

Drilling of New Production Wells Commences

Highlights

- ✓ Next phase of QPME's production growth strategy commences.
- ✓ Drilling rig on location ready to spud TB118V1 - the first well of a 7 well Teviot Brook South program.
- ✓ The Teviot Brook South wells are located in a highly productive area of the MGP field.
- ✓ QPME's existing well workover program continues to add production.
- ✓ Both the Teviot Brook South and well workover programs funded under the Dyno Nobel Development Funding Facility.



Figure: Lucas Rig DRS 118 on location at TB118V1

Queensland Pacific Metals Ltd (ASX:QPM) ("QPM" or "the Company") is pleased to announce the commencement of the next phase of the Company's production growth strategy with a drilling rig on location to spud the first well of a 7 well Teviot Brook South program.

Teviot Brook South Well Program

The Company will drill and complete 7 new Surface to Inseam (“SIS”) well pairs in the Teviot Brook South area of PL191. Each well consists of a vertical production well that is paired with a lateral well drilled in the Goonyella Middle Seam to intersect the vertical well. The in-seam laterals will average about 1,000m of exposure to the coal seam.

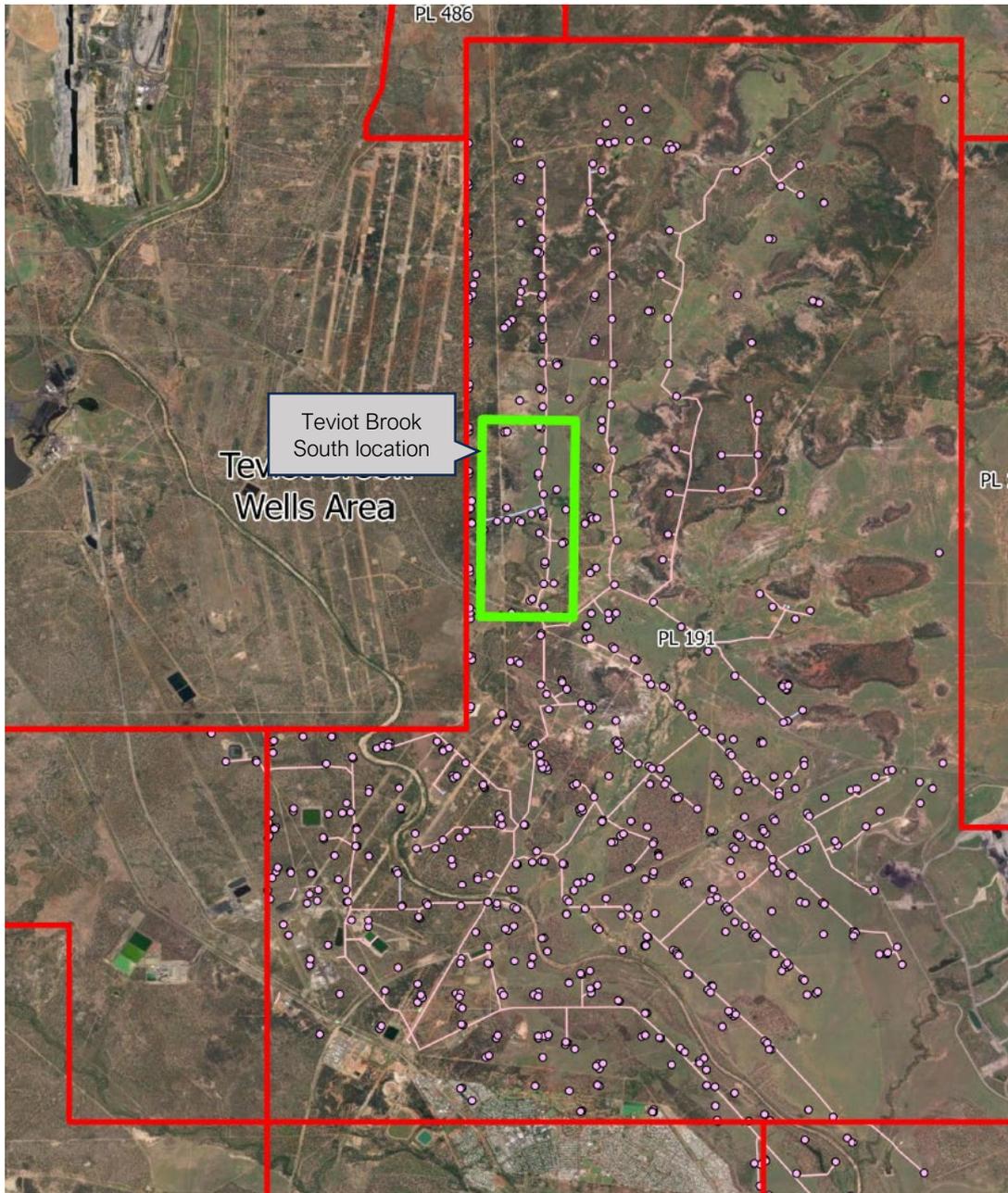


Figure: Teviot Brook South program location (pink dots are wells)

