



Moranbah Power Station Acquisition

Highlights

- ✓ QPM has entered into an operating agreement with Carbon Logica Pty Ltd (“CL”) in relation to the Moranbah Power Station (“MPS”), which will be acquired from Sustainable Energy Infrastructure (“SEI”) (the “Transaction”):
 - QPM to have full operating and electricity dispatch rights for MPS including the capacity to purchase electricity directly from the grid during periods of low and negative market prices; and
 - QPM will have the option to acquire the MPS at the conclusion of the operating agreement.
- ✓ QPM will benefit from:
 - An immediate reduction in field electricity costs of >\$500k/month (~5% of monthly operating costs);
 - Increased electricity revenue through dispatch of excess electricity generation to the grid; and
 - Being able to use increased quantities of waste coal mine gas as fuel for MPS; and
 - Delivering the first step towards QPM’s goal of developing a significant electricity generation portfolio in Moranbah.

QPM Energy Limited (ASX:QPM) (“QPM” or “the Company”) is pleased to announce that it has entered into agreements to utilise the 12.8MW Moranbah Power Station, which is co-located and directly connected to the Moranbah Gas Project’s (“MGP”) gas gathering network to generate electricity.

QPM’s Chief Executive Officer David Wrench commented,

“The Transaction associated with the Moranbah Power Station delivers us immediate operating cost savings and additional electricity revenue. We are pleased to have partnered with Carbon Logica and look forward to expanding our carbon abatement projects.”

QPM continues to make great progress in delivering on the potential of the Moranbah Gas Project. The MPS acquisition is a significant stepping stone towards our stated aim of developing a significant portfolio of electricity generation assets in Moranbah.

12.8MW Moranbah Power Station



Image: Moranbah Power Station

The MPS consists of eight 1.6MW reciprocating gas engines with a total generation capacity of 12.8MW. The MPS is configured to supply the MPG load directly and has a grid connection allowing it to export up to 12MW. The MGP gas gathering network is directly connected to the MPS and supplies up to 3.2TJ/day when the power station is operating at full load.

Under existing legacy commercial contracts the MGP buys ~3MW of electricity from SEI to power the gas field. QPM can elect to supply gas to the MPS to reduce overall electricity costs.

Following completion of the Transaction, QPM will have operational and dispatch control of the MPS including the capability to buy electricity directly from the grid at the National Electricity Market (“NEM”) spot price. This gives QPM the flexibility to buy electricity at low to negative pricing during the day and generate electricity for self-consumption and export at other times. As such, the MPS has the ability to deliver both increased revenue and reduced operating costs for QPM as the existing legacy contracts with SEI will be terminated.

Revenue	<ul style="list-style-type: none"> • 12.8MW generation including the ability to export ~12MW to the NEM grid. • QPM earns 100% of the revenue from electricity generated and exported to the grid.
Operating Costs	<ul style="list-style-type: none"> • Significant electricity cost savings of >\$500k/month (~5% overall reduction) through direct access to NEM pricing and optimisation of MPS generation profile. • Pathway to use waste coal mine gas as a low cost fuel source.

Carbon Logica Funding Agreement

CL is a private company which provides carbon abatement services to the mining industry having recently developed Stage 1 of the Ironbark power station located near Moranbah. CL is owned by Xcoal and LMS Energy and is investing in infrastructure to support emissions reduction within the resource sector. With aligned interests in the Northern Bowen Basin, QPM and CL entered into a MOU for a Strategic Partnership in February 2023 (see ASX announcement 21 February 2023).

CL will acquire the MPS from SEI and lease it to QPM. Upon making all necessary payments, ownership of the MPS will transfer to QPM at the end of the agreement term. Key terms are listed in the table below:

Agreement Term	4 years
Payments to CL	Approximately \$10.5m over a 4 year period. Upon making all the payments, ownership of the MPS will transfer to QPM.
Operating Rights	All electricity generation to QPM's benefit. Operations and maintenance is the responsibility of QPM.

Completion of the Transaction is anticipated to occur on 31 December 2024 following satisfaction of relevant conditions precedent including signing of a lease over the MPS site.

This announcement has been authorised for release by the Board.



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