

Positive Progress on New Gas Production Wells

Highlights

- ✓ Drilling program on schedule with drilling of all vertical and 5 of the proposed 7 lateral wells completed. Over 8,800m of in seam drilling has been successfully completed so far.
- ✓ 2 wells in production with 3 wells to be completed and commissioned by the end of October.
- ✓ Very encouraging early gas flows from the 1st two wells within days of commencement of pumping operations.
- ✓ Drilling program has been 100% funded under Dyno Nobel Development Funding Facility. In addition, QPME and Incitec Pivot Limited ("IPL") have amended their existing Corporate Guarantee Facility Agreement to allow QPME the flexibility to directly fund the fixed charges under the existing North Queensland Gas Pipeline ("NQGP") and Townsville Power Station ("TPS") contracts.



Figure: GM181, 1st producing well of the 7 well program

QPM's Chief Executive Officer David Wrench commented,

"We're excited at the progress we have achieved to date for our maiden production well drilling campaign. The encouraging early gas flows from the first two wells and positive production growth trends we have seen to date are very pleasing.

Furthermore, we also appreciate the continued support of IPL who have funded this drilling program and agreed to an amendment to our Corporate Guarantee Facility to directly fund the fixed charges under the existing NQGP and TPS contracts and support QPM's financial capacity over the term of the agreement."

Queensland Pacific Metals Ltd (**ASX:QPM**) (“**QPM**” or “the **Company**”) and its wholly owned subsidiary QPM Energy (“**QPME**”) are pleased to provide an update on its 7 production well drilling program, located at Teviot Brook South.

Drilling Program Update

Well Status

The drilling program consists of 7 new Surface to Inseam (“**SIS**”) well pairs located in the Teviot Brook South region of PL191. The SIS wells are targeting the Goonyella Middle Seam.

The program is on schedule to be completed by November. Currently, the drilling of all vertical wells and 5 of the lateral wells has been completed with the drill rig currently on location drilling the 6th lateral (TB121L1). This is shown in the table below:

Well ID	Vertical	Lateral(s)	Status
GM181	118V1	118L1	Producing – 52 days on pump
GM182	118V2	118L2	Drilling complete
GM191	119V1	119L1, 119L4	Drilling complete
GM192	119V2	119L2	Producing – 14 days on pump
GM193	119V3	119L3	Vertical drilled
M141	M141GM	121L1	Vertical drilled – lateral currently drilling