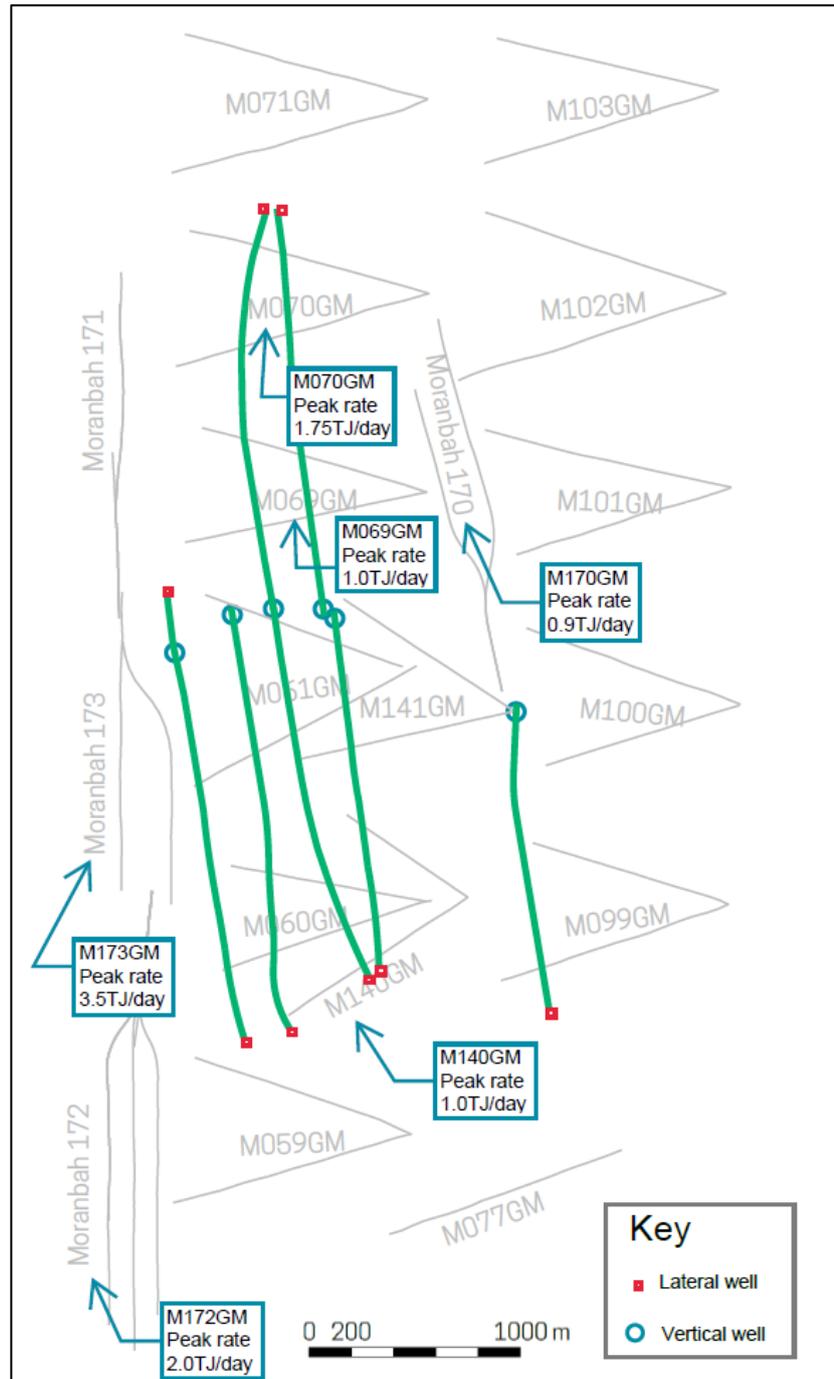


Figure: Teviot Brook South well trajectories and adjacent well peak flow rates

The location for this program has been selected in a highly productive area of the MGP field. Historical performance of offset wells adjacent to the proposed new well locations is shown in the figure above.

The program schedule includes drilling all the vertical wells by the end of June and then the lateral wells from July to September. The wells will be completed (with pumps and surface equipment installed), commissioned and brought online progressively during the December quarter. The typical production profile for these wells features a build in gas production to a peak rate and then the well transitions to a decline phase with a long production tail. There are many wells across the MGP field that have been in production for over 15 years with stable production rates.

