you on the basis that you are an Eligible Purchaser. If that is not the case, you must immediately return this document**