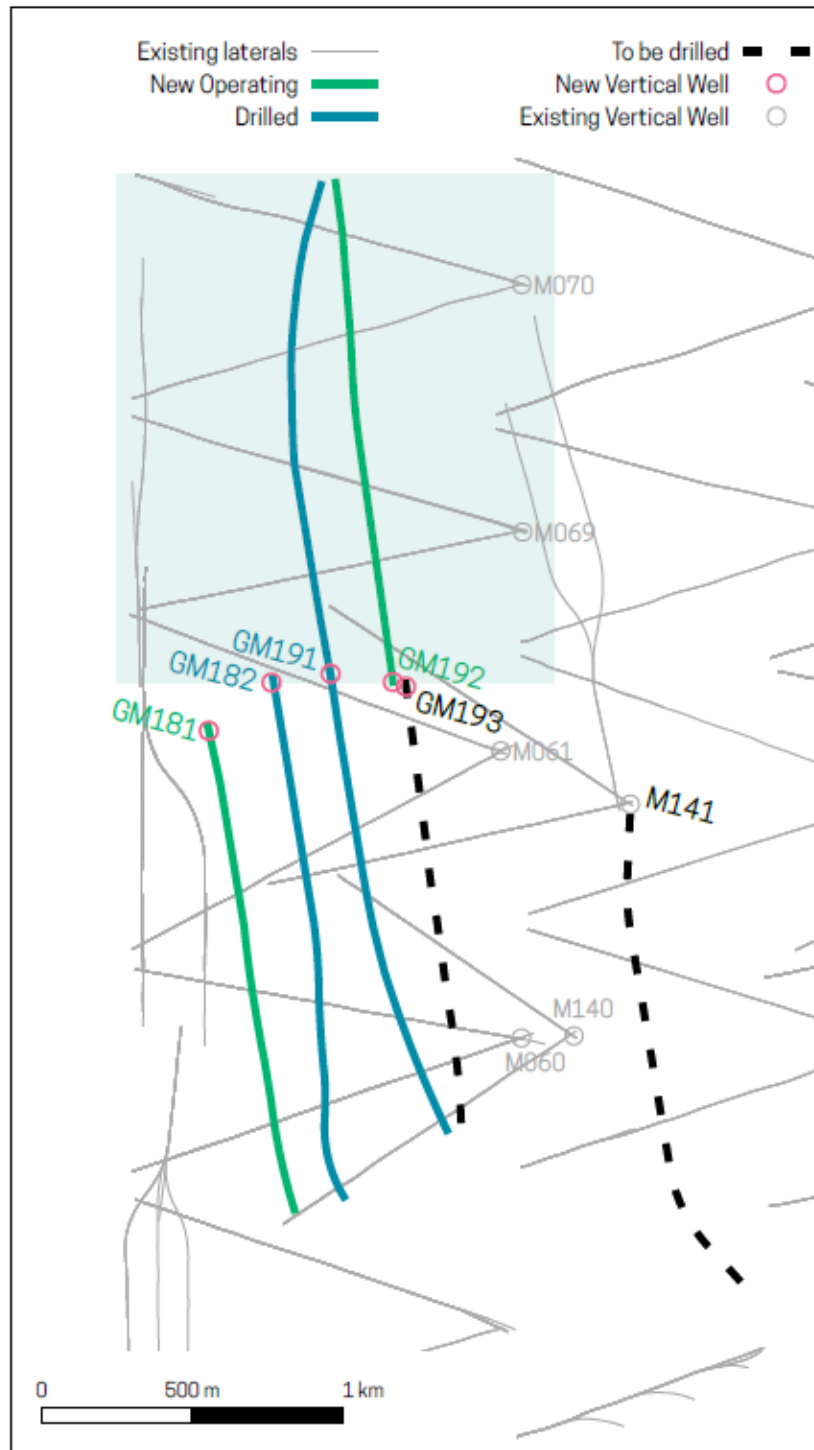


Figure: Teviot Brook South wells and status of drilling

The above map shows the location of the new Teviot Brook wells. The highlighted area shows the GM191 / M069 / M070 well group.

Production Update

Both GM181 and GM191 began flowing gas within days of commencement of water pumping operations and are showing encouraging gas flow and pressure trends. There has also been clear evidence of communication between the newly drilled laterals and existing wells. In particular, within the first week of

production from GM191, production from existing wells intersected by the GM191 lateral – M069 and M070 – increased. The chart below shows production from each of the two new wells plus the aggregate production increase from the GM191 / M069 / M070 well group.

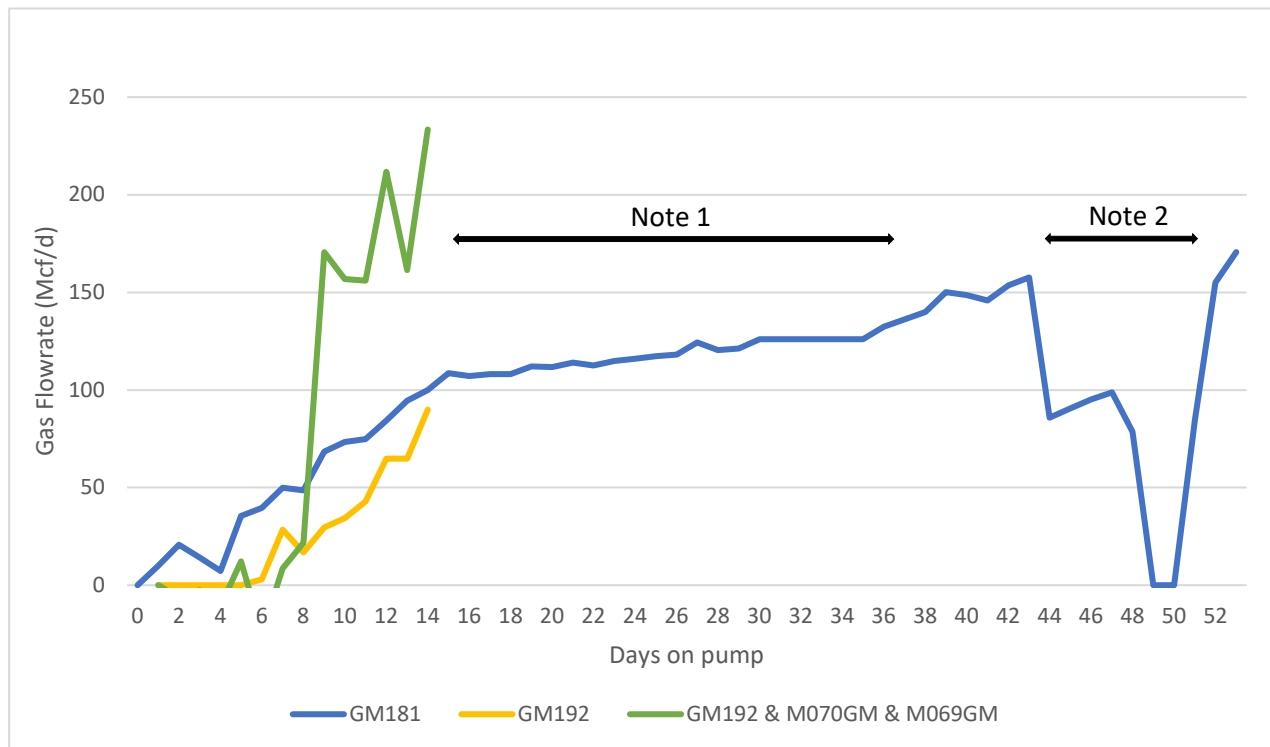


Figure: Gas Production from new Teviot Brook Wells

Note 1: GM181 ramp up slowed down to limit coal fine production.

Note 2: GM181 Downhole pressure sensor failed and was replaced.

These early results are encouraging as they indicate that the new wells are accessing undrained areas of the field and are in communication with existing production wells creating a large subsurface drainage network.

Funding Update

The drilling program is fully funded under the \$80m Development Funding Facility provided by Dyno Nobel.

To facilitate the acquisition of the MGP and associated novation of key contracts relating to the NQGP and TPS, IPL provided QPME with a Corporate Guarantee Facility (see ASX announcement 17 May 2023). QPME and IPL have amended this facility to allow QPME the flexibility to fund up to \$30m of fixed charges relating to the existing NQGP and TPS contracts. Any funds provided under this facility will be repaid over an extended period post 1 April 2026.

QPME recently announced newly agreed commercial terms for the NQGP and TPS which will come into effect around 1 July 2025 and will significantly improve MGP's operating performance.

This announcement has been authorised for release by the Board.



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