Well Workover Program Update

Over the last 6 months QPME has been progressively working over wells across the field that were either offline or suspended to return them to production. Typically, wells stop producing due to pump failures, tubing leaks or other downhole blockages. The workover program is designed to replace and repair the equipment required to bring the well back online.

At completion of the acquisition in September 2023 there were 96 producing wells across the field. QPME's workover program has, so far, returned 22 wells to production increasing the producing well count to 118 wells.

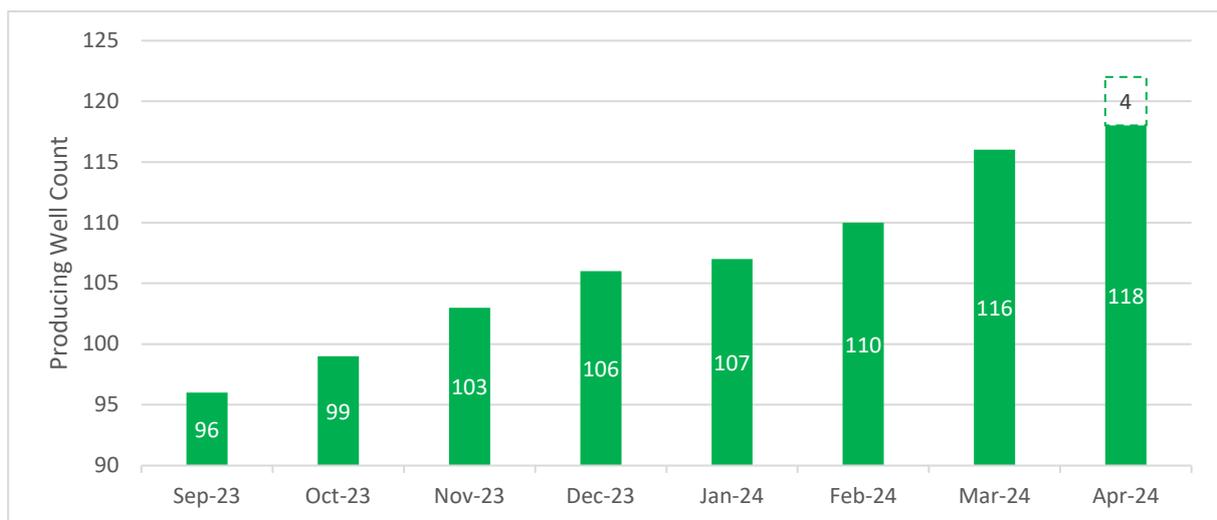


Figure: MGP Producing Well Count

This program has proven to be very successful with 3TJ/day of incremental production added to date amounting to 300TJ of cumulative production.

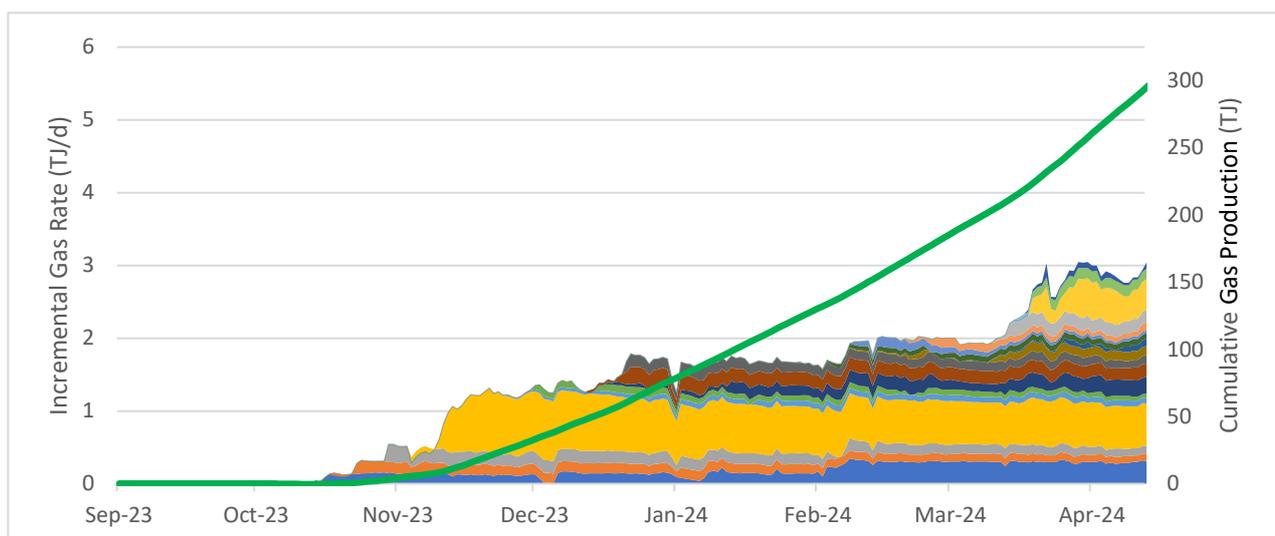


Figure: MGP workover well incremental production (LHS TJ/day) and cumulative production (RHS TJ)

QPME currently has two workover rigs operating in the field and expects to have 130 wells in production by the end of May.

Dyno Nobel Development Funding Facility ("DFF")

The Teviot Brook South and well workover programs are being funded under the Dyno Nobel DFF. Dyno Nobel provided the DFF to QPM Energy to fund the capital costs associated with increasing gas production. The DFF has an initial aggregate limit of \$80m with an ability to increase to \$120m, if required. This facility is repaid by the delivery of gas over the term of QPM Energy's gas supply agreement with Dyno Nobel. (refer to ASX announcement 17 May 2023).

The total cost of these two programs is estimated at approximately \$27.5m.

QPM CEO David Wrench commented,

"The Teviot Brook South program will be the first new owner-drilled wells for the Moranbah Project in many years. We are excited at the increase in production these wells will deliver, which will provide a significant step change in the business for QPM Energy."

This announcement has been authorised for release by the Board.



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